# SUPPLEMENT

# to

# OFFICIAL STATEMENT DATED AUGUST 3, 2022

# of the

# GEORGIA PORTS AUTHORITY

## REGARDING:

**$755,615,000**
**GEORGIA PORTS AUTHORITY**
**Revenue Bonds, Series 2022**

The purpose of this Supplement is to amend certain information contained in the Official Statement dated August 3, 2022 (the "Official Statement") relating to the above-captioned Bonds. **This Supplement should be read in conjunction with the Official Statement.** Terms used in this Supplement have the same meaning as in the Official Statement, unless specifically otherwise defined. References to specific captions are references to the sections under those captions in the Official Statement.

**BofA Securities**

| | |
|---|---|
| **Academy Securities** | **Citigroup** |
| **J.P. Morgan** | **Raymond James** |
| **Siebert Williams Shank & Co.** | **Wells Fargo Securities** |

Dated: August 16, 2022

The information contained in the Official Statement is hereby supplemented, revised and amended as follows:

1. **The Official Statement is revised to reflect that interest on the 2022 Bonds is not an item of preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, for tax years beginning after December 31, 2022, interest on the 2022 Bonds is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on certain corporations.**

2. **Appendix E to the Official Statement (Form of Bond Counsel Opinion) is hereby replaced with the following (new language is bold and underlined):**

[*Appears on following page*]

GRAY PANNELL & WOODWARD LLP
Attorneys at Law

323 East Congress Street
Savannah, Georgia 31401
(912) 443-4040

August 17, 2022

Georgia Ports Authority
Savannah, Georgia

Re: $755,615,000 GEORGIA PORTS AUTHORITY REVENUE BONDS, SERIES 2022

To the Addressee:

We have acted as bond counsel to the Georgia Ports Authority (the "Authority") in connection with the issuance of its GEORGIA PORTS AUTHORITY REVENUE BONDS, SERIES 2022, in the aggregate principal amount of $755,615,000 (the "Series 2022 Bonds"). In such capacity, we have examined such laws, certifications, and other documents as we deem necessary to render this opinion, including the Master Bond Resolution of the Authority adopted on July 26, 2021, as supplemented and amended by a First Supplemental Bond Resolution on October 19, 2021 and a Second Supplemental Bond Resolution on August 3, 2022 (collectively, the "Resolution") authorizing the issuance of the Series 2022 Bonds. As to questions of fact material to our opinion, we have relied upon representations of the Authority contained in the Resolution and in the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

Proceeds from the sale of the Series 2022 Bonds will be used by the Authority to (a) finance various capital improvement projects of the Authority and (b) paying all or a portion of the costs of issuing the Series 2022 Bonds.

Pursuant to the Resolution, payment of the Series 2022 Bonds is secured by a first and prior pledge of and lien on the Pledged Revenues (as defined in the Resolution) derived by the Authority from its operation of the Port Facilities (as defined in the Resolution). Said first and prior pledge of and lien on the Pledged Revenues of the Port Facilities is on a parity with the outstanding GEORGIA PORTS AUTHORITY REVENUE BONDS, SERIES 2021 (the "Series 2021 Bonds"), and any additional revenue bonds of the Authority issued hereafter on a parity basis with the Series 2022 Bonds and the Series 2021 Bonds, in accordance with the terms of the Resolution.

The Series 2022 Bonds shall not be payable from nor a charge upon any funds other than the funds pledged to the payment thereof pursuant to the Resolution. The Series 2022 Bonds will in no way constitute a debt of the State of Georgia or a pledge of the faith and credit thereof, and no owner of the Series 2022 Bonds shall ever have the right to compel the exercise of the taxing power of the State of Georgia to pay the Series 2022 Bonds or the interest thereon.

The legal opinions expressed herein are based upon existing law, are subject to judicial discretion regarding usual equity principles and do not relate to compliance by the Authority, the purchasers of the Series 2022 Bonds, or any other party with any statute, regulation or ruling of the State of Georgia or the United States of America with respect to the sale (other than the initial sale by the Authority) or distribution of the Series 2022 Bonds except as specifically set forth in this opinion.

The Internal Revenue Code of 1986, as amended (the "Code"), sets forth certain requirements which must be met subsequent to the issuance and delivery of the Series 2022 Bonds for interest thereon to be and remain excludable from gross income for purposes of federal income taxation. Noncompliance with such requirements may cause interest on the Series 2022 Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance thereof. The Authority has covenanted in the Resolution to comply with the requirements of the Code in order to maintain the exclusion from federal gross income of interest on the Series 2022 Bonds.

Based on our reliance upon the representations and examinations referred to above, we are of the opinion that as of the date hereof and under existing law:

1. The Authority is a body corporate and politic and an instrumentality of the State of Georgia and had and has the right and lawful authority to authorize and issue the Series 2022 Bonds and to carry out the transactions contemplated by the Resolution.

2. The Resolution has been duly adopted by the Authority. The Resolution constitutes a legal, valid, and binding obligation of the Authority enforceable in accordance with its terms.

3. The Series 2022 Bonds have been properly authorized by and issued pursuant to the Resolution, and have been validated, executed and issued in accordance with the Constitution and laws of the State of Georgia.

4. The Series 2022 Bonds constitute valid, binding and legal special obligations of the Authority payable and secured in accordance with their tenor, and the Authority has covenanted to pay from the Pledged Revenues sums sufficient to pay the principal of, premium, if any, and interest on the Series 2022 Bonds.

5. The payment of the principal of, premium, if any, and interest on the Series 2022 Bonds is secured by a first and prior pledge of and charge or lien on the Pledged Revenues. The Authority has reserved the right to issue additional bonds on a parity with the Series 2022 Bonds and the Series 2021 Bonds as to the lien on the Pledged Revenues.

6. The Series 2022 Bonds have been duly confirmed and validated by judgment of the Superior Court of Chatham County, and no valid appeal may be taken from said judgment of validation.

7. Interest on the Series 2022 Bonds is excludable from gross income for federal income tax purposes and is not an item of preference for purposes of the federal alternative minimum tax **imposed on individuals and corporations; however, for tax years beginning after**

**December 31, 2022, interest on the Series 2022 Bonds is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on certain corporations.** The opinion set forth in the preceding sentence is subject to the condition that the Authority comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2022 Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes.

8. The interest on the Series 2022 Bonds is exempt from present State of Georgia income taxation.

9. Under existing law, registration of the Series 2022 Bonds with the Securities and Exchange Commission is not required under the Securities Act of 1933, as amended, in connection with the offering and sale of the Series 2022 Bonds and the Resolution is not required to be qualified under the Trust Indenture Act of 1939. The Series 2022 Bonds are exempt from the registration provisions of the Georgia Uniform Securities Act of 2008 by virtue of O.C.G.A. § 10-5-10(1) thereof.

The rights of the owners of the Series 2022 Bonds and the enforceability of the Series 2022 Bonds are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

We express no opinion herein regarding the accuracy, adequacy, or completeness of the Official Statement, dated August 3, 2022, relating to the Series 2022 Bonds. Further, we express no opinion regarding tax consequences arising with respect to the Series 2022 Bonds other than as expressly set forth herein.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

GRAY PANNELL & WOODWARD LLP

By: ______________________________
A Partner

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**NEW ISSUE**
**(BOOK-ENTRY ONLY)**

**RATINGS:**
**Moody's: "Aa2"**
**Standard & Poor's: "AA"**
**See "MISCELLANEOUS — Ratings" herein.**

*In the opinion of Gray Pannell & Woodward LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and judicial decisions, and assuming, among other matters, the accuracy of certain representations and the continued compliance with certain covenants and tax law requirements, interest on the 2022 Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended, and is not a specific preference item for purposes of the federal alternative minimum tax. See "LEGAL MATTERS — Tax Exemption Relating to 2022 Bonds." In the opinion of Bond Counsel, interest on the 2022 Bonds is exempt from present State of Georgia income taxation under existing statutes as described herein. See "LEGAL MATTERS — Tax Exemption Relating to 2022 Bonds."*

GEORGIA PORTS

# $755,615,000
# GEORGIA PORTS AUTHORITY
## Revenue Bonds, Series 2022

**Dated:** Date of Delivery | **Due:** July 1, as shown on inside cover

The Georgia Ports Authority (the "Authority") will issue its Revenue Bonds, Series 2022 (the "2022 Bonds") only as fully registered bonds in denominations of $5,000 each or any integral multiple thereof. Interest on the 2022 Bonds is payable each January 1 and July 1, beginning January 1, 2023, as further described herein.

The 2022 Bonds will be issued in book-entry form registered in the name of Cede & Co., the nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the 2022 Bonds. Payments of principal and interest on the 2022 Bonds will be made by U.S. Bank Trust Company, National Association (N.A.), as paying agent and registrar (the "Paying Agent"), directly to Cede & Co., as nominee for DTC, as registered owner of the 2022 Bonds, to be subsequently disbursed to DTC Participants and thereafter to the Beneficial Owners of the 2022 Bonds, as further described herein. Beneficial Owners of the 2022 Bonds will not receive physical delivery of bond certificates, except upon occurrence of the circumstances as further described herein.

The 2022 Bonds are subject to optional and mandatory sinking fund redemption prior to maturity, as further described herein.

The 2022 Bonds are being issued by the Authority to finance various capital improvement projects of the Authority (the "2022 Projects") and pay all or a portion of the costs of issuing the 2022 Bonds, as further described herein.

The 2022 Bonds are being issued as "Additional Bonds" pursuant to the Master Bond Resolution adopted by the Authority on July 26, 2021, as supplemented by a First Supplemental Bond Resolution, adopted by the Authority on October 19, 2021, and by a Second Supplemental Bond Resolution, adopted by the Authority on August 3, 2022 (as so supplemented, the "Resolution"). The 2022 Bonds will be special limited obligations of the Authority, and will be payable solely from, and secured on parity with the 2021 Bonds (defined herein), by a pledge of and a lien on the "Pledged Revenues" as defined in the Resolution, which Pledged Revenues consist primarily of net revenues of the Authority derived from its operation of the Port Facilities (as described herein) remaining after the payment of certain operation and maintenance expenses, all as further described herein. See "**SECURITY AND SOURCES OF PAYMENT FOR THE 2022 BONDS**" herein.

**This cover page contains certain information for quick reference only and is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision, giving particular attention to the matters discussed under "CERTAIN INVESTMENT CONSIDERATIONS" herein.**

*The 2022 Bonds are offered by the Underwriters (as shown below and defined herein), when, as and if issued by the Authority and accepted by the Underwriters, subject to prior sale or withdrawal or modification of the offer without notice, and approval as to legality by Gray Pannell & Woodward LLP, Savannah, Georgia, Bond Counsel to the Authority. Certain legal matters will be passed on for the Authority by Oliver Maner LLP, Savannah, Georgia, as Issuer's Counsel to the Authority, by Kutak Rock LLP, Atlanta, Georgia, as Disclosure Counsel to the Authority, and for the Underwriters by their counsel, Greenberg Traurig, LLP, Atlanta, Georgia. The 2022 Bonds in definitive form are expected to be delivered through the book-entry system of DTC in New York, New York on or about August 17, 2022.*

**BofA Securities**

**Academy Securities** | **Citigroup**

**J.P. Morgan** | **Raymond James**

**Siebert Williams Shank & Co.** | **Wells Fargo Securities**

The date of this Official Statement is August 3, 2022.

**$755,615,000**
**Georgia Ports Authority**
**Revenue Bonds, Series 2022**

| Maturing July 1, | Principal Amount | Interest Rate | Yield | Price | CUSIP(a) |
|---|---|---|---|---|---|
| 2023 | $ 7,115,000 | 5.000% | 1.420% | 103.090 | 373586GW0 |
| 2024 | 2,870,000 | 5.000 | 1.600 | 106.244 | 373586GX8 |
| 2025 | 9,205,000 | 5.000 | 1.650 | 109.357 | 373586GY6 |
| 2026 | 13,620,000 | 5.000 | 1.710 | 112.274 | 373586GZ3 |
| 2027 | 14,300,000 | 5.000 | 1.760 | 115.062 | 373586HA7 |
| 2028 | 15,015,000 | 5.000 | 1.920 | 117.024 | 373586HB5 |
| 2029 | 15,765,000 | 5.000 | 2.040 | 118.888 | 373586HC3 |
| 2030 | 16,555,000 | 5.000 | 2.160 | 120.455 | 373586HD1 |
| 2031 | 17,385,000 | 5.000 | 2.250 | 122.003 | 373586HE9 |
| 2032 | 18,250,000 | 5.000 | 2.310 | 123.621 | 373586HF6 |
| 2033 | 19,165,000 | 5.000 | 2.440 | 122.336* | 373586HG4 |
| 2034 | 20,125,000 | 5.000 | 2.570 | 121.066* | 373586HH2 |
| 2035 | 21,130,000 | 5.000 | 2.710 | 119.716* | 373586HJ8 |
| 2036 | 22,185,000 | 5.000 | 2.800 | 118.857* | 373586HK5 |
| 2037 | 23,295,000 | 5.000 | 2.860 | 118.289* | 373586HL3 |
| 2038 | 24,460,000 | 5.000 | 2.940 | 117.537* | 373586HM1 |
| 2039 | 25,685,000 | 5.250 | 2.970 | 119.381* | 373586HN9 |
| 2040 | 27,030,000 | 4.000 | 3.570 | 103.547* | 373586HP4 |
| 2041 | 28,115,000 | 5.000 | 3.160 | 115.496* | 373586HQ2 |
| 2042 | 29,520,000 | 5.000 | 3.240 | 114.765* | 373586HR0 |
| 2043 | 30,995,000 | 5.250 | 3.190 | 117.324* | 373586HS8 |

$59,705,000 4.000% Term Bond due July 1, 2047, Yield 3.890%, Price 100.890*, CUSIP[(a)] 373586HT6

$80,000,000 5.000% Term Bond due July 1, 2047, Yield 3.350%, Price 113.768*, CUSIP[(a)] 373586HU3

$100,000,000 4.000% Term Bond due July 1, 2052, Yield 3.920%, Price 100.646*, CUSIP[(a)] 373586HV1

$114,125,000 5.250% Term Bond due July 1, 2052, Yield 3.370%, Price 115.672*, CUSIP[(a)] 373586HW9

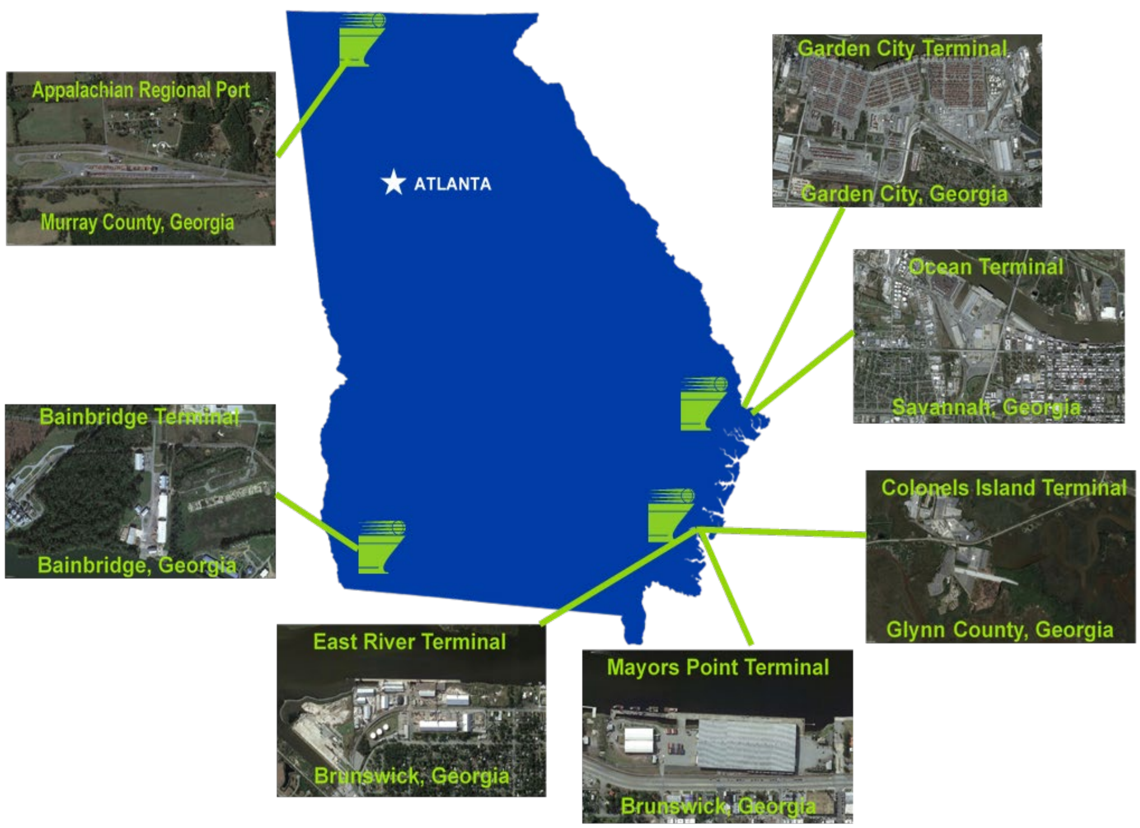
*Price calculated to the first optional redemption date of July 1, 2032.

## REDEMPTION

The 2022 Bonds are subject to optional and mandatory sinking fund redemption prior to maturity, as described more fully in "THE 2022 BONDS — Redemption" herein.

(a) CUSIP numbers have been assigned by an organization not affiliated with the Authority and are shown above solely for the convenience of the holders of the 2022 Bonds at the time of issuance of the 2022 Bonds. The Authority is not responsible for the selection or uses of these CUSIP numbers, nor are any representations made as to their accuracy on the 2022 Bonds or as indicated above. CUSIP numbers are subject to change after the issuance of the 2022 Bonds as a result of various subsequent actions, including, but not limited to, a refunding in part of the 2022 Bonds.

**Georgia Ports Authority Port Facilities**
**Deepwater Terminal and Inland Terminal Locations**



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# GEORGIA PORTS AUTHORITY

**Authority Members**

Joel O. Wooten, Jr., *Chairperson*
Kent Fountain, *Vice Chairperson*
Alec Poitevint, *Secretary-Treasurer*
James L. Allgood, Jr., *Member*
Leda Chong, *Member*
David J. Cyr, *Member*
P. Kelly Farr, *Member, Ex Officio*
Don A. Grantham, Sr., *Member*
Douglas J. Hertz, *Member*
William D. McKnight, *Member*
Philip Wilheit, Jr., *Member*
Christopher C. Womack, *Member*

**Management**

Griffith V. Lynch, *Executive Director*
Lise Altman, *Chief Human Resources Officer*
Loretta Lepore, *Chief Communications Officer*
Edward McCarthy, *Chief Operating Officer*
James C. McCurry, Jr., *Chief Administrative Officer*
Clifford R. Pyron, *Chief Commercial Officer*
Bill Sutton, *Chief Information Officer*
Michaela I. Thompson, *Chief Financial Officer*

**Bond Counsel**
Gray Pannell & Woodward LLP
Savannah, Georgia

**Disclosure Counsel**
Kutak Rock LLP
Atlanta, Georgia

**Issuer's Counsel**
Oliver Maner LLP
Savannah, Georgia

**State Law Department**
Christopher M. Carr – Attorney General

**Financial Advisor**
Public Resources Advisory Group
New York, New York

**Feasibility Consultant**
Mercator International
Kirkland, Washington

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# NOTICE TO INVESTORS

This Official Statement speaks only as of its date and the information contained herein is subject to change.

This Official Statement contains forecasts, projections, and estimates based on current expectations, which are not intended as representations of fact or guarantees of results. As included within this Official Statement, the words "expects," "forecasts," "projects," "intends," "anticipates," "estimates," and analogous expressions are intended to identify forward-looking statements as defined in the Securities Act of 1933, as amended, and any such statements inherently are subject to a variety of risks and uncertainties which could cause actual results to differ materially from those contemplated in such forward-looking statements. The Authority disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Authority's expectations with regard thereto, or any change in events, conditions, or circumstances on which any such statement was based.

This Official Statement contains, among other matters, brief descriptions of the Authority, the Port Facilities, the 2022 Bonds, the 2022 Projects, the Resolution, the Continuing Disclosure Agreement, and the security and sources of payment for the 2021 Bonds and the 2022 Bonds. Such descriptions and information do not purport to be comprehensive or definitive. The summaries of various Georgia Constitution provisions and State statutes, the Resolution, the Continuing Disclosure Agreement, and other documents are intended as summaries only and are qualified in their entirety by reference to such documents, and references herein to the 2022 Bonds are qualified in their entirety to the forms thereof included in the Resolution. Copies of the Resolution, the Continuing Disclosure Agreement, and other documents and information are available, upon request and upon payment to the Authority of a charge for copying, mailing, and handling, from the Executive Director, Georgia Ports Authority, P.O. Box 2406, Savannah, Georgia 31402.

The 2022 Bonds have not been, nor will they be, registered under the Securities Act of 1933, as amended, or any State securities laws, in reliance on exemptions contained therein as of the date of issuance of the 2022 Bonds. The Master Resolution has not been, nor will it be, qualified under the Trust Indenture Act of 1939, as amended, in reliance on exemptions contained there as of the date of issuance of the 2022 Bonds. As of the date of this Official Statement and the issuance of the 2022 Bonds, neither the SEC nor any other federal, state, or other governmental entity or agency has passed upon the accuracy or adequacy of this Official Statement or approved the 2022 Bonds for sale; any representation to the contrary is a criminal offense.

This Official Statement does not constitute an offering of any security other than the original offering of the 2022 Bonds identified on the coverage pages hereof. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the 2022 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale. No dealer, broker, salesman, or other person has been authorized by the Authority or the Underwriters to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations should not be relied upon as having been authorized by the Authority or the Underwriters.

Except where otherwise indicated, all information contained in this Official Statement has been provided by the Authority. Information in this Official Statement has been obtained by the Authority from sources believed to be reliable. The Underwriters have provided the immediately following sentence for inclusion in this Official Statement. The Underwriters have reviewed this Official Statement in accordance with, and as part of, their responsibilities under the federal securities laws as applied to the facts and circumstances of this transaction; however, the Underwriters do not guarantee the accuracy or completeness of such information. In connection with this initial offering, the Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the 2022 Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time without notice. The Underwriters may offer and sell the 2022 Bonds to certain dealers and others at prices lower than the market prices set forth on the inside cover page of this Official Statement, and such prices may be changed by the Underwriters from time to time after the initial offering to the public.

The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create an implication that there has been no change in the affairs of the Authority or the other matters described herein since the date of this Official Statement or the earlier dates set forth herein as of which certain information contained herein was given.

Potential investors should review this Official Statement in its entirety, giving particular attention to the factors and matters discussed in the section titled **"CERTAIN INVESTMENT CONSIDERATIONS"** herein, prior to making a decision to invest in or purchase any of the 2022 Bonds.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the convenience of the reader.  Unless otherwise specified, such websites and the information or links contained therein are neither incorporated into, nor are a part of, this Official Statement.

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# OFFICIAL STATEMENT

## $755,615,000
## GEORGIA PORTS AUTHORITY
## Revenue Bonds, Series 2022

## INTRODUCTION

The purpose of this Official Statement, which includes the cover page, inside cover page and the Appendices attached hereto, is to furnish certain information in connection with the sale by the Georgia Ports Authority (the "Authority") of $755,615,000 in aggregate principal amount of its Revenue Bonds, Series 2022 (the "2022 Bonds").

This Introduction is not a summary of this Official Statement and is intended only for quick reference. It is only a brief description of and guide to, and is qualified in its entirety by reference to, more complete and detailed information contained within the entire Official Statement and the documents summarized or described herein. Potential investors should review this Official Statement in its entirety, giving particular attention to the factors and matters discussed in the section titled **"CERTAIN INVESTMENT CONSIDERATIONS"** herein, prior to making a decision to invest in or purchase any of the 2022 Bonds. The offering of the 2022 Bonds to potential investors is made only by means of the Official Statement in its entirety. No person is authorized to detach this Introduction, or any other section or information contained herein from the entire Official Statement, or to otherwise use it in part only and without the entire Official Statement. The Authority and the State of Georgia (the "State") historically have organized, and currently expect to continue in the future to organize, their fiscal affairs on the basis of a fiscal year, rather than a calendar year, which fiscal year extends from July 1 of any calendar year through June 30 of the immediate subsequent calendar year, and throughout this Official Statement may be referenced as the fiscal year ("FY") of the year ending that June 30. (For example, FY 2021 means the fiscal year which began July 1, 2020 and ended June 30, 2021, and FY 2022 means the fiscal year which began July 1, 2021 and ended June 30, 2022.) Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Resolution (defined herein) (see **Appendix C**).

**The Authority**

The Authority is a body corporate and politic and an instrumentality of the State created and activated pursuant to the Georgia Ports Authority Act (O.C.G.A. Section 52-2-1 et seq.) (the "Act"). Under the Act, the Authority is charged with developing, constructing, promoting, maintaining, and operating the harbors and seaports of the State. For more complete and detailed information, see "**THE AUTHORITY"** herein and the Annual Comprehensive Financial Report ("ACFR") of the Authority for the FY 2021 in **Appendix A**.

**Purpose of the 2022 Bonds**

The 2022 Bonds are being issued by the Authority to finance various capital improvement projects of the Authority (the "2022 Projects") and pay all or a portion of the costs of issuing the 2022 Bonds. For more complete and detailed information, see **"PLAN OF FINANCING"** herein.

**Legal Authority**

The 2022 Bonds are being issued and secured pursuant to the authority granted by the Georgia Constitution and laws of the State and under the provisions of a Master Bond Resolution (the "Master Resolution"), adopted by the Authority on July 26, 2021, as supplemented by a First Supplemental Bond Resolution (the "First Supplemental Resolution"), adopted by the Authority on October 19, 2021 and by a Second Supplemental Resolution (the "Second Supplemental Resolution" and, together with the Master Resolution and the First Supplemental Resolution, the "Resolution"), adopted by the Authority on August 3, 2022.

In accordance with the Act and the Georgia State Financing and Investment Commission Act (O.C.G.A. Section 50-17-20 et seq.), whenever the Authority determines to issue bonds or other obligations, the Authority first must obtain approval from the Georgia State Financing and Investment Commission (the "Commission"), an agency and instrumentality of the State, whose members are the Governor, the President of the Senate (the Lieutenant Governor), the Speaker of the House of Representatives, the Attorney General, the Commissioner of Agriculture, the State Auditor, and the State Treasurer. On April 11, 2022, the Commission approved the issuance of the 2022 Bonds, provided they comply with certain parameters established by the Commission. The 2022 Bonds comply in all respects with the conditions established by the Commission.

**Security and Sources of Payment for the 2022 Bonds**

The 2022 Bonds are special limited obligations of the Authority payable from, and secured on parity with the Authority's Revenue Bonds, Series 2021, issued in the original principal amount of $427,040,000 and currently outstanding in the aggregate principal amount of $422,450,000 (the "2021 Bonds"), by a pledge of and lien on the "Pledged Revenues" (as defined in the Master Resolution). The 2021 Bonds were issued under the Master Resolution for the purpose of financing certain capital improvement projects of the Authority (the "2021 Projects"), which 2021 Projects are described further at **THE AUTHORITY - Recent History of Authority Major Capital Projects and Future Capital Initiatives**" herein. The Pledged Revenues consist primarily of net revenues of the Authority derived from its operation of the "Port Facilities" remaining after the payment of certain operation and maintenance expenses, as described in the Master Resolution. The term "Port Facilities" as defined in the Master Resolution means "the following terminal facilities (i) in the Port of Savannah - Garden City Terminal and Ocean Terminal; (ii) in the Port of Brunswick - Colonel's Island Terminal, Mayor's Point Terminal, East River Terminal and Lanier Docks; (iii) Appalachian Regional Port located in Murray County, Georgia; (iv) Port of Bainbridge; and (v) any future terminals or facilities if and when so designated by supplemental resolution of the Issuer." See also **"THE AUTHORITY — Operations"** herein. Pledged Revenues do not include revenues to be derived by the Authority from the ownership or operation of any other existing or future terminals or facilities of the Authority unless specifically designated from time to time by supplemental resolution of the Authority to be a part of the Port Facilities.

The Master Resolution provides that the Authority may issue additional revenue bonds secured by a lien on the Pledged Revenues on parity with the 2021 Bonds and the 2022 Bonds only upon the terms and subject to the conditions set forth in the Master Resolution. Upon the issuance of the 2022 Bonds, the 2021 Bonds and the 2022 Bonds will be the only debt obligations secured under the Master Resolution and the only debt obligations payable from the Pledged Revenues.

**The 2022 Bonds do not constitute a debt of the State or a pledge of the faith and credit of the State. The issuance of the 2022 Bonds does not directly or indirectly or contingently obligate the State to levy or to pledge any form of taxation whatever therefor and the issuance of the 2022 Bonds does not directly or indirectly or contingently obligate the State to levy or to pledge any form of taxation whatever therefor, or to make any appropriation of any sort for their payment. The 2022 Bonds are not payable from any funds of the Authority other than the net revenues pledged to the payment thereof, all as more fully described herein.**

For more complete and detailed information, see **"SECURITY AND SOURCES OF PAYMENT FOR THE 2022 BONDS"** herein.

**Description of the 2022 Bonds**

***Redemption***. The 2022 Bonds are subject to optional and mandatory sinking fund redemption prior to maturity. See "**THE 2022 BONDS — Redemption"** herein.

***Denominations***. The 2022 Bonds are issuable in denominations of $5,000 or any integral multiple thereof.

***Book-Entry Bonds***. The 2022 Bonds will be issued as a single fully registered certificate for each interest rate and stated maturity thereof, and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York, an automated depository for securities and clearing house for securities transactions, which will act as securities depository for the 2022 Bonds. Purchasers will not receive certificates representing their ownership interest in the 2022 Bonds purchased. Purchases of beneficial interests in the 2022 Bonds will be made in book-entry only form (without certificates) in authorized denominations and, under certain circumstances as more fully described in this Official Statement, such beneficial interests are exchangeable for one or more fully registered certificates of the same series of like principal amount and maturity in authorized denominations. For more complete information, see **"THE 2022 BONDS — Book-Entry Only System"** herein and **"COPY OF THE MASTER RESOLUTION — Article VI – Book-Entry Bonds"** in **Appendix C**.

***Payments***. So long as DTC or its nominee, Cede & Co., is the registered owner of the 2022 Bonds, payments of the principal of, premium, if any, and interest on the 2022 Bonds will be made directly to Cede & Co., which will remit such payments to the DTC participants, which will in turn remit such payments to the beneficial owners of the 2022 Bonds.

For a more complete and detailed description of the 2022 Bonds, see **"THE 2022 BONDS"** herein.

**Tax Treatment**

***Federal Income Tax Treatment***. In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings, and judicial decisions, and assuming, among other things, the accuracy of certain representations and the continued compliance with certain covenants and tax law requirements, interest on the 2022 Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended, and is not a specific preference item for purposes of the federal alternative minimum tax. See **"LEGAL MATTERS — Tax Exemption Relating to the 2022 Bonds."**

***Georgia Income Tax Treatment***. In the opinion of Bond Counsel, interest on the 2022 Bonds is exempt from present State of Georgia income taxation under existing statutes as described herein. See **"LEGAL MATTERS — Tax Exemption Relating to the 2022 Bonds."**

See **Appendix E — "FORM OF OPINION OF BOND COUNSEL"** for the form of opinion Bond Counsel proposes to deliver in connection with the issuance of the 2022 Bonds. For a more complete discussion of such opinion, the assumptions underlying such opinion, the limitations on such opinion and certain tax consequences incident to the ownership of the 2022 Bonds, see "**LEGAL MATTERS"** herein. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the 2022 Bonds.

**Professionals Involved in the Offering**

Certain legal matters pertaining to the Authority and its authorization and issuance of the 2022 Bonds are subject to the approving opinion of Gray Pannell & Woodward LLP, Savannah, Georgia, Bond Counsel. Certain legal matters will be passed on for the Authority by Issuer's Counsel, Oliver Maner LLP, Savannah, Georgia, for the Authority by its Disclosure Counsel, Kutak Rock LLP, Atlanta, Georgia, and for the Underwriters by their counsel, Greenberg Traurig, LLP, Atlanta, Georgia. Public Resources Advisory Group, New York, New York, has been employed as Financial Advisor to the Authority in connection with the issuance of the 2022 Bonds. Mercator International, Kirkland, Washington, has served as the Authority's Feasibility Consultant.

**Offering and Delivery of the 2022 Bonds**

The 2022 Bonds are offered when, as, and if issued by the Authority, subject to prior sale and to withdrawal or modification of the offer without notice. The 2022 Bonds in definitive form are expected to be delivered to, or held in safekeeping for, The Depository Trust Company, New York, New York on or about August 17, 2022.

**Continuing Disclosure**

In order to assist the Underwriters in complying with the Securities and Exchange Commission ("SEC") Rule 15c2-12(b)(5) (the "Rule"), the Authority will covenant in a Continuing Disclosure Agreement, in substantially the form as shown in **Appendix D** (the "Continuing Disclosure Agreement") for the benefit of the beneficial owners of the 2022 Bonds to provide audited financial statements for each fiscal year, as well as certain financial information and operating data relating to the Authority by not later than nine months after the end of each fiscal year of the Authority, commencing with FY 2022, and to provide notices of the occurrence of certain listed events. The Continuing Disclosure Agreement will be entered into simultaneously with the issuance of the 2022 Bonds, which is a condition precedent to the issuance of the 2022 Bonds.

The annual reports provided in accordance with the Continuing Disclosure Agreement will be filed with the Municipal Securities Rulemaking Board (the "MSRB") via the MSRB's Electronic Municipal Market Access System ("EMMA") or as may be prescribed by the SEC in the future. The notices of listed events provided in accordance with the Continuing Disclosure Agreement will be filed with the MSRB via EMMA, if and when they occur. The specific nature of the information required to be contained in such annual reports or the notices of listed events is set forth in the form of the Continuing Disclosure Agreement in **Appendix D**.

During the last five years, the only disclosure undertaking or related agreement entered into by the Authority pursuant to the Rule was the Continuing Disclosure Agreement with respect to the 2021 Bonds. Since the issuance of the 2021 Bonds, and at the time of issuance of the 2022 Bonds, the Authority has complied in all material respects with its obligations under such Continuing Disclosure Agreement.

## PLAN OF FINANCING

**2022 Projects**

The Authority's Ocean Terminal at the Port of Savannah is a multi-faceted terminal encompassing approximately 200 acres that currently supports container, breakbulk and roll-on/roll-off ("Ro/Ro") cargo. The Authority plans to expand and re-develop Ocean Terminal from a general cargo terminal to a terminal primarily serving containerized cargo. The expansion and re-development of Ocean Terminal is expected to take place in two phases, of which the 2022 Projects comprise the first phase. Upon completion of the 2022 Projects, the Authority expects to have added approximately 600,000 twenty-foot equivalent units ("TEU") of berth capacity at Ocean Terminal and expects the existing breakbulk and Ro/Ro volume currently served at Ocean Terminal to be absorbed mostly by other Port Facilities. See **"THE AUTHORITY – Operations"** herein**.** Specifically, the 2022 Projects consist of:

- *Reconfiguration of Berth 12 and Berth 13.* Berth 12 and Berth 13 at Ocean Terminal will be reconfigured into one large vessel container berth. This reconfiguration encompasses approximately 2,000 linear feet and will create one consolidated berth with the ability to serve vessels up to 18,000 TEUs. During the reconfiguration of Berth 12 and Berth 13, Berth 18 at Ocean Terminal will remain operational, utilizing the existing mobile harbor cranes to provide the capability to work smaller vessels. The reconfiguration of Berth 12 and Berth 13 currently is expected to be completed by March 2026. As of June 2022, the project design is approximately 60% complete and all permits are expected by October 2022. Based on engineering design completed to date, the budget for this project is expected to be approximately $278.8 million (which, given potential design changes that may be required by 100% design, unforeseen field conditions that may be encountered during construction and uncertainties with future labor and material increases, includes a project contingency currently estimated to be approximately $73.8 million), all of which is expected to be paid from proceeds of the 2022 Bonds.

- *Purchase and Delivery of Seven New Ship-to-Shore Cranes.* Following the reconfiguration of Berth 12 and Berth 13 (as described above), the newly expanded berth will be fitted with seven ship-to-shore cranes of 165 feet of lift height and 130 feet of crane gauge. The contract for the purchase of the seven cranes was executed in March 2022. The cranes are being constructed in China and are expected to be delivered fully constructed in two separate shipments, with one shipment currently expected in December 2025 and a second shipment currently expected in June 2026. The cranes are expected to be installed at Ocean Terminal upon delivery. This project is expected to cost approximately $144 million, all of which is expected to be paid from proceeds of the 2022 Bonds.

- *Redevelopment of Portion of Ocean Terminal Container Yard.* Approximately 150 of the 200 existing acres of the Ocean Terminal facility will be re-developed to better support container operations. This project will include demolishing existing warehouses, constructing additional container storage space, raising the elevation of the property, infilling of a boat slip, and installing approximately 68 electric Rubber-Tired-Gantry Cranes. This project currently is expected to be completed by July 2025. As of June 2022, the project design is approximately 20% complete. Based on engineering design completed to date, the budget for this project is expected to be approximately $427.2 million (which, given potential design changes that may be required by 100% design, unforeseen field conditions that may be encountered during construction and uncertainties with future labor and material increases, includes a project contingency currently estimated to be approximately $110.8 million), all of which is expected to be paid from proceeds of the 2022 Bonds.

Any unused contingency for the 2022 Projects may be used to support improvements to the Port Facilities. The second phase of the expansion and re-development of Ocean Terminal will consist of the re-development of the remaining 50 acres of the Ocean Terminal facility (expanding by approximately 500 additional linear feet of berth capacity and 700,000 additional TEUs of berth capacity). The second phase currently is expected to be paid for using internally generated Authority funds and completed by the end of 2032, although any proceeds of the 2022 Bonds not required to fund the 2022 Projects may be applied to the second phase. See "**THE AUTHORITY** – **Recent History of Authority Major Capital Projects and Future Capital Improvement Initiatives**" herein. For additional information regarding Ocean Terminal, see "**THE AUTHORITY** – **Operations** – *Port of Savannah*" herein. For more complete and detailed information concerning the Authority and the Port Facilities, see **"THE AUTHORITY"** herein.

**Sources and Uses of Funds**

The table below sets forth the estimated sources and uses of funds in connection with issuance of the 2022 Bonds.

| | |
|---|---|
| **Sources of Funds:** | |
| Principal Amount | $755,615,000.00 |
| Original Issue Premium | 97,660,905.60 |
| **Total Sources of Funds** | **$853,275,905.60** |
| **Uses of Funds:** | |
| Deposit to Construction Fund for 2022 Projects | $850,000,000.00 |
| Costs of Issuance^ | 3,275,905.60 |
| **Total Uses of Funds** | **$853,275,905.60** |

^Includes, without limitation, the underwriters' discount, legal and advisory fees, rating agency fees, and other costs associated with the issuance of the 2022 Bonds.

## THE 2022 BONDS

**General**

The 2022 Bonds will be dated as of the date of delivery and will bear interest at the rates per annum set forth on the inside cover page of this Official Statement, computed on the basis of a 360-day year consisting of twelve 30-day months, payable each January 1 and July 1, beginning January 1, 2023 and subject to the redemption provisions described below, will mature on the dates and in the amounts set forth on the inside cover page of this Official Statement. The principal of the 2022 Bonds is payable when due to the registered owners upon presentation at the principal corporate trust office of U.S. Bank Trust Company, National Association (N.A.), as paying agent and registrar (the "Paying Agent").

The 2022 Bonds will be issued initially only as fully registered bonds, without coupons, in the denomination of $5,000 or any integral multiple thereof. Purchases of beneficial ownership interests in the 2022 Bonds will be made in book-entry form, and purchasers will not receive Bond certificates representing interests in the 2022 Bonds so purchased. If the book-entry system is discontinued subject to the initial issuance of the 2022 Bonds, Bond certificates will be delivered as described in the Master Resolution, and Beneficial Owners will become the Registered Owners of the 2022 Bonds. See **"THE 2022 BONDS — Book-Entry Only System"** herein and **"COPY OF THE MASTER RESOLUTION — Article VI – Book-Entry Bonds"** in **Appendix C**.

**Redemption**

***Optional Redemption***

The 2022 Bonds maturing on or prior to July 1, 2032 are not subject to optional redemption prior to maturity. The 2022 Bonds maturing on July 1, 2033 and thereafter may be redeemed prior to their respective maturities at the option of the Authority in whole or in part at any time beginning July 1, 2032 (if less than all of the 2022 Bonds of a maturity are to be redeemed, the actual 2022 Bonds of such maturity shall be selected by lot in such manner as may be designated by DTC while the 2022 Bonds are held as book-entry bonds and by the Paying Agent if the 2022 Bonds are no longer held as book-entry bonds), in such order as may be designated by the Authority, at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date.

Notice of any optional redemption of 2022 Bonds shall be given by the Authority to the Bond Registrar and Paying Agent at least 35 days prior to the date fixed for redemption. The Bond Registrar shall give notice of redemption at least one time not less than 30 days nor more than 60 days prior to the date fixed for redemption to the Bondholder of each of the 2022 Bonds being called for redemption by first class mail (electronically while the 2022 Bonds are held as book-entry bonds) at the address shown on the register of the Bond Registrar. Said notice may be a conditional notice under such terms as specified in the notice and shall contain the complete official name of the 2022 Bonds being redeemed, CUSIP number, certificate numbers, amounts called of each certificate (for partial calls), redemption date, redemption price, the Paying Agent's name and address (with contact person and phone number), date of issue of the 2022 Bonds, interest rate, and maturity date. Said notice also shall be given not less than 30 days nor more than 60 days prior to the date fixed for redemption, to the MSRB via EMMA or such other securities depository registered with the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, which disseminate redemption notices.

***Mandatory Redemption***

The 2022 Bonds maturing on July 1, 2047 in the amount of $59,705,000 and bearing interest at the rate of 4.00% per annum are subject to scheduled mandatory redemption prior to maturity in part *pro rata* among the Bondholders of the 2022 Bonds to be redeemed (rounded to the nearest $5,000 of the principal amount of each 2022 Bond) at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of such redemption, in the following principal amounts and on the dates set forth below (the July 1, 2047 amount to be paid at maturity rather than redeemed):

| July 1 of the Year | Amount |
|---|---|
| 2044 | $14,060,000 |
| 2045 | 14,620,000 |
| 2046 | 15,210,000 |
| 2047^ | 15,815,000 |

^ Final Maturity

The 2022 Bonds maturing on July 1, 2047 in the amount of $80,000,000 and bearing interest at the rate of 5.00% per annum are subject to scheduled mandatory redemption prior to maturity in part *pro rata* among the Bondholders of the 2022 Bonds to be redeemed (rounded to the nearest $5,000 of the principal amount of each 2022 Bond) at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of such redemption, in the following principal amounts and on the dates set forth below (the July 1, 2047 amount to be paid at maturity rather than redeemed):

| July 1 of the Year | Amount |
|---|---|
| 2044 | $18,560,000 |
| 2045 | 19,490,000 |
| 2046 | 20,460,000 |
| 2047^ | 21,490,000 |

^ Final Maturity

The 2022 Bonds maturing on July 1, 2052 in the amount of $100,000,000 and bearing interest at the rate of 4.00% per annum are subject to scheduled mandatory redemption prior to maturity in part *pro rata* among the Bondholders of the 2022 Bonds to be redeemed (rounded to the nearest $5,000 of the principal amount of each 2022 Bond) at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of such redemption, in the following principal amounts and on the dates set forth below (the July 1, 2052 amount to be paid at maturity rather than redeemed):

| July 1 of the Year | Amount |
|---|---|
| 2048 | $18,100,000 |
| 2049 | 19,000,000 |
| 2050 | 19,950,000 |
| 2051 | 20,950,000 |
| 2052^ | 22,000,000 |

^ Final Maturity

The 2022 Bonds maturing on July 1, 2052 in the amount of $114,125,000 and bearing interest at the rate of 5.25% per annum are subject to scheduled mandatory redemption prior to maturity in part *pro rata* among the Bondholders of the 2022 Bonds to be redeemed (rounded to the nearest $5,000 of the principal amount of each 2022 Bond) at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of such redemption, in the following principal amounts and on the dates set forth below (the July 1, 2052 amount to be paid at maturity rather than redeemed):

| July 1 of the Year | Amount |
|---|---|
| 2048 | $20,910,000 |
| 2049 | 21,830,000 |
| 2050 | 22,785,000 |
| 2051 | 23,780,000 |
| 2052^ | 24,820,000 |

^ Final Maturity

**Book-Entry Only System**

*The information in this section concerning DTC and DTC's book-entry only system has been obtained from sources believed to be reliable. No representation is made herein by the Authority as to the accuracy, completeness or adequacy of such information, or as to the absence of material adverse changes in such information subsequent to the date of this Official Statement.*

The Depository Trust Company, New York, New York, will act as securities depository for the 2022 Bonds. The 2022 Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Bond certificate will be issued for each maturity of the 2022 Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing of securities that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of the Depository Trust and Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, and trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC rules applicable to its Direct and Indirect Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the 2022 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2022 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2022 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmation providing details of the transaction, as well as periodic statements of their holdings from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2022 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 2022 Bonds, unless use of the book-entry-only system for the 2022 Bonds is discontinued.

To facilitate subsequent transfers, all 2022 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the 2022 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2022 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2022 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the 2022 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2022 Bonds, such as redemptions, defaults, and proposed amendments to the documents relating to the 2022 Bonds. For example, Beneficial Owners of the 2022 Bonds may wish to ascertain that the nominee holding the 2022 Bonds for their benefit has agreed to transmit notices to Beneficial Owners, in the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all 2022 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity, or maturities, to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2022 Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Paying Agent as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2022 Bonds are credited on the record date and identified in a listing attached to the Omnibus Proxy.

Principal and interest payments on the 2022 Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the 2022 Bonds at any time by giving reasonable notice to the Authority and the Paying Agent. Under such circumstances, if a substitute or successor securities depository is not obtained, Bond certificates will be printed and delivered as provided in the Master Resolution.

The Authority may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered as provided in the Master Resolution.

THE ABOVE INFORMATION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE AUTHORITY BELIEVES TO BE RELIABLE, BUT THE AUTHORITY DOES NOT TAKE ANY RESPONSIBILITY FOR THE ACCURACY THEREOF. NEITHER THE AUTHORITY NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS, BENEFICIAL OWNERS OR OTHER NOMINEES OF SUCH BENEFICIAL OWNERS FOR (i) SENDING TRANSACTION STATEMENTS; (ii) MAINTAINING, SUPERVISING OR REVIEWING, OR THE ACCURACY OF, ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT OR OTHER NOMINEES OF SUCH BENEFICIAL OWNERS; (iii) PAYMENT OR THE TIMELINESS OF PAYMENT BY DTC TO ANY DTC PARTICIPANT, OR BY ANY DTC PARTICIPANT OR OTHER NOMINEES OF BENEFICIAL OWNERS TO ANY BENEFICIAL OWNER, OF ANY AMOUNT DUE IN RESPECT OF THE PRINCIPAL OF AND INTEREST ON THE 2022 BONDS; (iv) DELIVERY OR TIMELY DELIVERY BY DTC TO ANY DTC PARTICIPANT, OR BY ANY DTC PARTICIPANT OR OTHER NOMINEES OF BENEFICIAL OWNERS TO ANY BENEFICIAL OWNER, OF ANY NOTICE OR OTHER COMMUNICATION WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE MASTER RESOLUTION TO BE GIVEN TO BONDHOLDERS OR OWNERS OF THE 2022 BONDS; OR (v) ANY ACTION TAKEN BY DTC OR ITS NOMINEE AS THE REGISTERED OWNER OF THE 2022 BONDS.

