

House Bill 1512

By: Representatives Reed of the 52nd, Stanley of the 50th, Stanley of the 49th, Brooks of the 54th and Ashe of the 46th

A BILL TO BE ENTITLED
AN ACT

1 To create County Building Authorities in certain counties; to provide a short title for this Act;
2 to provide for the creation of County Building Authorities as instrumentalities of the state,
3 and to provide for powers and composition; to provide for the definition of terms; to provide
4 for additional powers; to provide for the issuance of Revenue Bonds by the Authorities; to
5 provide for the form of such bonds, the negotiability and the exemption from taxation of such
6 bonds; to provide for the use of the bond proceeds; to provide for condition precedent prior
7 to the issuance of such bonds; to provide that such bonds shall be limited obligations; to
8 provide for trust indenture; to provide for sinking funds; to provide for remedies of bond
9 holders; to provide for refunding bonds; to provide for the legality of such bonds as
10 investments; to provide for the exemption of property of the authorities from taxation; to
11 provide for venue and jurisdiction of actions against the authority; To provide for validation
12 of bonds; to provide for revenue and earning of the Authorities; to provide for the operation
13 of projects; to provide an effective date; to repeal conflicting laws; and for other purposes.

14 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

15 style="text-align:center">**SECTION 1.**

16 This Act shall be known as and may be referred to as the "County Building Authorities Act",
17 and shall be applicable to all counties of this state having an operating budget of \$300 million
18 or more.

19 style="text-align:center">**SECTION 2.**

20 There is hereby created in each county in which this Act is applicable a body corporate and
21 politic to be known as the County Building Authority of such county which shall be deemed
22 to be an instrumentality of the State of Georgia and a public corporation, and by that name,
23 style, and title, said body may contract and be contracted with, sue and be sued, implead and

1 be impleaded, and complain and defend in all courts of law and equity. The Authority shall
 2 consist of the Chairman of the Board of Commissioners, the County Manager, and the
 3 Director of Finance of such county or, in the event that such offices shall not exist in such
 4 county, the elected official who shall be the sole executive authority or the Chairman of the
 5 Board of Commissioners, the nonelected official who shall be the chief administrative officer
 6 of such county, and the individual who shall be or perform the functions of the County
 7 Treasurer. If the Board of Commissioners consists of three or more members, the Authority
 8 shall also consist of two members of the Board of Commissioners who shall be elected by
 9 the Board of Commissioners within 30 days after the effective date of this Act and every four
 10 years thereafter at the first meeting of the Board of Commissioners held in January following
 11 their election. If the Board of Commissioners consists of less than three members, all of the
 12 members of the Board of Commissioners shall also be members of the Authority.
 13 Immediately upon the passage and approval of this Act, the members of the Authority shall
 14 enter upon their duties. The Authority shall elect one of its members as chairman and shall
 15 elect a secretary and treasurer who need not necessarily be a member of the Authority. No
 16 vacancy on the Authority shall impair the right of the quorum to exercise all the rights and
 17 perform all the duties of the Authority. The members of the Authority shall not be entitled
 18 to compensation for their services but shall be entitled to and shall be reimbursed for their
 19 actual expenses necessarily incurred in the performance of their duties. The Authority shall
 20 make rules and regulations for its own government. It shall have perpetual existence. Any
 21 change in name or composition of the Authority shall in no way affect the vested rights of
 22 any person under the provisions of this Act or impair the obligations of any contracts existing
 23 under this Act.

24 **SECTION 3.**

25 As used in this Act the following words and terms shall have the following meanings:

26 (a) The word "Authority" or "authority" shall mean the County Building Authority , or
 27 Authorities created by this Act, even though such word is used in the singular. Said
 28 Authority shall be known as the "Building Authority of ____ County".

29 (b) "County" shall mean each county in which a Building Authority is or may be created
 30 by this Act.

