

OFFICIAL MINUTES
COMMISSION MEETING OF THE CITY OF BRUNSWICK, GEORGIA
RESCHEDULED REGULAR MEETING
8:30 A. M., December 7, 1992

PRESENT: His Honor Mayor Homer L. Wilson, Commissioners Otis Herrington, Roosevelt Lawrence, Doris A. Davis and Rev. G. E. Darrisaw.

INVOCATION: Commissioner Rev. G. E. Darrisaw gave the invocation.

APPROVAL OF MINUTES

Commissioner Darrisaw moved that the minutes of the meeting of November 18, 1992 be approved. Motion was seconded by Commissioner Lawrence and was unanimously carried.

GLYNN COUNTY BOARD OF HEALTH APPOINTMENT

Mayor Wilson deferred the appointment to the Glynn County Board of Health.

DELEGATIONS

David White, representing Concerned Citizens for the Coalition for Growth appeared before the Commission to request funding of \$200.00 for the Martin Luther King, Jr. March in January and the use of the City's Intercom System. A discussion was led by Commissioner Lawrence asking how much the City contributed to the March last year. The City Manager reported that funds were contributed to the breakfast last year and not the march. Commissioner Darrisaw suggested that the Commission discuss the matter in another meeting. Commissioner Herrington suggested that a one-time donation be made to both events. Commissioner Lawrence recommended that the Commission deliberate before making a decision. Commissioner Darrisaw moved to discuss the matter at a work session. Motion was seconded by Commissioner Herrington and was unanimously carried.

Attorney Ed Liles, representing the Brunswick Library was present to request \$2,000 in additional funds for the operation of Library. Mr. Liles gave a capsule view of the

financial status of the library. Attorney Liles explained that the Library's staff has been reduced and employees have not received a pay increase in three years. The electric bill has also increased by eight percent. He next requested that the City reduce the library's water bill if the City is not able to contribute the additional funding. Mayor Wilson asked if the City reduce the water bill would there be any prohibition on behalf of the bonding company. The City Attorney stated that everyone in the City should be billed for water services. The City Manager pointed out that Palmetto Cemetery is the only place that is not responsible for their water bill, but other such requests have been made. The Commission discussed at length how significant the library is to the Community and the need for this valuable service. Commissioner Darrisaw moved that further consideration be given to this matter as soon as possible. Motion was seconded by Commissioner Davis and was unanimously carried.

Steve Pruitt, representing Tax Management Associates, Inc. appeared before the Commission to request that the City join in with Glynn County and the Board of Education in a Tax Audit program to ensure that all of the business personal property in the city is listed on the tax digest. Mr. Pruitt explained how the audit would be conducted by Tax Management Associates, Inc. Mr. Pruitt stated that 300 accounts would be audited and 58 of those accounts are located in the City. The City's accounts would generate \$50,000.00 and the cost of the audit for accounts in the City was estimated at \$55,920.00, with the City's portion of the audit fees estimated at \$14,000.00

The City Manager stated that Mr. Pruitt has been before Glynn County and the Board of Education and they have agreed to pay their portion of the audit fee. The City Manager further stated that State law does empower Glynn County to appoint the Board of Tax Assessors to provide the City with a accurate tax digest.

Commissioner Herrington questioned why the City should pay for the audit if the County provides an accurate digest. Mr. Pruitt stated that the County does not have the staff to handle the tax assessments.

Al Armstrong was present and stated that he handles the Personal Property Tax division and he is strapped with a low employee rate. He pointed out that the City would have a

responsibility to share in the Audit. The Commission asked questions concerning the Pilot Study and the decision that was made by the County to include the City to share the audit expenses. Mr. Pruitt explained how the Pilot study was conducted and after completion of the study the results were given to the Tax Assessor's office. Following the discussion Commissioner Darrisaw moved to place the matter on the Agenda for the Joint City-County meeting. Motion was seconded by Commissioner Lawrence and was unanimously carried.

ALCOHOLIC BEVERAGE LICENSE RENEWALS

The following petitions for 1993 license renewals were submitted, having been approved by the Chief of Police and City Manager, were on motion of Commissioner Lawrence seconded by Commissioner Herrington was unanimously granted:

To retail alcoholic beverages including beers and wine for consumption on premises:

Michelle Mathis at The Bank Saloon, 211 Monck Street;

Jacob Manley at The Beverage Center 1411 L Street;

Leonard Cahoon, Jr. at Boilermaker Club, 1828 1/2 Wolfe Street;

Alfredo Jamie at El Potro Restaurant, 2806 Cypress Mill Road;

Gene Godley at B. P. O. E. #691 Brunswick Elks, 1509 Union Street;

Freida W. Harden at Holiday Inn US-17, 3302 Glynn Avenue;

Linda Strayhorn at Jug Package Store Red House Lounge, 1300 London Street;

J. R. Miller at 7-11 Liquors, 210 & 212 Monck Street;

John Roy Collins at Temptations, 4420 Altama Avenue;

Jack W. Wilder at The Lounge, 2027 Stacy Street;

To retail alcoholic beverages including beers and wines for consumption off premises:

Willie H. Lewis at Cobra Inn Package store, 1408 G Street;

Paul Henry, Jr. at The Fountain, 2300 Norwich Street;

Herman E. Bluestein at Grog Shoppe, 1701 Norwich Street; to
retail beers and wine for consumption on premises:

Maria L. Tresvant at Chiko's Lounge 1916 Norwich Street;

Janet Weston at Jinrights Seafood House, Inc., 2815 Glynn
Avenue;

Grace R. Williams at Gilmo's Place, 1001 Martin Luther King
Blvd.;

Murray K. Wilson at The Oyster Box, 2129 Glynn Avenue;

Johnny L. Hillery at Golden Isles Top Hat, 1302 Gloucester
Street;

To retail beers and wine for consumption off premises:

L. Ward Huntley at Jiffy Store #317, 2905 Glynn Avenue;

L. Ward Huntley at Jiffy Store #323, 2408 Newcastle Street;

L. Ward Huntley at Jiffy Store #324, 803 Albemarle Street;

L. Ward Huntley at Jiffy Store #325, 2401 Gloucester Street;

L. Ward Huntley at Jiffy Store #337, 3320 Glynn Avenue;

L. Ward Huntley at Jiffy Store #371, 1409 Gloucester Street;

L. Ward Huntley at Jiffy Store #372, 2722 Norwich Street;

L. Ward Huntley at Jiffy Store #379, 3001 Altama Avenue;

L. Ward Huntley at Jiffy Store #381, 1008 Bay Street;

L. Ward Huntley at Jiffy Store #390, 1910 Newcastle Street;

Jim Gibson at J. P.'s, 3304 1/2 Glynn Avenue;

To retail beer only for consumption on premises:

Albert White, Jr. at A & W Fast Food, 1110 G Street;

Clarence Wilkerson at Monck Street Lounge, 1408 Monck Street;

Nancy H. Cahoon at Nan's Confectionary, 1828 Wolfe Street;

To wholesale liquors including beers and wine for consumption off premises:

Michael C. Carlos at Standard Distributing Company, 1725 T Street.

FOOD GIFT CERTIFICATES

Commissioner Herrington moved approval of \$10.00 Christmas Food Gift Certificates for City Employees. Motion was seconded by Commissioner Davis and was unanimously carried.

QUIT CLAIM DEED

Petition received from R. Michael Patrick, as attorney for the estate of Bernard, Grossman for quitclaim deed in favor of his clients to Urbana Lots 5, 6 and 7, property acquired at City tax sale. All tax, interest and costs have been paid and account is clear. Commissioner Darrisaw moved that petition be granted. Motion was seconded by Commissioner Davis and was unanimously carried.

Police Chief Sidoran discussed the series of tragic events that led to three additional homicides in the City. Chief Sidoran stated that he talked to other people in the Community and they were equally outraged. He stated that Ed Pinckney and Mike Blackburn have joined him today to help with this as a Community Coalition Issue and a Public Health Issue. Chief Sidoran stated that Jesse Wolford, project director for the gun buy back program was also present. The Gun Buy Back program is part of one of three issues that the Police Department will consider over the next several months. The second issue that would be addressed is a Black on Black Crime Symposium and the third issue is the Seizure Budget Scholarship. Chief Sidoran explained that in the Seizure Budget Scholarships there are some funds for people from the City of Brunswick who would like to be Police Officers. The Community plans to match the scholarship fund dollar for dollar.

Chief Sidoran stated that the Police Department would need \$5,000.00 to fund the scholarship program. The first \$1,000.00 would come from the Police Budget informant fees and the next \$2,500.00 would come from the Hospital and the last \$1,500.00 if needed would come from authorization of the Commission to permit the City Manager to give the money to the Police Department from the Gun Buy Back Program out of the Contingency fund. Chief Sidoran pointed out that he would like to do two things (1) Inform the Commission about the program and (2) Receive approval from the Commission to authorize the City Manager to allocate \$1,500.00 to the program if needed.

Mike Blackburn stated that the problem in the Community is a major one that impacts not only on human suffering and long-time disability, but it also has a great cost in economic terms. Mr. Blackburn gave statistical information about people that was treated at the emergency room at the local hospital for gun injuries.

Mr. Blackburn stated that gun injuries are major problems in the Community and he was proud to be a part of any effort that helps get illegal guns off the Street. He encouraged the Commission to support the Hospital and in turn they would support the Police Department.

Jesse Wofford stated that he researched the Gun buy back program and received only a few responses from cities larger than Brunswick. He stated that St. Louis, Missouri actually purchased 7,500 guns off the Street and out of the 7,500 only 85 were found to be stolen weapons. The purpose behind the Gun buy back program is to try and curve some of the violent crimes. One weapon taken from the Streets to stop a violent crime will be a success. The program will be operated out of the Police Department by two police Officers eight hours a day Monday through Saturday. Weapons that are operational will be purchased from citizens. Loaded guns will not be accepted. The amount of money that would be paid for guns is preset at \$25.00, 50.00 and 75.00. Amnesty would have to be given to people that bring in stolen guns if it is operational; this factor would help encourage people to turn in guns.

Commissioner Herrington asked the Chief of Police what would happen if one of the guns had been involved in a mass murder in another state.

Chief Sidoran stated that the weapon serial number would be taken and the person bringing in the weapon would have to sign to receive their money and all this information would be on file. After the weapon is checked the Police Department would call that Jurisdiction to tell them that they have the weapon, this would be used as an investigative tool. The City can give this person amnesty if the other jurisdiction chose not to do this it is left entirely up to them.

Commissioner Davis asked what would be done with the weapons that the Police Department collects. Chief Sidoran stated that the small guns would be burned, other weapons would be converted to Law Enforcement use and the remaining weapons would be traded in for additional Police Equipment.

The City Manager stated that as the Chief of Police pointed out it is unknown how successful this program will be. Persons he thought would be interested in the program would be someone that has a gun in their home they have no use for. Commissioner Lawrence suggested that he would like to see all weapons traded in except for the weapons that would be burned instead of circulating them through the Police Department, because they could be stolen again.

Many questions were raised about the local pawnshops selling weapons, and the kind of reports that are given to the Police Department about the weapons that are sold.

Commissioner Darrisaw stated that he was happy to see steps taken toward crime, pointing out that Black on Black crime in the Community is rising.

Commissioner Herrington asked about guns that people carry in the trunk of their cars. The Chief of Police stated that the Police must have a reason to check for weapons and that is difficult under the new law.

Commissioner Darrisaw moved to approve the \$1,500.00 request for funds if needed for the scholarship fund. Motion was seconded by Commissioner Lawrence and was unanimously carried.

Commissioner Herrington stated that the Jiffy Store on the corner of Gloucester and Amherst Street promised to place a fence on their property and to remove the telephones from

near the resident houses. He instructed the City Manager to write a letter to the storeowner to remind them of their promises.

Chief Sidoran discussed the employment of off duty Police Officers and whether they can wear City uniforms. He next discussed whether a City Police Officer should be allowed to perform off duty security type functions at businesses located outside the City.

Commissioner Darrisaw moved that the matter be deferred until a work session is scheduled. Motion was seconded by Commissioner Lawrence and was unanimously carried.

The City Manager stated that solicitation of funds at street intersections and right of ways should be discussed at the next Commission meeting.

The City Attorney stated that he received a request from Community Development to subordinate a property agreement from Clyde and Paulette Baker to Glynn County Credit Union. Deferred until next meeting.

The City Manager submitted survey of the City and County Police Officers salaries to the Commission. The City Manager explained the City's present pay scale and pointed out that if salaries are brought up to that of the County's pay scale there would be no impact on the budget and no one would receive a raise. Commissioner Darrisaw asked about salaries in other Departments in Comparison with the County's. The City Manager stated that he will be comparing salaries with other departments in the County.

Commissioner Lawrence moved to hold an Executive Session to discuss a Personnel matter. Motion seconded by Commissioner Darrisaw and was unanimously carried.

ADOPTING BOND RESOLUTION

Gene Allen submitted the current figures for the bond issue rates. Mr. Allen explained the savings and interest rates of the bond.