So long as Cede & Co., as nominee for DTC, is the registered owner of the 2022 Bonds, reference herein to the registered owners of the 2022 Bonds (other than under the heading **"LEGAL MATTERS — Opinion of Bond Counsel, and — Bond Premium"** herein) shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the 2022 Bonds.

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**Principal and Interest Requirements of the 2021 Bonds and 2022 Bonds**

Upon the issuance of the 2022 Bonds, the 2021 Bonds and the 2022 Bonds will be the only debt obligations secured under the Master Resolution and the only debt obligations payable from the Pledged Revenues. Set forth below are the principal and interest payment requirements with respect to the 2021 Bonds and the 2022 Bonds.

**Debt Service Requirements**

| Fiscal Year Ending June 30^ | 2021 Bonds Debt Service | 2022 Bonds Principal | 2022 Bonds Interest | Total Debt Service Requirements |
|---|---|---|---|---|
| 2022 | $ 16,294,410 | $ - | $ - | $ 16,294,410 |
| 2023 | 24,754,350 | 7,115,000 | 31,696,915 | 63,566,265 |
| 2024 | 24,754,100 | 2,870,000 | 35,984,663 | 63,608,763 |
| 2025 | 24,755,850 | 9,205,000 | 35,841,163 | 69,802,013 |
| 2026 | 24,753,600 | 13,620,000 | 35,380,913 | 73,754,513 |
| 2027 | 24,751,600 | 14,300,000 | 34,699,913 | 73,751,513 |
| 2028 | 24,753,850 | 15,015,000 | 33,984,913 | 73,753,763 |
| 2029 | 24,754,100 | 15,765,000 | 33,234,163 | 73,753,263 |
| 2030 | 24,751,350 | 16,555,000 | 32,445,913 | 73,752,263 |
| 2031 | 24,754,600 | 17,385,000 | 31,618,163 | 73,757,763 |
| 2032 | 24,752,350 | 18,250,000 | 30,748,913 | 73,751,263 |
| 2033 | 24,753,600 | 19,165,000 | 29,836,413 | 73,755,013 |
| 2034 | 24,751,850 | 20,125,000 | 28,878,163 | 73,755,013 |
| 2035 | 24,755,850 | 21,130,000 | 27,871,913 | 73,757,763 |
| 2036 | 24,753,850 | 22,185,000 | 26,815,413 | 73,754,263 |
| 2037 | 24,754,600 | 23,295,000 | 25,706,163 | 73,755,763 |
| 2038 | 24,754,000 | 24,460,000 | 24,541,413 | 73,755,413 |
| 2039 | 24,755,600 | 25,685,000 | 23,318,413 | 73,759,013 |
| 2040 | 24,753,400 | 27,030,000 | 21,969,950 | 73,753,350 |
| 2041 | 24,751,600 | 28,115,000 | 20,888,750 | 73,755,350 |
| 2042 | 24,751,050 | 29,520,000 | 19,483,000 | 73,754,050 |
| 2043 | 24,753,650 | 30,995,000 | 18,007,000 | 73,755,650 |
| 2044 | 24,753,650 | 32,620,000 | 16,379,763 | 73,753,413 |
| 2045 | 24,755,950 | 34,110,000 | 14,889,363 | 73,755,313 |
| 2046 | 24,754,050 | 35,670,000 | 13,330,063 | 73,754,113 |
| 2047 | 24,752,250 | 37,305,000 | 11,698,663 | 73,755,913 |
| 2048 | 24,751,494 | 39,010,000 | 9,991,563 | 73,753,056 |
| 2049 | 24,752,056 | 40,830,000 | 8,169,788 | 73,751,844 |
| 2050 | 24,752,738 | 42,735,000 | 6,263,713 | 73,751,450 |
| 2051 | 24,752,475 | 44,730,000 | 4,269,500 | 73,751,975 |
| 2052 | - | 46,820,000 | 2,183,050 | 49,003,050 |
| **Totals^** | **$734,143,872** | **$755,615,000** | **$690,127,678** | **$2,179,886,550** |

^ Debt service payments due on July 1 are shown as of the immediately preceding June 30; totals may not add precisely due to rounding.

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## SECURITY AND SOURCES OF PAYMENT FOR THE 2022 BONDS

**Pledged Revenues**

To secure its obligations with respect to the 2021 Bonds and the 2022 Bonds, the Authority has adopted the Master Resolution, pursuant to which the Authority has assigned and pledged, for the benefit of the owners of the 2021 Bonds and the 2022 Bonds and any Additional Bonds hereafter issued, all of its right, title, and interest in and to the Pledged Revenues. The lien on and security interest in the Pledged Revenues under the Master Resolution shall be prior and superior to all other liens or encumbrances on the Pledged Revenues.

The 2022 Bonds are special limited obligations of the Authority payable from, and secured on parity with the 2021 Bonds, by a pledge of and lien on the "Pledged Revenues" (as defined in the Master Resolution) of the Authority. The Pledged Revenues consist primarily of net revenues of the Authority derived from its operation of the Port Facilities remaining after the payment of certain operation and maintenance expenses, as described in the Master Resolution. The term "Port Facilities" as defined in the Master Resolution means "the following terminal facilities (i) in the Port of Savannah - Garden City Terminal and Ocean Terminal; (ii) in the Port of Brunswick - Colonel's Island Terminal, Mayor's Point Terminal, East River Terminal and Lanier Docks; (iii) Appalachian Regional Port; (iv) Port of Bainbridge; and (v) any future terminals or facilities if and when so designated by supplemental resolution of the Issuer." ***Pledged Revenues do not include revenues to be derived by the Authority from the ownership or operation of any other existing or future terminals or facilities of the Authority unless specifically designated from time to time by supplemental resolution of the Authority to be a part of the Port Facilities.*** In the Master Resolution, the Authority covenants that funds pledged will not, in the aggregate, be reduced so as to be insufficient to provide adequate revenues for payment of principal of, premium, if any, and interest on the 2021 Bonds and the 2022 Bonds, and shall continue until such funds in amounts sufficient to make all payments required under the Master Resolution have been paid in lawful money. **The 2022 Bonds do not constitute a debt of the State or a pledge of the faith and credit of the State. The issuance of the 2022 Bonds does not directly, indirectly, or contingently obligate the State to levy or to pledge any form of taxation whatever therefor, or to make any appropriation of any sort for their payment.** The Authority shall be obligated to pay the principal of or the interest on the 2021 Bonds and the 2022 Bonds only from Pledged Revenues.

The term "Pledged Revenues" as defined in the Master Resolution means "the Net Revenues of the Port Facilities and all other amounts, including investments thereof, held in the funds and accounts described hereunder, except funds held in the Rebate Fund and except funds held in an account in the Construction Fund or in the Debt Service Reserve Account for a specific Series of Bonds, which will be held solely for the Series of Bonds for which such account was created."

The term "Net Revenues" as defined in the Master Resolution means "with respect to any Fiscal Year, the remainder of Gross Revenues, after deducting the Cost of Operation and Maintenance for such Fiscal Year."

The term "Gross Revenues" as defined in the Master Resolution means "all income and revenues derived from the ownership and operation of the Port Facilities, including income from the investment of funds to be deposited in the Revenue Fund, any proceeds from business interruption insurance, and all special assessment revenues related to improvements to the Port Facilities if such special assessment revenues are specifically designated by the Governing Body to be included in Gross Revenues, but shall not include (i) income from investments irrevocably pledged to the payment of any Bonds issued or to be refunded under any refunding plan of the Issuer, (ii) proceeds from the sale of any Bonds or other obligations of the Issuer, and the earnings thereon (other than the earnings on proceeds deposited in reserve funds), (iii) moneys received by the Issuer from federal, state or local governmental grants or stipends that by their terms are restricted from being used in the manner that Gross Revenues are to be applied hereunder, (iv) payments made under Credit Facilities issued to pay or secure the payment of a particular Series of Bonds, (v) insurance or condemnation proceeds other than business interruption insurance, (vi) any income and revenue of the Issuer separately pledged and used by it to pay and secure the payment of the principal of and interest on any issue or Series of Special Project Bonds issued to acquire, construct, equip, install or improve part or all of the particular facilities from which such income and revenue are derived, provided that the withdrawal from Gross Revenues of any income or revenue derived or to be derived by the Issuer from any income-producing facility which shall have been contributing to Gross Revenues prior to the issuance of any Special Project Bonds is not permitted, and (vii) any Debt Service Offset." All Gross Revenues will be collected by the Authority, or its agents or employees, for deposit in the Revenue Fund. The Gross Revenues will be transferred or allocated to the various purposes for which they are to be used at the times and in the amounts set forth in Master Resolution.

The term "Cost of Operation and Maintenance" as defined in the Master Resolution means "the reasonable and necessary costs of operating, maintaining and repairing the Port Facilities, including salaries, wages, the payment of any contractual obligations or services incurred pertaining to the operation of the Port Facilities, the cost of materials and supplies, rentals of leased property, real or personal, insurance premiums, audit fees, a reasonable allowance for working capital, and such other proper charges as may be made for the purpose of operating, maintaining and repairing the Port Facilities in accordance with sound business practice, including dredging costs paid by the Issuer, but before making provision for depreciation."

Upon the issuance of the 2022 Bonds, the 2021 Bonds and the 2022 Bonds will be the only debt obligations secured under the Master Resolution or payable from the Pledged Revenues. Pursuant to the Master Resolution, the Authority has reserved the right to issue revenue bonds (i) secured on a parity with the 2021 Bonds and the 2022 Bonds (see "Additional Bonds" below) and (ii) secured by liens on and pledges of revenues and proceeds derived from Special Project(s) of the Authority ("Special Project Bonds"). Such Special Project Bonds may be issued junior and subordinate to the lien on and pledge of the Pledged Revenues or may be secured under a separate revenue stream from such Special Project ("Special Project Revenue"). In such case, Special Project Revenue would not constitute Pledged Revenues.

**Funds Created by the Master Resolution**

The Master Resolution creates and establishes the following special trust funds in the name of the Authority to be held by an Authorized Depository and designated as follows:

"Georgia Ports Authority Revenue Bonds Construction Fund" (the "Construction Fund").

"Georgia Ports Authority Revenue Fund" (the "Revenue Fund").

"Georgia Ports Authority Sinking Fund" (the "Sinking Fund"), including a "Debt Service Account" therein and a "Debt Service Reserve Account" therein.

"Georgia Ports Authority Rebate Fund" (the "Rebate Fund").

**Flow of Funds**

Pursuant to Section 902 of the Master Resolution, except as otherwise provided in the Master Resolution, all Gross Revenues shall be deposited by the Authority in the Revenue Fund promptly upon receipt.

Funds in the Revenue Fund shall be accumulated, paid out, withdrawn and disposed of from time to time for the payment of Cost of Operation and Maintenance of the Port Facilities as the same become due and payable. In addition, on the first Business Day of each month, funds remaining in the Revenue Fund shall be paid out, withdrawn and disposed of only in the following order and priority:

(1) First, by deposit into the Debt Service Account an amount which will equal (i) one-sixth of the interest maturing on the Bonds on the next interest Payment Date, with respect to Bonds that bear interest payable semiannually, (ii) the amount of interest next maturing on Bonds that bear interest payable monthly, (iii) the amount of interest accruing in such month on Bonds that bear interest on other than a monthly or semiannual basis (other than Bonds that bear interest only payable upon maturity or redemption), (iv) one-twelfth of all principal, and with respect to Bonds that pay interest only upon maturity or redemption, principal and accreted interest, maturing or becoming payable during the current Bond Year on the various Serial Bonds that mature annually, (v) one-sixth of all principal, and with respect to Bonds that pay interest only upon maturity or redemption, principal and accreted interest, maturing or becoming

payable on the next maturity date in such Bond Year on the various Serial Bonds that mature semiannually, and (vi) one-twelfth of the Amortization Installments and unamortized principal balances of Term Bonds coming due during the then-current Bond Year with respect to the Bonds, until there are sufficient funds then on deposit equal to the sum of all interest, principal and redemption payments coming due on the Bonds on the next interest, principal and redemption dates in such Bond Year.

Deposits required pursuant to the foregoing shall be increased or decreased each month to the extent required to pay all interest, principal and redemption premiums next becoming due and payable, after making allowance for any accrued and capitalized interest, and to make up any deficiency or loss that may otherwise arise or in the case of a shorter period between the date of issuance and the first Payment Date or may otherwise arise in such fund or account. If any Variable Rate Bonds are outstanding on the fifteenth day of such month, unless the Authority shall establish a different procedure for the payment or deposit of monthly interest on Variable Rate Bonds, the Authority shall deposit into the Debt Service Account in lieu of the monthly interest deposit or the one-sixth semiannual interest deposit described above, the interest actually accruing on such Bonds for such month (plus any deficiencies in interest deposits for the preceding month), assuming the interest rate thereon on the fifteenth day of such month will continue through the end of such month. On or before each interest Payment Date, the Authority shall make up any deficiencies in such interest deposit, based on the actual interest accruing through such date, from and to the extent of the funds remaining on deposit in the Revenue Fund.

Notwithstanding anything in Section 902(a)(2) of the Master Resolution to the contrary, if principal, interest, or premium payments have been made on behalf of the Authority by a Bond Insurer or the issuer of a Liquidity Facility or Credit Facility or other entity insuring, guarantying, or providing for the payment of Bonds or any Series thereof, moneys on deposit in the Revenue Fund and allocable to such Bonds shall be paid to such Bond Insurer or issuer of the Liquidity Facility or Credit Facility having theretofore made a corresponding payment on the Bonds.

(2) Next, by deposit *pro rata* (such pro ration to be done on the basis of the amount of the Reserve Requirement for each applicable subaccount in the Debt Service Reserve Account) into the subaccounts as created for separate Series of Bonds in the Debt Service Reserve Account, such amounts that, after taking into account other concurrent deposits made in such accounts pursuant to the provisions of the Master Resolution, and other funds or Reserve Products then on deposit therein or credited to such accounts, if any, will be sufficient to make the funds on deposit therein and Reserve Products credited thereto equal to the Reserve Requirement for each such account.

Notwithstanding anything herein to the contrary, the Authority may satisfy the Reserve Requirement for any subaccount in the Debt Service Reserve Account, in whole or in part with a Reserve Product in lieu of a cash funded deposit. Such Reserve Product must provide for payment of deficiencies (up to the policy limits of such Reserve Product) on any interest or principal payment date (provided adequate notice is given) on which a deficiency exists (or is expected to exist) in moneys held thereunder for a payment with respect to Bonds secured by the applicable subaccount in the Debt Service Reserve Account, which cannot be cured by funds in any other account held pursuant to the Master Resolution and available for such purpose. Each such Reserve Product shall name as the beneficiary thereof, the Paying Agent or an Authorized Depository which has agreed to serve in such capacity as trustee for the benefit of such Bondholders.

If a disbursement is made from a Reserve Product as provided pursuant to the Master Resolution, the Authority shall be obligated to reinstate the maximum limits of such Reserve Product promptly following such disbursement or to replace such Reserve Product by depositing into the applicable subaccount in the Debt Service Reserve Account pursuant to Section 902(a)(3) of the Master Resolution, from the first available Net Revenues, funds in the maximum amount originally payable under such Reserve Product, plus amounts necessary to reimburse the Reserve Product Provider for previous disbursements made pursuant to such Reserve Product, or a combination of such alternatives, and for purposes of Section 902(a)(3) of the Master Resolution, amounts necessary to satisfy such reimbursement obligation and other obligations of the Authority to such a Reserve Product Provider shall be deemed required deposits into the applicable subaccount in the Debt Service Reserve Account, but shall be used by the Authority to satisfy its obligations to the Reserve Product Provider.

Notwithstanding the foregoing, if one or more subaccounts in the Debt Service Reserve Account has or have been funded with cash or Permitted Investments and no event of default shall have occurred and be continuing hereunder, the Authority may, at any time in its discretion, substitute a Reserve Product meeting the requirements of the Master Resolution for the cash and Permitted Investments in any such subaccount, and the Authority then may withdraw such cash and Permitted Investments from such subaccount and apply them to any lawful purpose that, in the opinion of Bond Counsel, will not result in the interest on the Bonds for which such subaccount in the Debt Service Reserve Account was held which are not Taxable Bonds to be includable in the gross income of the Holders thereof for federal income tax purposes.

(3) Next, by payment of all amounts related to any Subordinate Debt required to be paid by the terms of the resolution or other instrument authorizing such Subordinate Debt and the unpaid fees, costs and expenses of any Reserve Product Provider or issuer of a Liquidity Facility or Credit Facility.

(4) Next, by payment of all Rebate Amounts determined to be due and owing pursuant to the Code as provided in Section 1003 of the Master Resolution.

(5) Next, any capital improvements to the Port Facilities or any lawful purposes of the Authority.

There is no Debt Service Reserve Requirement for the 2022 Bonds and no deposits to the Debt Service Reserve Account will be made in connection with the 2022 Bonds. For a more complete and detailed description of the provisions governing the flow of funds under the Master Resolution, and related definitions, see Article IX in the copy of the Master Resolution in **Appendix C**.

**Additional Bonds**

Upon satisfaction of certain conditions, the Master Resolution permits the Authority to issue Additional Bonds without express limit as to principal amount, which will be equally and ratably secured on parity with the 2021 Bonds, the 2022 Bonds, and any other Additional Bonds issued or permitted to be issued in accordance with the Master Resolution.

The Master Resolution provides that Additional Bonds may be issued from time to time, for the purpose of refunding any issue or issues of outstanding Bonds, or financing, in whole or in part, additions, extensions and improvements to the Port Facilities ranking as to lien on the Pledged Revenues on a parity with the Bonds authorized by the Master Resolution to be issued, provided all of the following conditions are met:

(a) None of the Bonds or any Additional Bonds then outstanding are in default as to principal or interest and the Authority is in compliance with the Master Resolution.

(b) The payments covenanted to be made into the Debt Service Account and the Debt Service Reserve Account (including the various subaccounts therein) currently are being made in the full amount as required and said funds and accounts are at their proper respective balances.

(c) Except where Additional Bonds are to be issued for the purpose of refunding Outstanding Bonds and the Maximum Annual Debt Service Requirement is not increased by such Additional Bonds, the following conditions must be met:

(i) A Qualified Independent Consultant shall have certified either: (A) that for a period of 12 full consecutive calendar months out of the 18 consecutive calendar months preceding the month of the adoption of proceedings for the issuance of the Additional Bonds, the Debt Service Coverage Ratio (excluding (x) any Bonds which are to be refunded or defeased by the proposed Additional Bonds and (y) any payments of Debt Service Offset, and including for calculation of the Debt Service Requirement the proposed Additional Bonds which are to be issued) for each full Bond Year subsequent to issuance of the proposed Additional Bonds, shall not be less than 1.25; or (B) if a new schedule of rates and charges for the services, facilities and commodities furnished by the Port Facilities has been adopted, the Debt Service

Coverage Ratio (excluding (x) any Bonds which are to be refunded and defeased by the proposed Additional Bonds and (y) any payments of Debt Service Offset, and including for calculation of the Debt Service Requirement the proposed Additional Bonds which are to be issued) would have met the test specified in (A) if such new schedule had been in effect throughout such specified period; or

(ii) A Qualified Independent Consultant shall certify that the projected Maximum Annual Debt Service Coverage Ratio (including for calculation of the Debt Service Requirement the proposed Additional Bonds which are to be issued and excluding the amount of any scheduled payments of Debt Service Offset) through each of the first five full Bond Years subsequent to the issuance of Additional Bonds shall not be less than 1.25.

(d) The Authority shall pass proper proceedings reciting that all of the above requirements have been met, shall authorize the issuance of the Additional Bonds and shall provide in such proceedings that such Additional Bonds shall be secured under and pursuant to the Master Resolution. Any such Additional Bonds may be issued under or pursuant to a trust indenture and, in such event, the proceedings authorizing the issuance of such Additional Bonds shall make appropriate provisions for the transfer of moneys on deposit in the Debt Service Account and the Debt Service Reserve Account to the trustee in sufficient time for the payment of debt service on such Additional Bonds; but nothing contained within the Master Resolution shall require the Debt Service Account or the Debt Service Reserve Account to be held by such trustee. In the event Additional Bonds are secured under the Master Resolution and issued pursuant to a trust indenture, the trustee thereunder shall for purposes of the Master Resolution, in accordance with the provisions of such trust indenture, exercise the rights and remedies of the owners of such Additional Bonds on behalf of such owners. It shall not be necessary that the interest and principal and payment dates or redemption provisions for such Additional Bonds correspond with the provisions of any other Bonds. Any Credit Facility or Liquidity Facility related to any Additional Bonds may secure only such Additional Bonds and not any other Bonds issued hereunder. Any such proceeding or proceedings shall restate and reaffirm, by reference, all of the applicable terms, conditions and provisions of the Master Resolution.

(e) Any proposed Additional Bonds which are Variable Rate Bonds shall specify a maximum interest rate. If any such Additional Bonds which are Variable Rate Bonds so issued provide for the mandatory redemption or purchase of such Additional Bonds at the option of the owner, a Credit Facility or Liquidity Facility shall be provided at or prior to the issuance of such Additional Bonds which are Variable Rate Bonds to support the Authority's obligations for any such mandatory redemption or purchase.

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

(g) Notwithstanding anything in Section 1202 of the Master Resolution to the contrary, Subordinate Debt may be issued based on the requirements to be specified in a supplemental resolution of the Authority providing for the issuance of such Subordinate Debt.

The Authority currently does not expect to issue Additional Bonds on parity with the 2021 Bonds and the 2022 Bonds during the next five years.

For more information regarding the terms and conditions upon which Additional Bonds may be issued, see **"COPY OF THE MASTER RESOLUTION — Article VII – Issuance of Additional Bonds"** in **Appendix C**.

**Limited Obligations**

The 2022 Bonds are special limited obligations of the Authority payable solely from the Pledged Revenues pledged under the Master Resolution. The 2022 Bonds are not payable from, and are not secured by, a charge, lien, or encumbrance upon any funds or assets of the Authority other than the Pledged Revenues pledged under the Master Resolution.

The 2022 Bonds do not constitute general obligations or indebtedness of the Authority within the meaning of the Constitution of the State, nor a pledge of the general faith and credit of the Authority, nor will the Authority be subject to any pecuniary liability thereon, either as to payment of principal, premium, if any, or interest. The 2022

Bonds will and shall be payable solely from and secured by a lien upon and a pledge of the Pledged Revenues in the manner and to the extent provided in the Master Resolution. No Bondholder shall ever have the right to compel the exercise of the taxing power of the State, or taxation in any form on any real or personal property to pay the principal of, premium, if any, and interest on the Bonds, nor shall any Bondholder ever be entitled to payment of such principal, premium and interest from any other funds of the Authority other than the Pledged Revenues, all in the manner and to the extent provided in the Master Resolution. The Bondholders will not have a lien upon the Port Facilities, the Projects, or any other assets of the Authority.

**Remedies**

For a description of the remedies to be available to owners of the 2022 Bonds under the terms of the Master Resolution upon the occurrence of an Event of Default thereunder, see "**COPY OF THE MASTER RESOLUTION — Article VIII – Events of Default; Remedies"** in **Appendix C**.

If the Authority ever were to default on the 2022 Bonds, the realization of value from the pledge of the Pledged Revenues to secure the payment of the 2022 Bonds would depend upon the exercise of various remedies specified by the Master Resolution and Georgia law. These remedies may require judicial actions, which often are subject to discretion and delay, and which may be difficult to pursue. The enforceability of rights or remedies with respect to the 2022 Bonds may be limited by state and federal laws, rulings, and decisions affecting remedies and by bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

Section 36-80-5 of the Official Code of Georgia Annotated ("O.C.G.A.") currently provides that no authority created under the Georgia Constitution or laws of the State shall be authorized to file a petition for relief from payment of its debts as they mature or a petition for composition of its debts under any federal statute providing for such relief or composition or otherwise to take advantage of any federal statute providing for the adjustment of debts of political subdivisions and public agencies and instrumentalities. Section 36-80-5 of the Official Code of Georgia Annotated also provides that no chief executive or other governmental officer, governing body, or organization shall be empowered to cause or authorize the filing by or on behalf of any authority created under the Georgia Constitution or laws of the State of any petition for relief from payment of its debts as they mature or a petition for composition of its debts under any federal statute providing for such relief or composition or otherwise to take advantage of any federal statute providing for the adjustment of debts of political subdivisions and public agencies and instrumentalities. While it is not anticipated that State law will be amended, the Authority cannot give any assurance that O.C.G.A. Section 36-80-5 will not be amended by the Georgia General Assembly at a future time to permit such petition or petitions to be filed.

**Authority Covenants**

The Authority covenants in Article XI of the Master Resolution, among other things, to (i) maintain the Port Facilities and all parts thereof in good condition and operate the same in an efficient and economical manner, making such expenditures for such equipment, maintenance and repairs and for renewals and replacements thereof as may be proper for economical operation and maintenance; (ii) before the first day of each Fiscal Year, approve and adopt in the manner prescribed by law, a budget of the Gross Revenues, the Debt Service Requirement (including anticipated amortization of Commercial Paper Obligations) and the Cost of Operation and Maintenance for the next succeeding Fiscal Year; (iii) not mortgage, pledge or otherwise encumber the physical assets of the Port Facilities; (iv) enforce its right to receive the Gross Revenues and enforce and collect the fees, rates, rentals and other charges for the use of the products, services and facilities of the Port Facilities in a diligent manner in accordance with good business practices and without preference as to any customer or customers; (v) not take any action that will impair or adversely affect its rights to levy, collect and receive the Gross Revenues or impair or adversely affect in any manner the pledge of the Pledged Revenues or the rights of the Bondholders; and (vi) require that an annual audit of its accounts and records be completed within nine (9) months after the end of each Fiscal Year by an independent certified public accountant of recognized standing and in accordance with generally accepted auditing standards as applied to governments.

In particular, the Authority covenants in Section 1105 of the Master Resolution to fix, establish, revise from time to time whenever necessary, maintain and collect fees, rates, rentals and other charges for the use of the products, services and facilities of the Port Facilities that always will provide Net Revenues in each Bond Year which shall not be less than one hundred twenty-five percent (125%) of the Debt Service Requirement (after subtracting the amount of any scheduled payments of Debt Service Offset) for such Bond Year.

Notwithstanding the foregoing, failure of the Authority to comply with the first paragraph of Section 1105 of the Master Resolution shall not constitute an event of default under the Master Resolution if funds are otherwise available to pay all amounts due under the Master Resolution and the Authority promptly engages the services of a Qualified Independent Consultant to perform a rate study recommending the rate levels necessary to comply with the preceding paragraph in the next succeeding Bond Year. Such study must be completed within ninety (90) days after the Authority becomes aware of its non-compliance with this section. The Authority thereafter will place in effect, as soon as practicable, either (i) the recommendations of such study by the Qualified Independent Consultant, or (ii) certain adjustments to the Authority's current budget, as recommended by the Chief Financial Officer, to comply with the provisions of Section 1105 of the Master Resolution; provided, however, any such deviations from the recommendations of the Qualified Independent Consultant shall be subject to approval by the Governing Body.

For additional Authority covenants and other information, see **"COPY OF THE MASTER RESOLUTION — Article XI – General Covenants of the Issuer"** in **Appendix C**.

## THE AUTHORITY

### Introduction

The Authority is a body corporate and politic and an instrumentality of the State created and activated pursuant to the Act. Under the Act, the Authority is charged with developing, constructing, promoting, maintaining and operating the harbors and seaports of the State. The Authority was created by the General Assembly in 1945 to promote trade and economic development for the State. The Authority's mission is to "empower entrepreneurs, strengthen industries, sustain communities and fortify families by relentlessly striving to accelerate global commerce." The Authority's goal is to provide its customers with efficient and productive port facilities and create jobs and business opportunities which will benefit the State. **The Authority has no taxing power.**

### Governing Body

The affairs of the Authority are governed by twelve (12) members plus an ex-officio member. Twelve (12) members are appointed by the Governor of the State, from the State at large, to serve four-year, staggered terms. The Director of the Governor's Office of Planning and Budget is an ex-officio member of the Authority commensurate with his or her service in such capacity and, with the approval of the Governor, may designate someone to serve in his or her stead.

Under the Act, the members of the Authority elect a chairperson and vice-chairperson from the membership of the Authority. The members of the Authority also elect a secretary-treasurer, who shall not necessarily be a member of the Authority.

(The table is shown on the following page; the remainder of the page has been left blank intentionally.)

Information concerning the members of the Authority is set forth below.

| Name and Position Held | Expiration of Term* | Residence |
|---|---|---|
| Joel O. Wooten, Jr., *Chairperson* | June 30, 2026 | Columbus |
| Kent Fountain, *Vice Chairperson* | June 30, 2023 | Screven |
| Alec Poitevint, *Secretary-Treasurer* | June 30, 2024 | Bainbridge |
| James L. Allgood, Jr., *Member* | June 30, 2025 | Dublin |
| Leda Chong, *Member* | June 30, 2025 | Savannah |
| David J. Cyr, *Member* | June 30, 2024 | Perry |
| P. Kelly Farr, *Member, Ex Officio, Director, Governor's Office of Planning and Budget* | N.A. | Atlanta |
| Don A. Grantham, Sr., *Member* | June 30, 2024 | Augusta |
| Douglas J. Hertz, *Member* | June 30, 2025 | Atlanta |
| William D. McKnight, *Member* | June 30, 2026 | Augusta |
| Philip Wilheit, Jr., *Member* | June 30, 2026 | Gainesville |
| Christopher C. Womack, *Member* | June 30, 2024 | Greensboro |

* N.A.: Not Applicable. One member's term expired as of June 30, 2022 and a successor has not been appointed yet.

The members of the Authority conduct regular meetings in Savannah, Georgia to attend to the business of the Authority. Under the Act, seven (7) members of the Authority constitute a quorum necessary for the transaction of business, and a majority vote of those present at any meeting at which there is a quorum is sufficient to do and perform any action permitted to the Authority by the Act. Under the Act, the members of the Authority are entitled to be compensated in the amount of $40 per day, plus actual expenses incurred, for each day's service spent in the performance of the duties of the Authority, which is limited to 150 days per fiscal year for the chairperson and 60 days per fiscal year for the other members.

**Staff**

The Authority conducts its operations through its staff. Information concerning the senior staff of the Authority is set forth below.

*Griffith V. Lynch* is the Executive Director of the Authority and is responsible for overseeing all Authority activities and facilities. Mr. Lynch received an undergraduate degree in Marine Transportation from the Maritime College at the State University of New York and was named the 2021 Distinguished Alumnus of the Year by the Maritime College Alumni Association. Prior to becoming Executive Director in 2016, Mr. Lynch served as the Authority's Chief Operating Officer for five years. Prior to joining the Authority, Mr. Lynch held executive positions in both sales and operations at terminals in New York and Virginia. Mr. Lynch serves on the Federal Reserve Bank of Atlanta Trade and Transportation Council and has over 30 years of experience in the maritime industry.

*Lise Altman* is the Chief Human Resources Officer of the Authority and is responsible for the Authority's overall human resource strategy, talent acquisition, leadership development, diversity and inclusion initiatives, organizational design, and cultural development. Ms. Altman has worked for the Authority for almost two decades. Ms. Altman received an undergraduate degree in Workforce Education and Development from Troy State University and a Master's degree in Human Resources from Troy State University.

*Loretta Lepore* is the Chief Communications Officer of the Authority and is responsible for the Authority's media relations, brand awareness, advertising, website, social media and community outreach. Ms. Lepore has worked for the Authority since January 2022. Ms. Lepore received an undergraduate degree in Government and Foreign

Affairs from the University of Virginia. Prior to joining the Authority, Ms. Lepore served as the Senior Strategic Communications and External Relations Advisor to the Director at the Centers for Disease Control and Prevention.

*Edward McCarthy* is the Chief Operating Officer of the Authority and is responsible for the Authority's safety, operations, equipment maintenance, facilities and engineering. Mr. McCarthy has worked for the Authority since 2015. Mr. McCarthy received an undergraduate degree in Marine Transportation from the Maritime College at the State University of New York, a Master's degree in Business Administration from the College of William and Mary, and a diploma in terminal management from Lloyd's Maritime Academy at Kent College, Dartford, United Kingdom. Prior to joining the Authority, Mr. McCarthy was Chief Operating Officer for shipping line CMA-CGM America in Norfolk, Virginia.

*James C. McCurry, Jr.* is the Chief Administrative Officer of the Authority and is responsible for the Authority's contracts, properties and planning, purchasing, grants administration, risk management, navigation programs and governmental affairs. Mr. McCurry has worked for the Authority for almost two decades in various capacities. Mr. McCurry received an undergraduate degree in Business Administration from Furman University and a Master's degree in Transportation Management from the University of Denver. Prior to becoming Chief Administrative Officer in 2017, Mr. McCurry served as the Authority's Senior Director of Administration and Governmental Affairs.

*Clifford R. Pyron* is the Chief Commercial Officer of the Authority and is responsible for the Authority's business development and trade development activities. Mr. Pyron has worked for the Authority since 2008. Mr. Pyron received an undergraduate degree in Business Administration from East Carolina University. Prior to joining the Authority, Mr. Pyron was a vice president of sales for NYK Lines and a vice president of sales for Maersk Lines. Mr. Pyron has over 30 years of experience in the maritime industry.

*Bill Sutton* is the Chief Information Officer of the Authority and is responsible for the Authority's software operating systems, customer support systems, SAP systems, security systems, human resources systems and wireless infrastructure. Mr. Sutton has worked for the Authority for more than two decades. Mr. Sutton received an undergraduate degree in Computer Information Systems from Georgia State University and a Master's degree in Intermodal Transportation Management from the University of Denver. Prior to joining the Authority, Mr. Sutton served as Systems Analyst for Great Dane Trailers.

*Michaela I. Thompson* is the Chief Financial Officer of the Authority and is responsible for all aspects of the Authority's finances, including preparation of financial statements, development of the annual budget and strategic plan, administration of capital expenditures and all accounting and banking functions. Ms. Thompson has worked for the Authority since 2011. Ms. Thompson received an undergraduate degree in Accounting from the University of Tennessee and a Master's degree in Business Administration from Kennesaw State University. She is a Certified Public Accountant. Prior to joining the Authority, Ms. Thompson served as Financial Services Director for Hall County, Georgia.

For additional information on the Authority's staff, see the organizational chart and directory of officials included in the ACFR of the Authority for FY 2021 in **Appendix A**. The Authority sponsors a single-employer contributory group annuity defined benefit pension plan covering certain of its full-time employees and a single-employer defined benefit post-retirement health care plan (see Notes 2, 6 and 7 in the ACFR of the Authority for FY 2021 in **Appendix A** for information on these plans, as well as the Authority's defined contribution plan implemented on July 1, 2011, which now covers more than half its full-time employees).

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## Operations

*General*

The Authority handles three basic types of international and domestic cargos:

- Containerized cargo (various products that can be placed inside an intermodal container);
- Non-containerized general cargo and rolling stock (products such as steel beams, various products in rolls and bales, autos, tractors, and other heavy equipment); and
- Bulk cargo (products such as agri-commodities and various liquid commodities).

The Authority presently owns and/or operates deep water port terminals in Savannah and Brunswick, an inland terminal in Bainbridge, and an inland rail terminal near Chatsworth:

- The Port of Savannah is comprised of two deep water port terminals along the Savannah River: Garden City Terminal and Ocean Terminal. The Port of Savannah handles an average of over 35 weekly global container services, with all major carriers making calls there. Garden City Terminal currently is the largest single container-handling facility in the Western Hemisphere, encompassing approximately 1,345 acres and currently moving over 36 million tons of containerized cargo annually. Ocean Terminal is a multi-faceted terminal that currently supports container, breakbulk and Ro/Ro cargo, encompassing approximately 200 acres and providing customers with more than 1.3 million square feet of covered, versatile storage. The Authority intends to expand and re-develop Ocean Terminal from a general cargo terminal to a primarily containerized cargo terminal in two phases, the first of which is comprised of the 2022 Projects. See **"PLAN OF FINANCING – 2022 Projects"** herein.
- The Port of Brunswick is comprised of three deep water port terminals: Colonel's Island Terminal primarily handles auto and heavy machinery cargo, Mayor's Point Terminal primarily handles the import and export of forest products, and East River Terminal/Lanier Dock primarily handles bulk cargo. Colonel's Island Terminal and East River Terminal/Lanier Dock currently are owned, but not operated, by the Authority. The Port of Brunswick is one of the busiest ports in the country for Ro/Ro cargo.
- The Port of Bainbridge, along the Flint River in southwest Georgia and very near the Georgia-Florida border, provides a strategic location for moving bulk commodities to and from the southeastern United States ("U.S.").
- The Appalachian Regional Port, adjacent to U.S. Highway 411 in northcentral Georgia near Chatsworth and the Georgia-Tennessee border, provides an integral connection for cargo moving by rail primarily to and from northwestern Georgia, Alabama, Tennessee and Kentucky to other locations, primarily within the U.S.

The Authority primarily is an owner-operated port, rather than a landlord port. At the Port of Savannah and Mayor's Point Terminal at the Port of Brunswick, the Authority owns, and the Authority's staff operates, most dockside container cranes and yard handling equipment. Under this structure, the Authority manages all port operations, but stevedoring of ships is performed by the International Longshoremen's Association ("ILA"). As of June 2022, and as one of the State's larger public employers, the Authority directly employed approximately 1,574 full-time positions. Prior to the start of each fiscal year, the Authority adopts an annual operating and capital budget. The Authority's largest customers are steamship lines. The Authority currently has 17 consolidated rate agreements with such carriers that generally have multi-year terms of less than five years, as well as six dockage/wharfage agreements. Fees from the Authority's container storage operations and certain of the Authority's facilities leased for operation by third parties also contribute to the Authority's overall revenue structure. The Authority has the sole jurisdiction to set rates for the services rendered to its customers. These rates currently are not subject to regulation by any federal, State, or other governmental authority.

The Authority has a significant economic impact on the State and, according to recent studies, it is estimated every ten TEUs handled at the Authority's facilities results in one job in Georgia. Also, the economic activity supported by the Authority's operations contributes to approximately 560,000 jobs annually throughout the State and over $140 billion in sales, $33 billion in income and $3.8 billion in State and local tax revenues to Georgia's economy. Georgia, which is home to several Fortune 500 companies, recently has been rated for several consecutive years as the top state to do business by various industry publications, with the Authority's facilities generally being cited as a significant positive attribute for the State. The State's job and investment tax credit programs offer enhanced benefits for taxpayers with qualified increases in shipments through the Authority's facilities.

The Authority has a long-standing commitment to its local communities and sustainability, including creation of wetlands to control stormwater runoff, sponsoring sea turtle research, efforts to more expeditiously ingress and egress truck traffic to and from the Authority's facilities as well as reduce truck idling time near and on Authority property, protection of old-growth oak trees at its facilities, and increased conversion of Authority equipment to ultra-low sulfur diesel or electricity.

*Fiscal Year 2021 Performance*

The Authority achieved record results in several categories in FY 2021, posting significant gains in several important cargo categories and increasing overall tonnage by 8.9%, surpassing FY 2020's then record results. In FY 2021, the Authority achieved historical high levels for gate moves by trucks (approximately 3.35 million) and for rail lifts (approximately 550,000). During FY 2021, the Authority had a record year by handling 5.33 million TEUs of containerized cargo, growing cargo volumes by over 20% (approximately 900,000 TEUs) compared to FY 2020; containers currently are the Authority's fastest growing business segment. During FY 2021, containerized cargo in particular benefited from inventory replenishment due to COVID-19 recovery and increased e-commerce activity which increased while in-store purchases were below historical results. As COVID-19 disrupted world trade, United States containerized cargo increased primarily due to expanded trade with China and Asia. In FY 2021, 91.5% of the Authority's total revenue was generated by its container business, with 4.4% coming from its breakbulk segment, 2.9% from its Ro/Ro segment, and 1.2% from its bulk segment. In FY 2021, the Authority's container business accounted for approximately 68% of its expenses.

Total non-containerized general cargo was 2.62 million tons in FY 2021; this was an increase of 6.8% versus FY 2020 results. FY 2020's results had been a decrease of 12.8% versus FY 2019's results due to the world-wide impact of COVID-19 and efforts to slow the spread of the disease. In FY 2021, Ocean Terminal's non-containerized general cargo decreased by 1.2% and Mayor's Point Terminal decreased by 59.3% compared to FY 2020. The Ocean Terminal decrease in FY 2021 was a substantial improvement over FY 2020's 24.2% decrease (compared to FY 2019). The decrease at Mayor's Point Terminal, however, essentially offset FY 2020's increase of 59.9% over FY 2019. At the Colonel's Island Terminal in Brunswick, FY 2021's auto and machinery business increased 21.2% to 685,460 units versus FY 2020 and more than offsetting FY 2020's 7.9% decrease of auto and machinery results at 565,418 units compared to FY 2019's results. In calendar year 2020, the Port of Savannah generated approximately 63% of its loaded movements from imports and 37% from exports. For all of calendar year 2021, the Port of Savannah ranked as the top U.S. container export port by loaded volume, handling 1.38 million TEUs.

*Fiscal Year 2022 Performance*

Preliminary, unaudited results for FY 2022 reflect continued growth of revenues, albeit at a slightly slower pace, in several significant categories compared to FY 2021. For FY 2022, container volumes of 5.76 million TEUs exceeded FY 2021 results by 8.1%. The Authority set a new record for container volumes for FY 2022, totaling 3.2 million containers compared to 2.9 million containers in FY 2021. Container tonnage increased by just under 1% in FY 2022 over FY 2021, even though overall TEUs increased by 8.1% in FY 2022 over FY 2021, as noted. Loaded container volume for FY 2022 increased by 2.3% over FY 2021, while empty container volume increased by 27.2% for FY 2022 over FY 2021. Tons per loaded container was down slightly in FY 2022 compared to FY 2021 due to an increased mix of import-loaded containers (69% in FY 2022 versus 67% in FY 2021). Import containers on average weighed 14 short tons versus export containers that on average weighed 22 short tons. Vessel arrivals decreased by 11.3% for FY 2022 compared to FY 2021. The decrease in vessel arrivals was related to container operations at Garden City Terminal and Ocean Terminal, which experienced a 19% decrease in vessel arrivals due to larger vessels (which require longer to off-load and on-load) arriving at both terminals. Average containers per vessel increased by

33% in FY 2022 to 2,216 containers per vessel arrival versus the FY 2021 average of 1,660 containers per vessel arrival. In FY 2022 the Authority had a record 3.31 million gate moves, which was an increase of 8.8% year-over-year. Breakbulk tonnage increased 16.2% year-over-year to reach 2.8 million tons. Preliminary, unaudited FY 2022 operating revenue of $838.0 million exceeded FY 2021 operating revenue by $222.6 million and exceeded budget by $255.9 million. Volume and storage revenue drove the increase. Increased container volume and dwell time on terminal resulted in $65.6 million of the revenue increase with pop-up container yards in aggregate contributing $13.7 million in revenues. Storage revenues were 22% of revenues for FY 2022 versus an average of 4% for the FY 2010 through FY 2020 period. Preliminary, unaudited FY 2022 operating expenses (net of depreciation) totaled $379.1 million, which were above budget by $45.8 million due to container volume exceeding budget projections, and were $58.1 million more than FY 2021 operating expenses (net of depreciation). In addition to storage, other drivers of volume and revenue for FY 2022 included (i) certain Chinese ports remaining open during the Shanghai port shutdown due to COVID-19, which enabled vessel flow to continue, (ii) absorption of cargo from West Coast ports due to ongoing delays and labor issues at those ports, as well as absorption of cargo from certain East Coast ports that have more limited capacity than the Authority's ports, and (iii) increased rail pricing. Furthermore, the Authority increased rates in renewed pricing contracts with shipping lines, which also should positively impact revenues in FY 2023. For additional information on FY 2022 performance, see **"FINANCIAL AND OPERATING INFORMATION"** herein.

For additional information on the operations and revenues of the Authority, see the Statistical Section in the ACFR of the Authority for FY 2021 in **Appendix A** and **"FINANCIAL AND OPERATING INFORMATION"** herein.

*Port of Savannah*

The Garden City Terminal ("GCT") has a terminal area of approximately 1,345 acres, a channel width of 500 feet, and an inner channel depth of 47 feet at mean low water ("MLW"). GCT has nine berths for the loading and unloading of oceangoing cargo ships, totaling 9,693 linear feet (Berths 2, 3, 8 and 9 have depths of 48 feet, Berths 4, 5, 6 and 7 have depths of 47 feet and Berth 1 is under construction), with 185 feet of vertical navigational clearance at mean high water ("MHW"). GCT currently has 12 Kone Super Post-Panamax container cranes with 120 feet of lift height, four Kone Super Post-Panamax container cranes with 136 feet of lift height, 14 Kone Super Post-Panamax container cranes with 152 feet of lift height, and 190 rubber-tired gantry cranes. (A Super Post-Panamax container crane is defined as a crane that can reach across a container ship of between 19 and 25 side-by-side containers.) The Authority used proceeds of the 2021 Bonds for the acquisition of two additional ship-to-shore cranes with 152 feet of lift height and six additional ship-to-shore cranes with 164 feet of lift height, which will replace six existing cranes. GCT currently can service ships of up to approximately 16,000 TEUs. See "—**Recent History of Authority Major Capital Projects and Future Capital Improvement Initiatives** – *The 2021 Projects*." The Talmadge Memorial Bridge over the Savannah River, which was built in 1991, currently provides 185 feet of vertical navigational clearance at MHW, which is too low to serve 19,000 TEU vessels; the Authority is working with the State to evaluate replacement options for the bridge, but no final determinations have been made, and it currently is expected the replacement costs will come from federal and State funds. It is approximately 42 nautical miles from GCT to sea buoy in the Atlantic Ocean.

To accommodate the receipt/storage or delivery of containerized cargo, warehouse space currently encompasses approximately 1,124,016 square feet, and nine paved container fields currently encompass approximately 471 acres (20.5+ million square feet). As part of GCT, the Mason intermodal container transfer facility ("ICTF") encompasses approximately 160 acres and has 27,000 linear feet of working railroad tracks. Also part of GCT, the Chatham ICTF encompasses approximately 18 acres and has 6,000 linear feet of working railroad tracks. GCT is within approximately six miles of both Interstate 16 (connecting Interstate 95 in Savannah to Interstate 75 in Macon, Georgia) and Interstate 95, which connects Florida to Maine. Norfolk Southern Railroad and CSX Transportation currently provide rail service at the Mason ICTF and CSX Transportation previously provided rail service at the Chatham ICTF. Since the Mason Mega Rail Project (as further described below) has been completed, the two ICTF's have been consolidated, leading to greater efficiency, and the Chatham ICTF is being converted to storage tracks. Two- to five-day double-stack rail service is available to inland destinations such as Atlanta, Charlotte, Chicago, Dallas, Memphis and beyond. Hundreds of motor freight lines serve GCT. Significant road improvements over the last five years have formed a cargo beltway for motor carriers between GCT and the nearby interstate network, including four-lane direct access between the GCT main gate and Interstate 95 and expedited access to Interstate 16, with additional road improvements planned over the next five years near Gate 3. GCT also is convenient to significant nearby regional distribution centers and similar facilities established by numerous major retailers following significant collaboration with the Authority in many instances, thus creating a logistics hub for the region. In addition, the Savannah market (i.e., a 20-mile radius of GCT) includes approximately 90 million square feet of industrial / warehouse space, with approximately 13 million square feet absorbed over the last two years and 18 million square feet more currently under construction (and remaining land available for development which could accommodate tens of millions of square feet of additional space) and vacancy less than 1% as of early 2022.