31 (c) The word "project" shall be deemed to mean and include one or a combination of two
 32 or more of the following:

33 The acquisition, construction, furnishing, and equipping of any and all structures,
 34 buildings, electric, gas, steam, water utilities, or any other facilities of any and every type,
 35 kind, and character determined by the Authority to be desirable for the efficient operation
 36 of any department, board, commission, or agency of the county, the State of Georgia, any

1 municipal corporation lying in whole or in part in the county, or any government agency
 2 operating in the county which the county may be required by law to support financially,
 3 or the United States government or any agency or subsidiary corporation thereof, together
 4 with all necessary or useful furnishing, furniture, fixtures, decorations, appointments, art
 5 objects, machinery, equipment, parking facilities, and landscaping, all as determined by
 6 the Authority, which determination shall be final and not subject to review. The term
 7 "project" shall also mean and include the acquisition, construction, furnishing, equipping,
 8 maintenance, and operation of facilities that may or will enhance the attractiveness,
 9 convenience, utility, or usefulness of any undertaking described in the immediately
 10 preceding sentence, which facilities may be leased, operated by, or otherwise made
 11 available to any public or private person, firm, or corporation, all as determined by the
 12 Authority, which determination shall be final and not subject to review.

13 (d) The term "cost of the project" shall embrace the cost of construction, the cost of all
 14 lands, properties, rights, and easements and franchises acquired, the cost of all machinery,
 15 equipment, and other personal property, financing charges, interest prior to and during
 16 construction and, for one year after completion of construction, cost of engineering,
 17 architectural and legal expenses, and of plans and specifications, and other expenses
 18 necessary or incident to determining the feasibility or practicability of the project,
 19 administrative expense, and such other expenses as may be necessary or incident to the
 20 financing herein authorized, the construction and acquisition of any project, the placing of
 21 the same in operation, and the condemnation of the property necessary for such
 22 construction, acquisition, and operation. Any obligation or expense incurred for any of the
 23 foregoing purposes shall be regarded as a part of the cost of the project and may be paid
 24 or reimbursed as such out of the proceeds of revenue bonds issued under the provisions of
 25 this Act for such project.

26 (e) "Bonds" or "revenue bonds" as used in this Act shall mean any bonds issued by the
 27 Authority under the provisions of this Act, including refunding bonds.

28 (f) Any project or combination of projects shall be deemed "self-liquidating" if, in the
 29 judgment of the Authority, the revenues to be derived by the Authority from rentals of said
 30 project or projects will be sufficient to pay the cost of maintaining, repairing and operating
 31 the project and to pay the principal and interest of revenue bonds which may be issued for
 32 the cost of such project, projects, or combination of projects.

33 **SECTION 4.**

34 The Authority shall have the powers:

35 (1) To have a seal and alter the same at pleasure;

1 (2) To acquire by purchase, lease or otherwise, and to hold, lease and dispose of real and
2 personal property of every kind and character for its corporate purposes;

3 (3) To acquire in its own name by gift or purchase, on such terms and conditions and in
4 such manner as it may deem proper, real property or rights of easements therein or
5 franchise necessary or convenient for its corporate purposes, and to use the same so long
6 as its corporate existence shall continue and to lease or make contracts with respect to the
7 use of or dispose of the same in any manner it deems to the best advantage of the
8 Authority, and no property shall be acquired under provisions of this Act upon which any
9 lien or other incumbrance exists, unless at the time such property is so acquired a
10 sufficient sum of money be deposited in trust to pay and redeem the fair value of such
11 lien or incumbrance; and, if the Authority shall deem it expedient to construct any project
12 on lands which are a part of the real estate holdings of the State of Georgia, the Governor
13 is hereby authorized to execute for and on behalf of the State a lease upon such lands to
14 the Authority for such parcel or parcels as shall be needed for a period not to exceed 50
15 years; and, if the Authority shall deem it expedient to construct any project on any other
16 lands the title to which shall then be in the State of Georgia, the Governor is hereby
17 authorized to convey, for and in behalf of the State, title to such lands to the Authority;

18 (4) To appoint and select officers, agents and employees, including engineering,
19 architectural and construction experts, fiscal agents and attorneys, and fix their
20 compensation;