Commissioner Darrisaw moved that the following Bond Resolution, as submitted by the City Attorney, be adopted, which motion was seconded by Commissioner Herrington and was unanimously carried:

RESOLUTION OF THE COMMISSION OF THE CITY OF BRUNSWICK PROVIDING FOR THE ISSUANCE OF \$15,850,000 IN PRINCIPAL AMOUNT OF CITY OF BRUNSWICK WATER AND SEWERAGE REVENUE REFUNDING AND IMPROVEMENT BONDS, SERIES 1992, PURSUANT TO AND IN CONFORMITY WITH THE CONSTITUTION AND STATUTES OF THE STATE OF GEORGIA, A RESOLUTION ADOPTED BY THE COMMISSION OF THE CITY OF BRUNSWICK ON AUGUST 14, 1986, AS CORRECTED AND SUPPLEMENTED BY A RESOLUTION ADOPTED BY THE COMMISSION OF THE CITY OF BRUNSWICK ON AUGUST 20, 1986, AND A RESOLUTION ADOPTED BY THE COMMISSION OF THE CITY OF BRUNSWICK ON November 19, 1990, PAYABLE SOLELY FROM THE FUNDS HEREIN PROVIDED FROM THE OWNERSHIP AND OPERATION OF THE WATER AND SEWERAGE SYSTEM OF SAID CITY AS IT NOW EXISTS AND AS IT MAY HEREAFTER BE ADDED TO, EXTENDED AND IMPROVED; SAID BONDS TO PROVIDE FUNDS TO FINANCE, IN PART, THE COST OF REFUNDING ALL REFUNDABLE CITY OF BRUNSWICK WATER AND SEWAGE REVENUE BONDS, SERIES 1986, WHICH SERIES 1986 BONDS; TO PROVIDE FUNDS, IN WHOLE OR IN PART, FOR THE COMPLETION OF IMPROVEMENTS TO THE WATER DISTRIBUTION FACILITIES OF THE WATER AND SEWER SYSTEM OF THE CITY OF BRUNSWICK FOR WHICH BONDS HAVE BEEN HERETOFORE VALIDATED; TO FINANCE IN WHOLE OR IN PART THE COST OF CONSTRUCTING ADDITIONAL EXTENSIONS AND IMPROVEMENTS TO AND EQUIPMENT FOR SAID WATER AND SEWERAGE SYSTEM, INCLUDING A COMPOSTING FACILITY FOR THE TREATMENT OF SEWAGE SLUDGE AND FOR ACQUIRING THE NECESSARY PROPERTY THEREFOR FOR ITS OWN USE AND FOR THE USE OF PUBLIC AND PRIVATE CONSUMERS BOTH WITHIN AND WITHOUT THE TERRITORIAL LIMITS OF SAID CITY; TO PROVIDE FOR THE ISSUANCE, UNDER CERTAIN CIRCUMSTANCES, OF ADDITIONAL BONDS ON A PARITY, AS TO THE PLEDGE OF AND CHARGE OR LIEN ON THE REVENUES OF SAID SYSTEM, WITH THE BONDS HEREBY AUTHORIZED AND THE OUTSTANDING CITY OF BRUNSWICK WATER AND SEWERAGE REVENUE BONDS, SERIES 1986 AND 1990; TO REPEAL CERTAIN PROVISIONS OF SAID RESOLUTION ADOPTED NOVEMBER 19, 1990; TO PROVIDE FOR PRESCRIBING RATES AND COLLECTING FEES, TOLLS AND CHARGES FOR THE SERVICES OF SAID SYSTEM; TO PROVIDE FOR THE CONTINUATION OR CREATION OF CERTAIN FUNDS TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS; TO PROVIDE FOR THE REMEDIES OF THE OWNERS OF THE BONDS; AND FOR OTHER PURPOSES.

TABLE OF CONTENTS

Preamble
Page

1

ARTICLE I

DEFINITIONS; RULES OF CONSTRUCTION

Section 101.	Definitions of Certain Terms	10
Section 102.	Rules of Construction	16

ARTICLE II

AUTHORIZATION, TERMS AND FORM OF SERIES 1992 BONDS

Section 201.	Authorization of Series 1992 Bonds	18
202.	Authorization and Particulars of the Series	20
203.	Execution of Bonds	20
204.	Authentication of Bonds	20
205.	Limited Obligation	20
206.	Medium and Places of Payment	20
207.	Form of Series 1992 Bonds	20
208.	Registration; Transfer and Exchange of Bonds	32
209.	Mutilated, Destroyed or Lost Bonds	32
210.	Destruction of Cancelled Bonds	32
211.	Temporary Bonds	32
212.	Persons Treated as Owners of Bonds	32
213.	Records Maintenance	32

ARTICLE III

REPITITION OF BONDS BEFORE MATURITY

Section 301.	Optional Redemption	33
302.	Scheduled Mandatory Redemption	33
303.	Notice of Redemption	34
304.	Other Bonds Redeemable	34
305.	Effect of Redemption Call	35
306.	Partial Redemptions	35
307.	Redemption Need Not be Pro Rata	35
308.	Purchase of Bonds in Market	35

ARTICLE IV

REFUNDING OF REFUNDABLE SERIES 1986 BONDS; CONSTRUCTION FUND

Section 401.	Refunding and Redemption of Outstanding Refundable Series 1986 Bonds	36
402.	Creation of Series 1986 Escrow Fund	36
403.	Deposits to Escrow Fund	36
403.	Disbursements from the Escrow Fund	36
405.	Investment of Escrow Fund	36

406.	Incorporation of Portions of 1986 Resolution	37
407.	Excess Moneys	37
408.	Lien on Escrow Fund	37
409.	Termination of Rights	37
410.	Creation of Construction Fund	37
411.	Construction of Project; Authorized Construction Fund Disbursements	38
412.	Requisition Procedure	38
413.	Other Disbursements from the Construction Fund	40
414.	Lien on Construction Fund for Bond Owners	41
415.	Insurance During Construction	41
416.	Payment and Performance Bonds	42
417.	Inspection of Requisitions	42
418.	Completion of the Project	42

**ARTICLE V
REVENUE AND FUNDS**

Section 501.	Fiscal Year; Annual Budget	43
502.	Revenue Fund, Sinking Fund, and Renewal and Extension Fund	47
503.	Extension Fund	47
504.	Maintenance of Rates	47
505.	Trust Moneys	47
506.	Investments of Sinking Fund Moneys	47
507.	Investments of Revenue Fund and Renewal and Extension Fund Moneys	47
508.	Parity Bonds	48
509.	Priority of Lien	48

**ARTICLE VI
DEPOSITORIES OF MONEYS AND SECURITIES FOR DEPOSIT**

Section 601.	Depositories and Custodians	49
602.	Non-Arbitrage Covenant	49

**ARTICLE VII
PARTICULAR COVENANTS**

Section 701.	Payment of Bonds	50
702.	Management of the System	50
703.	No Diminishment of Liens	50

704.	Maintenance of Insurance	50
705.	Books and Records	50
706.	Annual Audit	50
707.	Sale of this System	50
708.	Employment of Consulting Engineer	50

ARTICLE VIII

DEFAULTS AND REMEDIES

Section 801.	Events of Default	51
802.	Acceleration	51
803.	Receivership	51
804.	Abandonment of Proceedings	51
805.	Limitations of Actions by Bondholders	51
806.	Non-Exclusivity of Remedies	51
807.	Delays	51

ARTICLE IX

DEFEASANCE

Section 901.	Payment and Defeasance	52
902.	Termination of Liability	52

ARTICLE X

MISCELLANEOUS PROVISIONS

Section 1001.	Validation	53
1002.	Severability	53
1003.	Resolution as a Contract	53
1004.	Modification, Alteration, or Amendment of Resolution	53
1005.	Payments Due on Saturdays, Sundays, and Holidays	53
1006.	Approval of Purchase Contract	53
1007.	Approval of Official Statement	53
1008.	Authorization to Purchase Bond Insurance	54
1009.	Applicable Provisions of Law	54
1010.	Captions	54
1011.	Taxability	54
1012.	Repeal of Conflicting Resolutions	54
1013.	Amendment to 1986 Resolution	54

PREAMBLE

1. Under and by virtue of authority of the Revenue Bond Law of Georgia, codified in O.C.G.A. §§ 36-82-60 to 36-82-85, the Constitution of the State

of Georgia, the general laws of the State of Georgia, and the laws of the State of Georgia relating to the City of Brunswick, a political subdivision of the State of Georgia and a municipality as defined in said Revenue Bond Law (the "City of Brunswick" or "Municipality"), the Municipality is authorized to refund all refundable outstanding City of Brunswick Water and Sewerage Revenue Bonds, Series 1986 (the "Series 1986 Bonds") payable from the revenue derived from the operation and ownership of the water and sewerage system (the "System" or the "Water and Sewerage System") of said Municipality; to extend, improve and equip its existing System by completing its current project of improvements to its water distribution and sewerage disposal facilities of its System by acquiring, constructing and equipping a composting facility, and to operate and maintain the System as added to, extended, improved and equipped for its own use and for the use of public and private consumers both within and without the territorial limits of the Municipality; to prescribe and revise rates and collect fees, tolls and charges for the services and facilities furnished by the System as added to, extended, improved and equipped; and, in anticipation of the collection of revenues from the System, to issue revenue bonds to finance, in whole or in part, the cost of such refunding and constructing of such additions, extensions, improvements and equipment and to pay the expenses incident thereto.

2. The Municipality, by resolution adopted on August 14, 1986, as amended by a supplemental resolution adopted on August 20, 1986, collectively, the "1986 Resolution"), has heretofore issued City of Brunswick Water and Sewerage Revenue Bonds, Series 1986 (the "Series 1986 Bonds") in the aggregate principal amount of \$11,420,000. The Series 1986 Bonds are currently outstanding and unpaid in the principal amount of \$10,410,000, and the same mature on October 1 in the years and amounts, and bear interest at the rates, shown as follows:

<u>Date</u>	<u>Principal Amount Maturing</u>	<u>Interest Rate</u>
1993	205,000	6.60%
6.75	1994 220,000	
6.90	1995 235,000	
7.00	1996 250,000	
7.10	1997 265,000	
7.20	1998 285,000	
7.30	1999 305,000	
7.40	2000 330,000	
7.50	2001 355,000	
7.60	2007 2,750,000	
7.70	2014 5,210,000	

3. A portion of the proceeds of the Series 1986 Bonds was used to refund and redeem outstanding Series 1984 water and sewerage revenue bonds of the City of Brunswick. The Municipality has been advised that under current federal arbitrage law, it may advance refund that portion of the outstanding Series 1986 Bonds presently outstanding in the principal amount of \$8,315,000, maturing in the years 2001 through 2014 (the "Refundable Series 1986 Bonds").

4. Following extensive study and investigation, the Municipality has determined that advance refunding all Refundable Series 1986 Bonds and defeasing the lien of such bonds on the revenues of the System is in the public interest in that such refunding will result in a reduction of total debt service to the Municipality. The Municipality has been and is now complying with the terms and conditions of the 1986 Resolution.

5. The Municipality has determined that it is in its best interest to satisfy and discharge the lien of all Refundable

Series 1986 Bonds by issuing its revenue bonds in an amount sufficient to advance refund and discharge the lien of the Refundable Series 1986 Bonds.

6. Article IX of the 1986 Resolution provides for the defeasance of Series 1986 Bonds as follows:

Section 901. Payment and Defeasance.

* * *

Bonds shall be deemed to be paid within the meaning of this Resolution if (a) sufficient monies shall have been irrevocably deposited with the Paying Agent to pay the same when they become due, or (b) there shall have been irrevocably deposited with the Paying agent monies and/or Government Obligations, which without any reinvestment thereof will produce moneys sufficient to pay the same when they become due (whether upon or prior to the stated maturity or the redemption date of such bonds); provided, however their stated maturities, notice of such redemption shall have been duly given as provided herein or arrangements satisfactory to the Paying Agent shall have been made for the giving thereof. In the event the Municipality shall have made a deposit of moneys and/or general and direct obligations of the United States of America or obligations the payment of which is guaranteed by the United States of America, the Municipality shall retain the right to substitute obligations of like kind for those previously pledged provided that those substituted obligations will provide sufficient moneys in a timely fashion to make the required payments of principal and interest on the bonds, and the Municipality shall deliver prior to the time of such substitution an opinion of a firm of nationally recognized bond attorneys to the effect that such substitution will not adversely affect the tax-exempt status of the bonds under Section 103 of the Code or any section of any future Federal income tax statute which supplants said Section 103.

Section 902. Termination of Liability. If the Municipality shall determine that it is desirable to terminate the rights and liens hereunder of the holders of any bonds (pursuant to a refunding or otherwise) and shall deposit irrevocably in trust as above provided sum which when invested in Government Obligations will be sufficient: (a) to pay the debt service requirements on said bonds as

the same mature or until called for redemption; (b) to pay the debt service requirements due on all bonds called on said call date together with any redemption premium due thereon; and (c) to pay all paying agents fees and escrow agent fees due in connection with payment of any such principal, redemption premium (if any) and interest, and shall make adequate provision for the publication at the proper time of any required notice of redemption, such bonds shall thereafter have no right or lien under this Resolution other than the right to receive payment from said special fund and the same shall not be considered to be outstanding hereunder for any purpose.