In November 2021, in response to containers accumulating at GCT and its other terminals and congestion at its facilities, the Authority developed an innovative solution – pop-up container yards – providing terminal operational space and customer storage options. The pop-up container yards allow containers to be staged at off-dock locations served by truck and rail and away from on-dock staging areas used to maintain efficient day-to-day operations at GCT. The Authority worked with Norfolk Southern Railroad and CSX Transportation and other partners to identify and develop suitable sites that could be retrofitted quickly and used as temporary storage and inland port facilities, where containers could be held or picked up by customers for delivery. The Authority has six pop-up container yards in operation. By mid-December, the Authority had cut the volume of stored containers at GCT by nearly 25%, regaining operating capacity that reduced the backlog of ships waiting for berth space at GCT from 31 vessels in mid-October to just six. From the program's beginning in late November 2021 to mid-February 2022, the average dwell time for containers at the port dropped from 17 days to less than ten, with much of the difference attributed to the creation of these new inland facilities.

The Ocean Terminal ("OT") currently has a terminal area of approximately 200 acres, a channel width of 500 feet, and an inner channel depth of 47 feet at MLW. OT currently has four berths for the loading and unloading of oceangoing cargo ships, totaling 3,599 linear feet, with berth depth of 47 feet and 185 feet of vertical navigational clearance at MHW. OT currently has one STS Kone container crane, two Kone mobile harbor cranes, one Kocks gantry crane, eight rubber-tired gantry cranes, and warehouse space of approximately 1,330,345 square feet. OT currently handles primarily breakbulk, Ro/Ro, heavy lift, and project cargo, but also handles container cargo. Paved open storage encompasses approximately 99 acres to accommodate breakbulk, Ro/Ro, and container cargo. Recent improvements at OT permit service to ships carrying up to 4,800 TEUs and provide expanded container storage capacity. OT is within approximately two miles of Interstate 16 and approximately ten miles of Interstate 95. Norfolk Southern Railroad provides rail switching services on-terminal. Line-haul services are provided by Norfolk Southern Railroad and CSX Transportation. Hundreds of motor freight lines serve OT.

The Authority is planning for OT to be expanded and re-developed from a general cargo terminal to a primarily container terminal in two phases (the first of which is expected to be financed with the proceeds of the 2022 Bonds), which is expected to add approximately 1,300,000 TEUs of berth capacity at the completion of the final phase. See **"PLAN OF FINANCING – 2022 Projects"** herein. In connection with such expansion and re-development, the Authority expects the current breakbulk and Ro/Ro volume served at OT to be mostly absorbed by other Port Facilities, primarily Colonel's Island Terminal for most Ro/Ro cargo and Mayor's Point Terminal for most breakbulk cargo (each described below). For more information on how much, and which types of, cargo is expected to move from OT to Colonel's Island Terminal and/or Mayor's Point Terminal, as well as the effect of such moves on infrastructure at these facilities and the related potential volume and revenue declines from these business segments, see **Appendix B**.

<u>The net revenues derived from operations of the GCT and OT are part of the "Pledged Revenues" securing the 2021 Bonds and the 2022 Bonds</u>.

*Port of Brunswick*

The Colonel's Island Terminal ("CIT"), located along the South Brunswick River, has a terminal area of approximately 1,212 acres, a channel width of 400 feet, and a channel depth of 36 feet at MLW. CIT has three berths, totaling 3,355 linear feet. CIT primarily handles automotive, Ro/Ro (agricultural and construction equipment), and project cargo. Paved open storage encompasses approximately 637 acres, with an additional approximately 472 acres permitted for future development. Additional breakbulk and Ro/Ro warehouse capacity is planned for CIT and is expected to total approximately $165 million, to be paid for from internal Authority funds. CIT is owned by the Authority and is leased or operated by auto processors (primarily International Auto Processing, Inc, Mercedes-Benz USA, LLC, and Wallenius Wilhelmsen Solutions). During FY 2021, over 26 auto manufacturers, supported by four auto processors, and over 18 machinery manufacturers utilized CIT. CIT is within approximately three miles of

Interstate 95 via U.S. Highway 17, and within one hour of both Interstate 10 in northern Florida and Interstate 16 in Savannah. From CIT, the Golden Isles Terminal Railroad interchanges with CSX Transportation and Norfolk South Railroad. It is approximately 15 nautical miles from CIT to sea buoy.

The Mayor's Point Terminal ("MPT"), located along the East River, has a terminal area of approximately 22 acres, a channel width of 350 feet, and a channel depth of 36 feet at MLW. MPT has one dock of 1,200 linear feet that can accommodate up to two vessels simultaneously. MPT primarily handles breakbulk cargo. Paved open storage encompasses approximately four acres and warehouse storage encompasses approximately 355,000 square feet. In May 2022, to handle more and heavier cargo, the Authority approved a new, 100,000 square foot warehouse at MPT to replace an existing 50,000 square foot cargo shed. MPT is within approximately five miles of Interstate 95. From MPT, interchange and line-haul services are provided by CSX Transportation and Norfolk South Railroad.

The East River Terminal/Lanier Dock ("ERT"), located along the East River, has a terminal area of approximately 66 acres, a channel width of 400 feet, and a channel depth of 35 feet at MLW. ERT has three berths, totaling 1,600 linear feet. ERT primarily handles dry bulk and liquid bulk cargo. ERT is owned by the Authority and operated by Logistec USA, Inc. Warehouse storage encompasses approximately 688,075 square feet. ERT is within approximately six miles of Interstate 95. From ERT, interchange and line-haul services are provided by CSX Transportation and Norfolk South Railroad.

<u>The net revenues derived from operations of the CIT, MPT and ERT are part of the "Pledged Revenues" securing the 2021 Bonds and the 2022 Bonds</u>.

*Appalachian Regional Port*

The Appalachian Regional Port ("ARP"), located along U.S. Highway 411 near Chatsworth in northcentral Georgia and with close access to Interstate 75, has a terminal area of approximately 42 acres and primarily handles container cargo, with 6,000 feet of working tracks served by three rubber tire gantry cranes. ARP opened in 2018 to provide an inland port operation with connectivity back to the Authority's deep water port facilities on the Georgia coast, allowing cargo to be more efficiently staged closer to certain population centers and, through directly linked rail networks to Savannah, reducing the need for long-haul trucking. In 2020, the Authority added six new container bays at ARP, totaling 230 TEU slots and an annual capacity expansion of 15,000 TEUs, and also added 13 stacks, or 28,000 TEUs in annual capacity, to ARP's 60-stack inventory. ARP has import/export storage capacity of 1,670 TEUs and is served by CSX Transportation with train service on Monday, Wednesday and Friday. The ARP currently has annual throughput capacity of 50,000 containers (with plans to double that capacity over 10 years) and, in FY 2021, the ARP handled approximately 35,000 rail lifts of import, export and domestic cargo.

<u>The net revenues derived from operations of the ARP are part of the "Pledged Revenues" securing the 2021 Bonds and the 2022 Bonds</u>.

*Port of Bainbridge*

The Port of Bainbridge, located along the Flint River in southwest Georgia, has a terminal area of approximately 67 acres and primarily handles dry bulk cargo. The terminal is equipped to handle dry bulk cargo via barge, but due to current water level restrictions, the cargo is received via rail and truck rather than barge. Warehouse storage encompasses approximately 93,000 square feet. The Port of Bainbridge is within approximately 35 miles of Interstate 10 in northern Florida, which connects Florida and California, and is served by CSX Transportation.

<u>The net revenues derived from operations of the Port of Bainbridge are part of the "Pledged Revenues" securing the 2021 Bonds and the 2022 Bonds</u>.

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**Recent History of Authority Major Capital Projects and Future Capital Improvement Initiatives**

*General*

Over the last 15 years, the Authority's container volume has grown at a faster rate than any other major port in the U.S. At the Garden City Terminal, the number of TEUs grew from 2.04 million in FY 2006 to over 5.3 million in FY 2021, an increase of over 161%. The Port of Savannah ranks as the third largest container gateway in the nation (behind Los Angeles / Long Beach and New York / New Jersey), with approximately 45% of the U.S. population living within the Authority's service region (i.e., 72-hour rail radius). As the largest container port in the southeastern U.S., the Port of Savannah is responsible for moving nearly 10% of the U.S. overseas containerized cargo. The Authority's long-term growth forecast projects container volume to increase approximately 41% from FY 2022 to FY 2032. To prepare for this growth, and given current capacity constraints and increasing congestion, the Authority has developed strategic plans to build out the Port of Savannah's annual operating capacity to over 11 million TEUs through improvements at Garden City Terminal, including significant additional rail infrastructure, berth improvements (which are being funded with a portion of the proceeds of the 2021 Bonds and Authority funds), a multi-phase development and completion of new container storage capacity (which are being funded with a portion of the proceeds of the 2021 Bonds and Authority funds), and improvements to gate areas to allow for more truck lanes, as well as the expansion and re-development of the Ocean Terminal to a primarily container terminal (the first phase of which is expected to be funded with the proceeds of the 2022 Bonds and the second phase of which is expected to be funded using internally generated Authority funds) and development of the proposed Savannah Container Terminal (each discussed below).

The first phase of the expansion and re-development of Ocean Terminal, spanning approximately 150 of the 200 total acres of Ocean Terminal, comprises the 2022 Projects. For more information, see "**PLAN OF FINANCING**" herein. The second phase will consist of the re-development of the remaining 50 acres of the Ocean Terminal facility, which are the 50 acres at which container operations currently are conducted at Ocean Terminal. Currently, container capacity in such 50-acre area is approximately 300,000 TEUs. The first phase of the expansion and re-development of Ocean Terminal (the 2022 Projects) will add approximately 600,000 TEUs of berth capacity to Ocean Terminal and the second phase will add approximately 700,000 TEUs of berth capacity. The first phase currently is expected to be completed by the end of 2026, and the second phase currently is expected to be completed by the end of 2032 and paid for using internally generated Authority funds.

Various improvements to the Authority's facilities, currently estimated to total approximately $4.4 billion over FY 2021 through FY 2032, will allow the Authority to continue to be the largest southeastern U.S. gateway container terminal and to serve the largest container vessels calling on east coast ports in the U.S. When complete, these planned improvements at Garden City Terminal, Ocean Terminal, the Port of Brunswick and an initial lay berth for the proposed Savannah Container Terminal (as further discussed below) are expected to expand aggregate current berth capacity of approximately 5,800,000 TEUs to approximately 9,500,000 TEUs and current yard capacity of approximately 5,110,000 TEUs to approximately 9,770,000 TEUs by FY 2032. Approximately 69% (or approximately $3.1 billion of the total approximately $4.4 billion) of the planned capital improvements are expected to be funded from the Authority's internal funds and a federal Maritime Administration ("MARAD") grant. For more information, see "**FINANCIAL AND OPERATING INFORMATION**" herein.

As a component unit of the State, a primary source of long-term funding for many of the Authority's previous capital projects has been through general obligation bonds issued by the State, for which the Authority has no legal liability, including approximately $546 million of bond proceeds from 1985 to 2007 allocated to the Authority for terminal expansion and improvements. In recent years, the Authority has funded its capital projects primarily on a pay-as-you-go basis. Major capital investments funded by the Authority using Authority resources during the past three fiscal years have included the following: significant rail and storage additions at Garden City Terminal; purchase and upgrade of Ship-to-Shore Container Cranes; purchase and upgrade of Rubber-Tired-Gantry Cranes; purchase of Rail Mounted Gantry Cranes; Dock and Berth upgrades at Garden City Terminal; Dock and Berth upgrades at Ocean Terminal; and paving and land improvements at Colonel's Island Terminal. The Authority has experienced staff who plan and oversee such improvements and the Authority also engages outside firms to assist with such projects.

In 2021, the Authority adopted the Master Resolution and issued the 2021 Bonds, which are currently the only outstanding revenue bonds of the Authority. At June 30, 2021 and June 30, 2020, the Authority had commitments for construction projects of approximately $309,029,000 and $118,403,000, respectively, with funds already reserved for these projects. For information on other liabilities, commitments and contingences of the Authority, see Notes 5 and 9 in the ACFR of the Authority for FY 2021 in **Appendix A**.

*The 2021 Projects*

The 2021 Bonds were issued to finance, in whole or in part, the following projects (the "2021 Projects"):

- *Realignment of Berth 1 at Garden City Terminal*. Berth 1 will be reconstructed and straightened to expand Garden City Terminal's capacity and allow the Authority to dock four 16,000 TEU container ships and three additional vessels simultaneously. This project will add approximately 1,400,000 TEUs of berth capacity on an annualized basis. While the Berth 1 work is in progress, Panamax-sized (greater than 3,000 TEUs) container ships also can use Ocean Terminal. This project also entails certain landside infrastructure improvements (e.g., king pile walls, relieving platforms, and larger truck lanes for vessel loading and unloading) and certain waterside infrastructure improvements (e.g., dredging, crane rail, fendering, and bollards). This project currently is expected to be completed in June 2023, ahead of the original target date of December 2023. This project currently is expected to cost approximately $138.3 million, of which approximately $96 million is expected to be paid from proceeds of the 2021 Bonds (approximately $15 million less than the original estimate to be paid from the 2021 Bonds), with the remainder to be paid from Authority funds and/or federal grant funds. As of June 2022, approximately $33.7 million had been spent and this project was approximately 55% complete.

- *Purchase of Eight New Ship-to-Shore Cranes at Garden City Terminal*. Following the realignment of Berth 1 at Garden City Terminal (described above), (i) Berth 9 at Garden City Terminal will be fitted with two additional ship-to-shore cranes of 152 feet of lift height (and 90 feet of crane gauge), which will allow for vessel operations of ships up to 15,000 TEUs and (ii) Berth 1 will be fitted with six ship-to-shore cranes of 164 feet of lift height (and 130 feet of crane gauge), which will allow for vessel operations of ships up to 18,000 TEUs. These eight cranes have been purchased, are being constructed in China and are expected to be delivered fully constructed in two separate shipments, with one shipment currently expected in the summer of 2023 and a second shipment currently expected in December 2023. The cranes are expected to be installed at Garden City Terminal upon delivery, ahead of the original target date of July 2024. This project currently is expected to cost approximately $121.4 million, all of which is expected to be paid from proceeds of the 2021 Bonds. As of June 2022, approximately $74.4 million had been spent and construction of the cranes was approximately 55% complete.

- *Expansion of Garden City Terminal Container Storage.* Additional properties and facilities will be acquired, developed and/or improved to support and expand container operations adjacent to the Mason Mega Rail Terminal (described below), including the acquisition and implementation of container handling equipment at the Port of Savannah. This project will encompass approximately 90 acres, is expected to add approximately 750,000 TEUs of annual capacity and currently is expected to be completed by July 2024. This project currently is expected to cost approximately $195.8 million (approximately $5 million less than budgeted at inception), all of which is expected to be paid from proceeds of the 2021 Bonds. As of June 2022, approximately $32.3 million had been spent and this project was approximately 5% complete. The Notice to Proceed was issued in May 2022.

- *Modification of Garden City Terminal Container Storage at Berths 7, 8 and 9*. Modification of properties and facilities will be undertaken behind Berths 7, 8 and 9 at Garden City Terminal to provide additional container storage capacity and equipment for the Port of Savannah. This project will encompass approximately 75 acres, is expected to add approximately 900,000 TEUs of annual capacity and currently is expected to be completed by the fall of 2022, ahead of the original target date of April 2023. This project is expected to cost approximately $86.8 million (approximately $20 million more than budgeted at inception due primarily to an increase in project scope), all of which is expected to be paid from proceeds of the 2021

Bonds. As of June 2022, approximately \$62.5 million had been spent and this project was approximately 92% complete.

*Savannah Harbor Expansion Project*

In early 2022, the U.S. Army Corps of Engineers completed the dredging for the Savannah Harbor Expansion Project ("SHEP"). For at least the last two decades, the SHEP has been the number one strategic priority for the Authority and is critically important to continued economic growth in Georgia and the southeastern U.S. This project deepened the federally designated Savannah River Channel from 42 feet to 47 feet at low tide (and up to 54 feet at high tide). The "Outer Harbor," from the mouth of the Savannah River out to the end of the shipping channel in the Atlantic Ocean, has been deepened to 49 feet at low tide (and up to 56 feet at high tide). By comparison, the Port of Charleston, one of the primary competitors of the Port of Savannah, has completed deepening its inner channel to 52 feet and outer channel to 54 foot, each at low tide. The Savannah River Channel is utilized by numerous private businesses with terminals, in addition to the Authority's terminals. Completion of the SHEP in early 2022 now allows larger vessels to take on heavier loads with fewer tide-based restrictions for transiting the Savannah River Channel. In addition, "Inner Harbor" (i.e., from the mouth of the Savannah River upstream toward the GCT) work included constructing three bend wideners and two meeting areas and enlarging the King Island Turning Basin at the GCT. For more information on the Authority's competitive position relative to other U.S. east coast ports as it pertains to navigational access, see **Appendix B**.

While cargo volumes handled at the Port Facilities has grown, so has the size of the vessels transporting the cargo. The Authority first proposed in 1996 to deepen the Savannah River to handle these larger container vessels more efficiently. With the completion of the Panama Canal improvements in 2016, even larger container vessels than before began calling at the U.S. east coast ports. In September 2020, the CMA CGM vessels Brazil and Panama called on Garden City Terminal. At that time, the Brazil and Panama, each with a capacity of over 15,000 TEUs, were the largest ships ever to call at U.S. east coast ports. On May 26, 2021, the CMA CGM vessel Marco Polo, with a capacity of over 16,000 TEUs and the largest container ship ever to serve any port on the U.S. east coast, made a call at Garden City Terminal. To prepare the U.S. marine transportation system for more - and even larger - of these deeper draft vessels, the Savannah River has been deepened to accommodate them at any tide. By allowing 16,000+ TEU vessels to transit the Savannah River without having to wait for high tide, and also enabling them to deliver and take on heavier loads, the SHEP will save Authority customers time and money, thus making the Port of Savannah an even more competitive call location. Prior to completion of the SHEP, approximately 78% of the containerized cargo vessels that called on the Port of Savannah were not able to load to their maximum design draft at any tide.

The revised final cost of the SHEP of \$1.019 billion was authorized by Congress as part of America's Water Infrastructure Act of 2018; approximately \$353 million of such costs was funded by the State through the issuance of its general obligation bonds.

*Mason Mega Rail Project*

To handle significant increases in rail volume, the Authority recently developed the Mason Mega Rail Project at Garden City Terminal, which increased rail capacity to over 1 million rail lifts from 500,000 rail lifts previously. This 85-acre project included the completion of multiple bridge structures, civil infrastructure development, and the commissioning of ten rail-mounted gantry cranes that operate in the yard. Both Norfolk Southern and CSX railroads are now able to operate in the complete 18 rail track facility. The Mason Mega Rail Project is estimated to be the largest on-port rail terminal on the North American continent and will provide a new supply-chain option directly to the U.S. midwestern region.

The Mason Mega Rail Project was specifically designed to handle up to 10,000-foot unit trains by both major rail carriers (and up to six at the same time time) and has nearly 180,000 linear feet of track. This project has doubled the Port of Savannah's aggregate rail lift capacity to 2 million TEUs per year and more than doubled the on-terminal rail track for a total of 34 miles. Rail shippers in major markets from Memphis to St. Louis, and Chicago to Cincinnati, are expected to experience greater efficiencies and reduced transit times to and from Savannah's growing intermodal hub. In many instances, cargo is expected to avoid rail hub layovers, eliminating a full day in transit, and open new markets and opportunities for shippers. It also is expected that the project will take an equivalent of 200,000 18-wheel and tandem trucks off the road per year.

*Northeast Georgia Inland Port*

Companies in northeast Georgia accounted for 5% of the import, and 4% of the export, volumes handled at the Port of Savannah in 2016 and such volumes have continued to grow since that time. The Authority currently is planning to construct a new facility in Gainesville, Georgia, to be known as the Northeast Georgia Inland Port, which will provide a new, cost-efficient intermodal freight transportation alternative in the region for domestic exports and imports. The Northeast Georgia Inland Port will allow for direct rail service by Norfolk Southern Railroad, which will operate intermodal container trains on a 324-mile route between northeast Georgia and the Port of Savannah that is part of the NS Crescent Corridor, a 2,500-mile east coast network running from New Orleans and Memphis to New York and New Jersey. This direct rail service is expected to offset 600 roundtrip highway miles for every container moved by rail. The Authority plans to construct the Northeast Georgia Inland Port on an approximately 104-acre site in the Gateway Industrial Center on Georgia State Route 365 and expects that the facility, as completed, will provide a capacity of 200,000 lifts per year, including 18,000 feet of working rail track, secure, efficient gate facilities, and 14 rubber tire gantry cranes (relocated from GCT) to provide container movement capabilities. The total estimated cost for the Northeast Georgia Inland Port project currently is projected to be $156.2 million, approximately $46.8 million of which is expected to be funded by a federal Maritime Administration ("MARAD") grant. As of May 2022, the Authority is in the process of obtaining certain regulatory approvals required in connection with the MARAD grant. The Authority expects to break ground on the Northeast Georgia Inland Port facility in early 2023.

<u>The net revenues to be derived from potential future operations of the Northeast Georgia Inland Port currently are not, nor are anticipated to become, part of the "Pledged Revenues" securing the 2021 Bonds and the 2022 Bonds</u>.

*Savannah Container Terminal and Jasper Ocean Terminal*

The Savannah Container Terminal ("SCT"), anticipated to be located on the Authority's property on Hutchinson Island, will be a potential 3,000,000 TEU facility when all three phases of proposed development are completed. Container volumes currently being handled by the Authority were not anticipated until 2025. Thus, the Authority is already taking steps to make its current terminals more container efficient and it may begin to take steps to initiate development of SCT in calendar year 2022, with a phased development expected to extend over an eight to 12 year development horizon. The Authority expects that SCT would be used only after the existing facilities at the Port of Savannah have reached capacity and, as noted, expansions to both the Garden City Terminal and Ocean Terminal are planned in advance of when SCT would start to operate. The existing facilities at the Port of Savannah offer significant logistical benefits over SCT, and the Authority does not believe it is likely that SCT would result in reduced revenues from these existing facilities.

The Authority entered into an Intergovernmental Agreement with the South Carolina Ports Authority (the "SCPA"), dated January 27, 2008 (the "Intergovernmental Agreement"), for the formation of a maritime container port facility (the "Jasper Ocean Terminal") to be operated jointly by the Authority and the SCPA on land located along the Savannah River in Jasper County, South Carolina ("Jasper County"). The 1,500-acre site is jointly owned by the Authority and the SCPA and currently is being used as a dredge disposal site.

In December 2015, the Authority and the SCPA entered into a Joint Venture Agreement (the "Joint Venture Agreement") to provide for the planning, design, construction and operation of the Jasper Ocean Terminal. The Joint Venture Agreement expressly supersedes the Intergovernmental Agreement. As described in the Joint Venture Agreement, the Jasper Ocean Terminal will be a deep-water port that can accommodate the draft and beam requirements of a fully loaded 14,000-20,000 TEU container vessel without tidal restrictions, with a handling capacity of 7,000,000 TEUs when fully developed. In order to accommodate the Jasper Ocean Terminal, the Savannah River will need additional dredging and modification to a depth and width which will allow for simultaneous inbound and outbound ship traffic. The permit applications for the Jasper Ocean Terminal and the request for a feasibility study to accomplish the necessary channel modifications will be filed and initiated when, if, and as agreed to by the parties and in compliance with U.S. Army Corp of Engineers policy.

In March of 2021, the SCPA passed a resolution expressing its intent to assign its interest in the Joint Venture Agreement to Jasper County. That same month, Jasper County indicated its intent to accept the assignment. The Joint Venture Agreement requires that the Authority expressly consent to such a proposed assignment. The SCPA and Jasper County requested that the Authority provide its consent to the assignment. The Authority appointed a committee to study the issues related to the proposed assignment and informed the SCPA and Jasper County on February 21, 2022, that it may agree to the assignment under certain conditions to be agreed to by Jasper County and the State of South Carolina. The parties are currently discussing the implementation of those conditions into any new agreement that may be entered into in the future.

There currently is no rail or highway access infrastructure at the project site of the type that will be necessary to support operations. The Authority and whomever is its partner in the Joint Venture Agreement also will require appropriate permits from the applicable federal and state authorities for dredging, terminal construction and landside infrastructure in a timely manner consistent with anticipated growth and future requirements (collectively the "Required Permits"). The Joint Venture Agreement provides that the Jasper Ocean Terminal will be completed in phases, each of which must be reasonably justified based upon current capacity and container traffic demand scenarios which establish the economic viability of additional terminal capacity, and that the initial phase will be sequenced with improvements to, or construction of, facilities existing or permitted by the Authority or the SCPA or the other partner.

The Joint Venture Agreement currently provides that the Authority and the SCPA will provide funding in equal shares of: (i) the joint venture operations through the National Environmental Policy Act permitting phase and finalization of plans for design, construction and financing, and (ii) all other costs of construction and any supporting infrastructure to include offsite rail, road, and utility requirements. The Joint Venture Agreement provides that after the Required Permits have been obtained, the Authority and the SCPA then will endeavor in good faith to work diligently to develop appropriate plans for the financing, construction and operation of the Jasper Ocean Terminal. The Authority currently has not identified any funding sources for the Jasper Ocean Terminal. No matter who is determined to be the ultimate partner in the Joint Venture Agreement, the Authority expects that the funding arrangements will remain substantially similar to those currently in place.

Both the Authority and the SCPA have indicated that the Jasper Ocean Terminal will be needed when the Charleston and Savannah ports reach capacity. Depending on the amount of global trade, it is not expected that the Authority will require the additional capacity from the Jasper Ocean Terminal until after completion of the SCT. The Authority does not believe it is likely that Jasper Ocean Terminal would result in reduced revenues from existing facilities of the Authority. The Authority's view is that both the SCT and Jasper Ocean Terminal, when and if developed, will be complementary to the other facilities at the Port of Savannah rather than competition.

<u>The net revenues to be derived from potential future operations of the SCT and Jasper Ocean Terminal currently are not, nor are anticipated to become, part of the "Pledged Revenues" securing the 2021 Bonds and the 2022 Bonds</u>.

**Regulation**

There are various regulatory agencies whose activities may affect the operations of the Authority. The Authority's port tariffs or practices could be subject to investigation by the Federal Maritime Commission (the "FMC"), upon its own motion or upon complaint by an aggrieved party. After completion of the investigation, the FMC can order the tariff provision cancelled or modified or issue a cease-and-desist order against practices found to violate the United States Shipping Act of 1984. No such agency investigation has ever been taken with respect to the Authority's tariffs.

Further, regulations of the U.S. Army Corps of Engineers, the Environmental Protection Agency, the Department of Interior, the federal Department of Commerce, the National Oceanographic & Atmospheric Administration, the Department of Homeland Security (Coast Guard), United States Customs Service, and other regulations of the FMC may affect the operations of the Authority. Regulations of the Occupational Safety & Health Administration may affect users of the Authority's facilities, such as stevedoring companies.

**Insurance**

The Authority covenants in the Master Resolution that, to the extent economically feasible, it will carry adequate fire, windstorm, earthquake, and extended coverage policies on the components of the Port Facilities that are subject to loss through fire, windstorm or earthquake; adequate business interruption insurance; adequate public liability insurance; and other insurance of the kinds and amounts normally carried in the operation of similar facilities and properties in the State. Pursuant to the Master Resolution, the Authority, upon appropriate authorization by its Governing Body, may self-insure against such risks on a sound actuarial basis. The insurance program of the Authority currently consists of property insurance and liability insurance components. The property insurance component is an all-risk coverage form which includes earthquake, named windstorm, flood coverage, business interruption, and terrorism coverage. The liability insurance component provides for business automobile liability, commercial general liability, and excess liability coverage in the amount of $1 million per person ($3 million per occurrence) for damages involving death, bodily injury, personal injury, or property damage liability.

**Impact of the COVID-19 Pandemic**

Prior to the onset of the COVID-19 pandemic, and the government and public responses to it, the Authority was on a record-setting pace for FY 2020. The Authority's container volumes were expected to increase at least 3.5% over FY 2019 and revenues by 6.5% over FY 2019. The Authority's operating income and cash flows from operations growth were expected to nearly mirror the increase in revenues. Following the onset of COVID-19, the Authority's container volumes were down just over 1.0% year-over-year, while revenues were up just over 1.7% and represented an annual record level of revenues generated at that time. The Authority's operating income and cash flows from operations, adjusted for changes in accounts payable and accrued liabilities, were both down 6.5%.

During FY 2020 and FY 2021, the Authority continued steady operations with normal, 24-hour vessel and terminal services. As the Authority was and continues to be considered "essential" logistical infrastructure, its operations were exempted from many government actions that prevented employees from reporting to work (e.g., "shelter-in-place" orders). While the Authority temporarily suspended most hiring of new employees, it did continue to hire skilled people in critical operations roles that had a long training lead-time (e.g., ship-to-shore crane operators). To keep cargo moving smoothly at its facilities, the Authority implemented an "Isolate and Operate" strategy by spreading out workers, practicing social distancing, and disinfecting and deep-cleaning equipment, thereby attempting to minimize impact from the pandemic. Using the "Isolate and Operate" strategy, the Authority's goal continued to be to protect its employees, its partners in the ILA and all the truckers, contractors, vendors and others who work on or at its terminals. The Authority continues to analyze and address the ongoing impact of the COVID-19 pandemic, including how it may affect economic activity, supply chains and other port facilities throughout the world, several of which have been shut down from time to time due to outbreaks. Developments relating to COVID-19 continue to occur. The duration and severity of COVID-19, and its ongoing impact on the U.S., the State, the Authority and the Port Facilities, cannot be predicted and will continue to evolve.

For additional information about the impact of COVID-19 on the Port Facilities, see **"THE AUTHORITY-Operations - *General*"** and **"FINANCIAL AND OPERATING INFORMATION"** herein.

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## FINANCIAL AND OPERATING INFORMATION

The following tables under this heading set forth certain financial, operating and statistical data relating to the Authority. For additional information, see the statistical section of the ACFR of the Authority for FY 2021 in **Appendix A**. Information under this heading relating to FY 2022 is preliminary and unaudited.

**Authority Operating Information**

**Georgia Ports Authority**
**Summary of Revenue Tonnage By Type**
**Fiscal Years Ended June 30, 2018-2022**
**(In Tons)**

| | 2018 | 2019 | 2020 | 2021 | 2022[a] |
|---|---|---|---|---|---|
| Revenue Tonnage | | | | | |
| Container Cargo | 31,316,825 | 32,911,468 | 33,472,171 | 36,527,074 | 36,683,552 |
| General Cargo (Breakbulk) | 2,773,579 | 2,835,937 | 2,475,620 | 2,624,723 | 3,034,834 |
| Dry Bulk | 1,035,562 | 1,215,763 | 1,100,178 | 1,269,296 | 797,960 |
| Liquid Bulk | 724,015 | 426,369 | 557,362 | 556,979 | 606,182 |
| **Total Revenue Tonnage** | **35,849,981** | **37,389,537** | **37,605,331** | **40,978,072** | **41,122,528** |
| Garden City Terminal | | | | | |
| Containers | 2,318,436 | 2,496,386 | 2,464,744 | 2,935,463 | 3,182,115 |
| TEUs | 4,172,576 | 4,477,745 | 4,435,577 | 5,331,392 | 5,763,711 |

Source: Georgia Ports Authority
[a] Preliminary, unaudited

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## Georgia Ports Authority
## Cargo Statistics
## Fiscal Years Ended June 30, 2018 – 2021

| | 2018 | 2019 | 2020 | 2021 |
|---|---|---|---|---|
| **Container** | | | | |
| **Total Container Tonnage** | 31,316,825 | 32,911,468 | 33,472,171 | 36,527,074 |
| **Breakbulk:** | | | | |
| Autos | 1,220,732 | 1,203,454 | 1,166,522 | 1,401,591 |
| Clay | - | - | - | - |
| Iron & Steel | 433,090 | 463,304 | 309,807 | 347,927 |
| Liner Board | 158,410 | 118,445 | 110,175 | 68,281 |
| Lumber | 62,982 | 21,139 | 28,366 | 28,094 |
| Machinery | 512,070 | 585,427 | 471,641 | 485,379 |
| Paper Products | - | - | - | 156 |
| Plywood | 3,502 | - | - | - |
| Rubber | 118,677 | 121,783 | 108,752 | 82,688 |
| Wood Pulp | 229,472 | 281,551 | 211,945 | 194,847 |
| Other | 34,644 | 40,834 | 68,412 | 15,760 |
| **Total Breakbulk Tonnage** | 2,773,579 | 2,835,937 | 2,475,620 | 2,624,723 |
| **Bulk - Dry:** | | | | |
| Animal Feed | 66,140 | 60,470 | 59,704 | 47,647 |
| Barley Malt | - | - | - | - |
| Corn | - | - | - | - |
| Oats | 22,569 | - | - | - |
| Peanut Pellets/Hulls | - | 22,139 | 37,736 | 64,387 |
| Perlite | 132,260 | 152,581 | 133,268 | 153,158 |
| Salt | 40,761 | 40,801 | 48,944 | 112,752 |
| Sand | - | - | - | - |
| Soybean Meal | - | - | 9,357 | 10,411 |
| Soybeans | - | - | - | - |
| Wheat | - | - | - | - |
| Wood Pellets | 611,537 | 741,589 | 700,897 | 726,393 |
| Other | 162,295 | 198,183 | 110,272 | 154,548 |
| **Total Dry Bulk Tonnage** | 1,035,562 | 1,215,763 | 1,100,178 | 1,269,296 |
| **Bulk - Liquid:** | | | | |
| Anhydrous Ammonia | - | - | - | - |
| Asphalt | 32,943 | 16,924 | 41,351 | 26,660 |
| Biodiesel | 8,225 | - | - | 8,786 |
| Chemicals | 114,060 | 98,392 | 83,009 | 107,176 |
| Petroleum Products | - | - | 22,509 | - |
| Tall Oil | 27,404 | 29,648 | 30,985 | 44,769 |
| Vegetable Oil | 506,030 | 275,994 | 377,119 | 369,588 |
| Other | 35,353 | 5,311 | 2,389 | - |
| **Total Liquid Bulk Tonnage** | 724,015 | 426,269 | 557,362 | 556,979 |
| **Total Tonnage** | **35,849,981** | **37,389,437** | **37,605,331** | **40,978,072** |

Source: Georgia Ports Authority

## Georgia Ports Authority
## Top Ten Vessel and Cargo Customers
## Fiscal Years Ended June 30, 2021 and June 30, 2022
## ($000s)

| | 2021 | | | 2022[a] | | |
|---|---|---|---|---|---|---|
| Customer | Revenue | Rank | Percentage of Total Revenue | Revenue | Rank | Percentage of Total Revenue |
| ONE | $73,509 | 1 | 11.94% | $90,748 | 4 | 10.83% |
| Maersk, Inc. | 72,422 | 2 | 11.77% | 95,706 | 3 | 11.42% |
| CMA CGM Line | 71,561 | 3 | 11.63% | 96,227 | 2 | 11.48% |
| Mediterranean Shipping Company | 66,147 | 4 | 10.75% | 102,296 | 1 | 12.21% |
| Hapag Lloyd (America), Inc. | 59,236 | 5 | 9.63% | 83,877 | 5 | 10.01% |
| Zim American Integrated Shipping | 53,959 | 6 | 8.77% | 65,576 | 6 | 7.82% |
| COSCO Container Lines Americas | 31,540 | 7 | 5.12% | 51,086 | 7 | 6.10% |
| Evergreen Shipping | 26,435 | 8 | 4.30% | 35,045 | 8 | 4.18% |
| OOCL (USA), Inc. | 26,180 | 9 | 4.25% | 29,634 | 9 | 3.54% |
| Yang Ming Marine | 17,585 | 10 | 2.86% | - | - | - |
| Wan Hai Lines (USA) Ltd. | - | - | - | 21,204 | 10 | 2.53% |
| **Total** | **$498,574** | | **81.02%** | **$671,399** | | **80.12%** |

Source: Georgia Ports Authority
[a] Preliminary, unaudited
- Indicates that customer was not a top ten customer during the applicable fiscal year.

## Georgia Ports Authority
## Vessel Arrivals by Terminal
## Fiscal Years Ended June 30, 2021 and June 30, 2022

| | 2021 | 2022[a] |
|---|---|---|
| Garden City Terminal | 1,708 | 1,224 |
| Ocean Terminal | 290 | 504 |
| Colonel's Island Terminal | 480 | 442 |
| East River & Lanier Docks Terminals | 78 | 71 |
| Mayor's Point Terminal | 13 | 36 |
| Barges - All Terminals | 18 | 0 |
| **Total Arrivals** | **2,587** | **2,277** |

Source: Georgia Ports Authority
[a] Preliminary, unaudited

**Georgia Ports Authority**
**TEU Total for All Terminals**
**Fiscal Years Ended June 30, 2018-2022**

| | 2018 | 2019 | 2020 | 2021 | 2022[a] |
|---|---|---|---|---|---|
| Import (Full) | 1,963,105 | 2,165,246 | 2,131,867 | 2,681,773 | 2,856,992 |
| Import (Empty) | 123,334 | 59,515 | 100,819 | 58,837 | 45,740 |
| Export (Full) | 1,435,143 | 1,441,553 | 1,454,974 | 1,409,633 | 1,316,154 |
| Export (Empty) | 653,598 | 814,323 | 750,687 | 1,181,149 | 1,544,825 |
| **Total** | **4,175,180** | **4,480,636** | **4,438,347** | **5,331,398** | **5,763,711** |

Source: Georgia Ports Authority
[a] Preliminary, unaudited

**Georgia Ports Authority**
**Value of Seaborne Trade by Region**
**Fiscal Year Ended June 30, 2021[a]**
**($000s)**

| Region | Imports | Exports | Total | Percent |
|---|---|---|---|---|
| Asia | $90,846,485 | $23,623,857 | $114,470,342 | 43.08% |
| Latin America | 88,966,115 | 6,467,718 | 95,433,833 | 35.92% |
| Europe | 27,269,901 | 18,446,995 | 45,716,896 | 17.21% |
| Middle East | 1,034,064 | 3,387,893 | 4,421,957 | 1.66% |
| Oceania | 660,830 | 2,291,750 | 2,952,580 | 1.11% |
| Africa | 565,987 | 1,685,912 | 2,251,899 | 0.85% |
| North America | 329,616 | 130,642 | 460,258 | 0.17% |
| **Total** | **$209,672,998** | **$56,034,767** | **$265,707,765** | **100.00%** |

Source: PIERS (excludes fuel, oil, and crude - includes GPA and private terminals)
[a] FY 2022 data currently is not available.

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### Authority Financial Information

The following table presents the Authority's statements of revenues, expenses and changes in net position for FY 2018 through FY 2021, as well as the Authority's preliminary, unaudited operating income for FY 2022. The information for this table for FY 2018 through FY 2021 has been derived by the Authority from its audited financial statements and should be read in conjunction with the Authority's audited financial statements. The information under this heading relating to FY 2022 has been provided by the Authority, is preliminary and unaudited, and does not reflect the impact of certain forthcoming year-end entries and adjustments, including those adjustments required pursuant to the Government Accounting Standards Board (GASB) Statement No. 87. The final results may differ from those shown here once the auditor's audit is complete and the Authority's ACFR for FY 2022 is published. The Authority's ACFR for FY 2021 can be found as **Appendix A.** The Authority will file the ACFR for FY 2022 with MSRB via EMMA in a timely manner.

**Georgia Ports Authority**
**Comparative Summary of Statements of Revenues, Expenses and Changes in Net Position**
**Fiscal Years Ended June 30, 2018 – 2022**
**($000s)**

| | 2018 | 2019 | 2020 | 2021 | 2022[a] |
|---|---|---|---|---|---|
| **Operating Revenues:** | | | | | |
| Container Cargo | $364,504 | $410,006 | $415,726 | $551,507 | $768,993 |
| General Cargo | 54,410 | 58,752 | 61,014 | 58,517 | 63,898 |
| Liquid and Dry Bulk | 7,468 | 4,861 | 4,988 | 5,405 | 5,150 |
| Total Operating Revenues | $426,382 | $473,619 | $481,728 | $615,429 | $838,041 |
| **Operating Expenses:** | | | | | |
| Operating and Maintenance of Facilities | $168,008 | $195,891 | $200,532 | $231,332 | $288,097 |
| General and Administrative | 65,171 | 68,509 | 75,786 | 89,654 | 90,978 |
| Depreciation | 58,784 | 61,148 | 67,005 | 76,281 | 83,401 |
| Total Operating Expenses | $291,963 | $325,548 | $343,323 | $397,267 | 462,476 |
| **Operating Income** | $134,419 | $148,071 | $138,405 | $218,162 | $375,565 |
| **Non-Operating Income (Expense):** | | | | | |
| Investment Income | 3,864 | 7,224 | 4,706 | 286 | Not Available |
| Non-Capital Contributions | 710 | 274 | 27,767 | 14,028 | Not Available |
| Non-Capital Port Development Expenses | (60) | (380) | (26,011) | (11,461) | Not Available |
| Capital Contributions Repaid to State[b] | (4,735) | (7,198) | (5,472) | 0 | Not Available |
| Gain (Loss) on Sale/Impairment of Capital Assets | (5,585) | 38,583 | 422 | (7,889) | Not Available |
| Other | (2,597) | (10,395) | (8,972) | (8,889) | Not Available |
| Total Non-Operating Revenues (Expenses) | ($8,403) | $28,108 | ($7,560) | ($13,925) | Not Available |
| **Income Before Contributions and Extraordinary Items** | $126,016 | $176,179 | $130,845 | $204,237 | Not Available |
| Total Contributions from Federal and State Agencies | $4,921 | $21,151 | $5,774 | $8,473 | Not Available |
| Extraordinary Items | - | - | - | - | Not Available |
| **Change in Net Position** | $130,937 | $197,330 | $136,619 | $212,710 | Not Available |
| **Net Position, Beginning of Year** | $1,367,899 | $1,498,836 | $1,696,166 | $1,832,785 | Not Available |
| **Net Position, End of Year** | $1,498,836 | $1,696,166 | $1,832,785 | $2,045,495 | Not Available |

[a] Preliminary, unaudited data. Non-operating income and expense data currently is not available. This data does not reflect the impact of certain forthcoming year-end entries and adjustments, including those adjustments required pursuant to the Government Accounting Standards Board (GASB) Statement No. 87.

[b] In the fiscal years noted, the Authority made certain annual payments to the State, primarily to the Department of Public Safety for public safety at and around the Port Facilities.

Source: Georgia Ports Authority

**Pro Forma Historical Net Revenues Available for Debt Service**

The table below depicts the net revenues that would have been available for debt service in the last five fiscal years if the Master Resolution had been in effect during that time.

**Georgia Ports Authority**
**Pro Forma Historical Net Revenue Available for Debt Service**
**Fiscal Years Ended June 30, 2017-2021**
**($000s)**

| | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---|---|---|---|---|
| **Operating Revenues:** | | | | | |
| Container Cargo | $311,193 | $364,504 | $410,006 | $415,726 | $551,507 |
| General Cargo | 51,708 | 54,410 | 58,752 | 61,014 | 58,517 |
| Liquid and Dry Bulk | 10,082 | 7,468 | 4,861 | 4,988 | 5,405 |
| Total Operating Revenues | $372,983 | $426,382 | $473,619 | $481,728 | $615,429 |
| **Operating Expenses:** | | | | | |
| Operating and Maintenance of Facilities | $149,457 | $168,008 | $195,891 | $200,532 | $231,332 |
| General and Administrative | 54,894 | 65,171 | 68,509 | 75,786 | 89,654 |
| Total Operating Expense | $204,351 | $233,179 | $264,400 | $276,318 | $320,986 |
| **Net Revenue Available for Debt Service** | $168,632 | $193,203 | $209,219 | $205,410 | $294,443 |

Source: Georgia Ports Authority

**Projected Operating Results and Debt Service Coverage**

The projections for revenues and expenses for FY 2022 through FY 2032 set forth in the table below are based upon the Commercial Analysis for Bond Financing dated July 21, 2022 (the "Market Assessment"), which has been prepared by Mercator International, Kirkland, Washington ("Mercator"), included as **Appendix B** to this Official Statement and as described under **"CONSULTANT'S REPORT"** herein. The projections of Pledged Revenues depicted in the Summary of Projected Pledged Revenues and Debt Service Coverage table below (the "Projections"), which constitute "forward-looking statements" as described in this Official Statement, are based on certain assumptions, are subject to change, and may not materialize as expected. For a description of certain of the assumptions used in formulating the Projections, see Section 5 of the Market Assessment. The Projections have not been prepared in conformity with generally accepted accounting principles. The Projections have not been prepared or reviewed by any accounting firm or certified financial modeler or otherwise independently verified. The Authority does not intend to update the Projections; accordingly, there are risks inherent in using the Projections in the future as they increasingly become outdated. The Projections do not cover the entire period during which the 2021 Bonds and the 2022 Bonds will be outstanding. There likely will be differences, perhaps significantly so, between the projected and actual results because events and circumstances frequently differ from the initial expectations. The revenues and expenses projected by Mercator are used to determine Gross Revenues and Cost of Operation and Maintenance as such terms are defined in the Master Resolution. The revenues and expenses included in the Projections only relate to the existing Port Facilities, which as of the date hereof include (i) in the Port of Savannah - Garden City Terminal and Ocean Terminal; (ii) in the Port of Brunswick - Colonel's Island Terminal, Mayor's Point Terminal, East River Terminal and Lanier Docks; (iii) Appalachian Regional Port; and (iv) Port of Bainbridge. After payment of debt service, the Authority expects to use a portion of the remaining funds from time to time to pay approximately 69% (or approximately $3.1 billion of the total approximately $4.4 billion) of the currently planned capital improvements discussed under "**THE AUTHORITY - Recent History of Authority Major Capital Projects and Future Capital Initiatives**" herein.

(The table is shown on the following page.)