21 (5) To make and execute with public and private persons and corporations, both foreign
22 and domestic, contracts, leases, rental agreements, and other instruments relating to
23 projects and to execute all instruments necessary or convenient, including contracts for
24 construction of projects and leases of projects, or contracts with respect to the use of
25 projects which it causes to be erected or acquired, and any and all political subdivisions,
26 municipal corporations, departments, institutions, or agencies of the state or any other
27 state, and any other governmental agency, and the government of any other nation or any
28 agency thereof, and the United States government or any agency thereof, and any private
29 person, firm, or corporation are authorized to enter into contracts, leases, or agreements
30 with the Authority upon such terms and for such purposes as they deem advisable, and
31 without limiting the generality of the above, authority is specifically granted to any such
32 lessee to enter into contracts and lease agreements for the use of any structure, building,
33 or facility, or a combination of any two or more structures, buildings, or facilities of the
34 Authority for a term not exceeding 50 years, and any such lessee may obligate itself to
35 pay an agreed sum for the use of such property so leased, and also to obligate itself as
36 part of the lease contract to pay the cost of maintaining, repairing, and operating the
37 project so leased from the Authority.

1 (6) To construct, erect, acquire, own, repair, remodel, maintain, add to, extend, improve,
 2 equip, operate, and manage projects, as hereinabove defined, to be located on property
 3 owned by or leased by the Authority, the cost of any such project to be paid in whole or
 4 in part from the proceeds of revenue bonds of the Authority, or from such proceeds and
 5 any grant from the United States of America, the State of Georgia, or any agency or
 6 instrumentality thereof;

7 (7) To accept loans and/or grants of money or materials or property of any kind from the
 8 United States of America or any agency or instrumentality thereof, including the
 9 Reconstruction Finance Corporation, upon such terms and conditions as the United States
 10 of America or such agency or instrumentality, including the Reconstruction Finance
 11 Corporation, may impose;

12 (8) To borrow money for any of its corporate purposes and to issue negotiable revenue
 13 bonds payable solely from funds pledged for that purpose, and to provide for the payment
 14 of the same and for the rights of the holders thereof;

15 (9) To exercise any power usually possessed by private corporations performing similar
 16 functions which is not in conflict with the Constitution and laws of this State; and,

17 (10) To do all things necessary or convenient to carry out the powers expressly given in
 18 this Act.

19 SECTION 5.

20 (a) The Authority, or any Authority or body which has or which may in the future succeed
 21 to the powers, duties, and liabilities vested in the Authority created hereby, is authorized to
 22 provide by resolution for the issuance of negotiable revenue bonds in an amount at any time
 23 outstanding not to exceed \$200 million for the purpose of paying all or any part of the cost
 24 as herein defined of any one or combination of projects.

25 (b) In addition to the authorization under subsection (a) of this section, the Authority, or any
 26 Authority or body which may in the future succeed to the powers, duties, and liabilities
 27 vested in the Authority created hereby, is authorized to provide by resolution on or prior to
 28 January 1, 1989, for the issuance of negotiable revenue bonds in an amount at any time
 29 outstanding not to exceed \$75,000,000.00 to be allocated solely for a project comprised of
 30 judicial facilities and facilities related thereto. Bonds issued pursuant to this subsection shall
 31 be refundable as otherwise provided in this Act.

32 (c) The principal and interest of such revenue bonds shall be payable solely from the special
 33 fund herein provided for such payment. The bonds of each issue shall be dated and shall be
 34 payable in such medium of payment as to both principal and interest as may be determined
 35 by the Authority and may be made redeemable before maturity, at the option of the
 36 Authority, at such price or prices and under such terms and conditions as may be fixed by the

1 Authority in the resolution providing for the issuance of the bonds. The interest rate on or
2 rates to be borne by any bonds, notes, or other obligations issued by the Authority shall be
3 fixed by resolution of the Authority, and any limitations with respect to interest rates found
4 in the Revenue Bond Law or the usury laws of the State of Georgia shall not apply to
5 Authority obligations.