7. Article III of the 1986 Resolution provides for the redemption of series 1986 Bonds before maturity in the following manner:

Section 301. Optional Redemption. The bonds of this series having stated maturities on October 1, 1995 and thereafter may be redeemed prior to their respective maturities at the option of the Municipality, either in whole on any date in any year not earlier than October 1, 1994, from any moneys available for such purpose, or in part, in inverse order of maturity, on any Interest Payment Date, in any year not earlier than October 1, 1994, from moneys in the Sinking Fund not required for paying the debt service requirement on the bonds of this series coming due in the then current sinking fund year or to create the debt service reserve. Such redemption shall be made upon payment of the following respective redemption prices for each bond of this series to be redeemed (expressed as a percentage of the principal amount), plus accrued interest to the date fixed for redemption:

REDEMPTION DATES
(INCLUSIVE)

REDEMPTION PRICE

October 1, 1994 to September 30, 1995	102%
October 1, 1995 to September 30, 1996	101 ½%
October 1, 1996 to September 30, 1997	101%
October 1, 1997 to September 30, 1998	100 ½%
October 1, 1998 and thereafter	100%

Section 304. Effect of Redemption Call. Notice having been given in the manner and under the conditions herein [after] provided, and moneys for the payment of the redemption price being held by the Paying Agent, all as provided in this Resolution, the bonds so 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 on such date, interest on the bonds so called for redemption shall cease to accrue, such bonds shall cease to be entitled to any lien, benefit or security under this Resolution, and the owners of such bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof.

Section 307. Notice of Redemption. Notice of any redemption of bonds pursuant to this Article shall be given one time not more than 30 and not less than 10 days prior to the date fixed for redemption to the holders of each of the bonds being called for redemption by registered or certified mail at the address shown on the register of the Bond Registrar pertaining to the bonds. The failure of the Municipality to give any such notice or the failure of the holder of any bond to receive any such notice as so given shall not affect the validity of the proceedings for the redemption of any such bond.

8. The Municipality will provide for payment in full of the Refundable Series 1986 Bonds by delivering to The Coastal Bank of Georgia, Brunswick Georgia, paying agent for the Series 1986 Bonds, for deposit into a special escrow fund, sufficient moneys for investment in Government Obligations to provide for the termination of liability on the Refundable Series 1986 Bonds in accordance with Section 902 of the 1986 Resolution.
9. The Municipality, by resolution adopted on November 19, 1990 (the "1990 Resolution"), has heretofore issued its City of Brunswick Water and Sewerage Revenue Bonds, Series 1990 (the "Series 1990 Bonds") in the aggregate principal amount of \$6,420,000, which Series 1990 Bonds were issued on a parity with its Series 1986 Bonds The Series

1990 Bonds are currently outstanding and unpaid in the principal amount of \$6,215,000, maturing on October 1 in the years and amounts, and bearing interest at the rates shown as follows:

<u>Principal Amount</u>	<u>Due in the Year</u>	<u>Interest Rate</u>	<u>Principal Amount</u>	<u>Due in the Year</u>	<u>Interest Rate</u>
\$115,000	1993	6.00%	\$185,000	2001	6.70%
120,000	1994	6.10	195,000	2002	6.80
125,000	1995	6.20	210,000	2003	6.90
135,000	1996	6.25	225,000	2004	6.95
145,000	1997	6.35	240,000	2005	7.00
155,000	1998	6.40	1,475,000	2010	7.00
165,000	1999	6.50	2,550,000	2016	6.50
		175,000	2000	6.60	

10. The 1990 Resolution also authorizes the issuance of \$2,240,000 in aggregate principal amount of City of Brunswick Water and Sewerage Revenue Bonds, Series 1992. However, the Municipality has determined that it is in its best interest not to issue said 1992 bonds so authorized. Rather, the Municipality will include the money to have been received from the sale of such 1992 bonds in this issue of refunding and improvement bonds, Series 1992, in order to save costs of issuance and to provide for marketing of one series of bonds to pay the cost (i) to refund the Refundable Series 1986 Bonds, (ii) to pay for the completion of the improvements to the water distribution facilities of the Water and Sewer System of the Municipality, in the plans, specifications and recommendations of Tribble & Richardson, Inc., Consulting Engineers, Macon, Georgia, dated September 19, 1990, as amended, a copy of which is on file in the office of the City Clerk, which copy by this reference thereto is incorporated herein and made a part thereof, and (iii) to provide for the disposal of sewage sludge from the sewerage treatment facilities of the Municipality through the acquisition, construction and equipping of a composting facility at a cost to the Municipality of approximately \$4,700,000, in accordance with, or substantially in accordance with, plans, specifications and recommendations therefore

prepared by Tribble & Richardson, Inc., dated October, 1992, a copy of which is on file in the office of the City Clerk, which copy by this reference thereto is incorporated herein as a part hereof.

11. The improvements described in the plans and specifications dated September 1990, as amended, and the improvements described in the plans and specifications dated October, 1992, described in the foregoing paragraph 10, are herein collectively referred to as the "Project." The Project may be modified by the City prior to or during construction, and portions of the proceeds of the Bonds presently designated for composting or other facility for the disposal of sewage sludge or for additional water and sewerage system improvements using modified or alternate plans and specifications from these dated October, 1992.
12. The Municipality has determined that the most feasible method of obtaining the necessary funds to provide for the refunding of the Refundable Series 1986 Bonds and to pay the cost of its Project is for the Municipality to issue City of Brunswick Water and Sewerage Revenue Refunding and Improvements Bonds, Series 1992 (the "Series 1992 Bonds"), in the aggregate principal amount of \$15,850,000. The Series 1992 Bonds shall be issued on a parity with the outstanding Series 1986 Bonds not being refunded and the outstanding Series 1990 Bonds. The payment of the Series 1992 Bonds and any additional bonds issued on a parity therewith and the interest thereon shall be secured by a first and prior pledge of and charge or lien on the net revenues derived from the ownership and operation of the water and sewerage system of the Municipality superior to any other charge or lien now existing or which may hereafter be created thereon and on a parity with the outstanding Series 1990 Bonds and the outstanding Series 1986 Bond which are not refunded with the proceeds of the Series 1992 Bonds authorized hereby.

13. Section 508 of the 1986 Resolution, which was adopted by reference as a part of the 1990 Resolution, provides that additional water and sewerage revenue bonds may be issued from time to time payable from the Sinking Fund hereinafter described, and ranking as to lien on the revenues of the System pari passu with the Series 1986 Bonds, and bonds issued on a parity therewith, provided all the following conditions are met:
- (a) The payments covenanted to be made into the Debt Service Account and the Debt Service Reserve Account [of the Sinking Fund], as the same may have been enlarged and extended in any proceedings authorizing the issuance of any additional parity bonds, must be currently being made in the full amount as required and said accounts must be at their proper balances.
 - (b) The net earnings of the System for a period of twelve (12) consecutive months preceding the month of adoption of the proceedings authorizing the issuance of such additional parity bonds must have been equal to at least one and fifteen-hundredths (1.15) times the highest combined debt service requirement for any succeeding sinking fund year on the Series 1986 Bonds and any issue or issues of additional parity bonds then outstanding and on the bonds proposed to be issued.

In lieu of the foregoing procedure, the Municipality upon compliance with the requirements of paragraphs (a), (c), (d) and (e) of this Section 508, may issue additional parity bonds if a new schedule of rates, tolls, fees and charges for the services and facilities furnished by the System shall have been adopted at least sixty (60) days prior to the adoption of the proceedings authorizing the issuance of such additional parity bonds and an independent and recognized firm of certified public accountants shall certify that had this new rate schedule been in effect during the period described in the first sentence of the preceding paragraph the net earnings of the System would have met the requirements of the above formula.

Net earning for the purpose of this paragraph 508 (b) shall be construed to be the gross earnings of the System, including investment income (with the exception of income earned in the Construction Fund) remaining after the payment of the sums required or permitted to be paid to maintain and operate the System pursuant to the provisions of paragraph (b) of Section 502, but before provision for depreciation.

- (c) An independent and recognized firm of certified public accountants shall certify in triplicate to the governing body of the Municipality that [it] is complying with the requirements of paragraph (a) above and has met the requirements of paragraph (b) above.
- (d) The governing body of the Municipality shall pass proper proceedings reciting that all of the above requirements have been met, shall authorize the issuance of said bonds and shall provide in such proceedings, among other things, the date and the rate or rates of interest such bond shall bear, and the maturity dates and redemption provisions with respect to such bonds. The interest on the bonds of any such issue shall fall due on April 1 and October 1 of each year, and the bonds shall mature in installments on April 1 and October 1, but as to principal, not necessarily in each year or in equal installments. Any such proceeding or proceedings shall require the Municipality to increase the monthly payments then being made into the Sinking Fund to the extent necessary to provide for the payment of the debt service requirements on the bonds of this series and on all additional parity bonds then outstanding and on the bonds proposed to be issued in the then current sinking fund year, and to create within five (5) years from the date of the bonds to be issued a reserve in the Debt Service Reserve Account at least equal to the debt service reserve requirement, and to maintain said reserve in an amount sufficient for that purpose. Any such proceeding or proceedings shall restate and reaffirm, by reference, all of the applicable terms, conditions and provisions of this Resolution.

- (e) Such additional bonds or obligations and all proceedings relative thereto, and the security therefore, shall be validated as prescribed by law.
14. As required by the paragraph c of Section 508 of the 1986 Resolution, an independent and recognized firm of certified public accountants has certified in triplicate that the Municipality is complying with the requirements of paragraph (a) and has met the requirements of paragraph (b) of Section 508 of the 1986 Resolution.
15. The Municipality is in compliance with all covenants and undertakings in connection with its Series 1986 and 1990 Bonds now outstanding and payable from the revenues of the System and the 1986 and 1990 Resolutions are in full force and effect and have not been repealed, altered or amended in any respect which will adversely affect the rights or interests of the owners of any of the Series 1986 or 1990 Bonds.
16. In order to enhance the marketability of the Series 1992 Bonds authorized hereby and to provide increased security for holders of such bonds, the Municipality will purchase a municipal bond guaranty insurance policy on the Series 1992 Bonds from Municipal Bond Investors Assurance Corporation.
17. Since the Municipality has determined that it will not issue the \$2,240,000 City of Brunswick Water and Sewerage Revenue Bonds, Series 1992, authorized to be issued by the 1990 Resolution, it is proper that said 1990 Resolution be amended to delete the provisions thereof granting to the City the ability to issue said bonds.

NOW, THEREFORE, BE IT RESOLVED by the Commission of the City of Brunswick, in public meeting properly and lawfully called and assembled, and it is hereby resolved by authority of the same, that the 1990 Resolution be amended by deleting there from all authorizations granted to the City and its duly authorized officers to issue \$2,240.000 in aggregate

principal amount of City of Brunswick Water and Sewerage Revenue Bonds, Series 1992; and

BE IT FURTHER RESOLVED by the Commission of the City of Brunswick, in public meeting properly and lawfully called and assembled, and it is hereby resolved by authority of the same, as follows:

**ARTICLE I
DEFINITIONS; RULES OF CONSTRUCTION**

Section 101. Definitions of Certain Terms. All words and terms defined in Article I of the 1986 Resolution shall have the same meaning in this Resolution unless otherwise defined herein. In addition, the following words and terms used herein shall have the following meanings:

"Additional Parity Bonds" means any water and sewerage revenue bonds which might hereafter be issued pursuant to the terms of Section 508 of the 1986 Bond Resolution, which was incorporated by reference as Section 508 of the 1990 Resolution and is incorporated by reference as Section 508 of this Resolution.

"Authentication Agent" means The Coastal Bank of Georgia, Brunswick, Georgia, or such other financial institution at the time serving as such pursuant to Section 60 of this Resolution.

"Bond Insurer" or **"MBIA Corporation"** means Municipal Bond Investors Assurance Corporation, which will issue its policy of municipal bond guaranty insurance to provide additional security for payment of the Series 1992 Bonds and any other municipal bond guaranty insurer which issues its policy of municipal bond guaranty insurance to provide additional security for payment of the Series 1992 Bonds.

"Bond Registrar" means The Coastal Bank of Georgia, Brunswick, Georgia, or such other financial institution at the time serving as such pursuant to the provisions of this Resolution.

"Bonds" means The Coastal Bank of Georgia, Brunswick, Georgia, or such other financial institution at the time

serving as such pursuant to the provisions of this Resolution.

"Bond Year" means, during the period while Bonds remain Outstanding, the annual period provided for the computation of Excess Earnings under Section 148(f) of the Internal Revenue Code of 1986, as amended.

"Code" means the Internal Revenue Code of 1986, as amended.

"Construction Fund" means the fund created in Section 410 of this Resolution.

"Construction Fund Custodian" means The Coastal Bank of Georgia, Brunswick, Georgia, or such other bank or trust company acting, from time to time, as custodian of the Construction Fund.

"Consulting Engineer" means Tribble & Richardson, Inc., Consulting Engineers, Macon, Georgia, or such other firm of consulting engineers selected by the Municipality and having a favorable reputation for skill and experience in the design, management and operation of water and sewerage systems.

"Cumulative Excess Earnings" means the amount of all Excess Earnings earned from the date of original delivery of the Bonds through the end of the relevant computation date, less the amount of any Excess Earnings paid to the United States pursuant to Section 510 of this Resolution.

"Debt Service Requirements" means the amount required in each sinking fund year to pay the principal of and interest on the Bonds and any additional Parity Bonds therewith hereafter issued as same become due and payable; provided, however, with respect to any term obligation which is required to be repaid prior to its stated maturity through the operation of a sinking fund, the amount of principal coming due in any one sinking fund year with respect to such obligation shall be the amount required to be deposited into the sinking fund for the retirement of the principal amount of such obligation rather than the entire principal amount of such debt coming due at the stated maturity.

"Debt Service Reserve Account" means the account of such name created within the Sinking Fund.

"Debt Service Reserve Requirement" means, as of the date of calculation, the highest debt service requirement in any succeeding sinking fund year, provided such amount shall not exceed the amount permitted as a reasonably required reserve under the Code and the regulations there under.