### Summary of Projected Pledged Revenues and Debt Service Coverage

### Fiscal Years Ending June 30,

| | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Operating Revenues[1] | $805,831 | $797,377 | $719,539 | $786,441 | $860,641 | $935,593 | $1,010,544 | $1,087,397 | $1,184,395 | $1,282,180 | $1,373,341 |
| Operating Expenses[1,2] | (356,459) | (383,693) | (397,531) | (426,415) | (458,447) | (506,129) | (544,020) | (576,930) | (629,327) | (683,561) | (726,676) |
| Operating Income[1,2] | $449,372 | $413,684 | $322,008 | $360,025 | $402,194 | $429,464 | $466,523 | $510,467 | $555,068 | $598,619 | $646,666 |
| Non-Operating Revenues/Expenses[3] | ($26,343) | $11,046 | $9,817 | $3,128 | $4,461 | $7,985 | $10,743 | $16,499 | $19,047 | $21,640 | $26,766 |
| Projected Pledged Revenues[3] | $423,029 | $424,730 | $331,825 | $363,153 | $406,655 | $437,448 | $477,266 | $526,966 | $574,115 | $620,259 | $673,431 |
| Total Debt Service[4] | $16,294 | $63,566 | $63,609 | $69,802 | $73,755 | $73,752 | $73,754 | $73,753 | $73,752 | $73,758 | $73,751 |
| Debt Service Coverage | 26.0x | 6.7x | 5.2x | 5.2x | 5.5x | 5.9x | 6.5x | 7.1x | 7.8x | 8.4x | 9.1x |

Note: All dollars in thousands

[1] For FY 2022 through FY 2032, based upon projections provided by Mercator in the Market Assessment. See Appendix B for additional information. FY 2022 data is based on unaudited, actual results through May 2022. Actual, unaudited preliminary operating revenues for FY 2022 were $838.0 million, which exceeded the projected amount by approximately 4.0%. Such increase from the projected revenues is largely attributable to storage revenues exceeding expectations. Actual, unaudited preliminary operating expenses (net of depreciation) for FY 2022 were $379.1 million, which exceeded the projected amount by approximately 6.3%. See "**AUTHORITY FINANCIAL INFORMATION – Georgia Ports Authority Comparative Summary of Statements of Revenues, Expenses and Changes in Net Position Fiscal Years Ended June 30, 2018 – 2022**" herein.

[2] Net of non-cash expenses such as depreciation.

[3] Authority's projections; includes interest earnings and non-operating expenses such as additional allowance for reasonable working capital.

[4] Includes debt service on the 2021 Bonds and debt service on the 2022 Bonds.

## CONSULTANT'S REPORT

The Market Assessment, dated July 21, 2022 and which has been prepared by Mercator, and is included herein as **Appendix B**, contains certain assumptions and forecasts about the Authority's market position in its container, breakbulk and Ro/Ro business lines over the next 30 years (FY 2022 – FY 2052). Mercator is a leading advisory firm serving stakeholders across the global transportation sector, including ports. For more information on Mercator's credentials and experience, see www.mercatorintl.com.

Mercator forecasts that the Authority's container volume will moderate over the next two fiscal years as FY 2022 closes with record breaking volumes and expected operating income (such revenue growth being buoyed by storage revenues resulting from the large spike in volumes during the COVID-19 pandemic as purchases of goods increased dramatically and container dwell time increased from four days to ten or more days, compounded by chassis shortages). Two models inform Mercator's volume forecast. A real personal consumption expenditures (PCE) driven COVID-19 pandemic recovery model is used to forecast the first four years of the North American container volume forecast, but by FY 2025, it is assumed that the economy and trade return to certain historical trade patterns described in the Market Assessment. Mercator then uses a real GDP driven model for the rest of the 30-year forecast period. Steady and strong growth is expected to return with an average growth rate of approximately 5% from FY 2024 to FY 2032, reaching approximately 8.1 million TEUs by FY 2032. The Authority's revenues are forecasted to increase at a Compound Annual Growth Rate ("CAGR") of 5.5% over the next ten years and 5.0% over the 30-year forecast period, generating almost $1.4 billion of revenues in FY 2032 and just under $3.5 billion of revenues by FY 2052. The revenue forecast is driven by a 5.2% CAGR for container revenues over the 30-year forecast period, which represented 92% of the Authority's revenue in FY 2021 and is forecasted to represent 96% of the Authority's revenues in FY 2032 and approximately 98% in FY 2052. The planned expansion and re-development of Ocean Terminal to primarily a container terminal is expected to cause breakbulk revenues to decline at a -10.4% CAGR over the next ten years and at a -2.3% CAGR over the 30-year forecast period. The Authority's expenses are forecasted to increase at a CAGR of 5.2% over the 30-year forecast period (with the container segment expenses expected to grow by a CAGR of 5.8% over the next 30 years and account for 87% of expenses in FY 2052). The Authority's expenses from its container segment accounted for 68% of expenses in FY 2021 (and 72% in the first 11 months of FY 2022). Operating income is forecasted to increase at a CAGR of 3.7% over the next ten years and at a CAGR of 4.9% over the 30-year forecast period and is primarily driven by margin improvement in the Authority's revenues from containers and rail service. Over the 30-year forecast period, the operating margin as a percentage of revenues is expected to rise to 54%. From FY 2022 to FY 2032, the Market Assessment only takes into account revenues and expenses associated with the existing Port Facilities, which as of the date hereof include (i) in the Port of Savannah - Garden City Terminal and Ocean Terminal; (ii) in the Port of Brunswick - Colonel's Island Terminal, Mayor's Point Terminal, East River Terminal and Lanier Docks; (iii) Appalachian Regional Port; and (iv) Port of Bainbridge. For the remainder of the 30-year forecast period, the Market Assessment takes into account revenues and expenses associated with such Port Facilities and also assumes revenues and expenses associated with the proposed SCT and other expansions by which the Authority's volume is projected to increase to over 14,000,000 TEUs by FY 2052. The net revenues to be derived from potential future operations of the SCT currently are not part of the "Pledged Revenues" securing the 2022 Bonds. The Authority does not believe it is likely that the SCT would result in reduced revenues from the existing Port Facilities. The Authority views the SCT, when and if developed, as complementary to the existing Port of Savannah facilities rather than competition.

There are two main differences between the Market Assessment prepared in connection with the 2022 Bonds versus the market assessment prepared by Mercator in connection with the 2021 Bonds (the "2021 Market Assessment"). First, Mercator uses a downgraded economic outlook in the Market Assessment prepared in connection with the 2022 Bonds, which is the source of the greatest disparity between the two assessments. The Market Assessment delays real GDP and volumes by between a year and a year and a half. Second, Mercator shifted its forecast methodology from one based on monthly nominal personal consumption expenditures on goods, to a more nuanced one based on quarterly real personal consumption expenditures on durable goods and, separately, non-durable goods. This allows Mercator to account for the fact that some durable goods purchases made over the last year and a half have been on goods that are infrequently purchased. This means that some portion of those purchases have been "borrowed" from the future. Due to the outperformance of container volume expectations in the first 11 months of FY 2022 and the large amount of storage revenues, the Authority's operating income exceeded expectations from the 2021 Market Assessment by $184 million. In the next few years, the Market Assessment lowers the contribution of storage revenues to overall container revenues down to a 10% level. Operating expenses also will rise due to a slightly lower productivity rate at the container terminals and, therefore, a higher labor expense per container. By FY 2032, the Market Assessment projects revenues to be 16% higher than the 2021 Market Assessment and operating income to be 19% higher than the 2021 Market Assessment.

Actual results likely will differ, perhaps materially so, from those forecasts. Accordingly, the forecasts contained in the Market Assessment are not necessarily indicative of future performance, and neither Mercator nor the Authority assumes any responsibility for the failure to meet such forecasts. In addition, certain assumptions with respect to future business and financing decisions of the Authority are subject to change. If actual results are less favorable than the results forecasted, or if the assumptions used in preparing such forecasts prove to be incorrect, the amount of Net Revenues realized may be materially less than forecasted.

## CERTAIN INVESTMENT CONSIDERATIONS

The purchase and ownership of the 2022 Bonds involve investment risk and may not be suitable for all investors. Prospective purchasers of the 2022 Bonds are urged to read this Official Statement, including all Appendices, in its entirety, and to consult with their own financial and legal advisors as to suitability for their particular current situation and future financial goals. The factors and considerations set forth below, among others, may affect the security of the 2022 Bonds; however, the following does not purport to be an exhaustive listing of all considerations which may be relevant to investing in the 2022 Bonds. In addition, the order in which the following information is presented is not intended or implied to reflect any relative importance of such considerations and thus none should be inferred by the reader.

**Ability to Comply With Rate Covenant**

As discussed in **"SECURITY AND SOURCES OF PAYMENT FOR THE 2022 BONDS"** herein, the Master Resolution provides that the Authority must fix, establish, revise, maintain and collect such fees, rates, rentals, and other charges for the use of the products, services and facilities of the Port Facilities that will produce Net Revenues in each Fiscal Year of not less than 125% of the "Debt Service Requirement" as defined in the Master Resolution.

There are, of course, contractual, practical, procedural and competitive limitations on the extent to which the Authority can increase fees, rates, rentals, and other charges. Implementation of an increase in the schedule of fees, rates, rentals, and other charges for the use of the Port Facilities could have a detrimental impact on the comparative competitive position of the Port Facilities by making the cost of using the Port Facilities less attractive to customers in comparison to other locations or by effectively reducing the operating efficiency of the Port Facilities. In addition, only the fees, rates, rentals, and other charges from the Port Facilities (as such term is defined in the Master Resolution) comprise the Pledged Revenues of the Authority. ***Pledged Revenues do not include revenues to be derived by the Authority from the ownership or operation of any other existing or future terminals or facilities of the Authority unless specifically designated from time to time by supplemental resolution of the Authority to be a part of the Port Facilities.*** As a part of its overall growth initiatives, the Authority is exploring the need for various new facilities, such as the Jasper Ocean Terminal, the Savannah Container Terminal, the Northeast Georgia Inland Port and additional inland ports. The Authority currently does not anticipate including any of these proposed facilities as part of the Port Facilities for purposes of the rate covenant described in the preceding paragraph.

The amount of Pledged Revenues, and the ability of the Authority to comply with such rate covenant, are dependent on a wide range of factors, including (i) the economic condition and outlook of the State and the southeastern U.S., as well as national and international economic factors; (ii) the economic condition and outlook of the customers, users and partners of the Port Facilities; (iii) the amount of operating and maintenance expenses for the Port Facilities; and (iv) infectious diseases such as COVID-19. In addition, the Authority's revenues are significantly concentrated, and are expected to continue to be significantly concentrated, from its container business.

**Factors Affecting Demand for Port Facilities**

The demand for the Port Facilities, and thus the Gross Revenues of the Authority, are significantly influenced by a variety of factors, including, among others: (i) global, domestic and local economic conditions; (ii) governmental regulation (including tariffs and trade restrictions); (iii) inflation and general cost increases for goods and services, including inflation expectations and consumer sentiment; (iv) fuel prices; (v) construction activity; (vi) port congestion; (vii) currency values; (viii) international trade, including embargoes, deficits and imbalances; (ix) international relations; (x) disruptions to the supply chain or disruptions caused by natural disasters, labor strikes, criminal incidents, acts of war or terrorism or the outbreak of infectious diseases; (xi) availability and cost of labor, cargo, vessels, containers and insurance; (xii) the efficiency and adequacy of transportation and terminal infrastructure at or nearby the Port Facilities and proximity to major inland markets; (xiii) the adequacy and location of major distribution hubs; (xiv) increased competition; (xv) geographical location of the Authority versus the destination of the cargo being imported or exported; (xvi) the general financial condition of maritime related industries; and (xvii) the proliferation of operational alliances and other industry-related structural conditions affecting maritime carriers. See "—Alliances and Consolidation of Container Shipping Industry" below.

The global, domestic and local economies play a very important role in the Authority's container volumes and resulting revenues. At a national and global level, there is a very close relationship between both real personal consumption expenditures and North American Gross Domestic Product and North American port throughput, as discussed in **Appendix B**. In addition, performance in retail sales, and related levels of retail inventories, correlate closely to container volume, such as in the second half of 2020 and early 2021. Home prices are highly correlated to containerized furniture imports, which are the top container import. Ro/Ro volumes are predominantly driven by the amount of vehicles (or vehicle parts for final assembly) being imported for sale in the U.S. market.

At the regional or local level, beneficial cargo owners choose to route imports and exports through the Authority's facilities in part due to its proximity by rail and truck to key regional population centers in the southeastern U.S., in particular Atlanta, Georgia, but also Memphis, Tennessee, Nashville, Tennessee, and Birmingham, Alabama, thus, the economic conditions in, and the attractiveness of, those markets could affect the demand for the Authority's facilities. Future adverse economic conditions or actions that could negatively affect the economy (e.g., tariffs) and could have an adverse effect on the Gross Revenues of the Authority.

In the past, most recently being in late 2014 and early 2015 and again in 2020-2022, another factor affecting demand at port facilities generally and, to a certain extent, at the Port Facilities has been congestion caused by, among other things, significant increased demand for goods requiring ocean transit (including from increasing online sales and changes in consumer behavior due to COVID-19), ocean carriers divesting chassis ownership, formation of new shipping alliances, consolidation of the container ship industry, prolonged labor contract negotiations, and large volume ships straining existing marine terminal operating methods. The Authority cannot predict if such congestion will occur in the future, and if so, if it will result in decreased or increased demand for the Port Facilities or how it will affect the need for additional warehouse, rail or other infrastructure at or near the Port Facilities. In addition, marine terminals continue to adjust to the deployment of mega vessels, defined as vessels with a TEU capacity of 10,000 or more, which could result in reduced demand for use of the Port Facilities of the Authority. Such mega vessels also may cause congestion in instances where vessels become obstructed, such as the Ever Forward running aground in the Chesapeake Bay in 2022, the Ever Given running aground in, and blocking, the Suez Canal in 2021 and the M/V Golden Ray capsizing near the Port of Brunswick in 2019.

**Port Competition**

The Gross Revenues of the Authority may be adversely impacted by increasing competition from other port facilities; however, the Authority is unable to predict with any certainty the scope of any such impact at this time. While the Authority believes the Port Facilities are well-positioned to continue to be a vital gateway port, there is significant competition for container traffic amongst ports on the North American continent. Success significantly depends on the size of the local market and the efficiency and reach of the port and inland transportation systems for non-local destinations. Factors such as the total delivered cost for goods, service reliability, available distribution and transload facilities, transit time, marine and intermodal facilities and the ability to accommodate larger container ships affect carrier decisions (and sometimes shipper directions) about which port or ports to use. Carriers also may form alliances that affect their decisions on port locations. These factors may be affected by developments outside the Authority's control. Action to improve or expand marine facilities, channel deepening, or intermodal service improvements at other ports on the U.S. east coast or elsewhere in North America, could impact the Authority's market share. The revenues of the Authority may be adversely impacted by increased competition, improvements or additions to marine or supporting facilities at other ports, and pricing decisions by other port facilities; the Authority cannot predict the scope of any such impacts at this time.

In addition to these competitive factors, the potential imposition of fees, duties, or other charges that apply only to the Authority or only to a subset of ports including the Authority's (such as fees, duties, or other charges that only apply to U.S. imports), may increase the ocean carriers' or tenants' cost to use the Authority's facilities, or may require the Authority to reduce tariffs applicable to its customers to moderate some or all of the impact of such fees, duties, or other charges. While the Authority anticipates that the prices for using its facilities will increase at least on pace with the level of inflation, the Authority cannot predict whether any such fees, duties, or other charges will be imposed, the amount of such fees or impositions, or the impact thereof on Gross Revenues.

Primary competition for the Authority's Port Facilities comes from U.S. east coast ports, including Charleston and Jacksonville, certain of which ports also may be pursuing expansion plans or strategic improvements to their facilities. For more information on the Authority's competitive position relative to other U.S. ports, both nationally and regionally, see **Appendix B**. In addition, see **Appendix B** for more information about the Authority's competitive position relative to access to inland markets by truck and by rail (including based on recently completed rail improvements), about its competitive position relative to vessel services from various parts of the world, and about its competitive position, based on supply chain logistics trends, relative to current and future distribution and warehouse facilities. Given the Authority's proximity to the Panama Canal and significant activity from shipments that utilize the Panama Canal, the Authority also has competed, and expects to continue to compete, with U.S. west coast ports for growth. All-water service from Asia to the U.S. east coast and gulf coast ports through the Panama Canal and through the Suez Canal also compete for the same cargoes. Improvements completed in 2016 to the Panama Canal now allow ships carrying up to 15,000 TEUs to traverse the Panama Canal and some diversion of Asian imports from U.S. west coast ports to the U.S. east coast and gulf coast ports may increase.

The use of all-water routes to the east coast and gulf coast of the U.S. is an alternative to Asian originated intermodal cargo moving through U.S. west coast ports. Demand for these all-water services increased following the 2002, 2008, and 2014 longshoremen contract issues that affected the entire west coast. The primary appeal of the all-water routes is the expected reliability of the services (i.e., the lack of perceived labor shortages or work stoppages). Constraints to all-water routes historically have included lack of channel depth at many U.S. east coast and gulf coast ports compared to west coast ports, longer shipping times, and the prior vessel size constraints of the Panama Canal. The latter constraint was mitigated somewhat by the expansion of the Panama Canal, which was completed in 2016, allowing larger vessels carrying up to 15,000 TEUs to navigate the Isthmus of Panama in order to reach U.S. east coast and gulf coast ports. The competitive landscape also includes plans for many ports to increase channel depth, and remove other physical obstacles which prevent the calling of the larger ships, and enhancing operational efficiency through the purchase and use of new equipment and automation, as well as augmenting land-based railroad and highway transportation infrastructure.

**Alliances and Consolidation of Container Shipping Industry**

Since 2007, as illustrated most recently by the bankruptcy of Hanjin in 2016, the financial health of the container-shipping industry has been under substantial stress because of numerous factors, including, but not limited to, the world financial crisis which occurred between 2008 and 2009, overcapacity of available ships, decreasing freight rates, and volatile fuel costs. More recently, ocean carriers are enjoying record profits in the current economic cycle, which is resulting in its own unique competitive conditions, such as congestion, capacity, accelerated capital investments and emerging air freight alternatives. In response to these and other challenges, the container-shipping industry has seen the formation of strategic alliances and the merger of certain shipping lines.

As of the date of this Official Statement, there are three main shipping alliances, 2M Alliance (consisting of Maersk and Mediterranean Shipping Company) with cooperation by ZIM, THE (Transport High Efficiency) Alliance ("THE Alliance") (consisting of Ocean Network Express, Yang Ming, Hapag-Lloyd and HMM), and OCEAN Alliance (consisting of CMA CGM, Evergreen, COSCO and OOCL). These three alliances ship the vast majority of all imports from Asia to the U.S. All of the container-shipping lines that are part of 2M Alliance (including ZIM), THE Alliance, and OCEAN Alliance operate at the Port Facilities.

In addition to the alliances described above, numerous shipping lines have merged in the past five years. Additional alliances and/or mergers could occur in the future, although, at this time, the Authority cannot predict what effect 2M+Z, THE Alliance, OCEAN Alliance will have on container traffic at the Port Facilities or the Gross Revenues of the Authority. Additional alliances and/or consolidation in the container-shipping industry also could impact container traffic at the Port Facilities and affect Gross Revenues.

**Industry Trends to Larger Vessels**

The potential progression in the future to larger shipping vessels, including vessels exceeding 19,000 TEU capacity, is expected to continue to impact the operation of ports, including the Port Facilities. In particular, significant capital expenditures will be needed to accommodate such mega vessels. The Authority is attempting to address this in its capital plan and is taking other measures to accommodate larger vessels. See "**THE AUTHORITY** – **Recent History of Authority Major Capital Projects and Future Planned Initiatives** – *Savannah Harbor Expansion Project*." Going forward, the Talmadge Memorial Bridge will need to be raised to accommodate vessels exceeding 19,000 TEU capacity, which already exist. See "**THE AUTHORITY – Operations** – *Port of Savannah*.

**Factors Affecting Capital Projects**

The ability of the Authority to complete the 2021 Projects, the 2022 Projects, or other capital projects, may be adversely affected by various factors including, but not limited to: (i) estimating errors; (ii) design and engineering errors; (iii) required or desirable changes to the scope of the projects, such as changes to federal security regulations; (iv) delays in contract awards, contract disputes or contractor defaults or delays as a part of the construction and installation of the 2021 Projects or 2022 Project generally, including without limitation due to any COVID-19 quarantines or shutdowns either domestically or internationally; (v) material and/or labor shortages or other supply chain issues; (vi) unforeseen site conditions; (vii) adverse weather conditions, such as hurricanes and other force majeure events; (viii) labor disputes; (ix) unanticipated high levels of inflation; (x) environmental issues; and (xi) unavailability of, or delays in, anticipated funding sources. The Authority can provide no assurance that the projects will not cost more than the current budget for these projects and schedule delays or cost increases could result in the need to incur additional indebtedness or a scaling back of some or all projects.

In addition, the Authority's capital plan for FY 2021 to FY 2032 relies heavily on internally generated funds to finance its planned capital expenditures. If the Authority is unable to achieve the operating margins it projects over the forecast period, its ability to complete the capital plan could be adversely affected.

**Tariffs and Trade**

In response to the 2018 tariffs on Chinese steel and aluminum and certain other Chinese products imposed by the U.S., numerous countries around the world (including China) have imposed, or may impose, tariffs on U.S. produced goods. While tariffs imposed by the U.S., China, and other nations generally may have a financial impact upon the Authority and/or the customers of the Port Facilities, as of the date of this Official Statement, there is not sufficient information available for the Authority to estimate the magnitude, if any, of such potential impacts. In addition, on June 16, 2022, President Biden signed into law the Ocean Shipping Reform Act of 2022, which increases the Federal Maritime Commission's authority to address the operating practices of the shipping lines that service U.S. ports, including a prohibition on carriers unreasonably refusing cargo space and new rulemaking on what constitutes unreasonable demurrage and detention rules and practices. There can be no assurance that extended continuation of current tariffs and/or imposition of additional tariffs, or other shipping or trade legislation or regulation, will not have a materially adverse effect upon cross-border trade, the use of the Port Facilities, and the Gross Revenues of the Authority.

**Security at the Port Facilities**

As a result of the terrorists attacks of September 11, 2001, the Maritime Transportation Security Act of 2002 ("MTSA") was signed into law on November 25, 2002 to require sectors of the maritime industry to implement measures designed to protect the ports and waterways of the U.S. from a terrorist attack. MTSA requires interagency teamwork within the Department of Homeland Security, including the U.S. Coast Guard, the Transportation Security Administration, and the Bureau of Customs and Border Protection, and the Department of Transportation's Maritime Administration to develop security regulations. The security regulations focus on those sectors of the maritime industry at large which have a higher risk of involvement in a transportation security incident, including various tanker vessels, barges, large passenger vessels, cargo vessels, towing vessels, offshore oil and gas platforms, and port facilities that handle certain kinds of dangerous cargo or service the vessels listed above. Such regulations were implemented on July 1, 2003, and final rules became effective in November 2003. The regulations provide for port and vessel owners and operators to assess their vulnerabilities and then to develop risk reduction, event prevention, and emergency response plans that may include implementing vehicle, container and baggage screening procedures, designating security patrols, establishing restricted areas, implementing personnel identification procedures, accessing control measures, and/or installing surveillance equipment. The Authority and/or each of its applicable customers have in place procedures for complying with MTSA.

To comply with MTSA regulations and based on the Authority's own initiatives, the Authority has implemented certain security measures for port-wide protective service functions. The Georgia Ports Authority Police Department ("GPAPD") is the primary law enforcement agency responsible for providing public safety and security on all properties owned and operated by the Authority. The GPAPD is composed of certified peace officers with arrest authority, security personnel, and civilian administrative staff members.

There can be no assurance that MTSA requirements will not become stricter, that additional requirements may require the Authority to incur additional security-related expenses, or that Gross Revenues of the Authority's Port Facilities may experience declines due to a reduction in cargoes destined for the Port Facilities resulting from increased security measures.

National and local law enforcement officials have warned that additional terrorist attacks upon key infrastructure and other targets in the U.S. are possible. The Port Facilities and the surrounding waterways are particularly visible infrastructure assets that could be or become the subject of future attempted terrorist attacks. An extended shutdown of the Port Facilities could have a significant impact on the State's economy or the U.S. economy.

A terrorist attack on the Port Facilities or the surrounding waterways, or an attack somewhere else in the country or the world, could have a material adverse effect on the collection of Gross Revenues of the Port Facilities.

**Cybersecurity**

Computer networks and systems used for data transmission and collection are vital to the efficient operations of the Port Facilities. The Authority and its customers collect and store sensitive data, including intellectual property, proprietary business information, information regarding customers, suppliers, and business partners, and personally identifiable information of customers and employees. The secure collection, processing, maintenance, and transmission, when necessary, of this information is critical to Authority and customer operations.

The Authority approaches cybersecurity through a multi-pronged approach to ensure a layered defense. The Authority routinely utilizes qualified, respected, and objective third-party consultants to perform risk assessments of its cybersecurity programs and aid in improvements to the Authority's cybersecurity efforts. Additionally, the Authority regularly consults with the U.S. Coast Guard, the Federal Bureau of Investigation, the Department of Homeland Security, the Center for Internet Security, the Georgia Technology Authority, and respected independent technical advisory firms to benchmark its practices and stay abreast of emerging threats.

Despite security measures, information technology and infrastructure may be vulnerable to attacks by state-sponsored, criminal, or independent hackers or breached due to employee error, malfeasance, or other disruptions. Any such breach could compromise networks and the information stored there could be disrupted, accessed, publicly disclosed, permanently deleted or lost, or stolen. Any such disruption, access, disclosure or other loss of information could result in disruptions in the efficiency of commerce, legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties, operations and the services provided, and cause a loss of confidence in the commercial operations of industries including the operations at the Port Facilities, which ultimately could have an adverse effect upon Authority revenues.

**Environmental Compliance and Impacts**

Future environmental laws, regulations, enforcement priorities and standards, and judicial decisions may negatively impact the Authority and the Port Facilities, and the ability to construct and develop new revenue generating facilities at the Port Facilities. Such impacts could be materially adverse and result in significant delays.

In addition to the laws enacted and regulations adopted by various governmental entities, certain individuals and/or organizations could seek remedies via the government or legal system to require the Authority to take further actions to mitigate health hazards or seek damages from the Authority in connection with the environmental impact of its activities. Any actions taken by these individuals and/or organizations could be costly to defend, result in substantial damage awards against the Authority, or significantly delay or limit the Authority's plans to construct and develop new revenue-generating facilities at the Port Facilities.

**Climate Change and Storms**

The Authority is unable to predict whether a rise of sea-level or any other impacts of climate change will occur while the 2022 Bonds are outstanding or, if any such events occur, whether there will be an adverse impact, material or otherwise, on the Port Facilities or the Gross Revenues. In addition, the State is susceptible from time to time to hurricanes and similar storms in which winds and tidal surges can be powerful enough to cause severe destruction. The Authority's facilities have suffered damage occasionally from previous hurricanes and tropical storms that have impacted the State; however, such storms have not had a material effect on the operations or revenues of the Authority. The Authority has adopted a hurricane response plan that, among other things, establishes protective measures designed to make its facilities safer in the event of a hurricane. In the event it is necessary for ships or cargo to be directed to other ports due to hurricane or other weather-related damages, such damage or interruption could materially adversely affect the Gross Revenues of the Authority. The Authority expects to be able to manage its operations and activities, including any new or ongoing construction projects, in a manner intended to minimize the potential future impacts of these types of occurrences; however, no assurance can be given that climate change, rising sea levels, storms, severe droughts, or other weather events will not adversely affect the Gross Revenues of the Authority.

**Effect of Customer Bankruptcy**

The Authority's top ten customers collectively accounted for approximately 81% of its total revenues for FY 2021 and approximately 80% of its total preliminary, unaudited revenues for FY 2022. A bankruptcy of any one of these customers or of another customer of the Port Facilities could result in delays and/or reductions in payments to the Authority which in turn could negatively affect the Authority's ability to pay debt service on the 2021 Bonds and the 2022 Bonds.

A customer that has executed a preferential assignment agreement, lease, or other executory contract with the Authority and seeks protection under the U.S. bankruptcy laws must assume or reject (a) its preferential assignment agreement or lease within 120 days after the bankruptcy filing (subject to court approval, a one-time 90-day extension is allowed, and further extensions are allowed with the consent of the Authority), and (b) its other executory contracts with the Authority prior to the confirmation of a plan of reorganization.

In the event of assumption and/or assignment of any agreement to a third party, the customer would be required to cure any pre- and post-petition monetary defaults and provide adequate assurance of future performance under the applicable preferential assignment agreement, lease, or other agreements.

Rejection of a preferential assignment agreement, lease or other agreement or executory contract will give rise to an unsecured claim of the Authority for damages, the amount of which, in the case of a preferential assignment agreement or lease, is limited by the U.S. Bankruptcy Code generally to the amounts unpaid prior to bankruptcy plus the greater of (i) one year of rent or (ii) 15% of the total remaining lease payments, not to exceed three years; however, the amount ultimately received in the event of a rejection of a preferential assignment agreement or lease could be considerably less than the maximum amounts allowed under the U.S. Bankruptcy Code.

In addition, payments made by a customer in bankruptcy within 90 days of filing a bankruptcy case could be deemed to be an "avoidable preference" under the U.S. Bankruptcy Code and thus subject to recapture by the debtor or its trustee in bankruptcy.

During the pendency of a bankruptcy proceeding, a debtor customer may not, absent a court order, make any payments to the Authority on account of goods and services provided prior to the bankruptcy; thus, the Authority's stream of payments from a debtor customer could be interrupted to the extent of pre-petition goods and services, including accrued tariffs and rents.

In general, risks associated with bankruptcy include risks of substantial delay in payment, or of non-payment, and the risk that the Authority may not be able to enforce any of its remedies under the agreements with a bankrupt customer.

With respect to a customer in bankruptcy proceedings in a foreign country, the Authority is unable to predict what types of orders and/or relief could or would be issued by foreign bankruptcy tribunals, or the extent to which any such orders would be enforceable in the U.S.

Should a significant number of the customers who use the Port Facilities file for bankruptcy protection as a result of a catastrophic economic event, Gross Revenues received by the Authority could be materially adversely impacted and this could have an adverse impact on the Authority's ability to pay debt service on the 2021 Bonds and the 2022 Bonds. There may be other possible effects of a bankruptcy of a customer that could result in delays or reductions in payments on the 2021 Bonds and the 2022 Bonds. Regardless of any resulting specific adverse determinations in a customer bankruptcy proceeding, the mere fact of a significant customer's bankruptcy proceeding could have an adverse effect on the liquidity and value of the 2021 Bonds and the 2022 Bonds, even if the Authority's ability to pay debt service on the 2021 Bonds and the 2022 Bonds is not adversely affected.

### Workforce Availability

The COVID-19 pandemic has negatively affected nationwide workforce availability. While the Authority believes that it and the vendors who help support the Port Facilities (such as rail and truck companies) have been and will continue to be desirous places to work, the continued availability of workers could decrease over time.

Certain operations of the Authority's facilities are dependent upon good labor relations between stevedoring firms, shipping lines, and other tenants and users of the facilities, and longshoremen, cargo checkers and handlers, and other workers. The Authority's facilities are open to both union and non-union workers. As of June 2022, the Authority had approximately 1,574 full-time employees, none of whom was covered by a collective bargaining agreement. Although the Authority's employees currently are not unionized, employees of the stevedoring companies are members of the ILA. While a strike by this union could adversely affect the operations of the Authority, there has been no significant disruption of longshore labor at the Port Facilities and the Authority believes relations currently are good. Georgia is a right-to-work state.

The Authority is unable to predict with any certainty the extent to which any future negotiations for contractual agreements with the ILA may lead to future work slowdowns or work stoppages. Such negotiations, slowdowns or stoppages could have an adverse impact on the Port Facilities and Gross Revenues.

### Remedies Upon Default

The remedies available to the owners of the 2022 Bonds upon an Event of Default under the Master Resolution are dependent, in many respects, upon regulatory or judicial actions which often are subject to discretion and delay.

The enforceability of remedies or rights with respect to the 2022 Bonds may be limited by state and federal laws, rulings and decisions affecting remedies, and by bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted. Under existing law (particularly federal bankruptcy law), certain remedies specified by the Master Resolution may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the 2022 Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by state and federal laws, rulings, and decisions affecting remedies and by bankruptcy, reorganization, or other laws affecting the enforcement of creditors' rights generally

### Pension and Post-Retirement Benefits

As described in Notes 2, 6, and 7, and the Required Supplementary Information section of the Annual Comprehensive Financial Report of the Authority for FY 2021 in **Appendix A**, eligible employees of the Authority are entitled to receive certain retirement benefits and other post-employment benefits. The Authority anticipates that its required contribution rates will continue to increase in amounts that may or may not be material, depending on a variety of actuarial factors, and which the Authority is not able to predict with any certainty.

### Risk of Loss, Damage or Destruction

The Authority has covenanted in the Master Resolution that, to the extent economically feasible, it will cause the Port Facilities to be insured under adequate fire, windstorm, earthquake, and extended coverage policies. The Authority also has covenanted that the proceeds of any such property damage or destruction insurance shall be applied to repair or restore the Port Facilities or shall be used to purchase and redeem Bonds in accordance with the terms of the Master Resolution. There can be no assurance that the proceeds of insurance or other sources of funds available to the Authority for purposes of replacing, repairing, rebuilding, or restoring all or any portion of the Authority's facilities that may be damaged or destroyed will be sufficient for such replacement, repair, rebuilding or restoration.

### Potential Limitation of Tax Exemption of Interest on 2022 Bonds

From time to time in the past, the President of the U.S., the U.S. Congress, and/or state legislatures have proposed, and could propose in the future, legislation that, if enacted, could cause interest on the 2022 Bonds to be subject, directly or indirectly, to federal income taxation, or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. Clarifications of the Internal Revenue Code of 1986, as amended, or court decisions also may cause interest on the 2022 Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation. The introduction or enactment of any such legislative proposals or any clarification of the Internal Revenue Code of 1986, as amended, or court decisions also may affect the market price for, or marketability of, the 2022 Bonds. Prospective purchasers of the 2022 Bonds should consult their own tax advisors regarding any such pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

**Prior Debt Issued on Parity with Respect to the Pledged Revenues**

The Authority previously has pledged the Pledged Revenues to secure the 2021 Bonds. The 2022 Bonds are to be secured on parity with the 2021 Bonds with respect to the Pledged Revenues and shall be payable by the Authority solely from the Pledged Revenues. There is no guarantee that, during any Event of Default under the Master Resolution, there will be sufficient revenues to make payments under the 2021 Bonds, the 2022 Bonds and other Additional Bonds, if any, issued by the Authority under the Master Resolution.

**Other General Factors**

The Authority previously has been affected, and in the future may be affected, by numerous other factors which could impact the financial condition of the facilities and operations of the Authority. In addition to the factors discussed elsewhere herein, such factors include, among other things:

- effects of compliance with rapidly changing regulatory and legislative requirements relating to trade, environmental, safety and permitting;

- compliance with applicable requirements, regulations and guidelines in connection with funding from federal or state agencies or other sources, including loans or grants, and the possibility of fines, withdrawal of funding or requirements to repay prior funding, in cases of alleged non-compliance;

- changes resulting from national policies affecting transportation, trade and commerce (including tariffs and trade policy), and maritime matters;

- repeal of certain federal statutes that would have the effect of decreasing federal funding or changing federal tax policy, including the ability to issue tax-exempt obligations;

- effects of new technologies that could affect matters related to transportation and the delivery of services through the Authority's facilities;

- other legislative changes, voter initiatives, local referenda or similar matters; and

- effects of changes in the economy, population, and demand of customers for services delivered by the Authority.

Any of these factors, as well as other factors not named herein, could have an adverse effect on the financial condition of the Authority.

## LEGAL MATTERS

**Validation and Litigation**

The State of Georgia instituted proceedings in the Superior Court of Chatham County, Georgia to validate the 2022 Bonds and the security therefor. The State of Georgia was the plaintiff in the proceeding and the Authority was the defendant. The Superior Court of Chatham County, Georgia issued a final judgment confirming and validating the 2022 Bonds and the security therefor on May 10, 2022. Under Georgia law, the judgment of validation is forever conclusive against the Authority with respect to such validation of the 2022 Bonds and the security therefor.

The Authority, like other similar entities, is subject to a variety of suits and proceedings arising in the ordinary conduct of its affairs. The Authority, after reviewing the current status of all pending and known threatened litigation with Issuer's Counsel, Oliver Maner LLP, and the Department of Law of the State of Georgia, believes that, while the outcome of litigation cannot be predicted, the final settlement of all lawsuits that currently have been filed and of any actions or claims pending or threatened against the Authority or its officials in such capacity are adequately covered by insurance or self-insurance reserves maintained by the Authority, or are not likely to have a material adverse effect upon the financial position or results of operations of the Authority.

There is no litigation now pending or threatened, to the knowledge of the Authority, against the Authority that restrains or enjoins the issuance or delivery of the 2022 Bonds, the pledge of the Pledged Revenues to secure the 2022 Bonds, or the use of the proceeds of the 2022 Bonds, or that questions or contests the validity of the 2022 Bonds or the proceedings and authority under which they are to be issued and secured. There is no litigation now pending or threatened, to the knowledge of the Authority, against the Authority that contests or questions the creation, organization, or existence of the Authority or the title of the present members or other officials of the Authority to their respective offices. There is no litigation now pending or threatened, to the knowledge of the Authority, against the Authority that in any manner questions the right of the Authority to adopt the Master Resolution, to execute, deliver and perform the Master Resolution, or to secure the 2022 Bonds in the manner provided in the Master Resolution.

For information on various commitments and contingencies of the Authority, see Note 9 in the Annual Comprehensive Financial Report of the Authority for FY 2021 in **Appendix A**.

**Enforceability of Remedies**

The remedies available to the owners of the 2022 Bonds upon an Event of Default under the Master Resolution are dependent, in many respects, upon judicial actions which often are subject to discretion and delay.

The enforceability of remedies or rights with respect to the 2022 Bonds may be limited by state and federal laws, rulings and decisions affecting remedies and by bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereafter enacted. Under existing law, particularly federal bankruptcy law, certain remedies specified by the Master Resolution may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the 2022 Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by state and federal laws, rulings, and decisions affecting remedies and by bankruptcy, reorganization, or other laws affecting the enforcement of creditors' rights generally.

**Tax Exemption Relating to 2022 Bonds**

*Federal Tax Exemption*. In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings, and judicial decisions, and assuming, among other things, the accuracy of certain representations and the continued compliance with certain covenants and tax law requirements, interest on the 2022 Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the 2022 Bonds.

*State Tax Exemption*. In the opinion of Bond Counsel, interest on the 2022 Bonds is exempt from present State of Georgia income taxation.

*Maintenance of Tax Status*. The Code and the regulations promulgated thereunder contain a number of restrictions, conditions, and requirements that must be satisfied subsequent to the issuance of the 2022 Bonds in order for the interest thereon to be and remain excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause the inclusion of interest on the 2022 Bonds in the gross income of the holders thereof for federal income tax purposes retroactively to the date of issuance of the 2022 Bonds. The Authority has covenanted to comply with each such requirement of the Code that must be satisfied subsequent to the issuance of the 2022 Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The opinion of Bond Counsel is subject to the condition that the Authority complies with all such requirements. Bond Counsel has not been retained to monitor compliance with the described post-issuance tax requirements subsequent to the issuance of the 2022 Bonds. Bond Counsel has not undertaken to determine or to inform any person whether any action taken or not taken or any event occurring or not occurring after the date of issuance of the 2022 Bonds may adversely affect the value of, or the tax status of interest on, the 2022 Bonds.

Current and legislative proposals, if enacted into law, clarification of the Code by the Treasury Department or the Internal Revenue Service, or future court decisions may cause interest on the 2022 Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or otherwise prevent owners of the 2022 Bonds from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals also may affect the market price for or marketability of the 2022 Bonds. Prospective purchasers of the 2022 Bonds are encouraged to consult their own tax advisors regarding any pending or proposed federal legislation, regulatory initiatives, or litigation.

The opinions expressed by Bond Counsel are based upon existing law, legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the 2022 Bonds, cover certain matters not directly addressed by such authorities, and represent Bond Counsel's judgment as to the treatment of the 2022 Bonds for federal income tax purposes. Such opinions are not binding on the Internal Revenue Service (the "IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Authority or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof, or the enforcement thereof by the IRS. The Authority has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the 2022 Bonds ends with the issuance of the 2022 Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Authority or the beneficial owners of the 2022 Bonds regarding the tax-exempt status of the 2022 Bonds in the event of an audit examination by the IRS. Under current procedures, parties (such as the beneficial owners) other than the Authority and its appointed counsel would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of 2022 Bonds is difficult, obtaining an independent review of IRS positions with which the Authority legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the 2022 Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the 2022 Bonds, and may cause the Authority or the beneficial owners of the 2022 Bonds to incur significant expense.

As to certain questions of fact material to the opinion of Bond Counsel, Bond Counsel has relied upon representations and covenants made on behalf of the Authority and certificates of appropriate officers and public officials (including certifications as to the use of proceeds of the 2022 Bonds and of the property financed or refinanced thereby).

Reference is made to the proposed form of opinion of Bond Counsel relating to the 2022 Bonds in **Appendix E** for the complete text thereof.

*Premium Bonds*. 2022 Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (the "Tax-Exempt Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Tax-Exempt Premium Bonds, the interest on which is excludable from gross income. However, the purchaser's basis in a Tax-Exempt Premium Bond will be reduced by the amount of the amortizable bond premium properly allocable to such purchase during each year. Proceeds received from the sale, exchange, redemption, or payment of a Tax-Exempt Premium Bond in excess of the owner's adjusted basis (as reduced pursuant to § 1016(a)(5) of the Code) will be treated as a gain from the sale or exchange of such Tax-Exempt Premium Bond and not as interest.

The federal income tax treatment of bond premium under the Code, including the determination of the amount of amortizable bond premium that is allocable to each year, is complicated and holders of Tax-Exempt Premium Bonds should consult an independent tax advisor in order to determine the federal income tax consequences to such holders of purchasing, holding, selling, or surrendering a Tax-Exempt Premium Bond at its maturity.

*Other Tax Consequences*. Prospective purchasers of the 2022 Bonds should be aware that ownership of the 2022 Bonds may result in collateral federal income tax consequences to certain taxpayers depending upon their status and income. Prospective purchasers of the 2022 Bonds should consult independent advisors as to the consequences of owning the 2022 Bonds, including the effect of such ownership under applicable state and local laws and any collateral federal income tax and state tax consequences.

*Information Reporting and Backup Withholding*. Interest paid on the 2022 Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the 2022 Bonds from gross income for federal income tax purposes, however, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of 2022 Bonds, under certain circumstances, to "backup withholding" at the fourth lowest rate applicable to unmarried individuals with respect to payments on the 2022 Bonds and proceeds from the sale of the 2022 Bonds. Any amounts so withheld would be refunded or allowed as a credit against the federal income tax of such owner of 2022 Bonds. This backup withholding generally applies if the owner of 2022 Bonds (i) fails to furnish the paying agent (or other person who otherwise would be required to withhold tax from such interest payments) such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnishes the paying agent an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances fails to provide the paying agent or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the 2022 Bonds also may wish to consult with independent tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding and the procedures for obtaining exemptions from backup withholding.

*Disposition of the 2022 Bonds*. Unless a non-recognition provision of the Code applies, the sale, exchange, redemption, retirement, reissuance or other disposition of a 2022 Bond may result in a taxable event for federal income tax purposes

**Approving Opinions**

Legal matters incidental to the authorization and issuance of the 2022 Bonds by the Authority are subject to the approval of Gray Pannell & Woodward LLP, Savannah, Georgia, Bond Counsel, whose approving opinion will be available at the time of issuance and delivery of the 2022 Bonds. It is anticipated that the approving opinion will be in substantially the form as shown in **Appendix E**. Certain legal matters will be passed on for the Authority by Issuer's Counsel, Oliver Maner LLP, Savannah, Georgia, for the Authority by its Disclosure Counsel, Kutak Rock LLP, Atlanta, Georgia, and for the Underwriters by their counsel, Greenberg Traurig, LLP, Atlanta, Georgia.

The legal opinions to be delivered concurrently with the delivery of the 2022 Bonds solely reflect the professional judgment of the attorneys rendering the opinions regarding the legal issues expressly addressed therein. By rendering a legal opinion, the attorneys providing such opinion do not become insurers or guarantors of the result indicated by that expression of professional judgment of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

**Closing Certificates**

At closing of the sale of the 2022 Bonds by the Underwriters, the Authority will deliver to the Underwriters a certificate stating (1) that no litigation is pending or threatened, to its knowledge, against the Authority that would have a material effect on the issuance or validity of the 2022 Bonds or the security for the 2022 Bonds or, except as described in this Official Statement, on its financial condition, and (2) that the information contained in this Official Statement relating to the Authority does not, as of the Date of Delivery of the 2022 Bonds, contain any misstatement of a material fact or omit to state any material fact necessary in order to make the statements herein contained, in light of the circumstances under which they were made, not misleading.

## INDEPENDENT AUDITORS

The financial statements of the Authority as of June 30, 2021 and for the fiscal year then ended, included herein as **Appendix A**, have been audited by Mauldin & Jenkins, LLC, the Authority's independent auditor, as stated in their report included herein as **Appendix A** (the "Report"). Mauldin & Jenkins, LLC has consented to the inclusion of the Report in this Official Statement, but otherwise has not been engaged to perform, and has not performed, since the date of the Report, any procedures on the financial statements addressed in the Report. Mauldin & Jenkins, LLC has not performed any procedures relating to this Official Statement.

## UNDERWRITING

The 2022 Bonds are being purchased by BofA Securities, Inc., Academy Securities, Inc., Citigroup Global Markets Inc., J.P. Morgan Securities LLC, Raymond James & Associates, Inc., Siebert Williams Shank & Co., LLC, and Wells Fargo Bank, National Association (collectively, the "Underwriters") from the Authority at a price of $851,290,377.58 (representing the principal amount of the 2022 Bonds, plus an original issue premium of $97,660,905.60 and less an underwriters' discount of $1,985,528.02), subject to the terms of a Bond Purchase Agreement, dated August 3, 2022 (the "Bond Purchase Agreement"), between BofA Securities, Inc., on its own behalf and on behalf of the Underwriters, and the Authority.

The Bond Purchase Agreement provides that the Underwriters will purchase all of the 2022 Bonds if any are purchased, and that the obligation to make such purchase is subject to certain terms and conditions set forth in the Bond Purchase Agreement, the approval of certain legal matters by counsel, and certain other conditions. The initial public offering prices of the 2022 Bonds set forth on the inside front cover page hereof may be changed from time to time by the Underwriters. The Underwriters may offer and sell the 2022 Bonds into unit investment trusts or money market funds at prices lower than the public offering prices stated on the inside front cover page hereof.

The Underwriters have provided the following paragraphs for inclusion in the Official Statement.

BofA Securities, Inc., one of the underwriters of the 2022 Bonds, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the 2022 Bonds.

Citigroup Global Markets Inc., one of the underwriters of the 2022 Bonds, has entered into a retail distribution agreement with Fidelity Capital Markets, a division of National Financial Services LLC (together with its affiliates, "Fidelity"). Under this distribution agreement, Citigroup Global Markets Inc. may distribute municipal securities to retail investors at the original issue price through Fidelity. As part of this arrangement, Citigroup Global Markets Inc. will compensate Fidelity for its selling efforts with respect to the 2022 Bonds.