6 **SECTION 6.**

7 The Authority shall determine the form of the bonds, including any interest coupons to be
8 attached thereto, and shall fix the denomination or denominations of the bonds and the place
9 or places of payment of principal and interest thereof, which may be at any bank or trust
10 company within or without the State. The bonds may be issued in coupon or registered form,
11 or both, as the Authority may determine, and provision may be made for the registration of
12 any coupon bond as to principal alone and also as to both principal and interest.

13 **SECTION 7.**

14 In case any officer whose signature shall appear on any bonds or whose facsimile signature
15 shall appear on any coupon shall cease to be such officer before the delivery of such bonds,
16 such signature shall nevertheless be valid and sufficient for all purposes the same as if he had
17 remained in office until such delivery. All such bonds shall be signed by the chairman of the
18 Authority, and the official seal of the Authority shall be affixed thereto and attested by the
19 secretary of the Authority, and any coupons attached thereto shall bear the signature or
20 facsimile signature of the chairman of the Authority. Any coupon may bear the facsimile
21 signature of such person and any bond may be signed, sealed, and attested on behalf of the
22 Authority by such persons as at the actual time of the execution of such bonds shall be duly
23 authorized or hold the proper office, although at the date of such bonds such persons may not
24 have been so authorized or shall not have held such office.

25 **SECTION 8.**

26 All revenue bonds issued under the provisions of this Act shall have and are hereby
27 declared to have all the qualities and incidents or negotiable instruments under the negotiable
28 instruments law of the State. Such bonds and the income thereof shall be exempt from all
29 taxation within the State.

30 **SECTION 9.**

31 The Authority may sell such bonds in such manner and for such price as it may determine
32 to be for the best interests of the Authority.

SECTION 10.

1
2 The proceeds of such bonds shall be used solely for the payment of the cost of the project or
3 combined project and shall be disbursed under such restrictions, if any, as the resolution
4 authorizing the issuance of the bonds or the trust indenture hereinafter mentioned may
5 provide. If the proceeds of such bonds, by error of calculation or otherwise, shall be less than
6 the cost of the project or combined project, unless otherwise provided in the resolution
7 authorizing the issuance of the bonds or in the trust indenture, additional bonds may in like
8 manner be issued to provide the amount of such deficit, which unless otherwise provided in
9 the resolution authorizing the issuance of the bonds or in the trust indenture, shall be deemed
10 to be of the same issue and shall be entitled to payment from the same fund without
11 preference or priority of the bonds first issued for the same purpose. If the proceeds of the
12 bonds of any issue shall exceed the amount required for the purpose for which such bonds
13 are issued, the surplus shall be paid into the fund hereinafter provided for the payment of
14 principal and interest of such bonds.

SECTION 11.

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17 Prior to the preparation of definitive bonds, the Authority may, under like restrictions, issue
18 interim receipts, interim certificates or temporary bonds, with or without coupons
19 exchangeable for definitive bonds upon the issuance of the latter.

SECTION 12.

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21 The Authority may also provide for the replacement of any bond which shall become
22 mutilated or be destroyed or lost.

SECTION 13.

23
24 Such revenue bonds may be issued without any other proceedings or the happening of any
25 other conditions or things than those proceedings, conditions and things which are specified
26 or required by this Act. In the discretion of the Authority, revenue bonds of a single issue
27 may be issued for the purpose of paying the cost of any one or more, including a combination
28 of, projects at any one institution or any number of institutions. Any resolution, providing
29 for the issuance of revenue bonds under the provisions of this Act, shall become effective
30 immediately upon its passage, and need not be published or posted, and any such resolution
31 may be passed at any regular or special or adjourned meeting of the Authority by a majority
32 of its members.

SECTION 14.