"Excess Earnings" means an amount equal to the sum of (1) plus (ii) where

(i) Is the excess of

(a) The aggregate amount earned on all non-purpose investments in which gross proceeds of the Bonds are invested (other than investments attributable to an excess described in this clause (I)), or

(b) The amount which would have been earned if such non-purpose investments (other than amounts attributable to an excess described in this clause (I)) were invested at a rate equal to the yield on the Bonds; and

(ii) Is any income attributable to the excess described in clause (i).

The sum of (I) plus (ii) shall be determined in accordance with Section 148(f) of the Code. As used herein, the terms "gross proceeds," "non-purpose investments" and "yield" have the meanings assigned to them for purposes of Section 148(f) of the Code.

"Final Computation Date" means the date on which the last Bond is paid or deemed paid (within the meaning of Article VII of this Resolution) in full and no interest thereafter accrues on such Bond.

"Governing Body" means the Commission of the City of Brunswick, Georgia, and any successor or successors in office to the present Commission, and any person, body or authority to whom, or to which, may hereafter be delegated

by law the duties, powers, authority, obligations or liabilities of the present Commission, either in whole or in relation to the System.

"Government Obligations" means non-callable direct general obligations of the United States of America.

"Holder" or "Bondholder" means the registered owner of any bond.

"Installment Computation Date" means the last day of the fifth and each succeeding fifth Bond Year.

"Interest Payment Date" means the registered owner of any bond.

"Municipality" means the City of Brunswick, a municipal corporation duly organized and existing under the laws of the State of Georgia, and any public corporation, entity, body or authority, to which is hereafter transferred or delegated by law the duties, powers, authorities, obligations or liabilities of the present municipal corporation, either in whole or in relation to the System.

"Net Revenues" means the revenues of the System remaining after the payment there from of the reasonable and necessary costs of operating, maintaining and repairing the System, but before making any provision for any depreciation charges.

"1986 Resolution" means the bond resolution adopted by the Commission of the City of Brunswick on August 14, 1986, as corrected and supplemented by a resolution adopted by the Commission of the City of Brunswick on August 20, 1986, authorizing the issuance of the Series 1986 Bonds.

"1990 Resolution" means the bond resolution adopted by the Commission of the City of Brunswick on November 19, 1990, authorizing the issuance of the Series 1990 Bonds.

"Outstanding" or "Bonds Outstanding" means all Bonds which have been executed and delivered pursuant to the Series 1986 Resolution and this Resolution except:

- (a) Bonds cancelled because of payment or redemption;

(b) Bonds for the payment or redemption of which funds or securities in which such funds are invested shall have been theretofore deposited with a duly designated Paying agent for the Bonds (whether upon or prior to the maturity or redemption date of any such Bonds) provided that if such Bonds are to be redeemed prior to the maturity thereof notice of such redemption shall have been given or provision satisfactory to such Paying Agent shall have been made therefore, or a waiver of such notice, satisfactory in form to such Paying Agent shall have been filed with such Paying Agent; and

(c) Bonds in lieu of which other Bonds have been executed and delivered under Section 208 of this Resolution.

"Paying Agent" means The Coastal Bank of Georgia, Brunswick, Georgia, or such financial institution at the time serving as such pursuant to Section 601 of this Resolution.

"Permitted Investments" means the following investments provided that so long as a municipal bond guaranty insurance policy of MBIA Corporation remains in effect for the Series 1992 Bonds such investments shall also comply with the List of Permissible Investments for Indentured Funds of MBIA in effect on the date of the initial issuance and delivery of the Series 1992 Bonds:

- (a) Government obligations or any obligations of subsidiary corporations of the United States of America fully guaranteed as to payment by the United States of America;
- (b) Obligations of the Federal Home Loan Bank;
- (c) Certificates of deposit of national or state banks located within the State which have deposits insured by the Federal Deposit Insurance Corporation and certificates of deposit of federal savings and loan associations and state building and loan associations or savings and loan associations located within the State which have deposits insured by the Savings Association Insurance Fund of the Federal Deposit

Insurance Corporation, including the certificates of deposit of any bank, savings and loan association, or building and loan association acting as depository, custodian or trustee for any proceeds of the Bonds; provided, however, that the portion of such certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation or the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation, if any, shall be secured by deposit with the Federal Reserve Bank of Atlanta, Georgia, or with any national or state bank or federal savings and loan association or state building and loan or savings and loan association located within the State, of any of the obligations included in (a) and (b) above in an aggregate principal amount equal at least to the amount of such excess; and

- (d) Repurchase agreements with respect to obligations included in (a) and (b) above; provided, however, that any such repurchase agreements shall be placed only with a commercial bank or registered brokers/dealers subject to the Securities Investors' Protection Corporation jurisdiction, if such bank or broker/dealer has an uninsured, unsecured and unguaranteed obligation rated "A" or better by Moody's Investors Service, Inc. and "A" or better by Standard & Poor's Corporation, and
 - (i) a specific written repurchase agreement governs the transaction,
 - (ii) the securities are held free of any lien by an independent third party acting solely as agent for the Municipality and such third party is (a) a Federal Reserve Bank, or (b) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus and undivided property of not less than \$25 million,
 - (iii) the Municipality shall have received written confirmation from such third party that it holds such securities free of any

lien, as agent for the Municipality,

- (iv) a perfected first security interest, under the Uniform Commercial Code or book entry procedures prescribed at 31 CFR 306.1 et seq. or 31 CFR 350.0 et seq., in such securities is created for the benefit of the Municipality,
- (v) the repurchase agreement has a term of 30 days or less, or the Municipality will value the collateral securities no less frequently than monthly and will liquidate the collateral securities if any efficiency in the required collateral percentage is not restored within two business days of such valuation,
- (vi) the repurchase agreement matures at least ten days (or other appropriate liquidation period) prior to a debt service payment date, and
- (vii) the fair market value of the securities in relation to the amount of the repurchase obligation, including principal and interest, is equal to at least 100%.

"Project" means the additions, extensions and improvements to the System to be completed substantially in accordance with the plans, recommendations and specifications described in paragraphs 10 and 11 of the preamble to this Resolution, which shall be financed in part from the proceeds of the sale of the Series 1992 Bonds.

"Project Superintendent" means Tribble & Richardson, Inc., Macon, Georgia, or such other consulting engineer or licensed professional engineer as the Municipality might hereafter employ pursuant to its covenant set forth in Section 708 of this Resolution to supervise the acquisition, construction and equipping of any additions, extensions or improvements to the System.

"Record Date" means (a) with respect to any Interest Payment Date, the fifteenth (15th) day of the calendar month preceding such Interest Payment Date, and (b) with respect to any date of redemption, the fifteenth (15th) day (whether or not a business day) preceding such date of redemption.

"Refundable Series 1986 Bonds" means the Series 1986 Bonds maturing in the years 2001 through 2014 which are being advance refunded with proceeds of the Series 1992 Bonds.

"Renewal and Extension Fund" means the fund created and so denominated in paragraph (d) of Section 502 of the 1986 Resolution.

"Resolution" means this Resolution, which authorizes the issuance of the Series 1992 Bonds and the future issuance, subject to certain conditions, of Additional Parity Bonds, including any amendments hereto.

"Revenue Fund" means the fund described in Section 502 of the 1986 Resolution.

"Revenue Fund Depository" means the bank or trust company acting, from time to time, as depository for the Revenue Fund pursuant to Article VI of the 1986 Resolution.

"Series 1986 Bonds" means the City of Brunswick Water and Sewerage Revenue Bonds, Series 1986, issued in the aggregate original principal amount of \$11,420,000, pursuant to the terms of the 1986 Resolution, as corrected and supplemented by a resolution adopted by the Commission of the City of Brunswick on August 20, 1986.

"Sinking Fund" means the fund created and so denominated in paragraph (b) of Section 502 of the 1986 Resolution.

"Sinking Fund Custodian" means the bank or trust company acting, from time to time, as custodian for the Sinking Fund pursuant to Article VI of the 1986 Resolution.

"Sinking Fund Year" means the period commencing on October 2 in each year and ending on October 1 in the next ensuing year.

"State" means the State of Georgia.

"Water and Sewerage System" or **"System"** means the water and sewerage system of the Municipality as it now exists and as it may be hereafter added to, extended and improved.

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

- (a) "herein," "hereby," "hereunder," "hereof," "herein before," "hereinafter" and other equivalent words refer to this Resolution and not solely to the particular portion thereof in which any such word is used.
- (b) any pronoun used herein shall be deemed to cover all genders;
- (c) all references herein to particular Articles or Sections are references to Articles or Sections of this Resolution;
- (d) the titles preceding each Section of this Resolution are for convenience or reference only and are not intended to define, limit or describe the scope or intent of any provisions of this Resolution; and
- (e) unless the context shall otherwise indicate, the words "bond," "owner," "holder," and "person" shall include the plural, as well as singular, number.

[End of Article I]

**ARTICLE II
AUTHORIZATION, TERMS AND FORM OF
SERIES 1992 BONDS**

Section 201. Authorization of Series 1992 Bonds. The Series 1992 Bonds are hereby authorized to be issued for the aforesaid purposes pursuant to the Revenue Bond Law of Georgia, codified in O.C.G.A. §§ 36-82-60 to 36-82-85, the

Constitution of the State of Georgia, the general laws of the State of Georgia, the laws of the State of Georgia relating to the Municipality and pursuant to this Resolution. All the covenants, agreements and provisions of this Resolution shall be for the equal and proportionate benefit and security of all owners of the Bonds without preference, priority or distinction as to the charge, lien or otherwise of any one Bond over any other Bond.

Section 202. Authorization and Particulars of the Series 1992 Bonds; Application of Proceeds.

(a) The Series 1992 Bonds shall be designated "City of Brunswick Water and Sewerage Refunding and Improvement Bonds, Series 1992." The Series 1992 Bonds shall bear interest at the rates set out below, payable semi-annually on the first days of April and October (each an "Interest Payment Date") in each year beginning April 1, 1993, and maturing October 1, in the years and in the amounts as follows:

<u>Principal Due in</u>	<u>Interest</u>	<u>Principal Due in</u>	<u>Interest</u>
<u>Amount</u>	<u>the Year</u>	<u>Rate</u>	<u>Amount</u>
	\$80,000	1993	2.75%
			\$450,000
2002	5.45%		
55,000	1994	3.50	475,000
55,000	1995	4.00	500,000
60,000	1996	4.50	530,000
60,000	1997	4.65	565,000
65,000	1998	4.80	3,355,000
70,000	1999	5.00	2,535,000
70,000	2000	5.10	6,495,000
	430,000	2001	5.25

* The 2011, 2014 and 2019 maturities are subject to mandatory sinking fund redemption as provided in Section 302 hereof.

(b) The Series 1992 Bonds as originally issued shall be dated as of December 1, 1992. Each Series 1992 Bond issued in exchange for a Series 1992 Bond, as originally issued or upon registration of transfer thereof, shall be dated the date of its exchange or registration of transfer (the "Bond Date").

- (c) The Series 1992 Bonds as originally issued shall be lettered and numbered from R - 1 upward in order of maturity according to the records maintained by the Bond Registrar.
- (d) Each Series 1992 Bond, except as provided in this Section, shall bear interest from the Interest Payment Date next preceding the date of authentication of such Series 1992 Bond to which interest has been paid, unless
 - (i) the date of such authentication is an Interest Payment Date to which interest has been paid, in which case from such Interest Payment Date; or
 - (ii) such date of authentication of such Series 1992 Bonds is after the Record Date with respect to an Interest Payment Date and prior to such Interest Payment Date, in which case from such Interest Payment Date; or
 - (iii) no interest has been paid on the Series 1992 Bond, in which case from November 1, 1992.
- (e) The person in whose name any Series 1992 Bond is registered at the close of business on any Record Date with respect to any Interest Payment Date shall be entitled to receive the interest payable on such Interest Payment Date notwithstanding any registration of transfer or exchange subsequent to such "Record Date and prior to such Interest Payment Date. The term "Record Date" as used in this Section with respect to any Interest Payment Date shall mean the fifteenth day of the calendar month next preceding such Interest Payment Date; provided, however, that if and to the extent a default shall occur in the payment of interest due on such Interest Payment Date, such past due interest shall be paid to the persons in whose name outstanding Bonds are registered on a subsequent date of record established by notice given by mail by the Registrar to the holders of the Bonds not less than thirty (30) days preceding such subsequent date of record.

- (f) The Series 1992 Bonds shall be issued as fully registered bonds in the denomination of \$5,000 in principal amount or any integral. Multiple thereof and substantially in the form forms, with such variations, omissions and insertions as may be required to complete properly each respective Bond and as may be approved by the officer or officers executing each Bond by facsimile signature, which approval shall be conclusively hereinafter set forth, with such variations, omissions, substitutions and insertions as are therein required or permitted.
- (g) The Series 1992 Bonds shall be redeemable prior to their respective maturities upon the terms set forth in Article III.
- (h) The proceeds of the Series 1992 Bonds shall be applied as follows:
 - (i) an amount shall be deposited in the Escrow Fund in accordance with Section 403, which amount together with such other funds of the City as may be available therefore, shall be sufficient to purchase the Escrow Obligations;
 - (ii) an accrued interest shall be deposited into the Debt Service Account;
 - (iii) an amount sufficient to fully fund the Debt Service Reserve Requirement shall be deposited into the debt Service Reserve Account;
 - (iv) all costs and expenses in connection with the issuance and sale of the Series 1992 Bonds, including without limitation the fees and expenses of engineers, accountants, attorneys and financial advisors, shall be paid to those persons who shall be entitled to receive same; and
 - (v) the balance of the proceeds shall be deposited into the City of Brunswick Water and Sewerage System Construction Fund

1992, created in Section 410 of this Resolution.