Wells Fargo Corporate & Investment Banking (which may be referred to elsewhere as "CIB," "Wells Fargo Securities" or "WFS") is the trade name used for the corporate banking, capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association ("WFBNA"), a member of the National Futures Association, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Products Group, a separately identifiable department of Wells Fargo Bank, National Association, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

WFBNA, one of the underwriters of the 2022 Bonds, has entered into an agreement (the "WFA Distribution Agreement") with its affiliate, Wells Fargo Clearing Services, LLC (which uses the trade name "Wells Fargo

Advisors") ("WFA"), for the distribution of certain municipal securities offerings, including the 2022 Bonds. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the 2022 Bonds with WFA. WFBNA has also entered into an agreement (the "WFSLLC Distribution Agreement") with its affiliate Wells Fargo Securities, LLC ("WFSLLC"), for the distribution of municipal securities offerings, including the 2022 Bonds. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC's expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

J.P. Morgan Securities LLC ("JPMS"), one of the Underwriters of the 2022 Bonds, has entered into negotiated dealer agreements (each, a "Dealer Agreement") with each of Charles Schwab & Co., Inc. ("CS&Co.") and LPL Financial LLC ("LPL") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase 2022 Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any 2022 Bonds that such firm sells.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the Authority or the State, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Authority or the State.

## FORWARD LOOKING STATEMENTS

Any statements made in this Official Statement, including in the Appendices, which involve estimates or matters of opinion, whether or not expressly stated as such, nevertheless are set forth as such and not as representations of fact, and no representation is made that any of the estimates or matters of opinion will be realized.

The statements contained in this Official Statement, including in the Appendices, that are not purely historical, by definition, are forward-looking statements. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available on the date hereof and the Authority assumes no obligation to update any such forward-looking statements nor to inform if any such forward-looking statements are not realized. It is inherent that the actual results could differ materially from those in such forward-looking statements.

The forward-looking statements herein are by necessity based on various assumptions and estimates and thus inherently are subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates, and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances, and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial, and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and in many cases are beyond the control of the Authority. Any such assumptions could be inaccurate and, therefore, there can be no assurance that, despite all best efforts of the Authority, the forward-looking statements included in this Official Statement will prove to be accurate.

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## MISCELLANEOUS

### Ratings

Moody's Investors Service, Inc. ("Moody's") and S&P Global Ratings ("Standard & Poor's"), a division of Standard & Poor's Financial Services LLC, have assigned to the 2022 Bonds ratings of "Aa2 (Stable Outlook)" and "AA (Stable Outlook)" respectively. The ratings reflect only the view of the respective rating agency as of the date of delivery of the 2022 Bonds. Any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing it. Rating agencies generally base their ratings on information and materials furnished to the agencies and on investigations, studies, and assumptions made by the rating agencies. There is no assurance that any ratings will remain in effect for a given period of time or that any rating will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any such change or withdrawal of a rating could have an adverse effect on the market price and liquidity of the 2022 Bonds. Except as described in **Appendix D**, neither the Authority nor the Underwriters have undertaken any responsibility either to bring to the attention of the holders of the 2022 Bonds any proposed or enacted revision, suspension or withdrawal of a rating, or to oppose any such revision, suspension or withdrawal when proposed or if enacted.

### Financial Advisor

The Authority has employed Public Resources Advisory Group, New York, New York (the "Financial Advisor"), as its Financial Advisor in connection with the issuance of the 2022 Bonds. The Financial Advisor assisted in matters relating to the planning, structure and issuance of the 2022 Bonds and provided other advice. The Financial Advisor did not engage in any underwriting activities relating to the issuance and sale of the 2022 Bonds.

### Additional Information

Use of the words "shall," "must," or "will" in this Official Statement in summaries of documents or laws to describe future events or continuing obligations is not intended as a representation that such event in fact actually will occur or such obligation will be fulfilled, but only that the document or law contemplates or requires such event to occur or obligation to be fulfilled.

The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents and reference is directed to all such documents for full and complete statements of all matters of fact relating to the 2022 Bonds, the security for and the source for repayment for the 2022 Bonds, and the rights and obligations of the Bondholders of the 2022 Bonds.

The information in this Official Statement has been compiled from official and other sources deemed by the Authority to be reliable and, while not guaranteed as to completeness or accuracy, is believed by the Authority to be correct as of the date of this Official Statement.

The agreement of the Authority with the owners of the 2022 Bonds is set forth fully in the Master Resolution and neither the offering of the 2022 Bonds, nor this Official Statement, is to be construed as constituting an agreement or contract by the Authority with the owners of the 2022 Bonds. Neither this Official Statement nor any statement that may have been made orally or in writing in connection with the Official Statement is to be construed as a contract with the owners of the 2022 Bonds.

The order and placement of materials and information in this Official Statement, including the Appendices, are not to be deemed, nor should any such inference be made by any reader, to be a determination of relevance, materiality, or importance, and this Official State must be considered in its entirety. The Appendices are integral parts of this Official Statement and necessary for the Official Statement to be complete.

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## CERTIFICATION

The execution and delivery of this Official Statement, and its distribution and use, have been duly authorized and approved by the Authority.

**GEORGIA PORTS AUTHORITY**

By: ***/s/ Joel O. Wooten, Jr.***
Name: Joel O. Wooten, Jr.
Title: Chairperson

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**APPENDIX A**

# GEORGIA PORTS AUTHORITY
# ANNUAL COMPREHENSIVE FINANCIAL REPORT
# FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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# Georgia Ports Authority

**(a Component Unit of the State of Georgia)**
**Annual Comprehensive Financial Report**
**For the Fiscal Years Ended June 30, 2021 and 2020**

**Prepared by:**
**GPA Finance Department**

# GEORGIA PORTS AUTHORITY

## ANNUAL COMPREHENSIVE FINANCIAL REPORT
## FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

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# GEORGIA PORTS AUTHORITY

## ANNUAL COMPREHENSIVE FINANCIAL REPORT
## FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

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# INTRODUCTORY SECTION

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August 30, 2021

To Chairman Wooten, Distinguished Members of the Georgia Ports Authority Board and the Readers of this Report:

Ladies and Gentlemen:

Enclosed please find the Georgia Ports Authority (Authority) Annual Comprehensive Financial Report (ACFR) for the years ended June 30, 2021 and 2020. This report, which includes descriptions of the Authority's operations and facilities and various statistics, provides the reader with the Authority's financial condition and activities that demonstrate solid growth over the last decade. The management of the Authority is responsible for the accuracy and completeness of the information presented in this report.

The Authority's management is responsible for the establishment and maintenance of internal accounting controls which are designed to provide reasonable, but not absolute, assurance that assets are safeguarded, and financial transactions are properly recorded and adequately documented, and to ensure the reliability of financial records for preparing the Authority's financial statements. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived from such control and that the evaluation of costs and benefits requires estimates and judgments by the Authority's management.

Mauldin and Jenkins LLC, Certified Public Accountants, have issued an unmodified ("clean") opinion on the Authority's financial statements for the years ended June 30, 2021 and 2020. The independent auditor's report is located at the front of the financial section of this report.

The Authority's management follows a comprehensive set of financial policies. The Authority has a policy that requires Board approval of annual operating and capital budgets. The Authority's management prepares the operating budget using responsible assumptions and projections to help ensure the Authority generates operating income. The Authority's management incorporates its strategic plans in preparing the capital budget to help ensure that long-range organization goals are achieved.

The Authority's *Management's Discussion and Analysis* (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

## PROFILE OF THE GOVERNMENT

Since 1945, Georgia's ports have served as magnets for international trade and investment, enriching the state's economy to benefit all Georgians. The Georgia Ports Authority is dedicated to providing customers with the most efficient, productive port facilities in the nation and to creating jobs and business opportunities to benefit more than 10.7 million Georgians. The Authority is committed to maintaining its competitive edge through development of leading-edge technology, marketing, and operations to move cargo more efficiently. The Authority is working hard to identify what must be done today to sustain growth, performance, and security for tomorrow.

Georgia's deep-water ports in Savannah and Brunswick, together with inland operations in Bainbridge and Chatsworth, are Georgia's gateways to the world. These ports are critical conduits through which raw materials and finished products flow to and from destinations around the globe.

As an Authority of the State, a thirteen-member Board governs the activities of the Authority. Members are appointed by the Governor, from the state at large, to serve four-year, staggered terms. The Executive Director reports to the Authority and is responsible for directing all phases of port operations, policies and management controls.

The Authority directly employs over 1,475 trained logistics professionals. The Authority, however, is responsible for generating far more employment throughout the state. In a study performed by The Selig Center for Economic Growth, Terry College of Business, Authority operations, together with the private sector port-related operations, directly and indirectly impact more than 496,000 jobs statewide, $122 billion of dollars in Georgia's total sales, and $29 billion in income annually.

For additional information, please see the *Demographic and Economic Information* in the Statistical Section of this ACFR.

**Business of the Authority**

The Port of Savannah is comprised of two modern, deep-water terminals: Garden City Terminal and Ocean Terminal. Together, these facilities exemplify the Authority's exacting standards of efficiency and productivity. Garden City Terminal is the largest single container-handling facility in North America, encompassing approximately 1,350 acres and currently moves over 36 million tons of containerized cargo annually. For the first time in its history, the Port of Savannah moved 5.3 million twenty-foot equivalent container units, growing cargo volumes by 20 percent in FY2021, or nearly 900,000 additional TEUs compared to FY2020.

Ocean Terminal is Savannah's multi-faceted terminal that supports container, breakbulk and roll-on / roll-off operations. The terminal covers 208 acres and provides customers with more than 1.3 million square feet of covered, versatile storage.

The Port of Brunswick is comprised of three Authority-owned deep-water terminals, two of which are operated by the Authority. The port's well-earned reputation for productivity and efficiency is heightened by its position as one of the fastest growing auto and heavy machinery ports in North America. During FY2021, over twenty-six auto manufacturers, supported by four auto processors, and over eighteen machinery manufacturers utilized the Colonel's Island Terminal.

Brunswick's Mayor's Point Terminal facilitates the import and export of valuable forest products, while Marine Port Terminals, operated by Logistec U.S.A., specialize in the handling of bulk and breakbulk commodities at the Lanier Docks and East River Terminals.

Georgia's inland terminal operation, the Appalachian Regional Port near Chatsworth, Georgia, provides an efficient and cost-effective connection for cargo moving by rail to and from North Georgia, Alabama, Tennessee, Kentucky and the Port of Savannah. In addition, Port Bainbridge provides a strategic advantage for bulk commodities moving to and from the Southeastern United States.

For additional information, please see the *Table of Physical Characteristics of the Port Facilities of the Authority* in the Statistical Section of this ACFR.

## LONG-TERM FINANCIAL PLANNING

Over the last fifteen years the Authority's container volume has grown at a faster rate than any other major port in the country. At the Garden City Terminal, the number of twenty-foot equivalent units (TEUs) has grown from 2.04 million in FY2006 to 5.33 million in FY2021, an increase of over 161%. The Authority's long-term growth forecast projects container volume to increase over 106% from FY2021 to FY2030.

To prepare for this growth, the Authority has developed strategic plans to build out Savannah's annual operating capacity to 11.0 million TEUs through improvements at Garden City Terminal and the completion of several phases of the new Savannah Container Terminal. These improvements will allow the Authority to continue to be the southeast United States' gateway container terminal and serve the largest container vessels calling on the east coast.

In 2008, the Authority entered into an "Intergovernmental Agreement for Development of an Ocean Terminal on the Savannah River within the State of South Carolina" with the Georgia Department of Transportation and the South Carolina Ports Authority (SCPA). Under the Agreement, the Authority purchased approximately 1,500 acres of land for the planned Jasper Ocean Terminal (JOT) jointly with the SCPA. In 2015, the Authority and the SCPA determined that going forward the development of JOT should be pursued as a joint venture between the Authority and the SPCA. The JOT will provide capacity to meet the region's long-term forecasted demand.

## MAJOR INITIATIVES

### COVID-19 Pandemic Impact and Response

The outbreak in late 2019 of a novel strain of coronavirus, referred to as COVID-19, has spread throughout the world, including the U.S. and the State. COVID-19 was declared to be a pandemic (the "COVID-19 Pandemic") by the World Health Organization, as well as a U.S. national emergency, and a statewide emergency in the State. The responses of governments, businesses, and individuals, which are intended to slow and limit the spread of the coronavirus, have resulted in widespread and significant adverse impacts upon economic activity. Reductions in business revenues and sales, while costs related to cleaning and disinfecting measures, as well as healthcare expenses for infected persons, have been significant. The COVID-19 Pandemic is a continuing and dynamic situation, and predictions as to when it will be contained and effectively eliminated are not possible at this time. As a result, the Authority continues to analyze and address the ongoing impact of the COVID 19 Pandemic.

Prior to the onset of the COVID-19 Pandemic, and the government and public responses to it, the Authority was on a record-setting pace for FY 2020. The Authority's container volumes were expected to increase at least 3.5% over FY2019 and revenues by 6.5%. The Authority's operating income and cash flows from operations growth were expected to nearly mirror the increase in revenues. Post-COVID-19, the Authority's container volumes were down just over 1.0% year-over-year, while revenues were up just over 1.7%. Those revenues represented an annual record level of revenues generated at that time but have since been superseded by FY2021's reported revenues. The Authority's operating income and cash flows from operations, adjusted for changes in current liabilities, were both down 6.5%.

During FY2020, the Authority continued steady operations with normal, 24-hour vessel and terminal services. As the Authority is considered "essential" logistical infrastructure, its operations were exempted from many government actions that would have prevented employees from reporting to work (e.g., "shelter-in-place" orders). The Authority suspended most hiring of new employees but did continue to hire skilled people in critical operations roles that have a long training lead-time (e.g., ship-to-shore crane operators). To keep cargo moving smoothly at its facilities, the Authority implemented an "Isolate and Operate" strategy by spreading out workers, practicing social distancing, and disinfecting and deep-cleaning equipment, thereby attempting to minimize impact from the pandemic. Using the "Isolate and Operate" strategy, The Authority has worked day and night to protect the Authority's employees, our partners in the ILA and all the truckers, contractors, vendors, and others who work on our terminals daily.

Despite the challenges of the COVID-19 Pandemic, the Authority had a record-setting year in FY2021. TEU container volumes were up 20.1%, at 5.331M TEUs, and revenues of $615.4M were an increase of 27.8% year-over year and a new annual record. The Authority's cash flows from operations, at $317.4M, were up $136.8M, or 75.7%.

As the country's third busiest port complex, the Authority clearly understands the importance of keeping our ports operational through this crisis to support the needs of our customers and the nation.

**Savannah Harbor Expansion Project**

The completion of the Savannah Harbor Expansion Project (SHEP) is the number one strategic priority for the Georgia Ports Authority and its valued customers and is critically important to economic growth in Georgia and the southeastern United States. This project will deepen the river from its current 42-foot depth to 47 feet at mean low water. The federal navigation channel in Savannah is utilized by more than 20 private businesses and associated terminals in addition to the Georgia Ports Authority terminals.

The Port of Savannah ranks as the third largest container gateway in the nation, with approximately 45% of the United States population living within the Authority's service region. As the largest container port in the Southeast, the Port of Savannah is responsible for moving nearly 10.0% of the U.S. overseas containerized cargo. The volume to be handled by the Authority is projected to increase by more than 106% from FY2021 to FY2030.

While cargo has grown, so has the size of the ships. The Authority proposed in 1996 to deepen the Savannah River to handle these larger container vessels more efficiently. With the completion of the Panama Canal improvements in 2016, now even larger container vessels are calling the U.S. East Coast with increased efficiencies and reduced costs for the American consumer. In May 2021, the CMA CGM vessel Marco Polo called on the Port of Savannah. At a capacity of over 16,000 twenty-foot equivalent container units, the Marco Polo is the largest ship ever to call on the U.S. East Coast. Currently, approximately 80% of the containerized cargo vessels that call on the Port of Savannah are unable to load to their maximum design draft and call at any tide.

SHEP received the last of all required federal and state regulatory approvals in 2013. On June 10, 2014, the Water Resources Reform and Development Act of 2014 was signed into law, thereby allowing the U.S. Army Corps of Engineers to proceed to construction on the project. Today, dredging on the entrance channel is complete along with several other components of the project including acquisition of property for wetlands mitigation, payment for a striped bass stocking program, the removal of the CSS Georgia from the channel and the initial dike-raising for the project. Contracts for other project features have been awarded. Among the features under construction are the oxygen injection systems and a freshwater diversion structure. The final dredging contract was awarded in November 2019 with completion scheduled in early 2022.

While the authorized cost of the SHEP was estimated at $706 million in 2014, a mandated update resulted in an increased cost due to the awards of several contracts at higher than estimated amounts and increased expenses and price levels effected by the length of time for the project. The new cost of $1.019 billion was authorized by Congress as part of America's Water Infrastructure Act of 2018. The economics analysis was also updated resulting in an increased benefit-to-cost ratio of 7.3 to 1, one of the highest of any deep draft navigation project for the Corps of Engineers across the nation.

**Mason Mega Rail**

In addition to SHEP, the Georgia Ports Authority's expansion plans include the development of significant rail infrastructure known as the Mason Mega Rail that plans to increase rail capacity from 500,000 to over 1 million rail lifts. Since March of 2018 the project has experienced significant progress including the completion of multiple bridge structures, civil infrastructure development and the commissioning of five (5) of the ten (10) rail mounted gantry cranes that will operate in the yard. While Norfolk Southern and CSX have occupied the west rail bundle of nine (9) working tracks, the second set of nine (9) working tracks that make up the east bundle experienced significant progress with expected completion in November 2021. At that time, both railroads will be able to operate in the complete eighteen (18) track facility along with six (6) of the ten (10) rail mounted gantry cranes in operation. All ten (10) rail mounted cranes are expected to be in operation in the summer of 2022. When fully completed in 2022, the facility will be the largest on-port rail terminal in North America and provide a new supply chain option directly to America's Midwest.

The Mason Mega Rail, specifically designed to efficiently handle 10,000-foot unit trains by both major rail carriers, will have 18 working tracks, a lift capacity of over 1 million containers per year and nearly 180,000 feet of track.

Shippers in major markets from Memphis to St. Louis and Chicago to Cincinnati will experience greater efficiencies and reduced transit times to and from Savannah's growing intermodal hub. In many instances, cargo will avoid rail hub layovers, pick up a full day, and in turn open new markets and opportunities for shippers.

**Environmental Affairs**

As an instrumentality of the State, the Authority's mission states that the organization will develop, maintain and operate ocean and inland river ports within Georgia; foster international trade and new industry for state and local communities; promote Georgia's agricultural, industrial and natural resources; and maintain the natural quality of the environment. To that end the Authority is committed to conducting port operations in an environmentally sensitive and responsible manner to the extent feasible, practicable and consistent with the Authority's overall mission and goals.

The Authority will strive to:

- Meet or exceed all applicable federal, state, and local regulations and other commitments.
- Define and establish environmental objectives, targets and best management practices and monitor performance.
- Minimize pollution from port operations.
- Continually improve the port's performance.
- Ensure that the environmental management policy is available to staff, tenants, customers and the general public.

## ACKNOWLEDGEMENTS

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the Finance Department. We wish to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the Georgia Ports Authority Members and the Audit, Budget and Finance Committee for their unfailing support for maintaining the highest standards of professionalism in the management of the Georgia Ports Authority's finances.

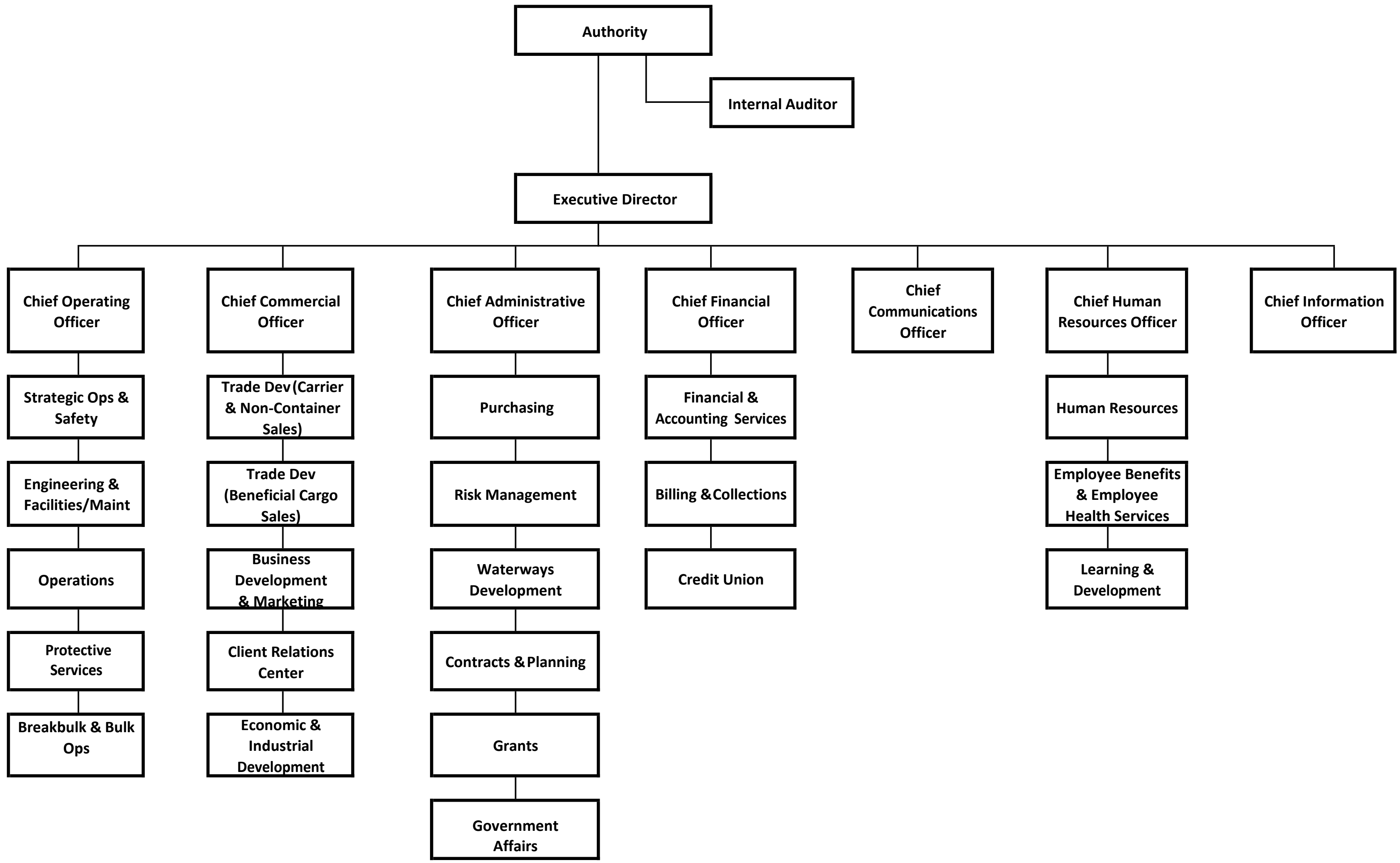
Respectfully submitted,

Griffith V. Lynch
Executive Director

J. Russell Mincey
Chief Financial Officer

# GEORGIA PORTS AUTHORITY

## ORGANIZATIONAL CHART
## JUNE 30, 2021



# GEORGIA PORTS AUTHORITY

## DIRECTORY OF OFFICIALS
## JUNE 30, 2021

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**Authority**

William D. McKnight, Chairman
Joel O. Wooten, Jr., Vice Chairman
Kent Fountain, Secretary and Treasurer
Patrick Kelly Farr, Jr., Member
James L. Allgood, Jr., Member
Christopher C. Womack, Member
Ben H. Hall, Jr., Member
Douglas J. Hertz, Member
David J. Cyr, Member
Julie E. Hunt, Member
Alec L. Poitevint, II, Member
Don A. Grantham, Sr., Member
Philip Wilheit, Jr., Member

**Executive Staff**

Griffith V. Lynch, Executive Director
Edward McCarthy, Chief Operating Officer
Clifford R. Pyron, Chief Commercial Officer
J. Russell Mincey, Chief Financial Officer
James C. McCurry, Chief Administrative Officer
Lise Altman, Chief Human Resources Officer
Robert C. Morris, Chief Communications Officer
Bill Sutton, Chief Information Officer
M. Christopher Logan, Senior Director of Trade Development, Beneficial Cargo Owner Sales
Bruce A. Kuzma, Senior Director of Trade Development, Open Carrier & Non-Container Sales
Wes Lanier, Senior Director of Strategic Operations & Safety
Christopher B. Novack, Senior Director of Engineering & Facilities Maintenance
Kevin R. Doyle, Senior Director of Protective Services
Daniel E. Rohde, Senior Director of Operations
Susan E. Gardner, Senior Director of Operations and Projects

Government Finance Officers Association

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For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morrill

Executive Director/CEO

# FINANCIAL SECTION

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MAULDIN & JENKINS
CPAs & ADVISORS

# INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors**
**Georgia Ports Authority**
**Savannah, Georgia**

**Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities and aggregate remaining fund information of the **Georgia Ports Authority** (the "Authority"), a component unit of the State of Georgia, as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and the aggregate remaining fund information of the Georgia Ports Authority, a component unit of the State of Georgia, as of June 30, 2021 and 2020, and the changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 through 12), the Schedule of Changes in the Authority's Net Pension Liability (Asset) and Related Ratios – Retirement Plan for the Employees of the Georgia Ports Authority (on pages 53 and 54), the Schedule of Authority Contributions – Retirement Plan for the Employees of the Georgia Ports Authority (on pages 55 and 56), the Schedule of Pension Investment Returns – Retirement Plan for the Employees of the Georgia Ports Authority (on page 57), the Schedule of Changes in the Authority's Total Pension Liability and Related Ratios – Supplemental Retirement Plans (on page 58), the Schedule of Authority Contributions – Supplemental Retirement Plans (on page 59), the Schedule of Changes in the Authority's Net OPEB Liability and Related Ratios – Retiree Medical and Dental Plan (OPEB) (on page 60), the Schedule of Authority Contributions – Retiree Medical and Dental Plan (OPEB) (on page 61), and the Schedule of OPEB Investment Returns – Retiree Medical and Dental Plan (OPEB) (on page 62) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Georgia Ports Authority's basic financial statements. The introductory section, combining statement of fiduciary net position, combining statement of changes in fiduciary net position and the statistical section, as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining statement of fiduciary net position and combining statement of changes in fiduciary net position are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statement of fiduciary net position and combining statement of changes in fiduciary net position are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated August 30, 2021, on our consideration of the Georgia Ports Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Georgia Ports Authority's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Savannah, Georgia
August 30, 2021

On behalf of Management at the Georgia Ports Authority (Authority), we respectfully offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal years ended June 30, 2021 and 2020, with selected comparative information for the year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with the financial statements and footnotes. All dollar amounts, unless otherwise indicated, are expressed in thousands.

## Operating Highlights

The Authority operates deep-water port terminals in Savannah and Brunswick, an inland river terminal in Bainbridge and an inland rail terminal in Chatsworth. The Authority handles three basic types of international and domestic cargos:

- containerized cargo (various products that can be placed inside an intermodal container)
- non-containerized general cargo and rolling stock (products such as steel beams, various products in rolls and bales, autos, tractors, and other heavy equipment)
- bulk cargo (products such as agri-commodities and various liquid commodities)

The Authority enjoyed its best performances ever in fiscal year 2021 posting significant gains in several important cargo categories and increasing overall tonnage by 8.9% to a record as measured against fiscal year 2020 results.

During fiscal year 2021, the Authority had a record year by handling 5.33 million twenty-foot equivalent units (TEUs) of containerized cargo representing a 20.1% increase from fiscal year 2020. During fiscal year 2021 containerized cargo benefited from inventory replenishment due to COVID-19 recovery and increased e-commerce. As COVID-19 disrupted world trade, United States containerized cargo primarily increased due to trade with China / Asia.

Total non-containerized general cargo increased by 6.8% in fiscal year 2021 versus fiscal year 2020 to 2.62 million tons. Ocean Terminal non-containerized general cargo decreased by 1.2% and Mayor's Point Terminal decreased by 59.3% in fiscal year 2021 compared to fiscal year 2020. For fiscal year 2020, total non-containerized general cargo decreased by 12.8% from fiscal year 2019, with a decrease of 24.2% at Ocean Terminal and an increase of 59.9% at Mayor's Point Terminal.

At the Colonel's Island Terminal in Brunswick, auto and machinery business increased 21.2% to 685,460 units in fiscal year 2021 versus fiscal year 2020. Fiscal year 2020 auto and machinery results decreased 7.9% to 565,418 units as compared to fiscal year 2019.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## Financial Highlights

- The Authority's net position (the amount assets and deferred outflows of resources, exceeded liabilities and deferred inflows of resources) was $2,045,495 at the close of fiscal year 2021; $1,832,785 at the close of fiscal year 2020; and $1,696,166 at the close of fiscal year 2019.

- The Authority's total net position increased $212,710 and $136,619 during fiscal years 2021 and 2020, respectively. These net changes are further reflected in the Authority's Statements of Revenues, Expenses and Changes in Net Position.

- The Authority generated record annual operating revenues of $615,429 for fiscal year 2021, representing an increase of approximately 27.8% compared to fiscal year 2020, resulting from US economic growth in fiscal year 2021 and increased cargo growth with Asia. Operating revenues during fiscal year 2020 were $481,728, representing an increase of 1.7% over fiscal year 2019.

## Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction of Georgia Ports Authority's basic financial statements. The S*tatements of Net Position* present information on all the Authority's assets, deferred outflows, liabilities and deferred inflows, with the *net position* reported as assets plus deferred outflows less liabilities and deferred inflows. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The *Statements of Revenues, Expenses and Changes in Net Position* present information showing how the Authority's net position changed during the fiscal year. All changes in net position are reported on an accrual basis.

## Financial Statements

**Net Position:** The following table reflects the overall financial condition of the Authority as of the last three fiscal years ended June 30, 2021, 2020 and 2019, respectively.

| | 2021 | 2020 | 2019 |
|---|---|---|---|
| Current assets | **$ 567,227** | $ 434,837 | $ 490,727 |
| Capital assets | **1,589,653** | 1,460,779 | 1,310,360 |
| Other long-term assets | **24,988** | 23,032 | 31,244 |
| Total Assets | **2,181,868** | 1,918,648 | 1,832,331 |
| Deferred Outflows of Resources | **37,449** | 53,264 | 29,728 |
| Current liabilities | **89,048** | 41,579 | 71,619 |
| Other noncurrent liabilities | **82,067** | 94,943 | 89,652 |
| Total Liabilities | **171,115** | 136,522 | 161,271 |
| Deferred Inflows of Resources | **2,707** | 2,605 | 4,622 |
| Net investment in capital assets | **1,589,653** | 1,460,779 | 1,310,360 |
| Unrestricted | **455,842** | 372,006 | 385,806 |
| Total Net Position | **$ 2,045,495** | $ 1,832,785 | $ 1,696,166 |

The Authority's total current assets increased by $132,390 and decreased by $55,890 during fiscal years 2021 and 2020, respectively. Elements to consider related to these changes include:

- Cash and cash equivalents increased from $371,498 to $469,359 in fiscal year 2021 and decreased from $400,706 to $371,498 in fiscal year 2020, thus resulting in a total increase of $68,653 over the two years.

- Accounts receivable – trade increased by $28,262 in fiscal year 2021 and decreased by $8,986 in fiscal year 2020. The increase in fiscal year 2021 was due to a rebound in economic activity from the COVID-19 low in fiscal year 2020.

- Accounts receivable – non-trade increased by $7,477 in fiscal years 2021 and decreased by $6,759 in fiscal year 2020. The net increase from fiscal year 2019 was due to federal grants activity.

- Inventories decreased by $329 in fiscal year 2021 and increased by $406 in fiscal year 2020, resulting in a $77 increase from fiscal year 2019 due to rubber tire gantry crane spare parts.

- Prepaid expenses decreased by $881 and by $11,343 in fiscal years 2021 and 2020 respectively. These changes resulted in a total decrease of $12,224 due to a construction project deposit with the Georgia Department of Transportation.

## Financial Statements (Continued)

Cash and cash equivalents as presented on the statements of net position increased by $97,861 during the year ended June 30, 2021 and decreased by $29,208 during the year ended June 30, 2020.

Long-term assets include certain investments (insurance contracts), pension assets, and capital assets. The Authority's capital and other long-term assets increased by $130,830 and $142,207 in fiscal years 2021 and 2020, respectively. Elements to consider related to these changes include:

- Long-term investments increased by $1,910 and $1,442 in fiscal years 2021 and 2020, respectively. The $3,352 increase over the two fiscal years is due to increased insurance contracts.

- Pension assets decreased by $0 and by $9,420 in fiscal year 2021 and 2020, respectively. The fiscal year 2019 balance of $9,420 resulted from the fiduciary net position exceeding the liability of the pension at the measurement date of June 30, 2018. The measurement dates for June 30, 2020 and June 30, 2019, both resulted in a pension liability.

- Other noncurrent assets increased by $46 in fiscal year 2021 and decreased by $234 in fiscal year 2020. These results produced a decrease of $188 over the two-year period.

- Capital assets increased by $128,874 and by $150,419 in fiscal year 2021 and 2020, respectively. Included in the increase for both years was the purchase of capital assets in the amount of $422,579 net of disposals. Depreciation expense of $143,286 was incurred during these two years, which offset the overall increase in capital assets.

Deferred outflows of resources included contributions made to the pension and Other Post-employment Benefits (OPEB) trusts after the measurement date, differences between the expected and actual economic and demographic experience, the net difference between projected and actual earnings of the pension trust, and assumption changes.

## Financial Statements (Continued)

- Contributions made after the measurement date were $18,572 in fiscal year 2021 and $22,178 in fiscal year 2020. Combined contributions to the pension and OPEB trusts were $40,750 over the two-year period.

- Net difference between projected and actual earnings of the pension and OPEB trusts decreased by $2,179 over fiscal years 2021 and 2020 due to greater-than-expected actual earnings.

- Assumption changes to the pension and OPEB plans increased the deferred outflow of resources by $4,521 over fiscal years 2021 and 2020.

- Differences between the expected and actual economic and demographic experience decreased by $2,424 in fiscal year 2021 and increased $3,249 in fiscal year 2020.

The Authority's total current liabilities increased by $47,469 in fiscal year 2021 and decreased by $30,040 in fiscal year 2020. Elements to consider related to these changes include:

- Accounts and contracts payable increased by $44,741 in fiscal year 2021 and decreased by $25,661 in fiscal year 2020. The overall increases were due primarily to the payment for capital equipment acquisitions.

- Accrued liabilities increased by $2,728 in fiscal year 2021 and decreased by $2,379 in fiscal year 2020.

- The current portion of accrued conservation commitments decreased by $0 and by $2,000 in fiscal years 2021 and 2020, respectively. The net decrease for fiscal years 2021 and 2020 was for conservation commitments related to the Savannah Harbor Deepening project.

The Authority's long-term liabilities decreased by $12,876 in fiscal year 2021 and increased by $5,291 in fiscal year 2020. The $7,585 decrease over the two-fiscal years is due to conservation commitments related to the Savannah Harbor Deepening project.

## Financial Statements (Continued)

- The long-term accrued conservation commitments decreased by $4,042 and by $4,041 in fiscal years 2021 and 2020, respectively. The net decrease for fiscal years 2021 and 2020 was for conservation commitments related to the Savannah Harbor Deepening project.

- The pension and OPEB liability decreased by $7,976 in fiscal year 2021 and increased by $18,823 fiscal year 2020. The net increase in the pension and OPEB liability was related to the actuarial determined liability for the pension plans.

- The other non-current liabilities and unearned rentals decreased by $858 and by $9,491 in fiscal years 2021 and 2020, respectively. The net decrease was primarily due to the unearned grant revenue.

The deferred inflows of resources related to the pensions and OPEB includes differences between the expected and actual economic and demographic experience, the net difference between projected and actual earnings and assumption changes.

- The differences between the expected and actual economic and demographic experience increased by $842 in fiscal year 2021 and decreased by $1,035 fiscal year 2020.

- Changes in assumption for the pensions and OPEB decreased by $740 and $982 in fiscal years 2021 and 2020, respectively.

The Authority's net position increased $349,329 over the last two fiscal years with balances of $2,045,495 in fiscal year 2021, $1,832,785 in fiscal year 2020, and $1,696,166 in fiscal year 2019. The increase was attributable to the operating performance of the Authority.

## Financial Statements (Continued)

**Revenues, Expenses and Changes in Net Position:** The following table illustrates the history of revenues, expenses and changes in net position for the past three years ending June 30, 2021, 2020, and 2019, respectively.

| | **2021** | 2020 | 2019 |
|---|---|---|---|
| Operating revenues: | | | |
| Container cargo | **$ 551,507** | $ 415,726 | $ 410,006 |
| General cargo | **58,517** | 61,014 | 58,752 |
| Liquid and dry bulk | **5,405** | 4,988 | 4,861 |
| Operating revenues | **615,429** | 481,728 | 473,619 |
| Operating expenses: | | | |
| Operation and maintenance of facilities | **231,332** | 200,532 | 195,891 |
| General administration | **89,654** | 75,786 | 68,509 |
| Depreciation | **76,281** | 67,005 | 61,148 |
| Operating expenses | **397,267** | 343,323 | 325,548 |
| Operating income | **218,162** | 138,405 | 148,071 |
| Non-operating income (expense) | | | |
| Investment income | **286** | 4,706 | 7,224 |
| Noncapital contributions | **14,028** | 27,767 | 274 |
| Noncapital port development expense | **(11,461)** | (26,011) | (380) |
| Capital contributions repaid to the State | **-** | (5,472) | (7,198) |
| Gain (loss) on sale/impairment of capital assets | **(7,889)** | 422 | 38,583 |
| Other | **(8,889)** | (8,972) | (10,395) |
| Non-operating (expense) income, net | **(13,925)** | (7,560) | 28,108 |
| Capital contributions | **8,473** | 5,774 | 21,151 |
| Change in net position | **212,710** | 136,619 | 197,330 |
| Total net position, beginning of year | **1,832,785** | 1,696,166 | 1,498,836 |
| Total net position, end of year | **$ 2,045,495** | $ 1,832,785 | $ 1,696,166 |

Total fiscal year 2021 operating revenues of the Authority were a record $615,429 or 27.8% greater than the fiscal year 2020 revenue of $481,728. Fiscal year 2020 operating revenues were 1.7% greater than fiscal year 2019 revenue of $473,619. The revenue increases over fiscal year 2019 were primarily attributable to increases in container volumes over the two fiscal years.

## Financial Statements (Continued)

Total fiscal year 2021 operating expenses of the Authority were $397,267 or 15.7% greater than fiscal year 2020 expenses of $343,323. Fiscal year 2020 expenses were 5.5% greater than fiscal year 2019 expenses of $325,548. The net expense increase during the past two years was primarily attributable to operating activities from increased cargo volumes.

Operating incomes of $218,162 and $138,405 for fiscal years 2021 and 2020, respectively, were the result of the different growth rates in revenues and expenses.

Non-operating income / (expense) for fiscal years 2021 and 2020 includes investment income, gain/(loss) on sale / impairment of capital assets, and expense for harbor deepening costs, as well as repayments of capital contributions to the State of Georgia. During fiscal year 2021, loss on disposal of capital assets was $7,889 resulting from the disposal of six Ship-to-Shore Cranes and the demolition of Container Berth 1, which compared to the fiscal year 2020, gain on disposal of capital assets of $422, and fiscal year 2019, when Georgia Ports Authority sold 5 parcels within the Savannah River International Trade Park resulting in a gain of $39,245. In fiscal years 2021, 2020 and 2019 respectively, $10,871, $25,000 and $0 were received from the State of Georgia for G.O. Bond non-capital contributions.

Capital contributions during fiscal years 2021 and 2020 included capital contributions from the Federal government, which were $21,047 and $5,753.

## Capital Asset and Debt Administration

**Capital Assets:** The Authority's investment in capital assets was $1,589,653 as of June 30, 2021 representing an 8.8% increase for the year, and $1,460,779 as of June 30, 2020 representing a 11.5% increase over the prior year. These investments in capital assets include land, buildings, improvements, and machinery.

Major capital investments during the past two fiscal years included the following:

- Purchase and upgrade Ship-to-Shore Container Cranes
- Purchase and upgrade Rubber-Tired-Gantry Cranes
- Properties acquisitions
- Dock and Berth upgrades at Ocean Terminal
- Rail additions at Garden City Terminal
- Purchase Rail Mounted Gantry Cranes
- Dock and Berth upgrades at Garden City Terminal
- Colonel's Island paving and berth improvements

Additional information on the Authority's capital assets can be found in Note 3 to the financial statements.

## Capital Asset and Debt Administration (Continued)

**Debt Administration:** As a component unit of the State of Georgia, long-term funding is provided to the Authority through general obligation bonds issued by the State of Georgia. The Authority had no revenue bonds outstanding for fiscal years 2021 and 2020, respectively. Additional information on the Authority's long-term liabilities can be found in Note 5 to the financial statements.

## Further Information

This financial overview is designed to provide readers with a general overview of the Authority's finances and to show accountability. If you have questions or would like further information about this financial report, you may contact Georgia Ports Authority, Attn: Finance Dept. at P.O. Box 2406, Savannah, Georgia, 31402. The Authority's street address is 2 North Main Street, Garden City, Georgia 31408.

# GEORGIA PORTS AUTHORITY

## STATEMENTS OF NET POSITION

### JUNE 30, 2021 AND 2020
### (In Thousands)

| | 2021 | 2020 |
|---|---|---|
| **ASSETS** | | |
| **Current assets:** | | |
| Cash and cash equivalents | **$ 469,359** | $ 371,498 |
| Accounts receivable – trade (less allowance for doubtful accounts of $6,174 and $6,008 for 2021 and 2020, respectively) | **78,029** | 49,767 |
| Accounts receivable – non-trade | **12,598** | 5,121 |
| Inventories of materials and supplies | **5,648** | 5,977 |
| Prepaid expenses | **1,593** | 2,474 |
| Total current assets | **567,227** | 434,837 |
| **Non-current assets:** | | |
| Long-term investments | **20,595** | 18,685 |
| Other non-current assets | **4,393** | 4,347 |
| Capital assets: | | |
| Non-depreciable | **551,035** | 433,034 |
| Depreciable, net of accumulated depreciation | **1,038,618** | 1,027,745 |
| Total non-current assets | **1,614,641** | 1,483,811 |
| Total assets | **$ 2,181,868** | $ 1,918,648 |
| **DEFERRED OUTFLOWS OF RESOURCES** | | |
| **Deferred outflows of resources:** | | |
| Pension and other post-employment benefit plans | **$ 37,449** | $ 53,264 |
| Total deferred outflows of resources | **$ 37,449** | $ 53,264 |

| | 2021 | 2020 |
|---|---|---|
| **LIABILITIES** | | |
| **Current liabilities:** | | |
| Accounts and contracts payable | **$ 72,001** | $ 27,260 |
| Accrued conservation commitments | **4,062** | 4,062 |
| Accrued liabilities | **12,985** | 10,257 |
| Total current liabilities | **89,048** | 41,579 |
| **Non-current liabilities:** | | |
| Unearned revenue | **940** | 1,883 |
| Long-term accrued conservation commitments | **15,375** | 19,417 |
| Pension plan | **1,321** | 15,842 |
| Other post-employment benefit plan | **9,518** | 11,297 |
| Supplemental employee retirement plans | **54,148** | 45,824 |
| Other non-current liabilities | **765** | 680 |
| Total non-current liabilities | **82,067** | 94,943 |
| Total liabilities | **$ 171,115** | $ 136,522 |
| **DEFERRED INFLOWS OF RESOURCES** | | |
| **Deferred inflows of resources:** | | |
| Pension and other post-employment benefit plans | **$ 2,707** | $ 2,605 |
| Total deferred inflows of resources | **$ 2,707** | $ 2,605 |
| **Net position:** | | |
| Investment in capital assets | **$ 1,589,653** | $ 1,460,779 |
| Unrestricted | **455,842** | 372,006 |
| Total net position | **$ 2,045,495** | $ 1,832,785 |

**See Notes to Financial Statements.**

# GEORGIA PORTS AUTHORITY

## STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020 (In Thousands)

| | 2021 | 2020 |
|---|---|---|
| **Operating revenues:** | | |
| Container cargo | **$ 551,507** | $ 415,726 |
| General cargo | **58,517** | 61,014 |
| Liquid and dry bulk | **5,405** | 4,988 |
| Operating revenues | **615,429** | 481,728 |
| **Operating expenses:** | | |
| Operation and maintenance of facilities | **231,332** | 200,532 |
| General and administrative | **89,654** | 75,786 |
| Depreciation | **76,281** | 67,005 |
| Operating expenses | **397,267** | 343,323 |
| Operating income | **218,162** | 138,405 |
| **Non-operating income (expense):** | | |
| Investment income | **286** | 4,706 |
| Non-capital contributions | **14,028** | 27,767 |
| Non-capital port development expense | **(11,461)** | (26,011) |
| Capital contributions repaid to the State of Georgia | **-** | (5,472) |
| Gain (loss) on disposal of capital assets | **(7,889)** | 422 |
| Other | **(8,889)** | (8,972) |
| Non-operating expense, net | **(13,925)** | (7,560) |
| **Capital contributions** | **8,473** | 5,774 |
| **Change in net position** | **212,710** | 136,619 |
| **Total net position, beginning of year** | **1,832,785** | 1,696,166 |
| **Total net position, end of year** | **$ 2,045,495** | $ 1,832,785 |

**See Notes to Financial Statements.**

# GEORGIA PORTS AUTHORITY

## STATEMENTS OF CASH FLOWS

## FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020
## (In Thousands)

| | 2021 | 2020 |
|---|---|---|
| **Cash Flows From Operating Activities:** | | |
| Receipts from customers and users | $ 585,767 | $ 477,231 |
| Payments to suppliers | (56,818) | (104,164) |
| Payments to employees | (211,551) | (192,427) |
| Net cash provided by operating activities | 317,398 | 180,640 |
| **Cash Flows From Investing Activities:** | | |
| Purchases of investments | (1,910) | (1,442) |
| Interest received | 286 | 4,706 |
| Net cash provided by (used in) investing activities | (1,624) | 3,264 |
| **Cash Flows From Non-Capital Financing Activities:** | | |
| Harbor deepening construction | (11,461) | (26,011) |
| EPA truck engine replacement project | (1,343) | (950) |
| Jasper port project office | (224) | (422) |
| Roadway design | (853) | (603) |
| Effingham County IDA - Blanford siding extension project | (3,557) | (1,681) |
| Talmadge bridge air draft monitoring project | (2,459) | (518) |
| City of Savannah water main project | (377) | (1,680) |
| GDOT highway 25 bridge project | (1,798) | (11,030) |
| Other receipts for non-capital projects | 302 | 166 |
| Federal grant reimbursement | 1,229 | 9,746 |
| Non-capital contributions | 12,088 | 27,767 |
| Net cash used in non-capital financing activities | (8,453) | (5,216) |
| **Cash Flows From Capital and Related Financing Activities:** | | |
| Purchases of capital assets | (210,922) | (217,601) |
| Proceeds from the sale of capital assets | 570 | 599 |
| Crane demolition | (2,691) | - |
| Capital contributions received | 3,583 | 14,578 |
| Capital contributions repaid to the State of Georgia | - | (5,472) |
| Net cash used in capital and related financing activities | (209,460) | (207,896) |
| Net increase (decrease) in cash and cash equivalents | 97,861 | (29,208) |
| Cash and cash equivalents: | | |
| Beginning | 371,498 | 400,706 |
| Ending | $ 469,359 | $ 371,498 |

# GEORGIA PORTS AUTHORITY

## STATEMENTS OF CASH FLOWS

## FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020
## (In Thousands)

| | **2021** | 2020 |
|---|---|---|
| **Cash Flows From Operating Activities:** | | |
| Operating income | **$ 218,162** | $ 138,405 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | |
| Depreciation | **76,281** | 67,005 |
| Provision for doubtful accounts receivable | **166** | 2,000 |
| Changes in assets and liabilities: | | |
| (Increase) decrease in accounts receivable - trade | **(28,594)** | 4,986 |
| Increase in accounts receivable - non-trade | **(291)** | (2,045) |
| (Increase) decrease in inventories | **329** | (406) |
| Decrease in prepaid expenses | **881** | 11,343 |
| (Increase) decrease in other noncurrent assets | **(46)** | 234 |
| Decrease in net pension asset | **-** | 9,420 |
| (Increase) decrease in deferred outflows of resources | **15,815** | (23,536) |
| Increase (decrease) in accounts payable and accrued liabilities | **47,469** | (28,040) |
| Decrease in unearned revenue | **(943)** | (9,438) |
| Decrease in OPEB liability | **(1,779)** | (283) |
| Increase (decrease) in net pension liability | **(14,521)** | 15,842 |
| Increase in SERP liability | **8,324** | 3,264 |
| Decrease in accrued conservation commitments | **(4,042)** | (6,041) |
| Increase (decrease) in other noncurrent liabilities | **85** | (53) |
| Increase (decrease) in deferred inflows of resources | **102** | (2,017) |
| Net cash provided by operating activities | **$ 317,398** | $ 180,640 |

**See Notes to Financial Statements.**

## GEORGIA PORTS AUTHORITY

### STATEMENTS OF FIDUCIARY NET POSITION
### FIDUCIARY FUNDS
### PENSION AND OPEB TRUST FUNDS
### JUNE 30, 2021 AND 2020
### (In Thousands)

| | 2021 | 2020 |
|---|---|---|
| **ASSETS** | | |
| Cash and short-term investments | **$ 4,827** | $ 3,345 |
| Receivables: | | |
| Interest and dividends receivable | **464** | 25 |
| Prepaid expenses | **3** | 3 |
| Investments, at fair value: | | |
| Immediate Participation Guarantee (IPG) Contracts | **10,494** | 10,049 |
| Equity securities: | | |
| Exchange traded funds | **289,037** | 222,892 |
| Fixed income | **105,542** | 95,210 |
| Mutual funds | **10,932** | 8,883 |
| Alternative funds | **2,185** | 2,184 |
| Total Assets | **423,484** | 342,591 |
| **LIABILITIES** | | |
| Accounts payable | **106** | 71 |
| Accrued claims payable | **93** | 61 |
| Total Liabilities | **199** | 132 |
| **NET POSITION** | | |
| Restricted for pension benefits | **404,840** | 327,874 |
| Restricted for OPEB benefits | **18,445** | 14,585 |
| Total Net Position | **$ 423,285** | $ 342,459 |

**See Notes to Financial Statements.**

# GEORGIA PORTS AUTHORITY

## STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
## FIDUCIARY FUNDS
## PENSION AND OPEB TRUST FUNDS
## FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020
## (In Thousands)

| | 2021 | 2020 |
|---|---|---|
| **Additions:** | | |
| Contributions: | | |
| Employer | $ 16,245 | $ 19,935 |
| Employees | 1,030 | 1,033 |
| Total contributions | 17,275 | 20,968 |
| Investment income: | | |
| Net change in the fair value of investments | 73,880 | 22,054 |
| Dividends and interest | 6,211 | 6,178 |
| Net investment income | 80,091 | 28,232 |
| Total additions | 97,366 | 49,200 |
| **Deductions:** | | |
| Benefits | 15,531 | 13,206 |
| Administrative expenses | 1,009 | 924 |
| Total deductions | 16,540 | 14,130 |
| **Net Increase** | 80,826 | 35,070 |
| Net Position Restricted for Pension and OPEB Benefits: | | |
| Beginning | 342,459 | 307,389 |
| Ending | $ 423,285 | $ 342,459 |

**See Notes to Financial Statements.**

## NOTE 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

### Organization

The Georgia Ports Authority (the Authority) is an instrumentality of the State of Georgia and a public corporation created in 1945 by an Act of the General Assembly of Georgia for the general purpose of developing, promoting, constructing, maintaining and operating harbors, seaports and riverports within the state. The Authority owns and is responsible for the operations of terminals in Bainbridge, Brunswick, Garden City, Chatsworth, Savannah and Colonel's Island. These facilities handle import and export containerized, bulk and general cargos. The Authority is considered a component unit of the State of Georgia for financial reporting purposes as defined in Government Accounting Standards Board (GASB) Statement 14, *The Financial Reporting Entity* as amended by GASB Statement 39, *Determining Whether Certain Organizations Are Component Units* and GASB Statement 61, *The Financial Reporting Entity: Omnibus*.