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2 Revenue bonds issued under the provisions of this Act shall not be deemed to constitute a
3 debt of the State of Georgia, nor of any political subdivision thereof nor of any municipal
4 corporation thereof, or a pledge of the faith and credit of the State, nor of any political
5 subdivision thereof nor of any municipal corporation thereof, but such bonds shall be payable
6 solely from the fund hereinafter provided for and the issuance of such revenue bonds shall
7 not directly, indirectly or contingently obligate the State, nor any political subdivision or
8 municipal corporation thereof, to levy or to pledge any form of taxation whatever therefor
9 or to make any appropriation for the payment, and all such bonds shall contain recitals on
10 their face covering substantially the foregoing provisions of this section; provided, however,
11 such funds may be received from appropriations or from any other source as hereby declared
12 to be available and may be used by any department, board, commission or agency for the
13 performance of any lease contract entered into by said board.

SECTION 15.

14
15 In the discretion of the Authority, any issue of such revenue bonds may be secured by a trust
16 indenture by and between the Authority and a corporate trustee, which may be any trust
17 company or bank having the powers of a trust company within or outside of the State. Such
18 trust indenture may pledge or assign rents, revenue and earnings to be received by the
19 Authority. Either the resolution providing for the issuance of revenue bonds or such trust
20 indenture may contain such provisions for protecting and enforcing the rights and remedies
21 of the bondholders as may be reasonable and proper and not in violation of the law, including
22 covenants setting forth the duties of the Authority in relation to the acquisition of property,
23 the construction of the project, the maintenance, operation, repair, and insurance of the
24 project, and the custody, safeguarding and application of all moneys, and may also provide
25 that any project shall be constructed and paid for with the professional assistance of
26 consulting engineers or architects employed or designated by the Authority and satisfactory
27 to the original purchasers of the bonds issued therefor, and may also require that the security
28 given by contractors and by any depository of the proceeds of the bonds or revenues or other
29 moneys be satisfactory to such purchasers, and may also contain provisions concerning the
30 conditions, if any, upon which additional revenue bonds may be issued. It shall be lawful
31 for any bank or trust company having the powers of a trust company under the laws of this
32 State, any other state, or the United States to act as such depository and to furnish such
33 indemnifying bonds or pledge such securities as may be required by the Authority. Such
34 indenture may set forth the rights and remedies of the bondholders and of the trustee and may
35 restrict the individual right of action of bondholders as is customary in trust indentures
36 securing bonds and debentures of corporations. In addition to the foregoing, such trust

1 indentures may contain such other provisions as the Authority may deem reasonable and
2 proper for the security of the bondholders. All expenses incurred in carrying out such trust
3 indenture may be treated as a part of the cost of maintenance, operation and repair of the
4 project affected by such indenture.

5 **SECTION 16.**

6 The Authority shall, in the resolution providing for issuance of revenue bonds or in the trust
7 indenture, provide for the payment of the proceeds of the sale of the bonds to any officer or
8 person who or any agency, bank or trust company which shall act as trustee of such funds and
9 shall hold and apply the same to the purposes hereof, subject to such regulations as this Act
10 and such resolution or trust indenture may provide.

11 **SECTION 17.**

12 The revenues, rents, and earnings derived from any particular project or combined project,
13 or any and all funds from any source received by any department, board, commission or
14 agency or any other person or entity entering into a lease agreement with the Authority, and
15 pledged and allocated by it to the Authority as security for the performance of any lease or
16 leases, or any and all revenues, rents and earnings received by the Authority, regardless of
17 whether or not such rents, earnings, and revenues were produced by a particular project for
18 which bonds have been issued unless otherwise pledged and allocated, may be pledged and
19 allocated by the Authority to the payment of the principal and interest on revenue bonds of
20 the Authority as the resolution authorizing the issuance of the bonds or in the trust instrument
21 may provide, and such funds so pledged from whatever source received, which said pledge
22 may include funds received from one or more or all sources, shall be set aside at regular
23 intervals as may be provided in the resolution or trust indenture into a sinking fund which
24 said sinking fund shall be pledged to and charged with the payment of (1) the interest upon
25 such revenue bonds as such interest shall fall due, (2) the principal of the bonds as the same
26 shall fall due, (3) the necessary charges of paying agents for paying principal and interest,
27 and (4) any premium upon bonds retired by call or purchase as hereinabove provided. The
28 use and disposition of such sinking fund shall be subject to such regulations as may be
29 provided in the resolution authorizing the issuance of the revenue bonds or in the trust
30 indenture, but, except as may otherwise be provided in such resolution or trust indenture,
31 such sinking fund shall be a fund for the benefit of all revenue bonds without distinction or
32 priority of one over another. Subject to the provisions of the resolution authorizing the
33 issuance of the bonds or in the trust indenture, surplus moneys in the sinking fund may be
34 applied to the purchasing or redemption of bonds and any such bonds so purchased or
35 redeemed shall forthwith be cancelled and shall not again be issued.