Section 203. Execution of Bonds. The terms and provisions of Section 203 of the 1986 Resolution are hereby adopted as a part of this Resolution and shall apply to the Series 1992 Bonds.

Section 204. Authentication of Bonds. The terms and provisions of Section 204 of the 1986 Resolution are hereby adopted as a part of this Resolution and shall apply to the Series 1992 Bonds.

Section 205. Limited Obligation. The terms and provisions of Section 206 of the 1986 Resolution are hereby adopted as a part of this Resolution and shall apply to the Series 1992 Bonds.

Section 206. Medium and Places of Payment. The terms and provisions of Section 206 of the 1986 Resolution are hereby adopted as a part of this Resolution and shall apply to the Series 1992 Bonds.

Section 207. Form of Series 1992 Bonds. The Series 1992 Bonds and the certificate of validation and certificate of authentication to be endorsed thereon will be in substantially the following term and forms, with such variations, omissions and insertions as may be required to complete properly each respective Bond and as may be approved by the officer or officers executing each Bond by facsimile signature, which approval shall be conclusively evidenced by such execution:

Section 207. Form of Series 1992 Bonds. The Series 1992 Bonds and the certificate of validation and certificate of authentication to be endorsed thereon will be in substantially the following terms and evidenced by such execution:

UNITED STATES OF AMERICA

STATE OF GEORGIA

CITY OF BRUNSWICK

WATER AND SEWERAGE REVENUE REFUNDING AND IMPROVEMENT BOND

SERIES 1992

No. R-
CUSIP

Maturity Date:
Interest Rate:
Principal Amount:
Bond Date: December 1, 1992
Registered Owner:

FOR VALUE RECEIVED, the City of Brunswick, a municipal corporation of the County of Glynn, State of Georgia (the "Municipality"), hereby promises to pay solely from the special fund provided therefore, as hereinafter set forth, to the registered owner named above or its registered assigns, the principal sum specified above on the Maturity Date specified above unless redeemed prior thereto as hereinafter provided, upon the presentation and surrender hereof at the principal corporate trust office in the City of Brunswick, Georgia, The Coastal Bank of Georgia, Brunswick, Georgia, as Paying Agent (the "Paying Agent") for the bonds (hereinafter defined), and to pay, solely from said special fund, to the registered owner hereof by check or draft mailed by first class mail to such owner at his address as it shall appear on the bond register kept by The Coastal Bank of Georgia, as Bond Registrar and Authenticating Agent for the bonds (herein called the "Bond Registrar" and "Authenticating Agent"), interest on such principal sum, at the interest rate per annum specified above, payable on April 1, 1993 (representing four months interest) and October 1, 1993, and semi-annually thereafter on the first day of April and the first day of October of each year, from the interest payment date next preceding the date of authentication hereof (unless this bond is authenticated as of an interest payment date, in which event it shall bear interest from the date of authentication hereof or unless this bond is authenticated prior to April 1, 1993 in which event it shall bear interest from December 1, 1992, or unless, if at the time of authentication hereof interest is in default, this bond shall bear interest from the interest payment date to which interest has been paid or made available for payment) until payment of such principal sum in full. Both the principal of and interest on this bond are payable in any coin or currency of the United States of America which at the time

of payment is legal tender for the payment of public and private debts.

The interest so payable on any such April 1 or October 1 (each an "Interest Payment Date") will be paid to the person in whose name this bond is registered at the close of business on the fifteenth day of the calendar month preceding such Interest Payment Date (the "Record Date"). Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner on the Record Date specified in the preceding sentence, and may be paid to the person in whose name this bond (or one or more predecessor bonds) is registered at the close of business on a special record date for the payment of such defaulted interest to be fixed by the Paying Agent, notice whereof shall be given to bondholders not less than 10 days prior to such special record date.

(Each paragraph which follows, except for the final three paragraphs, may be placed on the reverse side of this bond and if such election is made, the following sentence will be inserted at this place in this bond: "The terms and provisions of this bond and the definitions of certain terms used herein are continued on the reverse side hereof and such continued terms and provisions and definitions shall for all purposes have the same effect as though set forth fully at this place.")

This bond is one of a duly authorized series of like tenor and effect except as to numbers, maturities, interest rates and redemption provisions aggregating in principal amount the sum of \$15,850,999, known as "City of Brunswick Water and Sewerage Revenue Bonds, Series 1992" (herein called the "bonds" or "Series 1992 Bonds") issued by the Municipality to provide funds needed to pay the cost, in whole or in part, of (i) refunding and providing for payment and redemption of certain refundable, outstanding City of Brunswick Water and Sewerage Revenue Bonds, Series 1986; (ii) acquiring, constructing and equipping extensions of and additions and improvements to the Water and Sewerage System of the Municipality (the "System"), including specifically improvements to its water distribution facilities and the construction and equipping of a composting facility for the treatment of sewage sludge, and (iii) paying the necessary costs of issuing the bonds and

providing for such refunding. This bond is secured by a lien on the net revenues of the System.

The Municipality has heretofore issued its City of Brunswick Water and Sewerage Revenue Bonds, Series 1986, in the original principal amount of \$11,420,000, of which \$8,315,000 in principal amount is being refunded with proceeds from the Series 1992 Bonds, leaving \$2,095,000 in principal amount of such Series 1986 bonds outstanding and unpaid on the date of the original issuance and delivery of the Series 1992 bonds. The Municipality has also heretofore issued its City of Brunswick Water and Sewerage Revenue Bonds, Series 1990, in the original principal amount \$6,420,000, of which there is outstanding and unpaid \$6,215,000 in principal amount on the date of the original issuance and delivery of the Series 1992 bonds. Payment of such outstanding and unpaid Series 1986 and Series 1990 bonds is secured by a lien on the net revenues of the System. "Net revenues" means the revenues of the System remaining after the payment there from of the reasonable and necessary costs of operating, maintaining and repairing the System, but before making provision of any depreciation charges. The bonds of this series are issued on a parity with the outstanding and unpaid Series 1986 and 1990 bonds under the authority of the Constitution of the State of Georgia and the Revenue Bond Law of the State of Georgia, O.C.G.A. §§ 36-82-60 to 36-82-85, as amended, the general laws of the State of Georgia, and the laws of the State of Georgia relating to the Municipality, and was duly authorized by a resolution adopted by the Commission of the Municipality on December 7, 1992 (the "Resolution"). The bonds are limited obligations of the Municipality as described below.

In addition to the aggregate principal amount of the outstanding Series 1986 bonds, the Series 1990 bonds and the bonds of this series, the Municipality may, upon the meeting of certain conditions

The bonds of this series maturing on October 1, 2011, are subject to scheduled mandatory redemption prior to maturity in part (the actual bonds to be redeemed to be selected by lot in such manner as may be designated by the Paying Agent) at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date, in the following principal amounts and on

the dates set forth below (the October 1, 2011 amount to be paid at maturity rather than redeemed prior to maturity):

Date as provided in the Resolution, issue additional water and sewerage revenue bonds payable from the net revenues of the System and ranking Paripassu with such Series 1986 bonds, the Series 1990 bonds and the bonds of this series as thereon. Reference to the Resolution is hereby made for description of the funds charged with the pledged to the payment of the principal of and interest on the bonds, the nature and extent of the security for the payment of the bonds, a statement of the rights, duties and obligations of the Municipality, the rights of the holders of the bonds, the requirement that payment of the bonds may not be accelerated without the prior consent of the Bond Insurer, and the terms and conditions under which additional parity bonds may be issued, to all the provisions of which Resolution the holder hereof by the acceptance of this bond assents.

The Resolution provides, among other things, for prescribing and revising rates and collecting tolls, fees and charges for the services, facilities and commodities furnished by the System sufficient to produce revenues to pay the reasonable and necessary costs of operating, repairing and maintaining the System, including any contractual obligations pertaining thereto and to provide for the payment into the special fund designated "City of Brunswick Water and Sewerage System Sinking Fund" (hereinafter referred to as the "Sinking Fund") of amounts required to provide for the payment of the principal of and the interest on the Series 1986 bonds, the Series 1990 bonds and the bonds of this series, and any other bonds hereafter issued on a parity therewith as the same become due and payable and to create and maintain a reserve therein for that purpose, as well as to create and maintain a reserve for extensions and improvements to the System.

As provided in the Resolution, the bonds are limited obligations of the Municipality. The bonds shall not be deemed to constitute a debt of the Municipality, within the meaning of any constitutional or statutory limitation on indebtedness nor a pledge of the faith and credit of the

Municipality, nor shall the Municipality be subject to any pecuniary liability thereon. This bond shall not be payable from or a charge upon any funds other than the revenues pledged to the payment thereof, and is payable solely from the Sinking Fund provided therefore from the net revenues of the System, including all future additions, extensions and improvements thereto. No holder of this bond shall ever have the right to compel the exercise of any taxing power of the Municipality to pay the same or the interest thereon, nor to enforce payment thereof against any other property of the municipality, nor shall this bond constitute a charge, lien or encumbrance, legal or equitable, upon any other property of the Municipality.

The bonds of this series are not subject to optional redemption by the City prior to their respective maturities.

<u>Dates</u>	<u>Principal Amount</u>
\$595,000	October 1, 2007
630,000	October 1, 2008
670,000	October 1, 2009
710,000	October 1, 2010
750,000	October 1, 2011

The bonds of this series maturing on October 1, 2014, are subject to scheduled mandatory redemption prior to maturity I part (the actual bonds to be redeemed to be selected by lot I such manner as may be designated by the Paying Agent) at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date, in the following principal amount and on the dates set forth below (the October 1, 2014 amount to be paid at maturity rather than redeemed prior to maturity):

<u>Dates</u>	<u>Principal Amount</u>
\$795,000	October 1, 2012
\$845,000	October 1, 2013

October 1, 2014

\$895,000

The bonds of this series maturing on October 1, 2019, are subject to scheduled mandatory redemption prior to maturity in part (the actual bonds to be redeemed to be selected by lot in redemption price equal to 100% of the principal amount thereof, principal amount and on the dates set forth below (the October 1, 2018 amount to be paid at maturity rather than redeemed prior to maturity):

<u>Dates</u>	<u>Principal Amounts</u>
	October 1, 2015
\$950,000	
	October 1, 2016
1,010,000	
	October 1, 2017
1,595,000	
	October 1, 2018
1,695,000	
	October 1, 2019
1,245,000	

Any such redemption, either in whole or in part, shall be made following notice to the owners of the affected bonds mailed by first class mail not more than 30 and not less than 10 days prior to the redemption date in the manner and upon the terms and conditions provided in the Resolution. If this bond or any portion hereof shall be called for redemption, interest shall cease to accrue on this bond or such portion hereof from and after the date fixed for redemption unless default shall be made in payment of the redemption price hereof upon presentation and surrender hereof; and, except as otherwise provided in the Resolution, the owner of this bond shall not be entitled to any rights under the Resolution except the right to receive payment and this bond or the portion hereof so called shall not be considered to be outstanding. Upon surrender of this bond paid or redeemed in part only, the Municipality, a new bond or bonds of the same type, of authorized denominations in the aggregate principal amount equal to the unpaid or unredeemed portion of this bond.

The person in whose name this bond is registered shall be deemed and regarded as the absolute owner hereof for all purposes, and payment of or on account of either principal

or interest made to such registered holder shall be valid and effectual to satisfy and discharge the liability upon this bond to the extent of the sum or sums so paid. This bond is resistible as transferred by the owner hereof in person or by his attorney duly authorized in writing at the principal corporate trust office of the Bond Registrar, all subject to the terms and condition as the Resolution.

The bonds of this series are issue as fully registered bonds in denominations of \$5,000 and any integral multiple thereof. Subject to the limitations provided in the Resolution, bonds of this series may be exchanged at the principal corporate bonds of this series of the same maturity and of other authorized denominations.

In certain events, o the conditions, in the manner and with the effect set forth in the Resolution, the principal of all bonds then outstanding together with the interest thereon may become or may be declared to be due and payable before the stated maturates thereof.

To the extent and in the manner permitted by the Resolution, modifications or alterations of the provisions thereof or of any supplement thereto or of the bonds may be made by the Municipality with the consent of the owners of at least fifty five percent (55%) in principal amount of the bonds then outstanding without necessity for notation hereon or reference thereof.

This bond is issued with the intent that the law of the State of Georgia shall govern its construction. In the event of default, the holder of this bond shall be entitled to the remedies provided by the Resolution and the Revenue Bond Law, as amended.

It is hereby recited and certified that all acts, conditions and things required to exist, happen or 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 and that provision has been made for the allocation of the anticipated revenue and receipts to be derived from the ownership and operation of the System in amounts sufficient to pay the principal of and become due and to maintain a reserve for that purp9ose and that said funds are irrevocably allocated and pledged to the payment of all of the bonds and the interest thereon.

This bond shall not be entitled to any benefit under the Resolution and shall not become valid or obligatory for any purpose until it shall have been authenticated by the execution by The Coastal Bank of Georgia, Brunswick, Georgia, as Authenticating Agent, by manual signature of the certificate of authentication hereon.

IN WITNESS WHEREOF, The Municipality has caused this bond to be executed by the facsimile signature of its Mayor and its corporate seal to be printed hereon and attested by the facsimile signature of the City Clerk of the Municipality, all as of the date shown above.