The Authority operates primarily as a self-supporting governmental enterprise and uses the accrual basis of accounting applicable to governmental enterprise and fiduciary funds. The Authority has no stockholders or equity holders and is directed by a 13-member governing board (the Georgia Ports Authority Board of Directors), whose members are appointed by the Governor of Georgia for original terms not exceeding four years; members may be re-appointed for successive terms.

### Significant Accounting Policies

#### Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting, under which revenues are recognized when earned and measurable and expenses are recognized when they are incurred, if measurable. In accounting and reporting for its operations, the Authority applies all Governmental Accounting Standards Board (GASB) pronouncements. The Authority's financial statements include provisions of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments;* Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus;* and Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements.* The financial statements include a *Management Discussion and Analysis* (MD&A) section providing an analysis of the Authority's overall financial position and results of operations.

## NOTE 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Significant Accounting Policies (Continued)

#### Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that may affect the reported amounts of certain assets and liabilities and disclosures of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Budgets and Budgetary Accounting

The Authority adopts an annual budget for its operations. The budget is formally reviewed and approved by the Authority. The Executive Director has the responsibility for administering these programs in accordance with the policies and the annual budget as adopted by the Authority. Budgets are prepared on the accrual basis. The Authority's statute does not require the Authority to report budgetary information in its financial statements.

#### Revenue Recognition

The Authority recognizes revenue when earned and measurable. The Authority has sole jurisdiction to set rates for the services rendered to customers. These rates are not currently subject to regulation by any Federal, State of Georgia or similar agency. Reserves for doubtful accounts, allowances and rebates are maintained based on historical results adjusted to reflect current conditions.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first.

#### Concentrations of Credit Risk

The Authority provides services and facilities usage for companies located throughout the world. Substantially all of the Authority's accounts receivable are from shipping lines, exporters and importers. The Authority performs ongoing credit evaluations of its customers and generally operates under international laws, which may provide for a maritime lien on vessels in the event of default on credit terms. The Authority maintains reserves for potential credit losses.

## NOTE 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Significant Accounting Policies (Continued)

#### Cash and Cash Equivalents

For the purposes of the *Statements of Cash Flows*, the Authority considers all demand deposits and short-term investments (including funds held by the State Treasurer in the Georgia Fund 1 and restricted funds) purchased with an initial maturity of three months or less to be cash equivalents. The Retirement Plan for Employees of the Georgia Ports Authority considers all liquid money market investments to be cash equivalents.

#### Investments

The policy of the Authority requires all funds which are idle for any period of time to be invested. The Authority has implemented GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. As a governmental proprietary entity other than an external investment pool, and in accordance with GASB Statement No. 31, the Authority's investments are stated at fair value. In applying GASB Statement No. 31, the Authority utilized the following methods and assumptions as of June 30, 2021 and 2020:

- Fair value is based on quoted market prices as of the valuation date;
- The portfolio did not hold investments in the following:
  - Items required to be reported at amortized cost,
  - Items in external investment pools that are not SEC-registered,
  - Items subject to involuntary participation in an external pool,
  - Items associated with a fund other than the fund to which the income is assigned;
- The gain or loss resulting from valuation will be reported in the Authority's *Statement of Revenues, Expenses and Changes in Net Position*.

The Authority's policy is to hold investments until maturity or until fair values equal or exceed amortized cost.

**Retirement Plan for Employees of the Georgia Ports Authority.** Investments are reported at fair value as discussed in Note 2, except for alternative investments and immediate participation guarantee contracts (IPG) for which fair market value is not readily determinable. The estimated fair value of the Plan's investments in alternative investments is based on each funds' net asset value (NAV) as reported by the fund. Management believes the carrying amount of these financial instruments is a reasonable estimate of fair value. Because alternative investments are not readily marketable, their estimated value is subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for such investments existed.

## NOTE 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Significant Accounting Policies (Continued)

#### Investments (Continued)

Immediate participation guarantee contracts consist of both an annuity allocation amount (a minimum balance required by contract to provide for annuity benefits guaranteed by the insurance company) and an unallocated amount (the amount in excess of the annuity allocation). Because the annuity allocation amount can never be withdrawn by the Plan, and upon discontinuance of the contract, the book value of the annuity allocation is used to purchase annuities to provide benefits for retirees, the annuity allocation is reported at book value. The unallocated amount is valued at fair value, as discussed further in Note 2, by the insurance company by discounting the related cash flows based on current yields of similar instruments with comparable durations.

The net appreciation (depreciation) in the fair value of investments held by the Plan is recorded as an increase (decrease) to investment income based on the valuation of investments as of the statement of net position date. Investment income is recognized on the accrual basis as earned by the Plan.

**Retiree Medical and Dental Plan (OPEB Plan).** Investments are recorded at fair value. The net appreciation (depreciation) in the fair value of investments held by the OPEB Plan is recorded as an increase (decrease) to investment income based on the valuation of investments as of the statement of net position date. Investment income is recognized on the accrual basis as earned by the OPEB Plan.

#### Accounts Receivable

Trade accounts receivable include billed but uncollected amounts and unbilled receivables based upon subsequent monthly billings. Allowances for doubtful accounts are maintained based on historical results adjusted to reflect current conditions.

#### Inventories

Inventories consist principally of maintenance parts and supplies valued at weighted average cost.

## NOTE 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Significant Accounting Policies (Continued)

#### Capital Assets

Capital assets constructed or purchased are stated at cost. Donated assets are reported at their acquisition value on the date of donation. Capital assets are defined by the Authority as assets with an initial, individual cost of $10 or more and an estimated useful life in excess of one year. Expenses for maintenance, repairs and minor renewals and betterments are expensed as incurred. Major renewals and betterments are treated as property additions. Maintenance and repairs of capital assets are charged to operations and major improvements are capitalized. Upon retirement, sale or other disposition of capital assets, the cost and accumulated depreciation is eliminated from the accounts and gain or loss is recognized.

Depreciation is computed using the straight-line method over the following estimated useful lives of assets:

| | |
|---|---|
| Land improvements | 20 to 40 years |
| Railroad tracks and crossings | 30 to 40 years |
| Furniture and fixtures | 3 to 10 years |
| Machinery and equipment | 3 to 25 years |
| Buildings and structures | 5 to 40 years |
| Wharves, piers and containerized yard | 20 to 50 years |

#### Compensated Absences

The Authority has accrued a liability for future annual leave, having determined that payment of such compensation is probable and having developed a reasonable estimate based upon current salary costs with no benefits. The cost of vacation paid during the current year is charged to the liability account. No liability is incurred or recorded for non-vesting accumulating rights to receive sick pay benefits.

#### Deferred Outflows/Inflows of Resources

In addition to assets, the *Statements of Net Position* will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, "deferred outflows of resources", represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense) until that time. The Authority reported items related to their pension, other post-employment benefit plan, and supplemental retirement plan as deferred outflows of resources during the years ended June 30, 2021 and 2020. These items are consumptions of net position in future periods, resulting in recognition as deferred outflows of resources and are further discussed in Notes 6 and 7.

## NOTE 1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Significant Accounting Policies (Continued)

#### Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the *Statements of Net Position* will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, "deferred inflows of resources", represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority reported items related to their pension, other post-employment benefit plan, and supplemental retirement plan as deferred inflows of resources during the year ended June 30, 2021 and 2020. These items are acquisitions of net position which apply to future periods, resulting in recognition as deferred inflows of resources and are further discussed in Notes 6 and 7.

## NOTE 2. DEPOSITS AND INVESTMENTS

Total deposits and investments as of June 30, 2021 and 2020, are summarized as follows:

| | **2021** | 2020 |
|---|---|---|
| As reported in the *Statements of Net Position*: | | |
| Cash and cash equivalents | **$ 469,359** | $ 371,498 |
| Long-term investments | **20,595** | 18,685 |
| | **$ 489,954** | $ 390,183 |
| | | |
| Cash deposited with financial institutions | **$ 66,771** | $ 49,168 |
| Cash deposited with Georgia Fund 1 | **386,830** | 306,574 |
| Cash deposited in an irrevocable Rabbi Trust | **513** | - |
| Cash deposited in a revocable Rabbi Trust | **15,758** | 15,756 |
| Investments in insurance contracts | **20,082** | 18,685 |
| | **$ 489,954** | $ 390,183 |

**Credit risk.** State statutes authorize the Authority to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. As of June 30, 2021 and 2020, the Authority's investment in the Rabbi trust was rated AAAm by Standard & Poor's. As of June 30, 2021 and 2020, the Authority's investment in Georgia Fund 1 was rated AAAf/S1+ by Standard & Poor's.

## NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

At June 30, 2021, the Authority had the following investments:

| Investment | Maturities | | |
|---|---|---|---|
| *Investments valued at fair value:* | | | |
| Georgia Fund 1 | 36 day weighted average | $ | 386,830 |
| Rabbi Trust | 40 day weighted average or less | | 15,758 |
| Total investments valued at fair value | | | 402,588 |
| *Investments valued at cash value* | | | |
| Insurance contracts | | | 20,082 |
| Total | | $ | 422,670 |

At June 30, 2020, the Authority had the following investments:

| Investment | Maturities | | |
|---|---|---|---|
| *Investments valued at fair value:* | | | |
| Georgia Fund 1 | 38 day weighted average | $ | 306,574 |
| Rabbi Trust | 39 day weighted average or less | | 15,756 |
| Total investments valued at fair value | | | 322,330 |
| *Investments valued at cash value* | | | |
| Insurance contracts | | | 18,685 |
| Total | | $ | 341,015 |

Georgia Fund 1, created by OCGA 36-83-8, is a stable net asset value investment pool which follows Standard & Poor's criteria for AAAf rated money market funds. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1.00 per share value). The asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on $1.00 per share. The pool also adjusts the value of its investments to fair value as of year-end and the Authority's investment in Georgia Fund 1 is reported at fair value. The pool is regulated by the Georgia Office of State Treasurer.

## NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

During the year ended June 30, 2014, the Authority established a revocable Rabbi trust with a financial institution. The funds invested in the revocable Rabbi trust are invested in the Federated U.S. Treasury Cash Reserves, a money market mutual fund. The fund invests in a portfolio of short-term U.S. Treasuries. The fund complies with Rule 2a-7 under the Investment Company Act of 1940. The fund uses amortized cost and seeks to maintain a stable net asset value of $1.00 per share.

During the year ended June 30, 2021, the Authority established an irrevocable Rabbi trust with a registered investment advisor. The funds in the irrevocable Rabbi trust are invested in the Vanguard LifeStrategy Conservative Growth Fund (VSCGX). The VSCGX is reported at fair value based on its quoted price in active markets for identical assets. The fund seeks to provide current income and low to moderate capital appreciation. The fund holds 60% of its assets in bonds, a portion of which is allocated to international bonds, and 40% in stocks, a portion of which is allocated to international stocks.

**Fair Value Measurements.** The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. Georgia Fund 1 is an investment pool, which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. The investments in insurance contracts are valued at cash value in accordance with GASB Statement No. 72. As a result, the Authority does not disclose investment in Georgia Fund 1 or the insurance contracts within the fair value hierarchy.

**Interest rate risk.** The Authority does not have a formal investment policy limiting investment maturities as part of managing its exposure to fair value losses arising from increasing interest rates.

**Custodial credit risk – deposits.** Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2021 and 2020, all of the Authority's bank balances were covered by either federal deposit insurance or by collateral held by the Authority's agent in the Authority's name.

### Retirement Plan for Employees of Georgia Ports Authority

At June 30, 2021 and 2020, the fair value of the Retirement Plan for Employees of Georgia Ports Authority's (Plan) cash and investments was $404,439 and $327,874, respectively, of which $4,451 and $2,704, respectively, are classified as cash equivalents due to the short-term nature of the investments.

## NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

### Retirement Plan for Employees of Georgia Ports Authority (Continued)

The Plan is subject to asset class restrictions and allocation maximums as defined under Georgia Code Section 47-20-83. The Plan may invest directly in U.S. government bonds, Treasury Inflation-Protected Securities (TIPS), U.S. investment grade broad bonds, U.S. investment grade corporate bonds, U.S. investment grade convertible bonds, global investment grade bonds, emerging market investment grade bonds, U.S. equities, international equities, emerging market equities, and real estate investment trust securities (REITS).

The Plan may invest indirectly, either through a mutual fund, structured note, or exchange traded fund, in high yield bonds, bank loans, long/short equities, long/short futures, commodities, hedge funds, convertible arbitrage, fixed income arbitrage, distressed securities, merger arbitrage, and global macro funds.

The Plan may also invest up to 5% of plan assets in “Alternatives” such as private placements or limited partnerships, as provided under Georgia Code Section 47-20-87. The 5% is to include committed capital that has not yet been invested.

**Fair Value Measurements:** As of June 30, 2021, the Plan reported exchange traded funds and fixed income funds in the amounts of $281,767 and $105,542, respectively, as level 1 investments in the fair value hierarchy. Additionally, the global opportunities hedge fund investments of $2,185 were measured and reported at their net asset value (NAV). This hedge fund investment had no unfunded commitments and the redemption frequency was closed as of June 30, 2021.

As of June 30, 2020, the Plan reported exchange traded funds and fixed income funds in the amounts of $217,727 and $95,210, respectively, as level 1 investments in the fair value hierarchy. Additionally, the global opportunities hedge fund investments of $2,184 were measured and reported at their net asset value (NAV). This hedge fund investment had no unfunded commitments and the redemption frequency was closed as of June 30, 2020.

Debt, equity and mutual fund securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities’ relationship to benchmark quoted prices. The Plan has no investments classified in Level 3.

## NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

### Retirement Plan for Employees of Georgia Ports Authority (Continued)

**Fair Value Measurements (Continued):** *Global opportunities hedge funds*. This type includes one investment in a limited partnership that hold a majority of the funds' investments in non-U.S. sovereign, quasi-sovereign and corporate debt located within emerging market countries, including distressed, high yield and defaulted debt, while hedging against global market and credit risks with derivative instruments including futures, foreign currency contracts and credit default swaps. The fair values of the investments in this type have been determined using the NAV (or its equivalent) per share of the investments. This investment has a seven-year term from the initial close on June 1, 2012, with one one-year extension. Capital will begin returning to investors at the end of the investment period, five years from the initial close.

The Plan also holds investments in immediate participation guarantee (IPG) contracts in the amount of $10,494 and $10,049 as of June 30, 2021 and 2020, respectively, consisting of both an annuity allocation amount (a minimum balance required by contract to provide for annuity benefits guaranteed by the insurance company) and an unallocated amount (the amount in excess of the annuity allocation). The Plan’s investment in IPG contracts is valued as described in Note 1 in accordance with GASB Statement No. 31, and is excluding from reporting in the fair value hierarchy.

**Custodial Credit Risk:** For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At June 30, 2021 and 2020, the Plan was not exposed to custodial credit risk with respect to its investments.

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Plan may not be able to recover its deposits. At June 30, 2021 and 2020, the Plan was not exposed to custodial credit risk with respect to its deposits.

**Rate of Return:** For the years ended June 30, 2021 and 2020, the annual money-weighted rate of return on pension plan investments, net of pension investment expense, was 21.70% and 9.10%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Interest Rate Risk:** Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. At June 30, 2021 and 2020, the Plan had $399,988 and $325,170, respectively, invested in the following types of investments as categorized by credit risk and interest rate risk: Equities - $281,767 and $217,727, Fixed Income - $105,542 and $95,210, Alternative Funds - $2,185 and $2,184, and Immediate Participation (IPG) Contracts - $10,494 and $10,049. Each investment category does not have a credit quality rating or a weighted average maturity.

## NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

### Retirement Plan for Employees of Georgia Ports Authority (Continued)

**Credit Risk:** Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the Plan. The Plan is subject to asset class restrictions and allocation maximums as defined under Georgia Code Section 47-20-80, et seq. As an eligible large retirement system, the Plan may invest up to 5% of Plan assets in "Alternatives" such as private placements or limited partnerships.

It is the Plan's investment policy that fixed income securities be limited to: (a) those rated as investment grade by a nationally recognized rating agency; (b) a maximum of 5% for a single security issue and a maximum of 15% for a single industry group; and (c) obligations of corporations that have a market capitalization of at least $100 million, or the remaining outstanding principal value of the issue must be at least $100 million.

Equity securities are limited to: (a) a maximum of 6%, at cost, for a single security issue, and a maximum sector concentration of greater than two times the benchmark, or 10%; (b) market capitalization of at least $100 million; and (c) the investment manager votes proxies on every issue that is expected to have a significant impact on the value of the investment.

The Plan investment policy adopts the following asset mix to achieve the lowest level of risk for the Plan: Fixed Income Securities between 20% and 60%, Equity Securities between 40% and 75%, and Alternative Strategies between 0% and 30%. At June 30, 2021 and 2020, the Plan's asset mix was as follows:

| | 2021 | 2020 |
|---|---|---|
| Cash, short-term investments, and accrued interest and dividends | 1% | 1% |
| Equities | 69% | 66% |
| Fixed income | 26% | 29% |
| IPG contracts | 3% | 3% |
| Alternative funds | 1% | 1% |

## NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

### Retirement Plan for Employees of Georgia Ports Authority (Continued)

**Concentration of Credit Risk:** Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government's investment in a single issue. At June 30, 2021 and 2020, the Plan holds more than 5% of its investments in the following mutual funds and exchange traded funds:

| Investment | 2021 | 2020 |
|---|---|---|
| Exchange traded funds | | |
| Ishares Core S&P 500 ETF | $ 57,510 | $ 40,498 |
| Ishares Russell 1000 Growth ETF | - | 114,258 |
| Ishares Core S&P U.S. Value ETF | - | 34,241 |
| Ishares Core MSCI EAFE ETF | 27,456 | 20,964 |
| Invesco S&P 500 Pure Value ETF | 33,962 | - |
| Ishares Core MSCI Emerging Markets ETF | 58,543 | - |
| Vanguard Russell 1000 Value ETF | 104,296 | - |
| | $ 281,767 | $ 209,961 |
| Mutual funds | | |
| Ishares Core I.S. Aggregate Bond ETF | $ 105,542 | $ 95,210 |

**Foreign Currency Risk:** At June 30, 2021 and 2020, the Plan assets had no exposure to foreign currency risk.

### Retiree Medical and Dental Plan

Deposits and investments for the retiree medical and dental plan (OPEB Plan) are summarized as follows:

| | 2021 | 2020 |
|---|---|---|
| Demand deposits | $ 376 | $ 641 |
| Mutual funds | 10,932 | 8,883 |
| Exchange traded funds | 7,270 | 5,165 |
| | $ 18,578 | $ 14,689 |

At June 30, 2021 and 2020, the fair value of the OPEB Plan's cash and investments was $18,578 and $14,689, respectively, of which $376 and $641, respectively, is classified as cash equivalents due to the short-term nature of the investments. As of June 30, 2021 and 2020, $18,202 and $14,048, respectively, is classified as assets measured at fair value (mutual funds and exchange traded funds).

## NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

### Retiree Medical and Dental Plan (Continued)

***Investment Policy*** – It is the policy of the OPEB Plan that the assets be invested in accordance with Georgia law and the terms of the OPEB Plan. As of June 30, 2021 and 2020, the assets of the OPEB Plan were invested in mutual funds and exchange traded funds. The following represents the overall asset allocation parameters according to the investment policy:

| Asset class | Neutral | Allowable |
|---|---|---|
| Equity | 50% | 35 - 55% |
| Fixed income | 40% | 25 - 55% |
| Cash equivalents | 5% | 0 - 40% |
| Real estate | 5% | 0 - 10% |

***Fair Value Measurements*** - The OPEB Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. At June 30, 2021 and 2020, the OPEB Plan's investment mix consisted of mutual funds and exchange traded funds. Mutual funds and exchange traded funds are valued using quoted market prices and are thus classified in Level 1 of the fair value hierarchy.

***Custodial Credit Risk for Deposits*** - Custodial credit risk for deposits is the risk that, in the event of a financial institution failure, the OPEB Plan may not be able to recover deposits held at the financial institution. As of June 30, 2021 and 2020, the OPEB Plan was not exposed to custodial credit risk with respect to its investments.

As of June 30, 2021 and 2020, the OPEB plan held $10,932 and $8,883, respectively, in mutual funds and $7,270 and $5,165, respectively, in exchange traded funds.

## NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

### Retiree Medical and Dental Plan (Continued)

***Concentration of Credit Risk*** – Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government's investment in a single issue. At June 30, 2021 and 2020, the OPEB Plan holds more than 5% of its investments in the following funds:

| Investment | 2021 | 2020 |
|---|---|---|
| Mutual funds | | |
| Cohen & Steers Real Estate Securities Fund, Inc. | $ 1,480 | $ 1,074 |
| Dodge & Cox Income Fund | 1,263 | 1,222 |
| Federated Institutional High Yield Bond Fund | - | 707 |
| PIMCO Short-term Fund Institutional Class | 1,426 | 1,161 |
| Vanguard Short-term Investment Grade Fund | 1,422 | 1,343 |
| Total mutual funds | $ 5,591 | $ 5,507 |
| | | |
| Exchange traded funds | | |
| Vanguard 500 Index Fund | $ 6,301 | $ 4,538 |
| Vanguard Small-Cap Fund | 969 | 627 |
| Total exchange traded funds | $ 7,270 | $ 5,165 |

***Credit Risk*** – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the OPEB Plan. The OPEB Plan's investment policy limits eligible investments to a variety of clearly delineated investment funds to permit the OPEB Plan to diversify in order to maximize the potential investment returns and minimize the risk of any one fund.

***Interest Rate Risk for Investments*** – The OPEB Plan does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Foreign Currency Risk:** At June 30, 2021 and 2020, the OPEB Plan assets had no exposure to foreign currency risk.

## NOTE 3. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021, is as follows:

| | Beginning Balance | Increases | Decreases | Transfers | Ending Balance |
|---|---|---|---|---|---|
| Capital assets, not being depreciated: | | | | | |
| Land | $ 279,935 | $ 29,890 | $ - | $ 73 | $ 309,898 |
| Construction in progress | 153,099 | 159,041 | - | (71,003) | 241,137 |
| Total | 433,034 | 188,931 | - | (70,930) | 551,035 |
| Capital assets, being depreciated: | | | | | |
| Land improvements | 613,935 | 3,264 | (880) | 1,015 | 617,334 |
| Wharves, piers, and containerized yard | 258,283 | - | (3,108) | - | 255,175 |
| Railroad tracks and crossings | 39,899 | - | - | - | 39,899 |
| Building and structures | 174,537 | 55 | (1,634) | 124 | 173,082 |
| Machinery and equipment | 737,402 | 18,567 | (49,364) | 69,791 | 776,396 |
| Furniture and fixtures | 8,178 | 105 | - | - | 8,283 |
| Total | 1,832,234 | 21,991 | (54,986) | 70,930 | 1,870,169 |
| Less accumulated depreciation for: | | | | | |
| Land improvements | (245,168) | (24,588) | 548 | - | (269,208) |
| Wharves, piers, and containerized yard | (120,265) | (7,088) | 1,226 | - | (126,127) |
| Railroad tracks and crossings | (11,456) | (1,711) | - | - | (13,167) |
| Building and structures | (92,264) | (4,684) | 993 | - | (95,955) |
| Machinery and equipment | (328,206) | (37,929) | 46,452 | - | (319,683) |
| Furniture and fixtures | (7,130) | (281) | - | - | (7,411) |
| Total | (804,489) | (76,281) | 49,219 | - | (831,551) |
| Total capital assets, being depreciated, net | 1,027,745 | (54,290) | (5,767) | 70,930 | 1,038,618 |
| Total capital assets, net | $ 1,460,779 | $ 134,641 | $ (5,767) | $ - | $ 1,589,653 |

## NOTE 3. CAPITAL ASSETS (CONTINUED)

Capital asset activity for the year ended June 30, 2020, is as follows:

| | Beginning Balance | Increases | Decreases | Transfers | Ending Balance |
|---|---|---|---|---|---|
| Capital assets, not being depreciated: | | | | | |
| Land | $ 264,941 | $ 19,723 | $ (9) | $ (4,720) | $ 279,935 |
| Construction in progress | 223,081 | 93,221 | - | (163,203) | 153,099 |
| Total | 488,022 | 112,944 | (9) | (167,923) | 433,034 |
| Capital assets, being depreciated: | | | | | |
| Land improvements | 482,060 | 64,799 | (100) | 67,176 | 613,935 |
| Wharves, piers, and containerized yard | 225,601 | 12,695 | - | 19,987 | 258,283 |
| Railroad tracks and crossings | 24,571 | 7,559 | - | 7,769 | 39,899 |
| Building and structures | 157,433 | 1,408 | (750) | 16,446 | 174,537 |
| Machinery and equipment | 665,344 | 17,987 | (2,225) | 56,296 | 737,402 |
| Furniture and fixtures | 7,730 | 209 | (10) | 249 | 8,178 |
| Total | 1,562,739 | 104,657 | (3,085) | 167,923 | 1,832,234 |
| Less accumulated depreciation for: | | | | | |
| Land improvements | (224,926) | (20,269) | 27 | - | (245,168) |
| Wharves, piers, and containerized yard | (113,467) | (6,798) | - | - | (120,265) |
| Railroad tracks and crossings | (10,385) | (1,071) | - | - | (11,456) |
| Building and structures | (88,373) | (4,552) | 661 | - | (92,264) |
| Machinery and equipment | (296,559) | (33,869) | 2,222 | - | (328,206) |
| Furniture and fixtures | (6,691) | (446) | 7 | - | (7,130) |
| Total | (740,401) | (67,005) | 2,917 | - | (804,489) |
| Total capital assets, being depreciated, net | 822,338 | 37,652 | (168) | 167,923 | 1,027,745 |
| Total capital assets, net | $ 1,310,360 | $ 150,596 | $ (177) | $ - | $ 1,460,779 |

## NOTE 4. LEASES

### Operating Leases, as Lessor

The Authority, as lessor, leases certain of its facilities to tenants for terms generally varying from one to 50 years under leases accounted for as operating leases. Revenues are recorded when earned and, where appropriate, depreciation is provided. Capital assets, including facilities leased to others, are summarized as follows at June 30, 2021 and 2020:

| | **2021** | 2020 |
|---|---|---|
| Land and buildings | **$ 132,019** | $ 139,395 |
| Accumulated depreciation | **(73,679)** | (75,896) |
| | **$ 58,340** | $ 63,499 |

Minimum future rentals to be received under operating leases are as follows:

| Year ending June 30: | |
|---|---|
| 2022 | $ 12,263 |
| 2023 | 9,285 |
| 2024 | 8,544 |
| 2025 | 8,596 |
| 2026 | 8,524 |
| 2027 – 2031 | 42,861 |
| 2032 – 2036 | 43,000 |
| 2037 – 2041 | 26,796 |
| 2042 – 2046 | 15,469 |
| 2047 – 2051 | 5,607 |
| | $ 180,945 |

## NOTE 5. COMPENSATED ABSENCES

The Authority’s compensated absence activity for the year ended June 30, 2021 and 2020, are as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|---|---|---|---|---|---|
| Compensated absences | $ 4,567 | $ 2,782 | $ (2,710) | $ 4,639 | $ 3,934 |
| Total long-term liabilities | $ 4,567 | $ 2,782 | $ (2,710) | $ 4,639 | $ 3,934 |

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|---|---|---|---|---|---|
| Compensated absences | $ 3,952 | $ 3,324 | $ (2,709) | $ 4,567 | $ 3,942 |
| Total long-term liabilities | $ 3,952 | $ 3,324 | $ (2,709) | $ 4,567 | $ 3,942 |

The Authority reports the current portion of compensated absences within accrued liabilities and the non-current portion within other non-current liabilities on the statement of net position.

## NOTE 6. PENSION BENEFIT PLANS

The **Retirement Plan for Employees of Georgia Ports Authority** (Plan) is a single-employer contributory group annuity defined benefit pension plan.

The Plan eligibility was frozen effective July 1, 2011, and has been replaced by a defined contribution retirement plan. The defined benefit pension plan is administered by the Aetna Life Insurance Company. Truist Bank is the custodian for the Plan. The Plan provides pension benefits to plan members and beneficiaries. The relevant information about the Plan is provided below. The financial statements of the Plan are audited each year. The report may be obtained by writing to the Georgia Ports Authority Finance Department, P.O. Box 2406, Savannah, Georgia 31402.

The contribution requirements of plan members and the Authority are established by the Authority's Board and may be amended at any time. Plan members are required to contribute 1% of the first $9 earned and 1.5% of any wages in excess of $9. The Authority is required to contribute at an actuarially determined rate; the current rate is 34.2% of covered payroll. These contributions are determined under the entry age normal and the market valuation method for developing the actuarial value of assets. The unfunded actuarial accrued liability is being amortized using the level dollar method on a closed basis. The remaining amortization period at July 1, 2020, was seven years.

## NOTE 6. PENSION BENEFIT PLANS (CONTINUED)

The following schedule reflects membership for the Plan as of June 30, 2020 and June 30, 2019.

| | 2020 | 2019 |
|---|---|---|
| Retired participants and beneficiaries | **469** | 441 |
| Terminated vested participants | **74** | 74 |
| Active participants | **642** | 686 |
| Total | **1,185** | 1,201 |

*Net Pension Liability*. The Authority's net pension liability for the years ended June 30, 2021 and 2020, are as follows:

| | 2021 | 2020 |
|---|---|---|
| Total pension liability | **$ 329,196** | $ 309,577 |
| Plan net position | **327,875** | 293,735 |
| Net pension liability | **$ 1,321** | $ 15,842 |
| Plan net position as a percentage of the total pension liability | **99.6%** | 94.9% |

The Authority's changes in the net pension liability by source for the fiscal year ended June 30, 2021, is reflected below:

| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a) – (b) |
|---|---|---|---|
| **Beginning Balance** | $ 309,577 | $ 293,735 | $ 15,842 |
| **Changes for the year:** | | | |
| Service cost | 4,385 | - | 4,385 |
| Interest | 22,821 | - | 22,821 |
| Experience changes | (471) | - | (471) |
| Assumption changes | 4,583 | - | 4,583 |
| Contributions – employer | - | 17,935 | (17,935) |
| Contributions – employee | - | 760 | (760) |
| Net investment income (loss) | - | 27,886 | (27,886) |
| Benefit payments, including refunds of employee contributions | (11,699) | (11,699) | - |
| Administrative expense | - | (742) | 742 |
| **Net changes** | 19,619 | 34,140 | (14,521) |
| **Ending Balance** | $ 329,196 | $ 327,875 | $ 1,321 |

## NOTE 6. PENSION BENEFIT PLANS (CONTINUED)

The Authority's changes in the net pension liability (asset) by source for the fiscal year ended June 30, 2020, is reflected below:

| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (Asset) (a) – (b) |
|---|---|---|---|
| **Beginning Balance** | $ 279,603 | $ 289,023 | $ (9,420) |
| **Changes for the year:** | | | |
| Service cost | 4,152 | - | 4,152 |
| Interest | 21,739 | - | 21,739 |
| Experience changes | 6,375 | - | 6,375 |
| Assumption changes | 8,408 | - | 8,408 |
| Contributions – employer | - | 10,172 | (10,172) |
| Contributions – employee | - | 784 | (784) |
| Net investment income | - | 5,308 | (5,308) |
| Benefit payments, including refunds of employee contributions | (10,700) | (10,700) | - |
| Administrative expense | - | (852) | 852 |
| **Net changes** | 29,974 | 4,712 | 25,262 |
| **Ending Balance** | $ 309,577 | $ 293,735 | $ 15,842 |

The required schedule of changes in the Authority's net pension liability (asset) and related ratios immediately following the notes to the financial statements presents multi-year trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

*Deferred outflows and inflows of resources*. During the years ended June 30, 2021 and 2020, the Authority recognized pension expense of $14,164 and $17,490. The Authority reported deferred outflows and inflows of resources related to pensions from the following sources as of June 30, 2021:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Pension assumption changes | $ 8,297 | $ 535 |
| Pension experience differences | 4,187 | 536 |
| Pension investment return | 4,011 | - |
| Pension contribution subsequent to measurement date | 14,164 | - |
| Total | $ 30,659 | $ 1,071 |

## NOTE 6. PENSION BENEFIT PLANS (CONTINUED)

Authority contributions subsequent to the measurement date of $14,164 are reported as a deferred outflow of resources and will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. The remaining deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| | | |
|---|---|---|
| Year ending June 30: | | |
| 2022 | $ | 4,689 |
| 2023 | | 6,952 |
| 2024 | | 4,799 |
| 2025 | | (1,016) |
| Total | $ | 15,424 |

The Authority reported deferred outflows of resources related to pensions from the following sources as of June 30, 2020:

| | Deferred Outflows of Resources | | Deferred Inflows of Resources | |
|---|---|---|---|---|
| Pension assumption changes | $ | 7,905 | $ | 1,288 |
| Pension experience differences | | 6,388 | | 901 |
| Pension investment return | | 14,069 | | - |
| Pension contribution subsequent to measurement date | | 17,935 | | - |
| Total | $ | 46,297 | $ | 2,189 |

Authority contributions subsequent to the measurement date of $17,935 are reported as a deferred outflow of resources and were recognized as a reduction of the net pension liability in the year ended June 30, 2021. The remaining deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| | | |
|---|---|---|
| Year ending June 30: | | |
| 2021 | $ | 9,138 |
| 2022 | | 4,888 |
| 2023 | | 7,150 |
| 2024 | | 4,997 |
| Total | $ | 26,173 |

## NOTE 6. PENSION BENEFIT PLANS (CONTINUED)

*Actuarial assumptions*. The total pension liability was determined by an actuarial valuation as of July 1, 2019 and 2018, with update procedures performed by the actuary to roll forward to the total pension liability measured as of June 30, 2020 and 2019. The following actuarial assumptions apply to the respective periods included in the measurement:

| | **2020** | 2019 |
|---|---|---|
| Post-retirement benefit increase rate | **3.00%** | 3.00% |
| Salary increases | **3.00%** | 3.00% |
| Investment return | **7.30%** | 7.40% |

Mortality rates were based on the RP-2000 Healthy Mortality projected 10 years after valuation date of Scale AA, separate tables for annuitants and non-annuitants. No specific experience study has been performed on which to base the actuarial assumptions.

The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic nominal rates of return for each major asset class included in the Plan's target asset allocation as of June 30, 2021 and 2020: Equity Securities – 4.6% and 5.5%, respectively, and Fixed Income Securities – 1.2% and 2.3%, respectively.

*Discount rate*. The discount rate used to measure the total pension liability was 7.30% and 7.40% as of June 30, 2021 and 2020, respectively. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Authority contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions and also on considering the Plan's net position as of June 30, 2021 and 2020, the Plan's net position was projected to be available to make projected future benefit payments of current plan members for all future Plan years. Therefore, the long-term expected rate of return on pension plan investments (7.30%) becomes the discount rate and thus was applied to all projected future benefit payments to determine the total pension liability.

## NOTE 6. PENSION BENEFIT PLANS (CONTINUED)

*Sensitivity of the net pension liability (asset) to changes in the discount rate*. The following presents the net pension liability (asset) of the Authority, calculated using the discount rate, as well as what the Authority's net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

The following table represents the sensitivity analysis discussed above as of June 30, 2021:

| | 1% Decrease (6.30%) | Current Discount Rate (7.30%) | 1% Increase (8.30%) |
|---|---|---|---|
| Authority's net pension liability (asset) | $ 44,954 | $ 1,321 | $ (35,038) |

The following table represents the sensitivity analysis discussed above as of June 30, 2020:

| | 1% Decrease (6.40%) | Current Discount Rate (7.40%) | 1% Increase (8.40%) |
|---|---|---|---|
| Authority's net pension liability (asset) | $ 57,252 | $ 15,842 | $ (18,632) |

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plans in effect as of June 30, 2021 and 2020, and the current sharing pattern of costs between employer and employee.

The Georgia Ports Authority has two Supplemental Retirement Plans which are both single-employer defined benefit pension plans providing supplemental benefits to plan members and beneficiaries. The relevant information about the retirement plans is provided below. No other financial reports are issued by these sole employer plans.

There are no contribution requirements of the plan members or the Authority. The Authority contributes on a pay-as-you-go method. Contributions are determined under the entry age normal actuarial cost method.

## NOTE 6. PENSION BENEFIT PLANS (CONTINUED)

The following schedule reflects membership for the Plan as of June 30, 2020 and June 30, 2019.

| | **2021** | 2020 |
|---|---|---|
| Active participants | **2** | 2 |
| Former employees receiving benefits | **14** | 13 |
| Total | **16** | 15 |

*Total Pension Liability:* The Authority's changes in the total pension liability by source and the derivation of the Authority's pension expense for the fiscal year ended June 30, 2021 and 2020, are reflected below:

| | **Total Pension Liability 2021** | Total Pension Liability 2020 |
|---|---|---|
| **Beginning Balance** | **$ 45,824** | $ 42,560 |
| **Changes for the year:** | | |
| Service cost | **609** | **311** |
| Interest | **1,585** | **1,668** |
| Economic/demographic gains or losses | **202** | **428** |
| Assumption changes | **8,171** | **2,972** |
| Benefit payments | **(2,243)** | **(2,115)** |
| **Net changes** | **8,324** | 3,264 |
| **Ending Balance** | **$ 54,148** | $ 45,824 |

The required schedule of changes in the Authority's total pension liability and related ratios immediately following the notes to the financial statements presents multi-year trend information about whether the value of the total pension liability is increasing or decreasing over time relative to the covered payroll of the plan.

*Deferred outflows and inflows of resources*. During the years ended June 30, 2021 and 2020, the Authority recognized pension expense of $10,486 and $5,379. The Authority reported deferred outflows of resources as of June 30, 2021 for pension contributions subsequent to the measurement date in the amount of $2,328. This will be recognized as a reduction of the total pension liability in the year ending June 30, 2022. The Authority reported deferred outflows of resources as of June 30, 2021 for plan assumption changes in the amount of $81. This will be recognized as a reduction of the total pension liability annually in the amount of $13 through fiscal year 2027. The Authority reported deferred outflows of resources as of June 30, 2020 for pension contributions subsequent to the measurement date in the amount of $2,244. This was recognized as a reduction of the total pension liability in the year ended June 30, 2021.

## NOTE 6. PENSION BENEFIT PLANS (CONTINUED)

*Actuarial assumptions*. The total pension liability was determined by an actuarial valuation as of July 1, 2019 and 2018 and January 1, 2020, with update procedures performed by the actuary to roll forward to the total pension liability measured as of June 30, 2020 and 2019. The following actuarial assumptions apply to the respective periods included in the measurement:

| | |
|---|---|
| COLA rate | 2.50% and 0.00% |
| Salary increases including inflation | 3.00% |
| Retirement age | 60 |
| Actuarial cost method | Entry Age Normal |

Mortality rates were based on the Sex Distinct RP – 2000 healthy mortality projected 10 years after valuation date at Scale AA, separate tables for annuitants and non-annuitants. The assumption for spouse age differences for one of the actively employed participants is that the participant is assumed to be three years older than the spouse, and for the other actively employed participant, the spouse is assumed to be 19 months older than the participant.

*Discount rate*. The discount rate used to measure the total pension liability was 2.21% and 3.50% as of June 30, 2021 and 2020, respectively. This rate is the municipal bond rate and was determined using the 20-Bond GO Bond Buyer Index on the closest published date to the applicable measurement date.

The above actuarial calculations are based on the substantive plan in effect as of July 1, 2020. The Authority has made substantial efforts to provide added assurance that pension liabilities will be paid from available assets and the Authority has earmarked certain assets to fund the unfunded accrued liability of the supplemental retirement plans. Accounting rules and actuarial practices do not allow these assets to be considered as funding of the pension and, as such, are not a direct offset to the pension liability. However, as of June 30, 2021, the Authority maintains certain earmarked assets, namely life insurance products with a net face value of $33,937, a revocable Rabbi trust of $15,758, and an irrevocable Rabbi Trust of $513 with a combined value of $50,208 to offset the $54,148 unfunded accrued liability. The current cash surrender value of those life insurance products combined with the revocable and irrevocable Rabbi trusts equates to currently available assets of $36,353.

## NOTE 7. OTHER POST-EMPLOYMENT BENEFIT PLAN

### Plan Description

The Georgia Ports Authority Retiree Medical and Dental Plan (OPEB Plan) is a single employer defined benefit post-retirement health care plan or other post-employment benefit (OPEB). The Georgia Ports Authority Retiree Medical and Dental Trust (Trust) is a trust established pursuant to Section 115 of the Internal Revenue Code of 1986 for the purpose of pre-funding other post-employment benefits provided under its benefit plans in accordance with GASB Statement 74 and GASB Statement 75. The Trust was established, effective July 1, 2007, by the Authority to pre-fund medical and dental benefits for current employees and retirees (and their eligible dependents) who are eligible for such benefits under existing Authority policy and meets the definition of a trust as outlined in paragraph four of GASB Statement No. 75. Plan benefit provisions and contribution requirements are established and may be amended by the Authority. The financial statements of the Georgia Ports Authority Retiree Medical and Dental Trust are audited each year. The report may be obtained by writing to the Georgia Ports Authority Finance Department, P.O. Box 2406, Savannah, Georgia 31402.

### General

The following brief description of the OPEB Plan terms is provided for general information purposes only. Participants should refer to the plan agreement for more complete information.

### Retirement Options/Benefit Provisions

Retirees and their spouses and dependents are eligible for benefits under the Plan if the employee retires early from age 55 up to age 65 with at least 15 years of service, and was covered under the medical plan as an active member immediately prior to retirement. Plan benefits will terminate when a plan member reaches age 65, is employed by another company, or is covered under the spouse's plan. Coverage under the Plan includes medical, dental and prescription drug benefits.

### Eligibility

Employees and their dependents are eligible for the OPEB Plan if the employee retires early from age 55 up to age 65 with at least 15 years of service. This coverage will terminate when the employee reaches age 65, is employed by another company, or is covered under the spouse’s group plan.

## NOTE 7. OTHER POST-EMPLOYMENT BENEFIT PLAN (CONTINUED)

### Fund Membership

The following schedule (derived from the most recent actuarial valuation report) reflects membership for the OPEB Plan as of June 30, 2020 and 2019.

| | **2021** | 2020 |
|---|---|---|
| Active employees | **1,376** | 1,192 |
| Retirees and surviving spouses with medical coverage | **103** | 88 |
| Total | **1,479** | 1,280 |

### Contributions

The Authority contributed an actuarially determined amount to the OPEB Plan's Trust for the years ended June 30, 2021 and 2020, which amounted to $2,000 and $1,738, respectively.