SECTION 18.

1
2 Any holder of revenue bonds or interest coupons issued under the provisions of this Act, any
3 receiver for such holders, or indenture trustee, if any there be, except to the extent the rights
4 herein given may be restricted by resolution passed before the issuance of the bonds or by
5 the trust indenture, may, either at law or in equity, by suit, action, mandamus or other
6 proceedings, protect and enforce any and all rights under the laws of the State of Georgia or
7 granted hereunder or under such resolution or trust indenture, and may enforce and compel
8 performance of all duties required by this Act, or by resolution or trust indenture, to be
9 performed by the Authority, or any officer thereof, including the fixing, charging, and
10 collecting of revenues, rents, and other charges for the use of the project or projects, and, in
11 the event of default of the Authority upon the principal and interest obligations of any
12 revenue bond issue, shall be subrogated to each and every right, specifically including the
13 contract rights of collecting rental, which the Authority may possess against the lessee and,
14 in the pursuit of its remedies as subrogee, may proceed, either at law or in equity, by suit,
15 action, mandamus or other proceedings, to collect any sums by such proceedings due and
16 owing to the Authority and pledged or partially pledged directly or indirectly to the benefit
17 of the revenue bond issue of which said individual, receiver, or trustee is representative. No
18 holder of any such bond or receiver or indenture trustee thereof shall have the right to compel
19 any exercise of the taxing power of any lessee to pay any such bond or the interest thereon,
20 or to enforce the payment thereof against any property of any lessee which is not a private
21 person, firm, or corporation, nor shall any such bond constitute a charge, lien, or
22 encumbrance, legal or equitable, upon the property of any lessee which is not a private
23 person, firm, or corporation. Provided, however, any provision of this or any other Act to
24 the contrary notwithstanding, any such bondholder or receiver or indenture trustee shall have
25 the right by appropriate legal or equitable proceedings (including, without being limited to,
26 mandamus) to enforce compliance by the appropriate public officials of the provisions of any
27 contract, lease, or leases entered into with the Authority, and permission is hereby given for
28 the institution of any such proceedings to compel the payment of lease obligations.

SECTION 19.

29
30 The Authority is authorized to provide by resolution for the issue of revenue refunding bonds
31 of the Authority for the purpose of refunding any revenue bonds issued under the provisions
32 of this Act and then outstanding, together with accrued interest thereon. The issuance of
33 such revenue refunding bonds, the maturities and all other details thereof, the rights of the
34 holders thereof, and the duties of the Authority in respect to the same, shall be governed by
35 the foregoing provision of this Act insofar as the same may be applicable.

1 corporation of the State of Georgia, or any other lessee which has contracted with the County
2 Building Authority for the use of any building, structure, or facilities for which bonds have
3 been issued and sought to be validated, and such Authority, subdivision, instrumentality,
4 agency, or lessee shall be required to show cause, if any, why such contract or contracts and
5 the terms and conditions thereof should not be inquired into by the court and the validity of
6 the terms thereof determined, and the contract adjudicated as security for the payment of any
7 such bonds of the Authority. The bonds when validated and the judgment of validation shall
8 be final and conclusive with respect to such bonds and against the Authority issuing the
9 same, and any Authority, subdivision, instrumentality, agency, municipal corporation, or
10 other lessee contracting with the County Building Authority.