CITY OF BRUNSWICK, GEORGIA

(S E A L)

BY: _____
Mayor

Attest:

City Clerk

CERTIFICATE OF AUTHENTICATION

The above bond is one of the Series 1992 bonds described in the within-mentioned Resolution of December 7, 1992, and is hereby authenticated as of the date of its execution as stated in the bond.

THE COASTAL BANK, GEORGIA,
BRUNSWICK, GEORGIA
As Authentication Agent

By: _____
Authorized Officer

Date of Authentication:

STATE OF GEORGIA)
)
GLYNN COUNTY)

VALIDATION CERTIFICATE

I, the undersigned Clerk of the Superior Court of Glynn County, State of Georgia, keeper of the records and seal thereof, DO HEREBY CERTIFY that this bond was validated and confirmed by judgment of the Superior Court of Glenn County, Georgia, on December 21, 1993, that no intervention or objection was filed opposing the validation of said bond and that no appeal of said judgment of validation has been taken.

IN WITNESS WHEREOF, I have caused my signature and the official seal of the Superior Court of Glynn County, Georgia, to be reproduced hereon in facsimile.

CLERK, SUPERIOR COURT
GLYNN COUNTY, GEORGIA

(SEAL)

ASSIGNMENT OF FULLY REGISTERED BOND

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

PLEASE INSERT SOCIAL
SECURITY OR OTHER INDENTIFYING NUMBER
OF

ASSIGNEE

PLEASE PRINT OR TYPE NAME AND ADDRESS, INCLUDING POSTAL ZIP
CODE
OF TRANSFEREE

The within bond and all right there under, and hereby
irrevocably

Constitutes _____ and _____ appoints

Agent to transfer the within Bond on the registration books
with full power of substitution in the premises.

Dated: _____ Signature _____ Guaranteed:

Assignor

NOTICE: Signature (s) must be guaranteed by a member firm of
the New York Stock Exchange or a commercial bank.

NOTICE: The signature as to this Assignment must correspond
with the name (s) on the face of the within Bond in every
particular, without alteration or enlargement.

STATEMENT OF INSURANCE

(This portion of the bond shall be completed with a
statement provided by Municipal Bond Investors Assurance
Corporation, as Bond Insurer, describing its insurance
policy and coverage.)

LEGAL OPINION OF BOND COUNSEL

Section 208.	<u>Registration; Transfer and Exchange of Bonds*</u>
Section 209.	<u>Mutilated, Destroyed or Lost Bonds. *</u>
Section 210.	<u>Destruction of Temporary Bonds. *</u>
Section 211.	<u>Temporary Bonds. *</u>

*All terms and provisions of Sections 208 through 211 of the 1986 Resolution, and each convenient thereof, subject to the provisions of this Resolution, are hereby adopted as a part of this Resolution, and are hereby acknowledged as convenience of the Municipality the same as if such terms and provisions were set out herein as a part of this Resolution.

Section 212. Persons Treated as Owners of Bonds.

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

Section 213. Records Maintenance.

The Municipality and its agents, including the Paying Agent and Bond Registrar, may deem and treat the registered owner of any Bond as the absolute owner of such Bond for the purpose of receiving the absolute owner of such Bond for the purpose of receiving payment of the principal thereof and the interest thereon and for all other purposes whatever. All such payment of principal, premium, if any, and interest made to

may such owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such bond to the extent of the sum or sums so paid, and neither the Municipality nor any such agent shall be affected by any notice to the contrary.

Section 213. Records Maintenance. In every case of any exchange of Bonds and of the registration of transfer of any Bond, the bond Registrar shall hold the surrendered bonds. A certificate summarizing the exchanges or registrations of transfer occurring in the previous calendar year shall be sent in October of each year to the Municipality. All Bonds surrendered for exchange or their Bond Registrar shall cancel registration of transfer and a certificate summarizing such cancellations for the previous calendar year shall be sent each August to the Municipality.

[End of Article II]

ARTICLE III REDEMPTION OF BONDS BEFORE MATURITY

Section 301. Optional Redemption. The Series 1992 Bonds are not subject to optional redemption by the Municipality prior to their respective maturities.

Section 302. Scheduled Mandatory Redemption. The bonds of this series maturing on October 1, 2011, are subject to scheduled mandatory redemption prior to maturity in part (the actual bonds to be redeemed to be selected by lot in such manner as may be designated by the Paying Agent) at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date, in the following principal amount and on the dates set forth below (the October 1, 2011 amount to be paid at maturity rather than redeemed prior to maturity):

<u>Dates</u>	<u>Principal Amount</u>
\$595,000	October 1, 2007
\$630,000	October 1, 2008
\$670,000	October 1, 2009
\$710,000	October 1, 2010
\$750,000	October 1, 2011

The bonds of this series maturing on October 1, 2014, are subject to scheduled mandatory redemption prior to maturity in such manner as may be designated by the Paying Agent) at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date, in the following principal amounts and on the dates set forth below (the October 1, 2014 amount to be paid at maturity rather than redeemed prior to maturity):

<u>Dates</u>	<u>Principal Amount</u>
\$795,000	October 1, 2012
\$845,000	October 1, 2013
\$895,000	October 1, 2014

The bonds of this series maturing on October 1, 2019, are subject to scheduled mandatory redemption prior to maturity in part (the actual bonds to be redeemed to be selected by lot in such manner as may be designated by the Paying Agent) at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date, in the following principal amounts and on the dates set forth below (the October 1, 2018 amount to be paid at maturity rather than redeemed prior to maturity):

<u>Dates</u>	<u>Principal Amounts</u>
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	October 1, 2016
\$950,000	
	October 1, 2016
\$1,010,000	
	October 1, 2017
\$1,695,000	
	October 1, 2018
\$1,695,000	
	October 1, 2019
\$1,245,000	

At the option of the Municipality, to be exercised on or before the forty-fifth day next preceding any mandatory redemption date, the Municipality may (a) deliver to the Paying Agent for cancellation such Series 1992 Bonds in any aggregate principal amount desired, or (b) receive a credit in respect of its mandatory redemption obligation, for any such Series 1992 Bonds which prior to said date have been redeemed (otherwise than through mandatory redemption) and canceled by the Bond Registrar and not therefore applied as a credit against any mandatory redemption) and canceled by the Bond Registrar and not therefore applied as a credit against any mandatory redemption. Each Bond so delivered or previously redeemed must have a maturity date corresponding to the maturity date of the bonds then being mandatory redeemed and shall be credited by the Paying Agent at 100% of the principal amount thereof on the obligation of the Municipality on such mandatory redemption date.

Section 303. Notice of Redemption. Any mandatory redemption, shall be made following notice to the owners of the affected bonds mailed by first class mail not more than 30 and not less than 10 days prior to the redemption date in the manner and upon the terms and conditions provided in the Resolution. If this bond or any portion hereof shall be called for redemption, interest shall cease to accrue on this bond or such portion hereof from and after the date fixed for redemption price hereof upon presentation and surrender hereof; and, except as otherwise provided in the Resolution, the owner of this bond shall not be entitled to any rights under the Resolution except the right to receive payment and this bond or the portion hereof so called shall not be considered to be outstanding. Upon surrender of this bond paid or redeemed in part only, the Municipality shall execute and the Bond Registrar shall deliver to the owner hereof, at the expense of the Municipality, a new bond or bonds of the same type, of authorized denominations in the

aggregate principal amount equal to the unpaid or unredeemed portion of this bond.

Section 304. Other Bonds Redeemable. Additional parity bonds may be made subject to redemption either mandatory or at the option of the Municipality prior to maturity at the times and upon such terms and conditions as may be proscribed in the respective resolution relating to such bonds.

Section 305. Effect of Redemption Call. Notice having been given in the manner and under the conditions prescribed in Section 307 hereof, and moneys for the payment of the redemption price being held by the Paying Agent, all as provided in this Resolution date designated in such notice, become and be due and payable at the redemption price provided for redemption of such bonds on such date. Interest on the bonds so called for redemption shall cease to accrue from and after the date fixed from redemption unless default shall be made in payment of the benefit or security under this Resolution and the owners of such bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof.

Section 304. Partial Redemption's. If less than all of the bonds of any series of a maturity are to be redeemed, the actual bonds of such maturity to be redeemed shall be selected by lot in are subject to redemption only in principal amounts of \$5,000 or any integral multiple thereof. In case any bond shall be redeemed in part only, upon the surrender of such bond, the Municipality shall execute and the Authenticating Agent shall authenticate and shall deliver and cause to be delivered to or upon the written order of the owner thereof, at the expense of the Municipality, a bond or bonds of the same series and maturity (but only in authorized denominations), for the unredeemed portion of such partially-redeemed bonds.

Any bond, a portion of which has been redeemed as contemplated by this Section, shall be considered to be outstanding only in an amount reduced by the portion thereof so redeemed whether or not it has been surrendered as aforesaid.

Section 307. Redemption Need not be Pro Rata. Redemption need not be pro rata among series of bonds. The

Municipality may redeem any or all of the bonds of any series before it redeems any of the bonds of any other series, or it may redeem a portion of the bonds of one series before, or at the same time that, it redeems all or a portion of any other series.

Section 308. Purchase of Bonds in Market.

Nothing herein contained shall be construed to limit the right of the Municipality to purchase Bonds in the open market, at a price not exceeding the then applicable redemption price of the Bonds to be acquired, or at par and accrued interest for Bonds not then subject to redemption, from funds in the Sinking Fund, subject to the Sinking Fund requirements herein prescribed. Any such Bonds so purchased shall not be reissued and shall be canceled.

[End of Article III]

**ARTICLE IV
REFUNDING OF REFUNDABLE SERIES 1986 BONDS
CONSTRUCTION FUND**

Section 401. Refunding and Redemption of Outstanding Refundable Series 1986 Bonds.

All Series 1986 Bonds maturing in the years 2001 through 2014, which are the Refundable Series 1986 Bonds now outstanding, shall be refunded through provision for their payment and redemption, as provided in this Article IV. Upon the issuance and delivery of the Bonds authorized hereby, the Municipality shall give a notice of intention to redeem to the Paying Agent for the Refundable Series 1986 Bonds shall be such Paying Agent that the refundable Series 1986 Bonds shall be redeemed on October 1, 1994, which is the earliest date on which such outstanding Series 1986 Bonds may be redeemed and ordering the mailing of the notice of redemption required by Section 307 of the 1986 Resolution.

Section 402. Creation of Series 1986 Escrow Fund.

There is hereby created the City of Brunswick Water and Sewerage Revenue Bond Escrow Fund (Refundable Series 1986 Bonds), herein designated as the "Escrow Fund." The Coastal Bank of Georgia, Paying Agent for the Series 1986 Bonds, is hereby designated as Escrow Agent and as the Custodian of the Escrow Fund.

Section 403. Deposits to Escrow Fund.

Simultaneously with the issuance a delivery of the Bonds, the Municipality shall deposit into the Escrow Fund, from the proceeds of the sale of the Bonds, the amounts set forth in the Escrow Deposit Agreement. The funds so deposited shall be applied to the purchase of certain Government Obligations (the "Escrow Obligations") which Escrow Obligations, together with the earning thereon, shall be sufficient to pay the principal of, redemption premiums and the interest on the Refundable Series 1986 Bonds being redeemed or coming due in accordance with the 1986 Resolution.

Section 404. Disbursements from the Escrow Fund.

The Coastal Bank of Georgia, as Escrow Agent in reciting for he Escrow Obligations, will acknowledge and agree that it will pay from the Escrow Fund to the Coastal Bank of Georgia, as Paying Agent for the Series 1986 Bonds, on or before the date of redemption, amounts sufficient to provide for the payment and redemption of the Series 1986 Bonds.

Section 405. Investment of Escrow Fund.

The Escrow Agent shall collect the principal of and interest on any certificates of deposit or other securities held in the Escrow Fund as the same become due and payable, but is shall have no power to reinvest moneys or to make substitution of such securities except as authorized in the Escrow Deposit Agreement, which includes provisions as set forth in Section 901 of the 1986 Resolution retaining to the Municipality the right to substitute obligations of like kind for those previously pledged provided that those substituted obligations will provide sufficient moneys in a timely fashion to make the required payments of principal and interest on the bonds (including any redemption premiums) , and the Municipality shall deliver prior to the time of such substitution an opinion of a firm of nationally recognized bond affect the tax-exempt status of the bonds under Section 13 of the Code or any section Of any future federal income tax statute, which supplants said Section 103.

Section 406. Incorporation of Portions of 1986 Resolution. The applicable and necessary portions of the 1986 Resolution pertaining to the payment, registration and convertibility of the Refundable Series 1986 Bonds issued

there under and the replacement of lost, destroyed or mutilated bonds are incorporated herein by this reference thereto. The liability of the Escrow Agent for the payment of the principal of, redemption premium, and interest on the Series 1986 Resolution shall be limited to the application of moneys and the proceeds of the obligations available for such purposes in the Escrow Fund.

Section 407. Excess Moneys. Any moneys which remain in the Escrow Fund after all items payable there from have been paid or sufficient moneys have been paid or sufficient moneys have been reserved to make such payment, shall be paid to the Municipality.

Section 408. Lien on Escrow Fund. The Holders of the Refundable Series 1986 Bonds shall have an express lien on all deposits in the Escrow Fund until paid out, used and applied in accordance with the terms of this Article IV. The Holders of Series 1986 Bonds maturing in the years 1992 Bonds shall have no lien on the Escrow Fund or any deposits therein.

Section 409. Termination of Rights. The Municipality acknowledges and intends that by virtue of the aforesaid deposit into the Escrow Fund, the Refundable Series 1986 Bonds are deemed to have been paid and that consequently the rights granted to the Holders of the Refundable Series 1986 Bonds under the 1986 Resolution (except as specifically reserved in this Article IV), have ceased, determined and become void.