*Net OPEB Liability.* The Authority's changes in the net OPEB liability by source for the fiscal year ended June 30, 2021, is reflected below:

| | **Total OPEB Liability (a)** | **Plan Fiduciary Net Position (b)** | **Net OPEB Liability (a) – (b)** |
|---|---|---|---|
| **Beginning Balance** | $ 24,951 | $ 13,654 | $ 11,297 |
| **Changes for the year:** | | | |
| Service cost | 605 | - | 605 |
| Interest | 1,497 | - | 1,497 |
| Effect of economic/demographic gains or losses | (1,432) | - | (1,432) |
| Effect of assumption changes | (283) | - | (283) |
| Benefit payments | (1,235) | (1,235) | - |
| Employer contributions | - | 2,000 | (2,000) |
| Net investment income | - | 348 | (348) |
| Administrative expense | - | (182) | 182 |
| **Net changes** | (848) | 931 | (1,779) |
| **Ending Balance** | $ 24,103 | $ 14,585 | $ 9,518 |

## NOTE 7. OTHER POST-EMPLOYMENT BENEFIT PLAN (CONTINUED)

The Authority's changes in the net OPEB liability by source for the fiscal year ended June 30, 2020 is reflected below:

| | Total OPEB Liability (a) | Plan Fiduciary Net Position (b) | Net OPEB Liability (a) – (b) |
|---|---|---|---|
| **Beginning Balance** | $ 24,421 | $ 12,841 | $ 11,580 |
| **Changes for the year:** | | | |
| Service cost | 571 | - | 571 |
| Interest | 1,455 | - | 1,455 |
| Benefit payments | (1,496) | (1,496) | - |
| Employer contributions | - | 1,738 | (1,738) |
| Net investment income | - | 713 | (713) |
| Administrative expense | - | (142) | 142 |
| **Net changes** | 530 | 813 | (283) |
| **Ending Balance** | $ 24,951 | $ 13,654 | $ 11,297 |

The required schedule of changes in the Authority's net OPEB liability and related ratios immediately following the notes to the financial statements presents multi-year trend information about whether the value of plan assets are increasing or decreasing over time relative to the total OPEB liability.

*Deferred outflows and inflows of resources*. During the years ended June 30, 2021 and 2020, the Authority recognized OPEB expense of $1,863 and $2,000, respectively. The Authority reported deferred outflows and inflows of resources related to OPEB from the following sources as of June 30, 2021:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Experience differences | $ 650 | $ 1,253 |
| Assumption changes | 814 | 383 |
| Difference between expected and actual earnings | 836 | - |
| OPEB contribution subsequent to measurement date | 2,081 | - |
| Total | $ 4,381 | $ 1,636 |

## NOTE 7. OTHER POST-EMPLOYMENT BENEFIT PLAN (CONTINUED)

Authority contributions subsequent to the measurement date of $2,081 are reported as a deferred outflow of resources and will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2022. The remaining deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| | | |
|---|---|---|
| Year ending June 30: | | |
| 2022 | $ | 399 |
| 2023 | | 329 |
| 2024 | | 200 |
| 2025 | | 188 |
| 2026 | | (23) |
| Thereafter | | (428) |
| Total | $ | 665 |

The Authority reported deferred outflows of resources related to OPEB from the following sources as of June 30, 2020:

| | Deferred Outflows of Resources | | Deferred Inflows of Resources | |
|---|---|---|---|---|
| Experience differences | $ | 873 | $ | 46 |
| Pension assumption changes | | 990 | | 370 |
| Difference between expected and actual earnings | | 860 | | - |
| OPEB contribution subsequent to measurement date | | 2,000 | | - |
| Total | $ | 4,723 | $ | 416 |

Authority contributions subsequent to the measurement date of $2,000 were reported as a deferred outflow of resources and were recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. The remaining deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| | | |
|---|---|---|
| Year ending June 30: | | |
| 2021 | $ | 532 |
| 2022 | | 516 |
| 2023 | | 445 |
| 2024 | | 317 |
| 2025 | | 305 |
| Thereafter | | 192 |
| Total | $ | 2,307 |

## NOTE 7. OTHER POST-EMPLOYMENT BENEFIT PLAN (CONTINUED)

*Actuarial assumptions*. The total OPEB liability was determined by an actuarial valuation as of July 1, 2020, with update procedures performed by the actuary to roll forward the total OPEB liability to the measurement date of June 30, 2021. The following actuarial assumptions apply to all periods included in the measurement:

| | |
|---|---|
| Discount rate | 6.00% |
| Salary increases | 3.00% |
| Inflation rate | 2.20% |
| Actuarial cost method | Entry Age Normal |
| Initial healthcare cost rate | 5.00% |
| Ultimate healthcare cost rate | 3.70% |

Mortality rates were based on the PUB-2010 Mortality Table projected with Improvement Scale MP2020 for both participants and annuitants. No specific experience study has been performed on which to base the actuarial assumptions.

The long-term expected rate of return of the Plan's adopted investment policy was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic nominal rates of return for each major asset class included in the Plan's target asset allocation as of June 30, 2021 and 2020: Equity Securities – 6.8% and 3.2%, respectively, and Fixed Income Securities – 2.1% and 1.3%), respectively.

*Discount rate*. The discount rate used to measure the total OPEB liability was 6.00% as of June 30, 2021 and 2020. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Authority contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions and also on considering the Plan's net position as of June 30, 2021 and 2020, the Plan's net position was projected to be available to make projected future benefit payments of current plan members for all future Plan years. Therefore, the long-term expected rate of return on OPEB plan investments (6.00%) becomes the discount rate and thus was applied to all projected future benefit payments to determine the total OPEB liability.

*Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost rate trend*. The following presents the net OPEB liability of the Authority, calculated using the discount rate, as well as what the Authority's net OPEB liability would be if it were calculated using a discount rate or healthcare cost rate that is one percentage point lower or one percentage point higher than the current rate.

## NOTE 7. OTHER POST-EMPLOYMENT BENEFIT PLAN (CONTINUED)

The following table represents the sensitivity analysis discussed above as of June 30, 2021:

| | 1% Decrease (5.00%) | Current Discount Rate (6.00%) | 1% Increase (7.00%) |
|---|---|---|---|
| 1% Decrease - Healthcare cost rate trend | | $ 7,686 | |
| Authority's net OPEB liability | $ 11,271 | 9,518 | $ 7,924 |
| 1% Increase - Healthcare cost rate trend | | 11,587 | |

The following table represents the sensitivity analysis discussed above as of June 30, 2020:

| | 1% Decrease (5.00%) | Current Discount Rate (6.00%) | 1% Increase (7.00%) |
|---|---|---|---|
| 1% Decrease - Healthcare cost rate trend | | $ 9,149 | |
| Authority's net OPEB liability | $ 13,184 | 11,297 | $ 9,592 |
| 1% Increase - Healthcare cost rate trend | | 13,743 | |

*Schedule of Deferred Outflows of Resources, Deferred Inflows of Resources and Pension/OPEB expense – All Plans:* The total deferred outflows of resources, deferred inflows of resources and pension/OPEB expense for the fiscal year ended June 30, 2021 are as follows:

| | Deferred Outflows of Resources | Deferred Inflows of Resources | Pension/OPEB Expense |
|---|---|---|---|
| Retirement Plan | $ 30,659 | $ 1,071 | $ 14,164 |
| Supplemental Retirement Plans | 2,409 | - | 10,486 |
| OPEB Plan | 4,381 | 1,636 | 1,863 |
| Total | $ 37,449 | $ 2,707 | $ 26,513 |

The total deferred outflows of resources, deferred inflows of resources and pension/OPEB expense for the fiscal year ended June 30, 2020 are as follows:

| | Deferred Outflows of Resources | Deferred Inflows of Resources | Pension/OPEB Expense |
|---|---|---|---|
| Retirement Plan | $ 46,297 | $ 2,189 | $ 17,490 |
| Supplemental Retirement Plan | 2,244 | - | 5,379 |
| OPEB Plan | 4,723 | 416 | 2,000 |
| Total | $ 53,264 | $ 2,605 | $ 24,869 |

## NOTE 8. RISK MANAGEMENT

The Authority is self-insured for its major medical employee health benefit claims up to a calendar year aggregate basis per individual of $225 (less an aggregate specific deductible of $150). Excess major medical insurance coverage is provided through a private insurance policy for the amounts in excess of $200 and through aggregate stop loss coverage. Dental coverage is provided up to $2.5 per covered member per year.

The basis for estimating the liabilities for unpaid claims includes an incurred, but not reported, calculation. The Authority has provided for amounts, which are considered to be outstanding and unpaid as of June 30, 2021 and 2020, and such amounts are included in the financial statements for the years ended June 30, 2021 and 2020. Changes in the balances of medical claims liabilities during the years ended June 30, 2021 and 2020, are as follows:

| | **2021** | 2020 |
|---|---|---|
| Unpaid claims, beginning of fiscal year | **$ 650** | $ 660 |
| Claims paid | **(10,469)** | (10,456) |
| Incurred claims | **10,444** | 10,446 |
| Unpaid claims, end of fiscal year | **$ 625** | $ 650 |

The Authority is exposed to various risks of loss, including, but not limited to: torts; theft of assets; damage to and destruction of assets; errors and omissions; and natural disasters. These exposures are addressed through an insurance program including a mix of policies procured from the State of Georgia and insurance companies found in traditional commercial markets. Limits of coverage for liability exposures include an underlying limit of $1,000 with an excess bumbershoot policy providing up to $150,000 in protection except where liability is limited by the Georgia Tort Claims Act. Coverage for Georgia Ports Authority property and equipment is scheduled on a replacement cost basis.

There have been no significant reductions of insurance coverage, and settlement amounts have not exceeded insurance coverage for the current or the three prior years.

## NOTE 9. COMMITMENTS AND CONTINGENCIES

At June 30, 2021 and 2020, the Authority had commitments for construction projects of approximately $309,029 and $118,403, respectively.

The Authority is a defendant in various lawsuits incidental to its business. Management believes that any liability that may result from such lawsuits will not have a material adverse effect on its operations or financial position.

## NOTE 9. COMMITMENTS AND CONTINGENCIES (CONTINUED)

In August 2015, the Authority formally entered into an agreement with the Georgia Department of Public Safety to fund the increase in law enforcement of commercial traffic within the highway interstate corridors that serve the Authority's facilities. The agreement ended in fiscal year 2020. The Authority paid $5,472 to the Georgia Department of Public Safety during the year ended June 30, 2020.

During fiscal year ended June 30, 2013, the Authority entered into a compromise and settlement agreement with the U.S. Army Corps of Engineers, the State of South Carolina and several non-governmental environmental organizations relative to the project by the U.S. Army Corps of Engineers to deepen the Savannah River federal navigation channel. This project is commonly referred to as the Savannah Harbor Expansion Project (SHEP).

The respective SHEP agreement, approved by the U.S. Federal District Court for the District of South Carolina, resulted in a commitment by the Authority in the amount of $35,530, of which the Authority had paid $16,093 through the year ended June 30, 2021, which includes the following provisions to be funded by the Authority subject to satisfaction of certain conditions based on all known and expected factors; and therefore, considered to be "probable" as defined by respective and authoritative financial reporting standards:

- GPA will establish a letter of credit or escrow account within six months of the commencement of inner harbor dredging in the amount of $2,000 to serve as a contingency fund should the operation of the dissolved oxygen (DO) injection systems not receive funding by the federal government. This letter of credit or escrow account will be maintained at a minimum of $2,000 for 50 years after completion of the SHEP.

- GPA will contribute $3,000 for water quality monitoring in the Lower Savannah River Basin; $3,000 for monitoring and research of Shortnose and Atlantic Sturgeon; $15,000 for conservation, wetlands preservation, acquisitions of easements and/or upland buffers, and creation, restoration or enhancement of wetlands to benefit the Lower Savannah River watershed.

- GPA will contribute $12,500 for environmental and conservation projects in the Savannah River Basin to the Savannah River Restoration Board whose membership is prescribed in the agreement.

# REQUIRED SUPPLEMENTARY INFORMATION

# GEORGIA PORTS AUTHORITY

## REQUIRED SUPPLEMENTARY INFORMATION
## RETIREMENT PLAN FOR THE EMPLOYEES OF GEORGIA PORTS AUTHORITY
## SCHEDULE OF CHANGES IN THE AUTHORITY'S NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
## FOR THE FISCAL YEARS ENDED JUNE 30,
## (In Thousands)

| | **2021** | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|
| **Total pension liability** | | | | | |
| Service cost | **$ 4,385** | $ 4,152 | $ 4,110 | $ 4,497 | $ 4,226 |
| Interest on total pension liability | **22,821** | 21,739 | 21,039 | 19,958 | 18,563 |
| Differences between expected and actual experience | **(471)** | 6,375 | 2,048 | (1,020) | - |
| Changes in assumptions and/or cost method | **4,583** | 8,408 | 383 | (3,549) | 1,120 |
| Benefit payments, including refunds of employee contributions | **(11,699)** | (10,700) | (9,442) | (8,658) | (7,840) |
| **Net change in total pension liability** | **19,619** | 29,974 | 18,138 | 11,228 | 16,069 |
| **Total pension liability beginning** | **309,577** | 279,603 | 261,465 | 250,237 | 234,168 |
| **Total pension liability - ending (a)** | **329,196** | 309,577 | 279,603 | 261,465 | 250,237 |
| **Plan fiduciary net position** | | | | | |
| Contributions - employer | **17,935** | 10,172 | 10,819 | 12,824 | 18,631 |
| Contributions - employee | **760** | 784 | 795 | 798 | 814 |
| Net investment income | **27,886** | 5,308 | 19,787 | 28,503 | (47) |
| Benefit payments, including refunds of employee contributions | **(11,699)** | (10,700) | (9,442) | (8,658) | (7,840) |
| Administrative expenses | **(742)** | (852) | (880) | (706) | (509) |
| **Net change in plan fiduciary net position** | **34,140** | 4,712 | 21,079 | 32,761 | 11,049 |
| **Plan fiduciary net position - beginning** | **293,735** | 289,023 | 267,944 | 235,183 | 224,134 |
| **Plan fiduciary net position - ending (b)** | **327,875** | 293,735 | 289,023 | 267,944 | 235,183 |
| **Authority's net pension liability (asset) ending (a) - (b)** | **$ 1,321** | $ 15,842 | $ (9,420) | $ (6,479) | $ 15,054 |
| **Plan fiduciary net position as a percentage of the total pension liability** | **99.6%** | 94.9% | 103.4% | 102.5% | 94.0% |
| **Covered payroll** | **$ 52,406** | $ 54,143 | $ 54,426 | $ 55,385 | $ 55,363 |
| **Net pension liability (asset) as a percentage of covered payroll** | **2.5%** | 29.3% | (17.3%) | (11.7%) | 27.2% |

**Notes to the Schedule:**

The schedule will present 10 years of information once it is accumulated.

| 2016 | 2015 | 2014 |
| --- | --- | --- |
| $ 4,175 | $ 4,210 | $ 4,226 |
| 17,601 | 16,086 | 15,161 |
| | | |
| - | - | - |
| 12,441 | (1,449) | - |
| | | |
| (7,491) | (7,113) | (6,305) |
| 26,726 | 11,734 | 13,082 |
| | | |
| 207,442 | 195,708 | 182,626 |
| 234,168 | 207,442 | 195,708 |
| | | |
| 22,106 | 30,282 | 29,862 |
| 825 | 813 | 831 |
| 311 | 20,916 | 8,721 |
| | | |
| (7,491) | (7,113) | (6,305) |
| (249) | (183) | (109) |
| 15,502 | 44,715 | 33,000 |
| | | |
| 208,632 | 163,917 | 130,917 |
| 224,134 | 208,632 | 163,917 |
| | | |
| $ 10,034 | $ (1,190) | $ 31,791 |
| | | |
| 95.7% | 100.6% | 83.8% |
| | | |
| $ 55,480 | $ 56,223 | $ 56,249 |
| | | |
| 18.1% | (2.1%) | 56.5% |

# GEORGIA PORTS AUTHORITY

## REQUIRED SUPPLEMENTARY INFORMATION
## RETIREMENT PLAN FOR THE EMPLOYEES OF GEORGIA PORTS AUTHORITY
## SCHEDULE OF AUTHORITY CONTRIBUTIONS

### FOR THE FISCAL YEARS ENDED JUNE 30,
### (In Thousands)

| | **2021** | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|
| Actuarially determined contribution | **$ 4,412** | $ 6,656 | $ 3,673 | $ 3,637 | $ 5,918 |
| Contributions in relation to the actuarially determined contribution | **14,164** | 17,935 | 10,625 | 10,819 | 12,824 |
| Contribution deficiency (excess) | **$ (9,752)** | $ (11,279) | $ (6,952) | $ (7,182) | $ (6,906) |
| Covered payroll | **$ 50,214** | $ 52,406 | $ 54,143 | $ 54,426 | $ 55,385 |
| Contributions as a percentage of covered payroll | **28.2%** | 34.2% | 19.6% | 19.9% | 23.2% |

**Notes to the Schedule:**

(1) Actuarial Assumptions

| | |
|---|---|
| Valuation Date | July 1, 2019 |
| Cost Method | Entry Age Normal |
| Assumed Rate of Return on Investments | 7.30% |
| Projected Salary Increases | 3.00% |
| Post-retirement benefit increase rate | 3.00% |
| Amortization Method | Level dollar |
| Remaining Amortization Period | 7 years (closed) |

(2) Actuarial Asset Valuation Method

| | |
|---|---|
| Smoothing period | 0 years; market value is recognized |
| Recognition method | N/A |
| Corridor | N/A |

(3) The schedule will present 10 years of information once it is accumulated.

| 2016 | 2015 | 2014 | 2013 |
|---|---|---|---|
| $ 5,263 | $ 10,559 | $ 10,312 | $ 9,789 |
| 18,631 | 22,106 | 30,282 | 29,862 |
| $ (13,368) | $ (11,547) | $ (19,970) | $ (20,073) |
| $ 55,363 | $ 55,480 | $ 56,223 | $ 56,249 |
| 33.7% | 39.8% | 53.9% | 53.1% |

# GEORGIA PORTS AUTHORITY

## REQUIRED SUPPLEMENTARY INFORMATION
## RETIREMENT PLAN FOR THE EMPLOYEES OF GEORGIA PORTS AUTHORITY
## SCHEDULE OF PENSION INVESTMENT RETURNS

## FOR THE FISCAL YEARS ENDED JUNE 30,
## (In Thousands)

| | **2021** | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---|---|---|---|---|---|---|---|
| Annual money-weighted rate of return, net of investment expenses for the Authority's Pension Plan | **21.70%** | 9.10% | 1.20% | 7.40% | 11.70% | (0.40%) | (0.10%) | 12.00% |

**Notes to the Schedule:**

The schedule will present 10 years of information once it is accumulated.

# GEORGIA PORTS AUTHORITY

## REQUIRED SUPPLEMENTARY INFORMATION
## SUPPLEMENTAL RETIREMENT PLANS
## SCHEDULE OF CHANGES IN THE AUTHORITY'S TOTAL PENSION LIABILITY AND RELATED RATIOS
## FOR THE FISCAL YEARS ENDED JUNE 30,
## (In Thousands)

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|---|
| **Total pension liability** | | | | | | |
| Service cost | **$ 609** | $ 311 | $ 285 | $ 192 | $ 644 | $ 504 |
| Interest on total pension liability | **1,585** | 1,668 | 1,561 | 1,296 | 1,266 | 1,324 |
| Economic/demographic gains or losses | **202** | 428 | 1,711 | 8,210 | (194) | - |
| Changes in assumptions and/or cost method | **8,171** | 2,972 | (519) | (4,195) | 4,661 | 1,802 |
| Benefit payments | **(2,243)** | (2,115) | (2,066) | (2,003) | (1,451) | (1,510) |
| **Net change in total pension liability** | **8,324** | 3,264 | 972 | 3,500 | 4,926 | 2,120 |
| **Total pension liability - beginning** | **45,824** | 42,560 | 41,588 | 38,088 | 33,162 | 31,042 |
| **Total pension liability - ending** | **$ 54,148** | $ 45,824 | $ 42,560 | $ 41,588 | $ 38,088 | $ 33,162 |
| **Covered payroll** | **$ 1,495** | $ 537 | $ 629 | $ 607 | $ 1,128 | $ 1,027 |
| **Total pension liability as a percentage of covered payroll** | **3621.9%** | 8533.3% | 6766.3% | 6851.4% | 3376.6% | 3229.0% |

**Notes to the Schedule:**

The schedule will present 10 years of information once it is accumulated.

# GEORGIA PORTS AUTHORITY

## REQUIRED SUPPLEMENTARY INFORMATION
## SUPPLEMENTAL RETIREMENT PLANS
## SCHEDULE OF AUTHORITY CONTRIBUTIONS

## FOR THE FISCAL YEARS ENDED JUNE 30,
## (In Thousands)

| | **2021** | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|
| Actuarially determined contribution | **$ 2,844** | $ 2,243 | $ 2,115 | $ 2,066 | $ 2,003 | $ 1,451 | $ 1,510 |
| Contributions in relation to the actuarially determined contribution | **2,328** | 2,243 | 2,115 | 2,066 | 2,003 | 1,451 | 1,510 |
| Contribution deficiency (excess) | **$ 516** | $ - | $ - | $ - | $ - | $ - | $ - |
| Covered payroll | **$ 1,371** | $ 727 | $ 537 | $ 629 | $ 607 | $ 1,128 | $ 1,027 |
| Contributions as a percentage of covered payroll | **169.8%** | 308.5% | 393.9% | 328.5% | 330.0% | 128.6% | 147.0% |

**Notes to the Schedule:**

(1) Actuarial Assumptions

| | |
|---|---|
| Valuation Date | July 1, 2019 and January 1, 2020 |
| Actuarial Cost Method | Entry Age Normal |
| Discount rate | 2.21% |
| Projected Salary Increases | 3.00% |
| COLA rate | 2.50% and 0.00% |

(2) The schedule will present 10 years of information once it is accumulated.

# GEORGIA PORTS AUTHORITY

## REQUIRED SUPPLEMENTARY INFORMATION
## RETIREE MEDICAL AND DENTAL PLAN (OPEB)
## SCHEDULE OF CHANGES IN THE AUTHORITY'S NET OPEB LIABILITY AND RELATED RATIOS
## FOR THE FISCAL YEARS ENDED JUNE 30,
## (In Thousands)

| | **2021** | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|---|
| **Total OPEB liability** | | | | | | |
| Service cost | **$ 606** | $ 571 | $ 508 | $ 471 | $ 639 | $ 603 |
| Interest on total OPEB liability | **1,496** | 1,455 | 1,288 | 1,251 | 1,393 | 1,353 |
| Plan changes | **-** | - | - | - | (2,423) | - |
| Economic/demographic gains or losses | **(1,432)** | - | 983 | - | 525 | (456) |
| Changes in assumptions | **(283)** | - | 1,343 | - | (1,311) | - |
| Benefit payments | **(1,235)** | (1,496) | (1,292) | (1,018) | (1,011) | (741) |
| **Net change in total OPEB liability** | **(848)** | 530 | 2,830 | 704 | (2,188) | 759 |
| **Total OPEB liability - beginning** | **24,951** | 24,421 | 21,591 | 20,887 | 23,075 | 22,316 |
| **Total OPEB liability - ending (a)** | **24,103** | 24,951 | 24,421 | 21,591 | 20,887 | 23,075 |
| **Plan fiduciary net position** | | | | | | |
| Contributions - employer | **2,000** | 1,738 | 1,217 | 1,890 | 2,450 | 2,250 |
| Net investment income | **348** | 713 | 125 | (7) | 68 | 59 |
| Benefit payments | **(1,235)** | (1,496) | (1,292) | (1,018) | (1,011) | (741) |
| Administrative expenses | **(182)** | (142) | (118) | (85) | (76) | (76) |
| **Net change in plan fiduciary net position** | **931** | 813 | (68) | 780 | 1,431 | 1,492 |
| **Plan fiduciary net position - beginning** | **13,654** | 12,841 | 12,909 | 12,129 | 10,698 | 9,206 |
| **Plan fiduciary net position - ending (b)** | **14,585** | 13,654 | 12,841 | 12,909 | 12,129 | 10,698 |
| **Authority's net OPEB liability - ending (a) - (b)** | **$ 9,518** | $ 11,297 | $ 11,580 | $ 8,682 | $ 8,758 | $ 12,377 |
| **Plan fiduciary net position as a percentage of the total OPEB liability** | **60.5%** | 54.7% | 52.6% | 59.8% | 58.1% | 46.4% |
| **Covered-employee payroll** | **$ 100,978** | $ 97,692 | $ 88,510 | $ 70,793 | $ 70,793 | $ 66,803 |
| **Net OPEB liability as a percentage of covered-employee payroll** | **9.4%** | 11.6% | 13.1% | 12.3% | 12.4% | 18.5% |

**Notes to the Schedule:**

The schedule will present 10 years of information once it is accumulated.

# GEORGIA PORTS AUTHORITY

## REQUIRED SUPPLEMENTARY INFORMATION
## RETIREE MEDICAL AND DENTAL PLAN (OPEB)
## SCHEDULE OF AUTHORITY CONTRIBUTIONS

## FOR THE FISCAL YEARS ENDED JUNE 30,
## (In Thousands)

| | **2021** | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|
| Actuarially determined contribution | **$ 2,165** | $ 2,451 | $ 2,267 | $ 1,803 | $ 1,600 | $ 2,406 | $ 2,242 |
| Contributions in relation to the actuarially determined contribution | **2,081** | 2,000 | 1,738 | 1,217 | 1,890 | 2,450 | 2,250 |
| Contribution deficiency (excess) | **$ 84** | $ 451 | $ 529 | $ 586 | $ (290) | $ (44) | $ (8) |
| Covered employee payroll | **$ 112,263** | $ 100,978 | $ 97,692 | $ 88,510 | $ 70,793 | $ 66,803 | $ 66,803 |
| Contributions as a percentage of covered-employee payroll | **1.9%** | 2.0% | 1.8% | 1.4% | 2.7% | 3.7% | 3.4% |

**Notes to the Schedule:**

(1) Actuarial Assumptions

| | |
|---|---|
| Valuation Date | July 1, 2020 |
| Actuarial Cost Method | Entry Age Normal |
| Discount rate | 6.00% |
| Assumed Rate of Return on Investments | 6.00% |
| Inflation rate | 2.20% |
| Healthcare cost rate trend, initial | 5.60% |
| Healthcare cost rate trend, ultimate | 3.70% |

(2) The schedule will present 10 years of information once it is accumulated.

# GEORGIA PORTS AUTHORITY

## REQUIRED SUPPLEMENTARY INFORMATION
## RETIREE MEDICAL AND DENTAL PLAN (OPEB)
## SCHEDULE OF OPEB INVESTMENT RETURNS

## FOR THE FISCAL YEARS ENDED JUNE 30,
## (In Thousands)

| | **2021** | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|
| Annual money-weighted rate of return, net of investment expenses for the Authority's OPEB Plan | **24.26%** | 2.40% | 5.53% | 0.10% | 0.57% | 0.27% | 0.16% |

**Notes to the Schedule:**

The schedule will present 10 years of information once it is accumulated.

# SUPPLEMENTARY INFORMATION

# GEORGIA PORTS AUTHORITY

## COMBINING STATEMENT OF FIDUCIARY NET POSITION
## PENSION AND OPEB TRUST FUNDS
## JUNE 30, 2021
## (In Thousands)

| | Retirement Plan For Employees of the GPA | Retiree Medical and Dental Plan | Total |
|---|---|---|---|
| **ASSETS** | | | |
| Cash and short-term investments | $ 4,451 | $ 376 | $ 4,827 |
| Receivables: | | | |
| Interest and dividends receivable | 401 | 63 | 464 |
| Prepaid expenses | - | 3 | 3 |
| Investments, at fair value: | | | |
| Immediate Participation Guarantee (IPG) Contracts | 10,494 | - | 10,494 |
| Equity securities: | | | |
| Exchange traded funds | 281,767 | 7,270 | 289,037 |
| Fixed income | 105,542 | - | 105,542 |
| Mutual funds | - | 10,932 | 10,932 |
| Alternative funds | 2,185 | - | 2,185 |
| Total Assets | 404,840 | 18,644 | 423,484 |
| **LIABILITIES** | | | |
| Accounts payable | - | 106 | 106 |
| Accrued claims payable | - | 93 | 93 |
| Total Liabilities | - | 199 | 199 |
| **NET POSITION RESTRICTED FOR PENSION AND OPEB BENEFITS** | $ 404,840 | $ 18,445 | $ 423,285 |

**(Continued)**

# GEORGIA PORTS AUTHORITY

## COMBINING STATEMENT OF FIDUCIARY NET POSITION
## PENSION AND OPEB TRUST FUNDS
## JUNE 30, 2020
## (In Thousands)

| | Retirement Plan For Employees of the GPA | Retiree Medical and Dental Plan | Total |
|---|---|---|---|
| **ASSETS** | | | |
| Cash and short-term investments | $ 2,704 | $ 641 | $ 3,345 |
| Receivables: | | | |
| Interest and dividends receivable | - | 25 | 25 |
| Prepaid expenses | - | 3 | 3 |
| Investments, at fair value: | | | |
| Immediate Participation Guarantee (IPG) Contracts | 10,049 | - | 10,049 |
| Equity securities: | | | |
| Exchange traded funds | 217,727 | 5,165 | 222,892 |
| Fixed income | 95,210 | - | 95,210 |
| Mutual funds | - | 8,883 | 8,883 |
| Alternative funds | 2,184 | - | 2,184 |
| Total Assets | 327,874 | 14,717 | 342,591 |
| **LIABILITIES** | | | |
| Accounts payable | - | 71 | 71 |
| Accrued claims payable | - | 61 | 61 |
| Total Liabilities | - | 132 | 132 |
| **NET POSITION RESTRICTED FOR PENSION AND OPEB BENEFITS** | $ 327,874 | $ 14,585 | $ 342,459 |

# GEORGIA PORTS AUTHORITY

## COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
## PENSION AND OPEB TRUST FUNDS
## FOR THE FISCAL YEAR ENDED JUNE 30, 2021
## (In Thousands)

| | Retirement Plan For Employees of the GPA | Retiree Medical and Dental Plan | Total |
|---|---|---|---|
| **Additions:** | | | |
| Contributions: | | | |
| Employer | $ 14,164 | $ 2,081 | $ 16,245 |
| Employees | 733 | 297 | 1,030 |
| Total contributions | 14,897 | 2,378 | 17,275 |
| Investment income: | | | |
| Net change in the fair value of investments | 70,388 | 3,492 | 73,880 |
| Dividends and interest | 5,947 | 264 | 6,211 |
| Net investment income | 76,335 | 3,756 | 80,091 |
| Total additions | 91,232 | 6,134 | 97,366 |
| **Deductions:** | | | |
| Benefits | 13,450 | 2,081 | 15,531 |
| Administrative expenses | 816 | 193 | 1,009 |
| Total deductions | 14,266 | 2,274 | 16,540 |
| **Net Increase** | 76,966 | 3,860 | 80,826 |
| Net Position Restricted for Pension and OPEB Benefits: | | | |
| Beginning | 327,874 | 14,585 | 342,459 |
| Ending | $ 404,840 | $ 18,445 | $ 423,285 |

## GEORGIA PORTS AUTHORITY

### COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
### PENSION AND OPEB TRUST FUNDS
### FOR THE FISCAL YEAR ENDED JUNE 30, 2020
### (In Thousands)

| | Retirement Plan For Employees of the GPA | Retiree Medical and Dental Plan | Total |
|---|---|---|---|
| **Additions:** | | | |
| Contributions: | | | |
| Employer | $ 17,935 | $ 2,000 | $ 19,935 |
| Employees | 760 | 273 | 1,033 |
| Total contributions | 18,695 | 2,273 | 20,968 |
| Investment income: | | | |
| Net change in the fair value of investments | 21,981 | 73 | 22,054 |
| Dividends and interest | 5,904 | 274 | 6,178 |
| Net investment income | 27,885 | 347 | 28,232 |
| Total additions | 46,580 | 2,620 | 49,200 |
| **Deductions:** | | | |
| Benefits | 11,698 | 1,508 | 13,206 |
| Administrative expenses | 743 | 181 | 924 |
| Total deductions | 12,441 | 1,689 | 14,130 |
| **Net Increase** | 34,139 | 931 | 35,070 |
| Net Position Restricted for Pension and OPEB Benefits: | | | |
| Beginning | 293,735 | 13,654 | 307,389 |
| Ending | $ 327,874 | $ 14,585 | $ 342,459 |

# STATISTICAL SECTION

This part of the Authority's *Annual Comprehensive Financial Report* presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the Authority's overall financial health.

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Statistical schedules differ from financial statements because they usually cover multiple fiscal years, and may present non-accounting data. These schedules reflect social and economic data and financial trends of the Authority taken directly from its records unless otherwise indicated.

**Sources:** Unless otherwise noted, the information in these schedules is derived from the Authority's financial reports for the relevant year.

# GEORGIA PORTS AUTHORITY

## NET POSITION BY COMPONENT
## LAST TEN FISCAL YEARS
## (In Thousands)

| | Fiscal Year | | | |
|---|---|---|---|---|
| | **2021** | 2020 | 2019 | 2018 |
| Net investment in capital assets | **$ 1,589,653** | $ 1,460,779 | $ 1,310,360 | $ 1,141,563 |
| Unrestricted | **455,842** | 372,006 | 385,806 | 357,273 |
| **Total net position** [(a)] | **$ 2,045,495** | $ 1,832,785 | $ 1,696,166 | $ 1,498,836 |

[(a)] Net position has gradually increased due to general growth of the Authority with a majority of the growth being invested in capital assets.

| 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|---|---|---|---|---|---|
| $ 1,068,045 | $ 1,018,917 | $ 940,378 | $ 871,809 | $ 872,152 | $ 831,229 |
| 299,854 | 234,651 | 209,462 | 188,731 | 107,224 | 156,720 |
| $ 1,367,899 | $ 1,253,568 | $ 1,149,840 | $ 1,060,540 | $ 979,376 | $ 987,949 |

# GEORGIA PORTS AUTHORITY

## CHANGE IN NET POSITION
## LAST TEN FISCAL YEARS
## (In Thousands)

| | Fiscal Year | | | |
|---|---|---|---|---|
| | **2021** | 2020 | 2019 | 2018 |
| **Operating revenues:** | | | | |
| Container cargo | **$ 551,507** | $ 415,726 | $ 410,006 | $ 364,504 |
| General cargo | **58,517** | 61,014 | 58,752 | 54,410 |
| Liquid and dry bulk | **5,405** | 4,988 | 4,861 | 7,468 |
| | **615,429** | 481,728 | 473,619 | 426,382 |
| **Non-operating revenues:** | | | | |
| Investment income (loss) | **286** | 4,706 | 7,224 | 3,864 |
| Gain (loss) on sale/impairment of capital assets | **(7,889)** | 422 | 38,583 | (5,585) |
| Non-capital contributions | **14,028** | 27,767 | 274 | 710 |
| | **6,425** | 32,895 | 46,081 | (1,011) |
| **Total revenues** [(a)] | **621,854** | 514,623 | 519,700 | 425,371 |
| **Operating expenses:** | | | | |
| Operation and maintenance of facilities | **231,332** | 200,532 | 195,891 | 168,008 |
| General and administrative | **89,654** | 75,786 | 68,509 | 65,171 |
| Depreciation | **76,281** | 67,005 | 61,148 | 58,784 |
| | **397,267** | 343,323 | 325,548 | 291,963 |
| **Non-operating expenses:** | | | | |
| Interest expense | **-** | - | - | 30 |
| Non-capital port development expense | **11,461** | 26,011 | 380 | 60 |
| Capital contributions repaid to the State of Georgia [(b)] | **-** | 5,472 | 7,198 | 4,735 |
| Conservation commitments expense | **-** | - | - | - |
| Other | **8,889** | 8,972 | 10,395 | 2,567 |
| | **20,350** | 40,455 | 17,973 | 7,392 |
| **Total expenses** [(a)] | **417,617** | 383,778 | 343,521 | 299,355 |
| **Income before contributions and extraordinary items** | **204,237** | 130,845 | 176,179 | 126,016 |
| **Total contributions from federal and state agencies** | **8,473** | 5,774 | 21,151 | 4,921 |
| **Extraordinary items:** | | | | |
| Loss due to Hurricane Matthew | **-** | - | - | - |
| Gain on recovery from warehouse fire | **-** | - | - | - |
| **Change in net position** | **212,710** | 136,619 | 197,330 | 130,937 |
| **Net position, beginning of year** [(c)(d)] | **1,832,785** | 1,696,166 | 1,498,836 | 1,367,899 |
| **Net position, end of year** | **$ 2,045,495** | $ 1,832,785 | $ 1,696,166 | $ 1,498,836 |

[(a)] Revenues and expenses have gradually increased due to the general growth of container volume.

[(b)] The Authority makes voluntary annual payments to the State of Georgia's Treasury. These payments may be adjusted, deferred, or redirected by the state depending on the Authority's ability to pay.

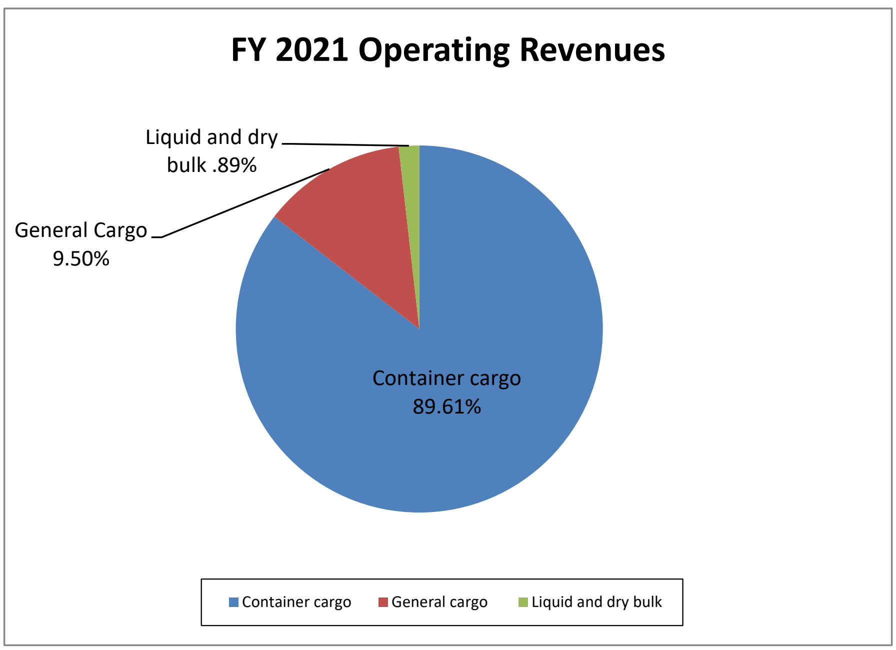
[(c)] Fiscal year 2013 net position differs from the fiscal year 2012 ending net position due to a restatement posted as a result of the implementation of GASB Statement No. 68.

[(d)] Fiscal year 2015 net position differs from the fiscal year 2014 ending net position due to a restatement posted as a result of the implementation of GASB Statements No. 73 and 75.

| 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|---|---|---|---|---|---|
| $ 311,193 | $ 282,873 | $ 290,718 | $ 247,384 | $ 230,702 | $ 229,638 |
| 51,708 | 52,337 | 54,438 | 50,900 | 50,162 | 48,911 |
| 10,082 | 11,053 | 11,337 | 12,315 | 11,719 | 4,989 |
| 372,983 | 346,263 | 356,493 | 310,599 | 292,583 | 283,538 |
| 1,463 | 789 | 427 | (21) | 389 | 439 |
| (208) | 1,338 | 2,284 | 553 | 1,009 | 112 |
| 13,404 | 31,737 | 197,367 | 843 | 16,018 | 3,890 |
| 14,659 | 33,864 | 200,078 | 1,375 | 17,416 | 4,441 |
| 387,642 | 380,127 | 556,571 | 311,974 | 309,999 | 287,979 |
| 149,457 | 140,578 | 143,214 | 129,024 | 119,741 | 118,831 |
| 54,894 | 49,318 | 52,542 | 45,321 | 45,007 | 43,274 |
| 55,336 | 52,190 | 50,953 | 51,463 | 49,537 | 43,280 |
| 259,687 | 242,086 | 246,709 | 225,808 | 214,285 | 205,385 |
| 280 | 212 | 190 | 205 | 268 | 305 |
| 12,903 | 33,980 | 200,109 | 4,034 | 16,654 | 5,101 |
| 4,508 | 9,656 | 38 | 11,288 | 20,044 | 7,344 |
| - | - | - | - | 35,530 | - |
| 4,994 | 2,989 | 1,649 | 328 | 1,447 | 786 |
| 22,685 | 46,837 | 201,986 | 15,855 | 73,943 | 13,536 |
| 282,372 | 288,923 | 448,695 | 241,663 | 288,228 | 218,921 |
| 105,270 | 91,204 | 107,876 | 70,311 | 21,771 | 69,058 |
| 9,911 | 5,770 | 3,759 | 7,445 | 11,882 | 9,698 |
| (850) | - | - | - | - | - |
| - | 6,754 | 1,086 | 3,408 | - | - |
| 114,331 | 103,728 | 112,721 | 81,164 | 33,653 | 78,756 |
| 1,253,568 | 1,149,840 | 1,037,119 | 979,376 | 945,723 | 909,193 |
| $ 1,367,899 | $ 1,253,568 | $ 1,149,840 | $ 1,060,540 | $ 979,376 | $ 987,949 |

## OPERATING REVENUES AND REVENUE TONNAGE BY TYPE
## LAST TEN FISCAL YEARS
## (In Thousands)

| | Fiscal Year | | | |
|---|---|---|---|---|
| | **2021** | 2020 | 2019 | 2018 |
| **Operating revenues:** | | | | |
| Container cargo | **$ 551,507** | $ 415,726 | $ 410,006 | $ 364,504 |
| General cargo | **58,517** | 61,014 | 58,752 | 54,410 |
| Liquid and dry bulk | **5,405** | 4,988 | 4,861 | 7,468 |
| **Operating revenues [a]** | **$ 615,429** | $ 481,728 | $ 473,619 | $ 426,382 |
| **Revenue tonnage:** | | | | |
| Container cargo | **36,527** | 33,472 | 32,911 | 31,317 |
| General cargo (breakbulk) | **2,625** | 2,476 | 2,836 | 2,774 |
| Dry bulk | **1,269** | 1,100 | 1,216 | 1,035 |
| Liquid bulk | **557** | 557 | 426 | 724 |
| **Revenue tonnage** | **40,978** | 37,605 | 37,389 | 35,850 |




[a] Operating revenues have gradually increased due to the general growth of container volume.

| 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|---|---|---|---|---|---|
| $ 311,193 | $ 282,873 | $ 290,718 | $ 247,384 | $ 230,702 | $ 229,638 |
| 51,708 | 52,337 | 54,438 | 50,900 | 50,162 | 48,911 |
| 10,082 | 11,053 | 11,337 | 12,315 | 11,719 | 4,989 |
| $ 372,983 | $ 346,263 | $ 356,493 | $ 310,599 | $ 292,583 | $ 283,538 |
| 28,425 | 25,700 | 25,858 | 23,981 | 22,116 | 22,355 |
| 2,639 | 2,673 | 2,876 | 2,684 | 2,595 | 2,668 |
| 1,264 | 1,375 | 1,973 | 1,965 | 1,757 | 859 |
| 899 | 910 | 867 | 658 | 634 | 580 |
| 33,227 | 30,658 | 31,574 | 29,288 | 27,102 | 26,462 |

# GEORGIA PORTS AUTHORITY

## REVENUE TONNAGE REPORT
## LAST TEN FISCAL YEARS
## (In Tons)

| | Fiscal Year | | | |
|---|---|---|---|---|
| | **2021** | 2020 | 2019 | 2018 |
| **Container:** | | | | |
| Garden City Terminal (Note 1) | **36,527,074** | 33,472,171 | 32,911,468 | 31,316,825 |
| **Total Container** | **36,527,074** | 33,472,171 | 32,911,468 | 31,316,825 |
| **Breakbulk:** | | | | |
| Garden City Terminal | **5,602** | 15,735 | 4,717 | 12,794 |
| Ocean Terminal | **1,107,861** | 1,138,723 | 1,496,699 | 1,370,854 |
| Brunswick-East River & Lanier Docks | **-** | - | - | - |
| Brunswick-Mayor's Point | **53,037** | 130,232 | 81,470 | 138,724 |
| Brunswick-Colonels Island | **1,458,223** | 1,190,930 | 1,253,051 | 1,251,207 |
| **Total Breakbulk** | **2,624,723** | 2,475,620 | 2,835,937 | 2,773,579 |
| **Bulk - Dry:** | | | | |
| Ocean Terminal | **-** | - | - | - |
| Brunswick-East River & Lanier Docks | **1,269,296** | 1,100,178 | 1,215,763 | 1,012,993 |
| Brunswick-Colonels Island | - | - | - | 22,569 |
| **Total Dry Bulk** | **1,269,296** | 1,100,178 | 1,215,763 | 1,035,562 |
| **Bulk - Liquid:** | | | | |
| Garden City Terminal | **556,979** | 557,362 | 426,369 | 724,015 |
| Ocean Terminal | **-** | - | - | - |
| Brunswick-East River & Lanier Docks | **-** | - | - | - |
| **Total Liquid Bulk** | **556,979** | 557,362 | 426,369 | 724,015 |
| **Total Tonnage** | **40,978,072** | 37,605,331 | 37,389,537 | 35,849,981 |

**Note 1 - Garden City Terminal**

| | | | | |
|---|---|---|---|---|
| Containers | **2,935,463** | 2,464,744 | 2,496,386 | 2,318,436 |
| TEUs | **5,331,392** | 4,435,577 | 4,477,745 | 4,172,576 |

| 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|---|---|---|---|---|---|
| 28,425,294 | 25,700,301 | 25,858,187 | 23,981,129 | 22,115,639 | 22,355,522 |
| 28,425,294 | 25,700,301 | 25,858,187 | 23,981,129 | 22,115,639 | 22,355,522 |
| 12,926 | 8,037 | 9,017 | 5,961 | 5,994 | 3,851 |
| 1,258,378 | 1,208,892 | 1,363,511 | 1,176,530 | 1,248,891 | 1,426,744 |
| - | - | - | - | 20 | 5 |
| 103,060 | 161,333 | 149,947 | 157,686 | 129,319 | 154,575 |
| 1,264,934 | 1,295,136 | 1,353,937 | 1,344,043 | 1,211,081 | 1,083,195 |
| 2,639,298 | 2,673,398 | 2,876,412 | 2,684,220 | 2,595,305 | 2,668,370 |
| - | - | - | - | - | - |
| 912,106 | 929,230 | 1,097,971 | 973,281 | 815,337 | 663,441 |
| 351,640 | 445,701 | 874,958 | 991,374 | 941,165 | 195,306 |
| 1,263,746 | 1,374,931 | 1,972,929 | 1,964,655 | 1,756,502 | 858,747 |
| 898,646 | 909,825 | 866,650 | 658,370 | 633,961 | 579,801 |
| - | - | - | - | 108 | 191 |
| - | - | - | - | - | - |
| 898,646 | 909,825 | 866,650 | 658,370 | 634,069 | 579,992 |
| 33,226,984 | 30,658,455 | 31,574,178 | 29,288,374 | 27,101,515 | 26,462,631 |
| 2,142,850 | 2,003,352 | 2,028,608 | 1,738,985 | 1,641,509 | 1,665,590 |
| 3,847,841 | 3,605,951 | 3,661,486 | 3,127,527 | 2,949,449 | 2,982,467 |