11 **SECTION 24.**

12 While any of the bonds issued by the Authority remain outstanding, the powers, duties or
13 existence of said Authority or of its officers, employees or agents or of any department,
14 board, commission or agency of the State, or any political subdivision or municipal
15 corporation thereof, shall not be diminished or impaired in any manner that will affect
16 adversely the interests and rights of the holders of such bonds, and no other entity, department,
17 agency or authority will be created which will compete with the Authority to such an extent
18 as to affect adversely the interests and rights of the holders of such bonds, nor will the State,
19 any political subdivision or municipal corporation, itself so compete with the Authority. The
20 provisions of this Act shall be for the benefit of the State, political subdivisions and municipal
21 corporations thereof, the Authority and the holders of any such bonds, and, upon the issuance
22 of bonds under the provisions hereof, shall constitute a contract with the holders of such
23 bonds.

24 **SECTION 25.**

25 The Authority, in addition to the moneys which may be received from the sale of revenue
26 bonds and from the collection of revenues, rents, and earnings derived under the provisions
27 of this Act, shall have authority to accept from any Federal agency grants for or in aid of the
28 construction of any project or for the payment of bonds, and to receive and accept
29 contributions from any source of either money or property or other things of value to be held,
30 used and applied only for the purposes for which such grants or contributions may be made.

31 **SECTION 26.**

32 All moneys received pursuant to the authority of this Act, whether as proceeds from the sale
33 of revenue bonds, as grants or other contributions, or as revenues, rents, and earnings, shall
34 be deemed to be trust funds to be held and applied solely as provided in this Act.

SECTION 27.

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2 The Authority is hereby authorized to fix rentals and other charges, which any department,
3 board, commission, or agency of the State of Georgia, governmental subdivisions or
4 municipal corporations thereof, or other persons, firms, or corporations, shall pay to the
5 Authority for the use of each project, or part thereof or combination of projects, and to charge
6 and collect the same and to lease and make contracts with any lessee with respect to the use
7 by an institution or unit under its control of any project or part thereof. Such rentals and other
8 charges shall be so fixed and adjusted in respect to the aggregate thereof from the project or
9 projects for which a single issue of revenue bonds is used as to provide a fund sufficient with
10 other revenues of such project or projects, if any, to pay (a) the cost of maintaining, repairing
11 and operating the project or projects, including reserves for extraordinary trust indentures,
12 unless such cost shall be otherwise provided for, which cost shall be deemed to include the
13 expenses incurred by the Authority on account of the project or projects for water, light,
14 sewer and other services furnished by other facilities at such institution, and (b) the principal
15 of the revenue bonds and the interest thereon as the same shall become due.

16 Rentals contracted to be paid to the Authority by any lessee which is any department, board,
17 commission, or agency of the county or any municipal corporation organized under the laws
18 of the State of Georgia or any governmental agency created under the laws of the State of
19 Georgia or the State of Georgia itself under any lease to the Authority entered upon pursuant
20 to this Act shall constitute obligations of such lessees for the payment of which the good faith
21 of any such lessee is hereby pledged. Such rentals shall be paid as provided in the lease
22 contract from funds appropriated for such purposes by the terms of the Constitution of the
23 State of Georgia. It shall be the duty of any such lessee to see to the punctual payment of all
24 such rentals.

25 In the event of any failure or refusal on the part of any lessee punctually to perform any
26 covenant or obligation contained in any lease entered upon pursuant to this Act, the
27 Authority may enforce performance by any legal or equitable process against any such
28 lessee, and consent is hereby given for the institution of any such action against any such
29 lessee which is described in the immediately preceding paragraphs of this Section 27.

30 The Authority shall be permitted to assign any rental due it by any lessee to a trustee, paying
31 agent, or other person designated to serve as the holder of a security interest on behalf of the
32 holders of any Authority revenue bonds, all as may be required by the terms of any trust
33 indenture entered into by the Authority or resolution adopted by the Authority pertaining to
34 such matters.