Section 410 Creation of Construction Fund. A special fund is hereby created and designated "City of Brunswick Water and Sewerage System 1992 Construction Fund " (The Construction Fund") to the credit of which the shall be deposited the amount of the proceeds from the sale of the Series 1992 Bonds, specified in Section 22 (h) (iv) hereof, and any other funds acquired by gift, donation, grant or otherwise for the construction of the Project and any additional funds which may be required to be furnished by said Municipality in order to assure the payment of all costs of the Project. Such moneys as are deposited in the Construction Fund shall be held by the Construction Fund Custodian and withdrawn only in accordance with the provisions and restriction set forth in this Article, and the Municipality will not cause or permit to paid there from any sums except in accordance herewith; provided, however,

that any moneys in the Constructions Fund not needed at the time for the payment of current obligations during the course of the acquisition and the construction of the Project, may, upon direction of the Municipality, be invested and reinvested by the Construction Fund until maturity or until sold, and at maturity or upon such sale the proceeds received there from, including accrued interest and premium, if any, shall be immediately deposited by such Custodian in the Construction Fund and shall be disposed of in the manner and for the purposes hereinafter provided or permitted; provided that no such investment shall be made unless the same shall mature or be subject to redemption at the holder's option on or before the earlier of (i) three years from the date of purchase, or (ii) the date or dates on which the moneys so invested will be required to be used for construction purposes. All moneys so invested will be required to be used for construction Fund shall be subject to a lien and charge in favor of the holders until paid out as hereinafter provided.

Section 411. Construction of Project; Authorized Construction Fund Disbursements. The Municipality will proceed with the acquisition and construction of the Project in accordance with or substantially in accordance with the plans and specifications therefore on file with the Municipality. Withdrawals from the Construction Fund may be made for the purpose of paying (said term to include the reimbursing of the Municipality for advances from its other funds to accomplish the purposes hereinafter described) the cost of acquiring, constructing and equipping the Project, including the purchase of such property and equipment as may be useful in connection therewith, and, without intending thereby to limit or to restrict or to extend any proper definition of such cost contain in the Revenue Bond Law, as it has been amended and as it has been amended and as it may hereafter be amended, shall include:

- (a) The cost of indemnity and fidelity bonds either o secure deposits in the Construction Fund or to insure the faithful completion of any contract pertaining to the Project;
- (b) Any taxes or any charges lawfully levied or assessed against the Project;
- (c) Fees and expenses of engineers for engineering studies, surveys and estimates, and the

preparation of plans and supervising the acquisition, construction and equipping of the Project;

- (d) Cost incident to the issuance of the Series 1992 Bonds including any penalty imposed pursuant to the Municipality's election to have sub clause (v) of Section 148 (f) (4) © (vii) of the Code apply to the Series 1992 Bonds or any rebate or other penalty imposed by the Code;
- (e) Payments made for labor, contractors, builders and material men connection with the Project and payment for machinery and equipment and for the restoration of property damaged or destroyed in connection therewith and the repayment of advances made to it for the purpose of paying any of the aforementioned costs;
- (f) The cost of acquiring by purchase, and the amount of any award or final judgment in any proceeding to acquire by condemnation, lands and rights-of-way necessary for the Project and appurtenances in connection therewith, and options and payments thereon, and any easements or right-of way or any damages incident to or resulting from the acquisition, construction and equipping of the Project; and
- (g) All other lawful items or expenses not elsewhere in this Section specified incident to the Project.

Section 412. Requisition Procedure. All payments from the Construction Fund shall be made upon checks signed by an officer (or officers) of the Municipality properly authorized to sign in its behalf, but before he (they) shall sign any such checks (other than checks issued in payment for the costs incident to the issuance of the Bonds) there shall be filed with the Construction Fund Custodian:

- (a) A requisition for such payment (the above mentioned checks may be deemed requisition for

the purpose of this Section), stating each amount to be paid and the name of the person, firm or corporation to whom payment thereof is due; and

(b) A certificate attached to the requisition and certifying:

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

(ii) The officer (or officers) has (have) no notice of any vendor's, mechanic's or other liens or rights to liens, security interests, chattel mortgages, or conditional sales contracts which should be satisfied or discharged before such payment is made; and

(iii) That such requisition contains no item representing payment on account or any retained percentages, which the Municipality is, at the date of such certificate, entitled to retain.

(C) No requisition for payment shall be made until the Municipality has been furnished with proper certificate of the Project Superintendent that insofar as such obligation was incurred for work, material, supplies or equipment in connection material, supplies or equipment was actually installed in or about the construction or delivered at the site of the work for that purpose.

Section 413. Other Disbursements from the Construction Fund.

(a) All payments from the Construction Fund for the costs incident to the issuance of the Series 1992 Bonds shall be made upon checks signed by an officer (or officers) of the Municipality properly authorized to sign in its behalf, but before he (they) shall sign any such checks there shall be filed with the Construction Fund Custodian a requisition for such payment, stating each amount to be paid and the name of

person, firm or corporation to whom payment thereof is due, to which shall be attached a copy of the statement of such person, firm or corporation for which payment is being made.

- (b) If the United States of America or the State of Georgia, or any department, agency or instrumentality of either, agrees to allocate moneys to be used to defray any part of the cost of acquiring, constructing and equipping the Project upon the condition that the Municipality appropriate a designated amount of money for said specified purpose or purposes, and it is required to withdraw any sum so required from the Construction Fund by appropriate transfer and deposit the same in a special account (or accounts) can only be made in accordance with the requirements set forth in this Section.
- (c) Withdrawals for investment purposes only (including authorized deposits with other banks) may be made by the Construction Fund Custodian to comply with written directions from an officer (or officers) of the Municipality without any requisition other than said direction.

Section 414. Lien on Construction Fund for Bondowner. All proceeds from the sale of the Bonds, including those held in the Construction Fund or obligation held for such fund, shall be subject to a lien or charge in favor of the owners of the Bonds and shall be held for the future security of such owners until paid out as herein provided.

Section 415. Insurance During Construction. Any contract relating to construction of the Project shall provide that:

- (a) The contractor shall procure and shall maintain during the life of his contract Workers' Compensation Insurance as required by applicable state law for all of his employees to be engaged in work at the site of the Project under his contract and, in case of any such work sublet, the contractor shall require the subcontractor similarly to provide Workers'

Compensation Insurance for all of the latter's employees to be engaged in such work unless such employees are covered by the protection afforded by the contractor's Workers' Compensation Insurance. In case any class of employees is engaged in hazardous work on the Project under such contract is not protected under the Workers' Compensation Statute, the contractor shall provide or shall cause such subcontractor to provide adequate employer's liability insurance for the protection of such of this employees as are not other wise protected.

- (b) The contractor shall procure and shall maintain during the life of his contract adequate Contractor's Public Liability Insurance, adequate Vehicle Liability Insurance, and adequate Contractor's Property Damage Insurance.
- (c) The contractor shall either require each of his subcontractors to procure and to maintain during the life of his subcontract, Subcontractor's Public Liability and Property Damage Insurance of the type and in the same amounts as specified in the subcontractors in his own policy.
- (d) The insurance required under subparagraphs (b) and (c) hereof shall provide adequate protection for the contractor and his subcontractors, respectively, against damage claims, which may arise from operations under the contract, whether such operations be by the insured or by anyone directly or indirectly employed by him.
- (e) The contractor shall procure and shall maintain during the life of its contract, Builder's Risk Insurance (Fire and extended Coverage) on a 100% completed value basis on the insurable portions of the Project. The Municipality, the contractor and subcontractors, as their interest may appear, shall be named as the insured.
- (f) The contractor shall furnish the Municipality with certificates showing the type, amount, class of operations covered, effective date and dates of expiration of all policies. Such certificates shall also provide that the

insurance covered by the certificate will not be cancelled or materially altered, except after ten days written notice has been received by the Municipality.

Section 416. Payment and Performance Bonds. The contractor shall be required to furnish a performance bond in an amount at least equal to one hundred percent of the contract price as security for the faithful performance of this contract and also a payment bond in an amount not less than one hundred percent of the contract price as security for the payment of all persons performing labor on the Project under his contract and furnishing material in connection with his contract.

Section 417. Inspection of Requisitions. All requisitions and certificates required by this Article shall be retained by the Municipality, subject at all times to inspection by the duly authorized agents or representatives of the owners of the bonds.

Section 418. Completion of the Project. When the acquisition, construction and equipping of the project has been completed, said fact shall be evidence by a certificate to the Municipality and the Construction Fund Custodian from the Project Superintendent to such effect specifying the date of completion, and should there be any balance in the Construction Fund which is not needed to defray proper charges against said Fund which have not been paid, such balance shall be transferred to the Revenue Fund.

[End of Article IV]

ARTICLE V REVENUES AND FUNDS

Section 501. Fiscal Year; Annual Budget. The Municipality covenants and agrees that it is now and shall hereafter continue to operate its System on a fiscal year basis ending on June 30, but it reserves the right by the adoption of proper proceedings to change its fiscal year.

The Municipality covenants that a budget of revenues and expenses for its current fiscal year has been adopted and in connection with the issuance of the Series 1992 Bonds, said budget will be revised to the extent

necessary; and thereafter, which any of the bonds are outstanding, there will be adopted an annual budget of revenues and expenses for the ensuing fiscal year, and a copy of such budgets or amendments thereto, will be filed, upon request, with any bondholder. Copies will also be mailed to the original purchasers of the bonds upon request.

Section 502. Revenue Fund, Sinking Fund and Renewal and Extension Fund. All revenues arising from the operation of the System and properties in connection therewith as then existent and as thereafter added to, extended and improved shall be collected by the Municipality or by its agents or employees and deposited promptly with its depository to the credit of a special fund which was created in Section 502 of the 1986 Resolution and designated as "City of Brunswick Water and Sewerage System Revenue Fund"). The Municipality shall continue to maintain said Revenue Fund separate and apart from its other funds so long as the bonds and any future issue or issues of additional parity bonds therewith hereafter issued are outstanding and unpaid or until provision shall have been duly made for the payment thereof. Said revenues shall be disbursed from the Revenue Fund to the extent and in the following manner and order:

- (a) There shall first be paid from the Revenue Fund the reasonable and necessary costs of operating, maintaining and repairing the System, including salaries, wages, the payment of any contractual obligations incurred pertaining to the operation of the System, the cost of material and supplies, rentals of leased property, real or personal, insurance premiums, audit fees and such other charges as may properly be made for the purpose of operating, maintaining and repairing the System in accordance with sound business practice, but before making provision for depreciation.

The net revenues remaining in the Revenue Fund after the payment of the sums required or permitted to be paid under the provisions of the preceding paragraph (a) of this Section are hereby pledged to the payment of the annual debt service requirements on the unrefunded Series 1986 Bonds, the Series 1990 Bonds, the Series 1992 Bonds and any Additional Parity

Bonds issued under the provisions of this Article and to the payments required to be made to the Debt Service Reserve Account. Said revenues so pledged shall immediately be subject to the lien of this pledge without any physical delivery thereof or further act and the lien of this pledge shall be valid and binding against the System and against all parties having claims of any kind against it, whether such claims shall have arisen in contract, tort or otherwise and irrespective of whether or not such parties have notice hereof.

(b) Section 502 (b) of the 1986 Resolution created a special fund known as the "City of Brunswick Water and Sewerage System Sinking Fund" (herein sometimes referred to as the "Water and Sewerage System Sinking Fund" or "Sinking Fund"). In accordance with the 1986 Resolution there were created within the Sinking Fund two accounts known as the Debt Service Account and the Debt Service Reserve Account, which the Municipality shall continue to maintain. After the payments described in paragraph (a) of this Section 502 Fund into the Debt Service Account, in addition to the sums required to be paid therein by Section 502(b) of the 1986 Resolution and Section 502 (b) of the 1990 Resolution, for the purpose of paying the annual debt service requirements on the Series 1992 Bonds coming due in the then current sinking fund year the following amounts:

(i) Beginning with the month of delivery of the Series 1992 Bonds, and continuing from month to month thereafter prior to the first Interest Installment Date (s) for such Bonds, on or before the last day of each month, the monthly pro rata amount of interest coming due on the first Interest Installment Date for the Bonds, deducting, however, from such payments due for the month of delivery of the Bonds, the amount of accrued interest received upon the sale and delivery of such Bonds;

(ii) Beginning with the month of the first Interest Payment Date of the Series 1992 Bonds, and from month to month thereafter, an amount equal to one-sixth (1/6) of the interest coming due on the Bonds on each subsequent Interest Payment Date thereafter;

(iii) Beginning with the month of delivery of the Series 1992 Bonds, and from month to month thereafter prior to October, 1993, the monthly pro rata amount of principal on the Bonds coming due on October 1, 1993;

(iv) And beginning with the month of October, 1993, and from month to month thereafter, an amount equal to one-twelfth (1/12) of the principal of the Series 1992 Bonds coming due (whether by maturity, scheduled mandatory redemption or otherwise) on the next succeeding October 1, such monthly payments to continue from month to month thereafter until sufficient funds are on hand to pay all outstanding bonds at their respective maturities and the interest which will become due and payable thereon;

provided, however in any event the payments into the Sinking Fund shall be at all times sufficient and timely to pay the principal of and interest on the unrefunded Series 1986 Bonds, the Series 1990 Bonds, and the Series 1992 Bonds when due and payable.

(c) After there shall have been paid from the Revenue Fund the payments permitted or required by paragraph (a) and (b) above and the monthly payments required to be made to the Debt Service Account, there shall be deposited into the Debt Service Reserve Account such moneys as are necessary to maintain a reserve therein equal to the Debt Service Reserve Requirement. Such reserve shall be maintained and used at any time to pay the Debt Service Requirements falling due in any year as to which there otherwise would be a default. If money is taken from the Debt Service Reserve Account for the payment of such Debt Service Requirements the money so taken shall be replaced from the first moneys in the Revenue Fund thereafter available and not required to be used for

operation and maintenance charges and not required to make the monthly payments to the Debt Service Account as hereinabove provided. Subject to the terms and conditions set forth in this Resolution, and the 1990 Resolution, moneys in the Debt Service Account shall be disbursed for (A) the payment of the interest on the bonds secured hereby as such interest falls due, (B) the payment of the principal of the bonds secured hereby at their respective maturities, the redemption of bonds secured hereby before maturity at the price and under the conditions provided therefore in Article iii HEREOF, (c) the purchase of bonds in the open market; provided, however, the price paid shall not exceed the authorized redemption price, and (D) the payment of the necessary charges for paying bonds and interest thereon and for investment services of the Sinking Fund Custodian.

All said sums required to be paid in order to comply with the provisions of paragraphs (b) and (c) above shall be paid on and if, in any month, for any reason, the amounts herein required to be paid in such month shall not be paid in full, any deficiency shall be added to and shall become a part of the amount required to be paid in the next succeeding month. The Municipality may also take credit for any excess moneys available in the appropriate account or fund in calculating the monthly amounts due. It is covenanted and agreed, however, that in the event the Municipality hereafter elects to issue Additional Parity Bonds, pursuant to the provisions of this Resolution, the above stated payments into the Sinking fund will be increased to the extent necessary to provide for the payment of the combined Debt Service Requirements on all of the bonds and Additional Parity Bonds then outstanding and on the bonds proposed to be issued as the same mature in the then current sinking fund year and to create within five (5) years from the date of the bonds to be issued and thereafter maintain a reserve for that

purpose in an amount at least equal to the Debt Service Reserve Requirement.

(d) After there have been paid from the Revenue Fund in each month the sums required or permitted to be paid under the provisions of paragraphs (a), (b) and (c) above, there shall next be paid at the end of each month into a special fund, which was created in Section 502(d) of the 1986 Resolution and designated as "City of Brunswick Water and Sewerage System Renewal and Extension Fun" (herein sometimes referred to as the "Renewal and Extension Fund"), all of the moneys then remaining in the Revenue Fund except for such amount as the Municipality in the exercise of its discretion shall deem reasonable and prudent to retain in the Revenue Fund to pay costs of operating, maintaining and repairing the System; provided, however, monthly payments of not less than \$5,000 shall be made into the Renewal and Extension Fund from the Revenue Fund if any time the balance in the Renewal and Extension Fund is less than \$200,000 and such monthly payments into the Renewal and extension Fund shall immediately recommence upon said balance becoming less than \$200,000. Expenditures may be made from the renewal and Extension Fund, whether it is below or above its required balance, for the purpose of:

(i) Paying debt service requirements on the Municipality's water and sewerage revenue bonds then outstanding and falling due at any time for the payment of which money is not available in the Sinking Fund securing the payment of same and the interest thereon;

(ii) In case of an emergency having a major effect upon the System caused by some extraordinary occurrence which makes it necessary to use the funds of the System for the alleviation or removal of such effects and an insufficiency of money exists in the Revenue Fund to meet such emergency; and

(iii) Making replacements, additions, extension and improvements to the System deemed by the governing body of the Municipality to be reasonable and in the best interest of the Municipality and the bondholders.

Moneys in the Renewal and Extension Fund in excess of \$200,000 may be withdrawn from the Renewal and Extension Fund and used by the Municipality for any lawful corporate purpose, provided the Revenue Fund shall have such balance as the Municipality in the exercise of its discretion shall deem reasonable and prudent to retain in the Revenue Fund to pay costs of operating, maintaining and repairing the System and provided further that the current payments required to be made into the Sinking Fund for the bonds and for any subsequent issue or issues of Additional Parity Bonds have been made.

Moneys may be withdrawn from the Renewal and Extension Fund without authorization of the Commission if needed for (i) or (ii) above by checks drawn on such Fund by duly authorized officers or shall first be approved by the Commission.

It is expressly provided, however, that should bonds be hereafter issued ranking as to lien on the revenues of the System junior and subordinate to the lien securing the payment of the bonds and any issue or issues of Additional Parity Bonds hereafter issued, then such payments into the Renewal and Extension Fund as provided in Paragraph (d) of this Section may be suspended and such moneys shall be available to the extent necessary to pay the principal of and interest on such junior lien bonds and the creation and maintenance of a reasonable reserve therefore and the same may be allocated and pledged for that purpose.

Section 503.	<u>Maintenance of Rates. *</u>
Section 504.	<u>Transfers from the</u>
	<u>Revenue Fund. *</u>
Section 505.	<u>Trust Moneys. *</u>
Section 506.	<u>Investments of Sinking</u>
	<u>Fund Moneys. *</u>
Section 507.	<u>Investments of Revenue Fund</u>
	<u>And Renewal and Extension of</u>
	<u>Fund Moneys.*</u>

Section 508.

Parity Bonds.*

Section 509.

Priority of Lien.*

- All terms and provisions of Sections 503 through 509 of the 1986 Resolution and each covenant thereof, subject to the provisions of this Resolution, are hereby adopted as a part of this Resolution, shall apply for all purposes to this Resolution and to the bonds and are hereby acknowledged as covenants of the Municipality the same as if such terms and provisions were set out herein as a part of this Resolution.

[End of Article V]

ARTICLE VI

DEPOSITORIES OF MONEYS AND SECURITIES FOR DEPOSIT

NON-ARBITRAGE

Section 601. Depositories and Custodian.

All terms and provisions of Section 601 of the 1986 Resolution and each covenant thereof, subject to the provisions of this Resolution, are hereby adopted as a part of this Resolution, shall apply for all purposes to this Resolution and to the Bonds and are hereby acknowledged as covenants of the Municipality the same as if such terms and provisions were set out herein as a part of this resolution.

Section 602. Non-Arbitrage Covenant.

The Municipality covenants that it will comply with all applicable requirements of the Internal Revenue Code of 1986, as amended (the "Code") and that a duly authorized official of the Municipality will execute a certificate, dated as of the dates of authentication and delivery of the Series 1992 Bonds, to the effect that, on the basis of the facts, estimates and circumstances in existence on the dates of such authentication and delivery, it is not expected that the proceeds of the bonds will be used in a manner which would cause the bonds to be "arbitrage bonds" within the meaning of Section 148 (a) of the Code and Treasury Regulations, Sections 1.103-13, 1.103-14 and 1.103-15 and that such certificate shall state that, to the best of the knowledge and belief of such officer, such expectations are reasonable and there are no facts or circumstances that would materially change the expectations expressed in such certificate. The Municipality further covenants that it will comply throughout the term of the bonds " The

Municipality will comply throughout the term of the bonds with the requirements of the Code and any applicable regulations to the end of preventing the Bonds from becoming "arbitrage bonds." The Municipality will comply with all provisions of Section 148 of the Code, including specifically the provisions thereof, which require payment of rebate to the United States of America, to the extent applicable to the Bonds. Nothing contained in this Section 602 shall be construed to impose contractual obligations on the Municipality which are more onerous or burdensome than the requirements (as they shall exist from time to time) of the Internal Revenue Code and any such applicable regulations, which must be observed in order to prevent the bonds from becoming "arbitrage bonds."

[End of Article VI]

ARTICLE VII
PARTICULAR COVENANTS

- Section 701. Payment of Bonds.*
- Section 702. Management of the System.*
- Section 703. No Diminishment of Liens.*
- Section 704. Maintenance of Insurance.*
- Section.705. Books and Records.*
- Section 706. Annual Audit
- Section 707. Sale of the System.*
- Section.708. Employment of Consulting Engineer.*

[End of Article VII]

[ARTICLE VIII]
DEFAULTS AND REMEDIES

- Section 801. Events of Default.*
- Section 802. Acceleration.*
- Section 803. Receivership.*
- Section 804. Abandonment of Proceedings.*
- Section 805. Limitation of Actions by Bondholders.*
- Section 806. Non-Exclusivity of remedies.*
- Section.807. Delays.*

*All terms and provisions of Article VIII of the 1986 Resolution comprised of Sections 801 through 807 thereof,

and each covenant thereof, subject to the provisions of this Resolution, are hereby adopted as a part of this Resolution, shall apply for all purposes to this Resolution and to the bonds and are hereby acknowledged as covenants of the Municipality the same as if such terms and provisions were set out herein as a part of this Resolution.

[End of Article VIII]

ARTICLE IX
DEFEASANCE

Section 901. Payment of Defeasance.*
Section 902. Termination of Liability.*

*All terms and provision of Article IX of the 1986 Resolution comprised of Sections 901 and 902 thereof, and each covenant thereof, subject to the provisions of this Resolution, are hereby adopted as a part of this Resolution, shall apply for all purposes to this Resolution and to the Bonds and are hereby acknowledged as covenants of the Municipality the same as if such terms and provisions were set out herein as a part of this Resolution.

[End of Article IX]

ARTICLE X
MISCELLANEOUS PROVISIONS

Section 1001. Validation.*
Section 1002. Severability.
Section 1003. Resolution as a Contract.*
Section 1004. Modification, Alteration or Amendment of Resolution.*
Section 1005. Payments Due on Saturdays, Sundays and Holidays.*

*All terms and provisions of Section 1001 through 1005 of 1986 Resolution and each covenant thereof, subject to the provisions of this Resolution, are hereby adopted as a part of this Resolution, shall apply for all purposes to this Resolution and to the Bonds and are hereby acknowledged as

covenants of the Municipality the same as such terms and provisions were set out herein as a part of this Resolution.

Section 1006. Approval of Purchase Contract. The execution, delivery and performance of the Purchase Contract, dated the date of the adoption of this Resolution, providing for the sale of the Series 1992 Bonds, by and between the Municipality and Stephens Ins., a copy of which has been presented to the Municipality at this meeting and considered by their members and which is on file and of record with the City Clerk of the Municipality, be and the same is hereby authorized. The Purchase Contract shall be in substantially the form as presented to the Municipality, subject to such minor changes, insertions or omissions as may be approved by the Mayor of the Municipality, and the execution of the Purchase Contract by the Mayor of the Municipality as hereby authorized shall be conclusive evidence of any such approval.

Section 1007. Approval of Official Statement. The Municipality has caused to be distributed a Preliminary Official Statement with respect to the Series 1992 Bonds and the Municipality shall execute and deliver an Official Statement in final form and the execution and delivery of the Official Statement in final form be and the same is hereby authorized and approved. The use and distribution of a Preliminary Official Statement with respect to the Series 1992 Bonds be and the same is hereby ratified and confirmed, and the Mayor or City Manager of the Municipality has been duly authorized to "DEEM FINAL" the Preliminary Official Statement within the meaning of Securities Exchange Act Rule 15c2-12. The Mayor of the Municipality is hereby authorized to execute and deliver the Official Statement for and on behalf of the Municipality, and the Official Statement shall be in substantially the form of the Preliminary Official Statement as presented to the Municipality at its meeting and filed with the City Clerk of the Municipality subject to such minor changes, insertions or omissions as may be approved by the Mayor of the Municipality and the execution of said Official Statement by the Mayor of the Municipality as hereby authorized shall be conclusive evidence of any such approval. The distribution of the Official Statement for and on behalf of the Municipality is hereby authorized and approved.

Section 1008. Authorization to Purchase Bond Insurance. The Mayor of the Municipality is hereby authorized to

arrange for the purchase from BIA Corporation of a municipal bond guaranty insurance policy for the Series 1992 Bonds; provided, however, that if the Mayor, in consultation with the financial advisers for the Municipality, shall determine that the purchase of such insurance is not in the best interests of the municipality, such Bonds shall be issued without such insurance. Any such policy of insurance shall guarantee to the owners of the Bonds for which coverage is purchased the full and complete payment of any principal of and interest on said Bonds.

Section 1009.	<u>Applicable Provisions of</u>
<u>Law.</u>	
Section 1010.	<u>Captions</u>
Section 1011.	<u>Taxability.</u>
Section 1012.	<u>Repeal of Conflicting</u>
<u>Resolutions.</u>	

*All terms and provisions of Sections 1009 through 1012 of the 196 Resolution and each covenant thereof, subject to the provisions of this Resolution, are hereby adopted as a part of this Resolution, shall apply for all purposes to this Resolution and to the Bonds and are hereby acknowledged as covenants of the Municipality the same as such terms and provisions were set out herein as a part of this resolution.

Section 1013. Amendment to 1986 Resolution. In section 1014 of the 1990 Resolution, an amendment to the 1986 Resolution was made. Said amendment is hereby adopted as part of this Resolution and shall apply for all purposes to this Resolution and to the Bonds. Said amendment renumbered Articles VI through XI of the 1986 Resolution, and any cross references contained therein, as Articles V through X to accurately reflect the Table of Contents of the 1986 Resolution.

APPROVED AND ADOPTED in open public meeting, this 7th day of December 1992.

APPROVED:

CITY OF BRUNSWICK

/s/ Homer L. Wilson
Mayor

(S E A L)

Attest:

/s/ Georgia E. Marion
City Clerk