## GEORGIA PORTS AUTHORITY

### TOP TEN VESSEL AND CARGO CUSTOMERS
### CURRENT YEAR AND NINE YEARS AGO
### (In Thousands)

| | 2021 | | | 2012 | | |
|---|---|---|---|---|---|---|
| **Customer** | **Revenue** | **Rank** | **Percentage of Total Revenue** | Revenue | Rank | Percentage of Total Revenue |
| ONE | **$ 73,509** | **1** | **11.94%** | $ | | |
| Maersk, Inc. | **72,422** | **2** | **11.77%** | 34,047 | 1 | 12.01% |
| CMA CGM Line | **71,561** | **3** | **11.63%** | 20,726 | 2 | 7.31% |
| Mediterranean Shipping Company | **66,147** | **4** | **10.75%** | 17,702 | 4 | 6.24% |
| Hapag Lloyd (America), Inc. | **59,236** | **5** | **9.63%** | 20,402 | 3 | 7.20% |
| Zim American Integrated Shipping | **53,959** | **6** | **8.77%** | 13,427 | 5 | 4.74% |
| COSCO Container Lines Americas | **31,540** | **7** | **5.12%** | | | |
| Evergreen Shipping | **26,435** | **8** | **4.30%** | 9,575 | 9 | 3.38% |
| OOCL (USA), Inc. | **26,180** | **9** | **4.25%** | | | |
| Yang Ming Marine | **17,585** | **10** | **2.86%** | | | |
| Hanjin Shipping Company | | | | 12,088 | 7 | 4.26% |
| NYK Line (NA), Inc. | | | | 11,215 | 8 | 3.96% |
| Norfolk Southern Corp. | | | | 8,519 | 10 | 3.00% |
| APL | | | | 12,462 | 6 | 4.40% |
| **Total** | **$ 498,574** | | **81.02%** | $ 160,163 | | 56.49% |

# GEORGIA PORTS AUTHORITY

## GENERAL BONDED DEBT BY TYPE
## LAST TEN FISCAL YEARS
## (In Thousands, Except Per Capita)

**Outstanding Principal**

| Fiscal Year | Line of Credit | Revenue Bonds | Total Outstanding Debt | Per Capita |
|---|---|---|---|---|
| 2012 | $ 38,457 | $ 19,015 | $ 57,472 | $ 6 |
| 2013 | 36,457 | - | 36,457 | 4 |
| 2014 | 34,057 | - | 34,057 | 4 |
| 2015 | 31,657 | - | 31,657 | 3 |
| 2016 | 29,257 | - | 29,257 | 3 |
| 2017 | 26,857 | - | 26,857 | 3 |
| 2018 | - | - | - | - |
| 2019 | - | - | - | - |
| 2020 | - | - | - | - |
| 2021 | - | - | - | - |

**Outstanding Principal and Interest**

| Fiscal Year | Line of Credit (Excluding Interest) | Revenue Bonds | Total Outstanding Debt | Per Capita |
|---|---|---|---|---|
| 2012 | $ 38,457 | $ 19,118 | $ 57,575 | $ 6 |
| 2013 | 36,457 | - | 36,457 | 4 |
| 2014 | 34,057 | - | 34,057 | 4 |
| 2015 | 31,657 | - | 31,657 | 3 |
| 2016 | 29,257 | - | 29,257 | 3 |
| 2017 | 26,857 | - | 26,857 | 3 |
| 2018 | - | - | - | - |
| 2019 | - | - | - | - |
| 2020 | - | - | - | - |
| 2021 | - | - | - | - |

# GEORGIA PORTS AUTHORITY

## NET REVENUE AVAILABLE FOR DEBT SERVICE
## LAST TEN FISCAL YEARS
## (In Thousands)

| | Fiscal Year | | | |
|---|---|---|---|---|
| | **2021** | 2020 | 2019 | 2018 |
| **Operating Revenues:** | | | | |
| Container cargo | **$ 551,507** | $ 415,726 | $ 410,006 | $ 364,504 |
| General cargo | **58,517** | 61,014 | 58,752 | 54,410 |
| Liquid and dry bulk | **5,405** | 4,988 | 4,861 | 7,468 |
| Total operating revenues | **615,429** | 481,728 | 473,619 | 426,382 |
| **Operating Expenses:** | | | | |
| Operation and maintenance of facilities | **231,332** | 200,532 | 195,891 | 168,008 |
| General and administrative | **89,654** | 75,786 | 68,509 | 65,171 |
| Total operating expenses | **320,986** | 276,318 | 264,400 | 233,179 |
| **Net revenues available for debt service on revenue bonds** | **$ 294,443** | $ 205,410 | $ 209,219 | $ 193,203 |
| **Principal payments on revenue bonds** | **$ -** | $ - | $ - | $ - |
| **Interest expense on revenue bonds** | **-** | - | - | - |
| **Annual debt service on revenue bonds** | **$ -** | $ - | $ - | $ - |
| **Coverage by net revenues** | **-** | - | - | - |

| 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|---|---|---|---|---|---|
| $ 311,193 | $ 282,873 | $ 290,718 | $ 247,384 | $ 230,702 | $ 229,638 |
| 51,708 | 52,337 | 54,438 | 50,900 | 50,162 | 48,911 |
| 10,082 | 11,053 | 11,337 | 12,315 | 11,719 | 4,989 |
| 372,983 | 346,263 | 356,493 | 310,599 | 292,583 | 283,538 |
| | | | | | |
| 149,457 | 140,578 | 143,214 | 129,024 | 119,741 | 118,831 |
| 54,894 | 49,318 | 52,542 | 45,321 | 45,007 | 43,274 |
| 204,351 | 189,896 | 195,756 | 174,345 | 164,748 | 162,105 |
| | | | | | |
| $ 168,632 | $ 156,367 | $ 160,737 | $ 136,254 | $ 127,835 | $ 121,433 |
| $ - | $ - | $ - | $ - | $ 19,015 | $ 16,560 |
| - | - | - | - | 37 | 53 |
| $ - | $ - | $ - | $ - | $ 19,052 | $ 16,613 |
| - | - | - | - | 671% | 731% |

## STATE OF GEORGIA POPULATION/DEMOGRAPHICS
## LAST TEN CALENDAR YEARS
## (In Thousands)

| | Population | Personal Income (In Millions) | Per Capita Personal Income | Public School Enrollment | Unemployment Rate |
|---|---|---|---|---|---|
| 2020 | 10,710,017 | $ 547,976 | $ 51,165 | 1,723,127 | 6.5% |
| 2019 | 10,617,423 | 511,745 | 48,199 | 1,760,739 | 3.4% |
| 2018 | 10,519,475 | 481,213 | 45,745 | 1,759,838 | 3.9% |
| 2017 | 10,429,379 | 451,281 | 43,270 | 1,761,472 | 4.7% |
| 2016 | 10,310,371 | 431,334 | 41,835 | 1,757,543 | 5.4% |
| 2015 | 10,199,398 | 411,719 | 40,367 | 1,749,316 | 5.9% |
| 2014 | 10,087,231 | 392,121 | 38,873 | 1,736,416 | 7.2% |
| 2013 | 9,984,938 | 371,160 | 37,172 | 1,716,905 | 8.2% |
| 2012 | 9,914,668 | 365,484 | 36,863 | 1,693,374 | 9.2% |
| 2011 | 9,811,610 | 359,782 | 36,669 | 1,673,740 | 10.2% |

Sources:
Population - U.S. Department of Commerce, Bureau of the Census (midyear population estimates)
Personal Income - U.S. Department of Commerce, Bureau of Economic Analysis
Public School Enrollment - Georgia Department of Education (March of each school year)
Unemployment Rate - U.S. Department of Labor (annual average)

## STATE OF GEORGIA PRINCIPAL PRIVATE SECTOR EMPLOYERS
## CURRENT YEAR AND NINE YEARS AGO

| **2021 Employers** | 2012 Employers |
|---|---|
| **Amazon.Com Services, Inc.** | Delta Air Lines, Inc. |
| **Delta Air Lines, Inc.** | Emory Health Care |
| **Emory Healthcare, Inc.** | Emory University |
| **Emory University** | Georgia Power Company |
| **Fedex Ground Package System, Inc.** | GMRI, Inc. |
| **Lowe's Home Centers , Inc.** | Lowe's Home Centers |
| **McDonalds** | Mohawk Carpet |
| **Northside Hospital** | Publix Super Markets, Inc. |
| **Publix Super Markets, Inc.** | Shaw Industries, Inc. |
| **Shaw Industries Group, Inc.** | Target |
| **Target** | The Home Depot |
| **The Home Depot** | The Kroger Company |
| **The Kroger Company** | United Parcel Service |
| **United Parcel Service** | Wal-Mart Stores, Inc. |
| **Wal-Mart Stores, Inc.** | Wellstar Health System |
| **Wellstar Health System, Inc.** | |

Note: To protect employer confidentiality, Georgia law prohibits the release of employee numbers by employer.

Source: 2021 - The Georgia Department of Labor (fourth quarter 2020)
2012 - State of Georgia's Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2012

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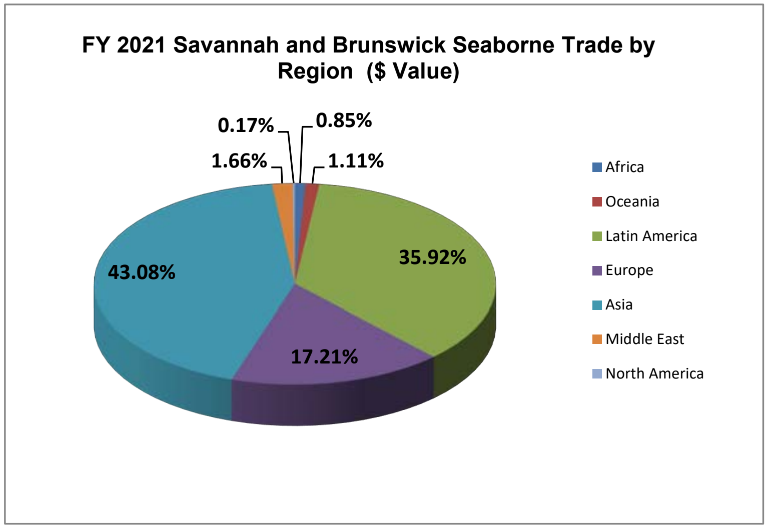
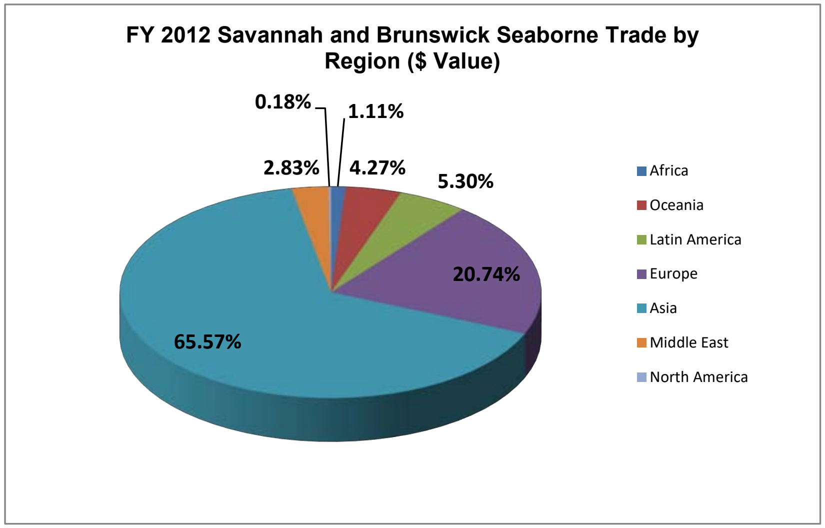
# GEORGIA PORTS AUTHORITY

## PORT OF SAVANNAH AND BRUNSWICK
## SEABORNE TRADE BY REGION
## CURRENT YEAR AND NINE YEARS AGO




**Trade Through the Ports of Savannah and Brunswick By Region in Fiscal Year 2021 - $(000)**

| | Imports | Exports | Total | % |
|---|---|---|---|---|
| Africa | $ 565,987 | $ 1,685,912 | $ 2,251,899 | 0.85% |
| Oceania | $ 660,830 | $ 2,291,750 | $ 2,952,580 | 1.11% |
| Latin America | $ 88,966,115 | $ 6,467,718 | $ 95,433,833 | 35.92% |
| Europe | $ 27,269,901 | $ 18,446,995 | $ 45,716,896 | 17.21% |
| Asia | $ 90,846,485 | $ 23,623,857 | $ 114,470,342 | 43.08% |
| Middle East | $ 1,034,064 | $ 3,387,893 | $ 4,421,957 | 1.66% |
| North America | $ 329,616 | $ 130,642 | $ 460,258 | 0.17% |
| Total | $ 209,672,998 | $ 56,034,767 | $ 265,707,765 | 100.00% |

Source: PIERS (excludes fuel, oil, and crude - includes GPA and private terminals)

**Trade Through the Ports of Savannah and Brunswick By Region in Fiscal Year 2012 - $(000)**

| | Imports | Exports | Total | % |
|---|---|---|---|---|
| Africa | $ 214,049 | $ 1,651,227 | $ 1,865,276 | 1.11% |
| Oceania | $ 1,350,106 | $ 5,808,456 | $ 7,158,562 | 4.27% |
| Latin America | $ 3,392,273 | $ 5,489,394 | $ 8,881,667 | 5.30% |
| Europe | $ 14,086,163 | $ 20,696,866 | $ 34,783,029 | 20.74% |
| Asia | $ 38,267,803 | $ 71,686,102 | $ 109,953,905 | 65.57% |
| Middle East | $ 1,131,487 | $ 3,607,617 | $ 4,739,104 | 2.83% |
| North America | $ 264,694 | $ 36,799 | $ 301,493 | 0.18% |
| Total | $ 58,706,575 | $ 108,976,461 | $ 167,683,036 | 100.00% |

Source: PIERS (excludes fuel, oil, and crude - includes GPA and private terminals)

# GEORGIA PORTS AUTHORITY

## VESSEL ARRIVALS BY TERMINAL
## LAST TEN FISCAL YEARS

| | Fiscal Year | | | |
|---|---|---|---|---|
| | **2021** | 2020 | 2019 | 2018 |
| Garden City Terminal | **1,708** | 1,829 | 1,848 | 1,915 |
| Ocean Terminal | **290** | 223 | 275 | 258 |
| Colonel's Island Terminal | **480** | 424 | 462 | 442 |
| East River & Lanier Docks Terminals | **78** | 73 | 76 | 69 |
| Mayor's Point Terminal | **13** | 19 | 15 | 19 |
| Barges - All Terminals | **18** | 8 | 3 | 6 |
| **Total Arrivals** | **2,587** | 2,576 | 2,679 | 2,709 |

Source: Executive Information System (EIS) Tonnage Comparison Report EISR0061.

| 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|---|---|---|---|---|---|
| 1,916 | 2,063 | 1,894 | 1,871 | 1,905 | 2,063 |
| 256 | 266 | 311 | 252 | 270 | 310 |
| 466 | 505 | 561 | 534 | 500 | 448 |
| 72 | 69 | 78 | 75 | 73 | 69 |
| 17 | 23 | 31 | 28 | 21 | 26 |
| 8 | 20 | 26 | 16 | 13 | 7 |
| 2,735 | 2,946 | 2,901 | 2,776 | 2,782 | 2,923 |

# GEORGIA PORTS AUTHORITY

## CARGO STATISTICS
## LAST TEN FISCAL YEARS
## (In Tons)

| | Fiscal Year | | | |
|---|---|---|---|---|
| | **2021** | 2020 | 2019 | 2018 |
| **Container** | | | | |
| **Total Container Tonnage** | **36,527,074** | 33,472,171 | 32,911,468 | 31,316,825 |
| **Breakbulk:** | | | | |
| Autos | **1,401,591** | 1,166,522 | 1,203,454 | 1,220,732 |
| Clay | **-** | - | - | - |
| Iron & Steel | **347,927** | 309,807 | 463,304 | 433,090 |
| Liner Board | **68,281** | 110,175 | 118,445 | 158,410 |
| Lumber | **28,094** | 28,366 | 21,139 | 62,982 |
| Machinery | **485,379** | 471,641 | 585,427 | 512,070 |
| Paper Products | **156** | - | - | - |
| Plywood | **-** | - | - | 3,502 |
| Rubber | **82,688** | 108,752 | 121,783 | 118,677 |
| Wood Pulp | **194,847** | 211,945 | 281,551 | 229,472 |
| Other | **15,760** | 68,412 | 40,834 | 34,644 |
| **Total Breakbulk Tonnage** | **2,624,723** | 2,475,620 | 2,835,937 | 2,773,579 |
| **Bulk - Dry:** | | | | |
| Animal Feed | **47,647** | 59,704 | 60,470 | 66,140 |
| Barley Malt | **-** | - | - | - |
| Corn | **-** | - | - | - |
| Oats | **-** | - | - | 22,569 |
| Peanut Pellets/Hulls | **64,387** | 37,736 | 22,139 | - |
| Perlite | **153,158** | 133,268 | 152,581 | 132,260 |
| Salt | **112,752** | 48,944 | 40,801 | 40,761 |
| Sand | **-** | - | - | - |
| Soybean Meal | **10,411** | 9,357 | - | - |
| Soybeans | **-** | - | - | - |
| Wheat | **-** | - | - | - |
| Wood Pellets | **726,393** | 700,897 | 741,589 | 611,537 |
| Other | **154,548** | 110,272 | 198,183 | 162,295 |
| **Total Dry Bulk Tonnage** | **1,269,296** | 1,100,178 | 1,215,763 | 1,035,562 |
| **Bulk - Liquid:** | | | | |
| Anhydrous Ammonia | **-** | - | - | - |
| Asphalt | **26,660** | 41,351 | 16,924 | 32,943 |
| Biodiesel | **8,786** | - | - | 8,225 |
| Chemicals | **107,176** | 83,009 | 98,392 | 114,060 |
| Petroleum Products | **-** | 22,509 | - | - |
| Tall Oil | **44,769** | 30,985 | 29,648 | 27,404 |
| Vegetable Oil | **369,588** | 377,119 | 275,994 | 506,030 |
| Other | **-** | 2,389 | 5,311 | 35,353 |
| **Total Liquid Bulk Tonnage** | **556,979** | 557,362 | 426,269 | 724,015 |
| **Total Tonnage** | **40,978,072** | 37,605,331 | 37,389,437 | 35,849,981 |

| 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|---|---|---|---|---|---|
| 28,425,294 | 25,700,301 | 25,858,187 | 23,981,129 | 22,115,639 | 22,355,522 |
| | | | | | |
| 1,255,064 | 1,276,850 | 1,322,014 | 1,309,576 | 1,166,968 | 1,047,694 |
| - | - | - | - | 11,101 | 17,165 |
| 502,592 | 441,788 | 588,245 | 420,545 | 421,147 | 477,338 |
| 130,043 | 128,515 | 137,100 | 165,448 | 142,204 | 131,971 |
| 18,251 | 12,978 | 12,161 | 14,903 | 8,750 | 4,157 |
| 370,453 | 408,839 | 463,307 | 379,975 | 432,289 | 535,899 |
| - | - | - | - | - | - |
| - | 3,073 | 8,456 | 8,688 | 11,229 | 248 |
| 126,473 | 139,696 | 126,730 | 122,748 | 108,041 | 109,613 |
| 198,303 | 217,980 | 170,364 | 209,379 | 198,891 | 212,390 |
| 38,119 | 43,679 | 48,028 | 52,958 | 94,685 | 131,895 |
| 2,639,298 | 2,673,398 | 2,876,405 | 2,684,220 | 2,595,305 | 2,668,370 |
| | | | | | |
| 66,725 | 61,935 | 67,136 | 64,735 | 62,780 | 65,196 |
| - | - | - | - | - | 21,122 |
| - | - | - | - | 148,712 | 4,246 |
| 3,153 | 4,422 | - | - | - | - |
| - | 11,755 | 68,015 | 36,356 | 50,339 | 53,318 |
| 135,257 | 120,569 | 92,963 | 98,217 | 112,440 | 123,982 |
| 56,670 | 39,243 | 54,946 | 49,216 | 32,081 | 46,682 |
| - | - | - | - | - | 5,606 |
| 313,238 | 437,052 | 783,511 | 762,726 | 797,954 | 174,252 |
| 35,249 | 9,556 | 41,225 | 119,717 | - | - |
| - | - | 64,085 | 110,948 | - | - |
| 461,114 | 522,178 | 625,414 | 506,623 | 331,464 | 221,592 |
| 192,340 | 168,221 | 175,632 | 216,117 | 220,732 | 142,751 |
| 1,263,746 | 1,374,931 | 1,972,927 | 1,964,655 | 1,756,502 | 858,747 |
| | | | | | |
| - | - | - | - | 100 | 191 |
| 72,194 | 58,946 | 31,972 | 7,325 | - | 13,988 |
| 119,989 | 123,926 | 55,656 | 52,150 | 11,128 | 4,964 |
| 61,051 | 75,513 | 69,523 | 67,049 | 84,960 | 68,964 |
| 5,236 | 27,782 | 100,370 | 37,728 | 37,717 | 22,105 |
| 23,116 | 2,416 | 17,654 | - | - | - |
| 578,555 | 582,326 | 552,535 | 433,131 | 425,877 | 373,696 |
| 38,505 | 38,916 | 38,940 | 60,987 | 74,287 | 95,884 |
| 898,646 | 909,825 | 866,650 | 658,370 | 634,069 | 579,792 |
| 33,226,984 | 30,658,455 | 31,574,169 | 29,288,374 | 27,101,515 | 26,462,431 |

# GEORGIA PORTS AUTHORITY

## FREIGHT TRAFFIC STATISTICS
## LAST TEN FISCAL YEARS

**Total Freight handled by the Ports of Savannah and Brunswick [a]**
**Includes private terminals - Excludes fuel, oil, and crude**
**(In Tons)**

| | Fiscal Year | | | |
|---|---|---|---|---|
| | **2021** | 2020 | 2019 | 2018 |
| Containerized | **36,377,479** | 33,620,668 | 32,756,076 | 30,956,886 |
| Non containerized | **6,933,614** | 7,495,525 | 7,149,923 | 7,169,180 |
| **Total** | **43,311,093** | 41,116,193 | 39,905,999 | 38,126,066 |
| | | | | |
| Imports | **26,811,124** | 23,742,570 | 23,105,451 | 21,340,566 |
| Exports | **16,499,968** | 17,373,623 | 16,800,548 | 16,785,500 |
| **Total** | **43,311,092** | 41,116,193 | 39,905,999 | 38,126,066 |

**Total Value of Freight handled by the Ports of Savannah and Brunswick [a]**
**Includes private terminals - Excludes fuel, oil, and crude**
**(In Thousands)**

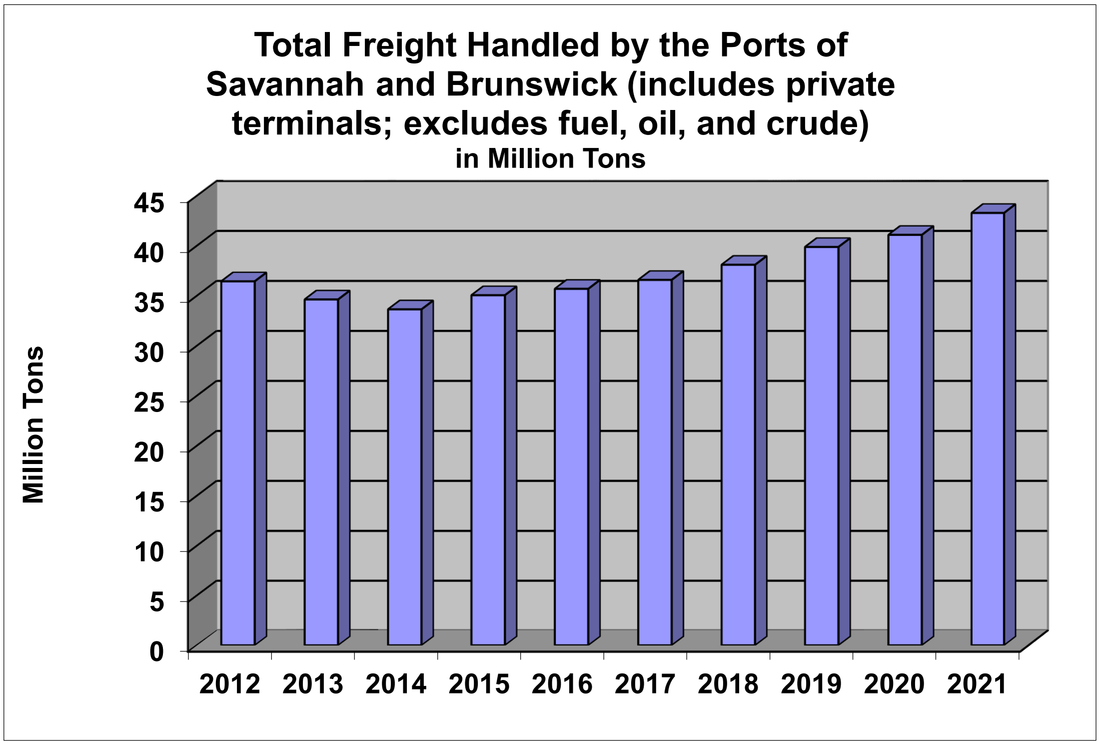
| | Fiscal Year | | | |
|---|---|---|---|---|
| | **2021** | 2020 | 2019 | 2018 |
| Imports | **$ 209,672,998** | $ 111,999,765 | $ 83,994,589 | $ 79,224,160 |
| Exports | **56,034,767** | 60,185,157 | 36,249,976 | 37,969,513 |
| **Total** | **$ 265,707,765** | $ 172,184,922 | $ 120,244,565 | $ 117,193,673 |

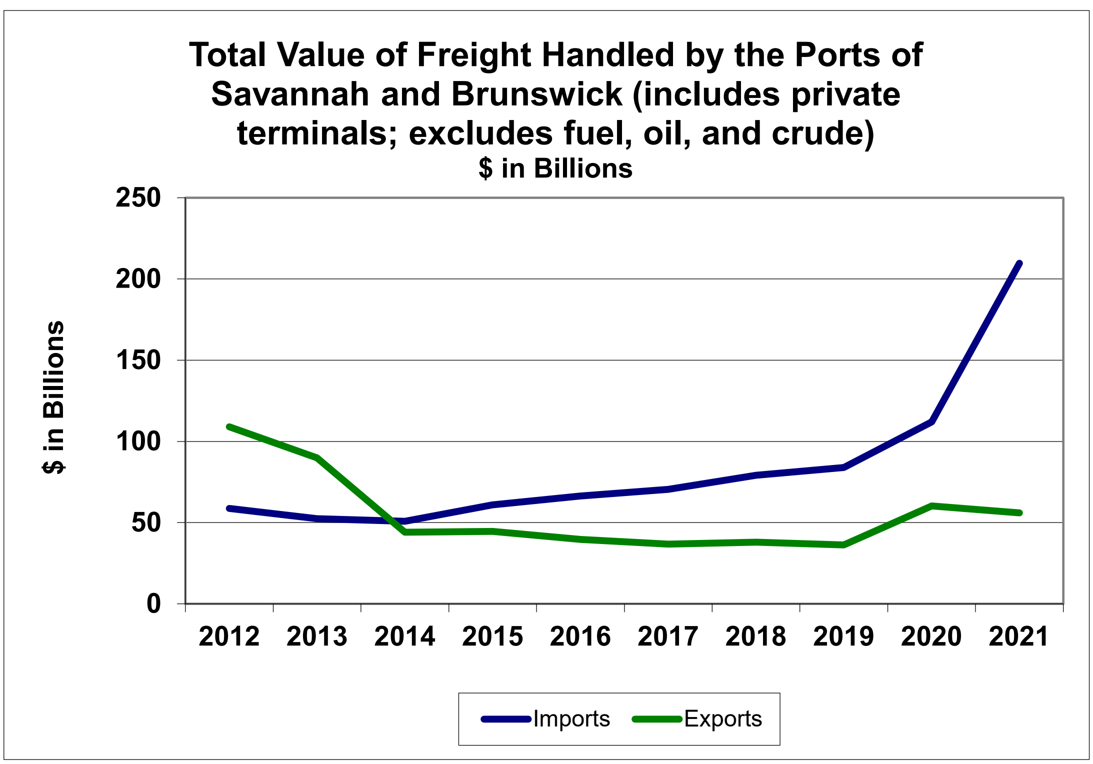
[a] Source: PIERS

| 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|---|---|---|---|---|---|
| 28,419,410 | 26,998,517 | 25,512,981 | 24,058,066 | 22,005,313 | 22,281,701 |
| 8,191,625 | 8,723,184 | 9,567,453 | 9,611,076 | 12,652,042 | 14,187,336 |
| 36,611,035 | 35,721,701 | 35,080,434 | 33,669,142 | 34,657,355 | 36,469,037 |
| | | | | | |
| 19,109,165 | 18,035,460 | 16,333,238 | 14,765,192 | 16,387,855 | 18,166,673 |
| 17,501,870 | 17,686,241 | 18,747,196 | 18,903,950 | 18,269,500 | 18,302,364 |
| 36,611,035 | 35,721,701 | 35,080,434 | 33,669,142 | 34,657,355 | 36,469,037 |

| 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|---|---|---|---|---|---|
| $ 70,503,032 | $ 66,304,314 | $ 60,913,353 | $ 50,806,009 | $ 52,428,146 | $ 58,706,575 |
| 36,737,040 | 39,620,965 | 44,653,230 | 44,048,596 | 89,816,936 | 108,976,461 |
| $ 107,240,072 | $ 105,925,279 | $ 105,566,583 | $ 94,854,605 | $ 142,245,082 | $ 167,683,036 |

## FREIGHT TRAFFIC STATISTICS
## LAST TEN FISCAL YEARS (CONTINUED)



# GEORGIA PORTS AUTHORITY

## PHYSICAL CHARACTERISTICS OF THE PORT FACILITIES OF THE AUTHORITY
## FOR THE FISCAL YEAR ENDED JUNE 30, 2021

| | Terminals | | | | |
|---|---|---|---|---|---|
| | Garden City | Ocean | Colonel's Island | Other | Total |
| **Overview:** | | | | | |
| Terminal Area (Acres) | 1,350 | 200 | 1,700 | 195 | 3,445 |
| Channel Width (Feet) | 500 | 500 | 400 | 400 | Not Applicable |
| Channel Project Depth (Feet at MLW) | 42 | 42 | 36 | 36 | Not Applicable |
| Container Berth (Linear Feet) | 9,693 | 3,599 | 3,355 | 5,518 | 22,165 |
| Cargo Handled (Type) | Containers, Liquid Bulk | Breakbulk, RoRo, Containers, Heavy-Lift, Project | Automotive, RoRo, Project | Dry Bulk, Liquid Bulk, Breakbulk | Breakbulk, RoRo, Containers, Heavy-Lift, Project, Liquid Bulk, Dry Bulk, Automotive |
| **Container Crane Class (# of Cranes):** | | | | | |
| Post-Panamax | - | 1 | - | - | 1 |
| Super Post-Panamax | 30 | - | - | - | 30 |
| Gantry | - | 1 | - | - | 1 |
| **Total** | 30 | 2 | - | - | 32 |
| **Container Crane Lift Capacity (# of Cranes):** | | | | | |
| 45 ST/40.2LT | - | 1 | - | - | 1 |
| 72 ST/65 LT | 30 | - | - | - | 30 |
| 100ST/89.3 LT | - | 1 | - | - | 1 |
| **Total** | 30 | 2 | - | - | 32 |

# GEORGIA PORTS AUTHORITY

## NUMBER OF AUTHORITY EMPLOYEES BY TYPE
## LAST TEN FISCAL YEARS

| | Fiscal Year | | | |
|---|---|---|---|---|
| | **2021** | 2020 | 2019 | 2018 |
| Exempt Employees | **272** | 275 | 267 | 255 |
| Non-Exempt (Hourly) Employees | **1,206** | 1,101 | 1,085 | 992 |
| Total Employees | **1,478** | 1,376 | 1,352 | 1,247 |
| Operations Staff | **1,347** | 1,230 | 937 | 860 |

Source: Georgia Ports Authority Human Resources Department - Headcount Report.

| 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|---|---|---|---|---|---|
| 231 | 229 | 231 | 225 | 233 | 216 |
| 884 | 856 | 840 | 773 | 757 | 763 |
| 1,115 | 1,085 | 1,071 | 998 | 990 | 979 |
| 747 | 723 | 703 | 634 | 629 | 622 |


Pictured Above: The Port of Savannah served the CMA CGM Marco Polo, the largest vessel to ever call the U.S. East Coast, on Wednesday, May 26, 2021. The Port of Savannah's Garden City Terminal is perfectly suited to handling vessels in the 16,000-TEU class. (Georgia Ports Authority / Stephen Morton)

Pictured on Front Cover: Construction continues on the Mason Mega Rail project at the Garden City Terminal. When complete the new facility will double rail lift capacity at the Port of Savannah. (Georgia Ports Authority / Jeremy Polston)

**APPENDIX B**

# MERCATOR MARKET ASSESSMENT

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# Commercial Analysis for Bond Financing

for Georgia Ports Authority

July 21, 2022

# Contents

The purpose of Mercator International's feasibility study is to analyze and comment upon the Georgia Ports Authority's (GPA) potential for growth and to project future commercial results from operations in support of the Series 2022 Bond Issuance.

The proceeds of the bond issuance will be used to finance capital improvements at the Port of Savannah's Ocean Terminal – historically a multi-use terminal handling a mix of breakbulk and containerized cargoes – which will be expanded and redeveloped to focus primarily on container cargoes when Phase A of the project is completed.

In this study, Mercator analyzed the past commercial performance of each of GPA's major lines of business (Container, Breakbulk and RoRo), assessed GPA's competitive position in each business, commented on how that competitive position has evolved over the past decade, and performed an assessment of GPA's expected future performance. The output of our analysis is summarized in this report and is quantified in a 30-year forecast of Container, Breakbulk and RoRo volumes and operating income.

In 2021, Mercator International conducted a feasibility study for GPA's Series 2021 Bond Issuance which funded capital projects at the Port of Savannah's Garden City Terminal. Included in this report is a summary of changes to the forecast that we developed for that study and commentary on reasons for those changes.

Georgia's deepwater ports and inland terminals support more than 560k jobs annually throughout the State and contribute $140 billion in revenue, $33 billion in income, and $3.8 billion in State and local taxes to Georgia's economy.

The Port of Savannah has natural attributes that confer competitive advantage including a sizable local population base, extensive hinterland easily accessible by interstate highways within a one to two-day truck trip, excellent rail access, and a port authority and state government willing to invest in marine terminal and inland port infrastructure.

Based on GPA data, it has developed about 78 million sq ft within 30 miles of the port. GPA has not yet maxed out its real estate footprint since about 100 million sq ft is within the 30-mile radius that is still permissible for commercial development.

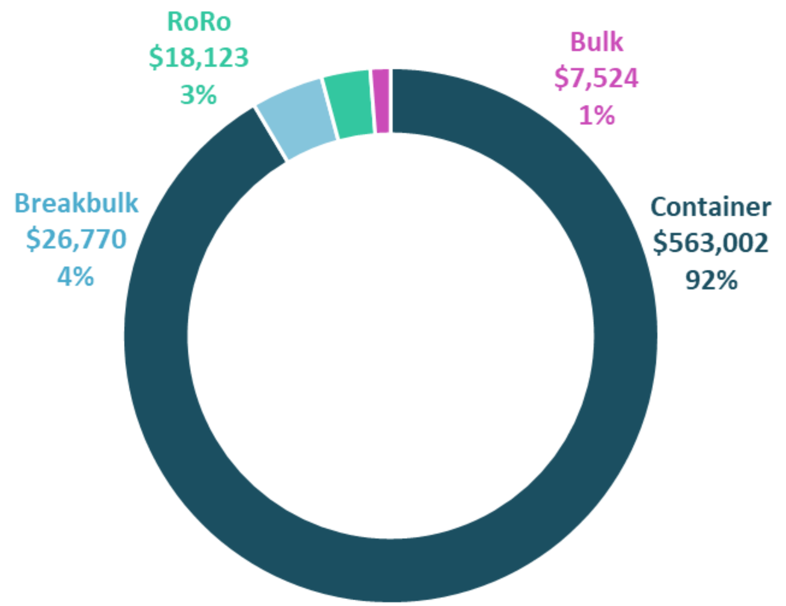
Ultra-large container ship being unloaded at Garden City Terminal – Port of Savannah

The Georgia Ports Authority (GPA) is one of the largest container port gateways in North America and operates nearly all of the dry cargo marine terminals in the Port of Savannah (with the exception of a few small private terminals), as well as the marine terminals in Brunswick, and a dry-bulk terminal in Bainbridge (formerly a barge-served terminal), and two inland intermodal terminals that facilitate the movement of containers via train between inland locations and its Savannah container terminals. The GPA operations encompass several different marine terminals and cargo types, but the overwhelming majority of its revenues are generated from handling containers as shown in the chart to the right, summarizing GPA's revenue by business segment.

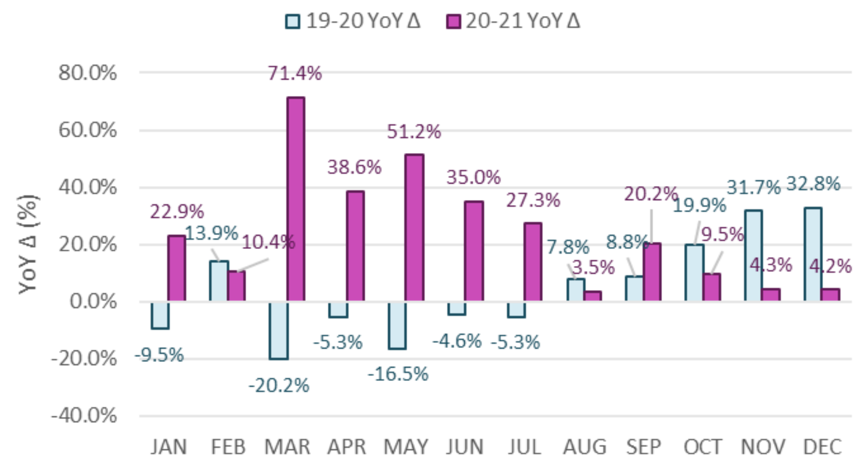
Over the past decade, GPA's container business has experienced exceptional growth, outpacing all major ports in North America in container throughput growth (7.3%) from 2012-2021 compared against all other container ports that handled over 1 million TEUs in calendar year 2021.

- The container segment is GPA's fastest growing business segment and volumes grew at a 20% year-over-year rate in FY 2021. As of May 2022 (11 months of FY 22), container volumes are just under 5.3 million TEUs -- which is 7.9% over the same year-to-date total during FY 2021.
  - *As can be seen in the graph below right, over the past two calendar years, GPA recovered from the initial COVID shutdown-affected volume decline in the first half of CY 2020 with incredibly strong year over year increases of import cargo through the end of CY 2021 which has continued into CY 2022.*
- The recent increase in container volumes for North America since the summer of 2020 – due to a surge in imports from Asia – helped to catapult GPA's earnings to record levels for the past two fiscal years, and based on performance through 11 months of FY2022, a third record-breaking year is expected for container volumes and earnings, with strong performances in the other sectors as well.

GPA's revenue by business segment in Fiscal Year 2021 (July 1, 2020-June 30, 2021)




GPA's monthly year over year change in loaded import container volumes




Source: Mercator analysis of US CBP manifest data, tabulated in Datamyne

- Over the past ten years, GPA's business has grown substantially - revenues tripled, with a compound annual growth rate (CAGR) of nearly 9%. GPA was also able to control its costs, which resulted in increased operating income at just under $300 million in fiscal year 2021. The profitability of GPA has allowed the Authority to internally fund most of its capital projects over this time period, with other sources of capital financing coming from the State of Georgia, as well as from federal grants.
- Due to GPA's high performance and dominance in the South Atlantic region, GPA is embarking on multiple capital projects to maintain and expand its terminal footprints, as well as its inland ports and warehouse infrastructure, in order to accommodate the future growth, GPA expects to capture.

GPA historical operating income and volume fiscal years 2011-2021

| Consolidated Operating Income | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | 11 - '21 CAGR |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Revenue ($ in Mil) | $ 267 | $ 284 | $ 293 | $ 311 | $ 356 | $ 346 | $ 373 | $ 426 | $ 474 | $ 483 | $ 615 | **8.7%** |
| % Δ in Revenue | | 6.4% | 3.2% | 6.2% | 14.8% | -2.9% | 7.7% | 14.3% | 11.1% | 2.0% | 27.3% | |
| Expenses ($ in Mil) | $ 154 | $ 162 | $ 165 | $ 176 | $ 190 | $ 190 | $ 204 | $ 233 | $ 264 | $ 276 | $ 321 | **7.6%** |
| % Δ in Expenses | | 5.2% | 1.6% | 7.1% | 7.9% | -0.1% | 7.3% | 14.3% | 13.3% | 4.5% | 16.1% | |
| % of Revenues | 57.8% | 57.2% | 56.3% | 56.8% | 53.4% | 55.0% | 54.8% | 54.7% | 55.8% | 57.2% | 52.2% | |
| Operating Income ($ in Mil) | $ 112 | $ 121 | $ 128 | $ 134 | $ 166 | $ 156 | $ 169 | $ 193 | $ 209 | $ 207 | $ 294 | **10.1%** |
| % Δ in Operating Income | | 8.1% | 5.3% | 4.9% | 23.8% | -6.1% | 8.2% | 14.4% | 8.4% | -1.1% | 42.3% | |
| Operating Income Margin % | 42.2% | 42.8% | 43.7% | 43.2% | 46.6% | 45.0% | 45.2% | 45.3% | 44.2% | 42.8% | 47.8% | |
| Revenue per Container | $124 | $130 | $132 | $133 | $134 | $133 | $138 | $149 | $154 | $155 | $173 | |

| Container Volume | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | 11 - '21 CAGR |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Containers | 1,631 | 1,655 | 1,633 | 1,739 | 2,029 | 2,003 | 2,143 | 2,318 | 2,496 | 2,465 | 2,935 | **6.0%** |
| Total TEUs (000s) | 2,917 | 2,966 | 2,937 | 3,128 | 3,661 | 3,606 | 3,848 | 4,173 | 4,478 | 4,436 | 5,331 | **6.2%** |
| Y/Y % | | 2% | -1% | 6% | 17% | -2% | 7% | 8% | 7% | -1% | 20% | |
| Mega Rail TEUs (000s) | 523 | 558 | 566 | 587 | 665 | 698 | 674 | 782 | 912 | 916 | 987 | **6.6%** |
| Y/Y % | | 7% | 1% | 4% | 13% | 5% | -3% | 16% | 17% | 0% | 8% | |

- Analyzing the performance of the operating segments over the last five years (along with selling, general and administrative expenses – noted as Security and Admin throughout this report), the annual growth rates of revenue and earnings are well into double digits, experiencing only a modest impact of Covid shutdowns at the end of fiscal year 2020 – which for GPA was the first and second calendar year quarters of 2020.
- Over the past two years, beginning with fiscal year 2021 (third calendar year quarter of 2020), GPA has seen container volumes increase by 20% from FY20-FY21, then 8% YoY from FY21-FY22 (based upon GPA's estimate for FY 2022). This was coupled with an ability to improve container throughput pricing with ocean carriers and capture a large windfall in storage revenues (which historically averaged 4% of the container terminal revenues FY2010 to FY2020 and are 22% of the container terminal revenues for the first 11 months of FY 2022), adding a substantial amount of incremental revenue while avoiding adding fixed labor costs of the same quantum. The result was 42% growth in operating income from FY 2020 to FY 2021.

GPA historical operating financials by business segment fiscal years 2017-2021

| Consolidated Operating Income | | | | | | 17 - '21 |
|---|---|---|---|---|---|---|
| **Figures in USD $000s** | **2017** | **2018** | **2019** | **2020** | **2021** | CAGR |
| **Revenue** | | | | | | |
| Container | $326,903 | $377,888 | $423,019 | $430,335 | $563,010 | **14.6%** |
| Breakbulk | $21,206 | $25,105 | $28,307 | $32,222 | $26,770 | **6.0%** |
| RoRo | $14,672 | $15,857 | $15,744 | $15,193 | $18,123 | **5.4%** |
| Bulk | $10,202 | $7,531 | $6,549 | $5,514 | $7,524 | **(7.3%)** |
| **Operating Revenues** | **$372,983** | **$426,380** | **$473,619** | **$483,264** | **$615,428** | **13.3%** |
| **Expense** | | | | | | |
| Container | $134,722 | $154,283 | $179,938 | $187,330 | $217,082 | **12.7%** |
| Breakbulk | $10,329 | $11,874 | $14,062 | $14,151 | $13,235 | **6.4%** |
| RoRo | $122 | $105 | $967 | $291 | $240 | **18.3%** |
| Bulk | $4,319 | $2,049 | $1,046 | $717 | $835 | **(33.7%)** |
| Security & Admin | $54,721 | $65,068 | $68,388 | $73,846 | $89,556 | **13.1%** |
| **Operating Expenses** | **$204,214** | **$233,379** | **$264,400** | **$276,335** | **$320,948** | **12.0%** |
| **Operating Income** | **$168,769** | **$193,001** | **$209,219** | **$206,930** | **$294,480** | **14.9%** |
| *OP Income Margin* | *45%* | *45%* | *44%* | *43%* | *48%* | |

- Mercator analyzed each of the three largest business segments – Container, Breakbulk, and RoRo – that generate close to 99% of total revenues for GPA, assessed GPA's market position in each segment, and provided an outlook of how that position is likely to evolve over the next 30 years.
  - *Mercator developed 30-year volume and revenue forecasts for each segment through 2052.*
    - Note, for the 2022-2032 time period, the financial model only considers revenues and expenses associated with the existing Port Facilities. For the remainder of the 30-year forecast period, the model considers revenues and expenses associated with those existing facilities and assumes revenues and expenses associated with the proposed Savannah Container Terminal and other expansions by which the Authority's volume is projected to increase to over 14,000,000 TEUs by FY 2052.
  - *Mercator reviewed the operating costs related to each business segment and forecasted how they would develop over the forecast period.*
  - *The operating revenues and expenses were combined with the Bulk segment and Selling, General, and Administrative expenses to forecast operating income available for debt service over the time period. Note: GPA operates on a fiscal year calendar from July 1st – June 30th*
- The results of our forecast project operating income to grow by nearly 4% CAGR over the next ten years, and a higher long-term growth rate of just under 5% CAGR, as operating expenses are expected to be reduced in the years following expansions at Garden City Terminal and Ocean Terminal.

GPA historical and forecast operating income and volume (Actual FY 2021, Budget FY 2022, Forecast FY 2023-2052)

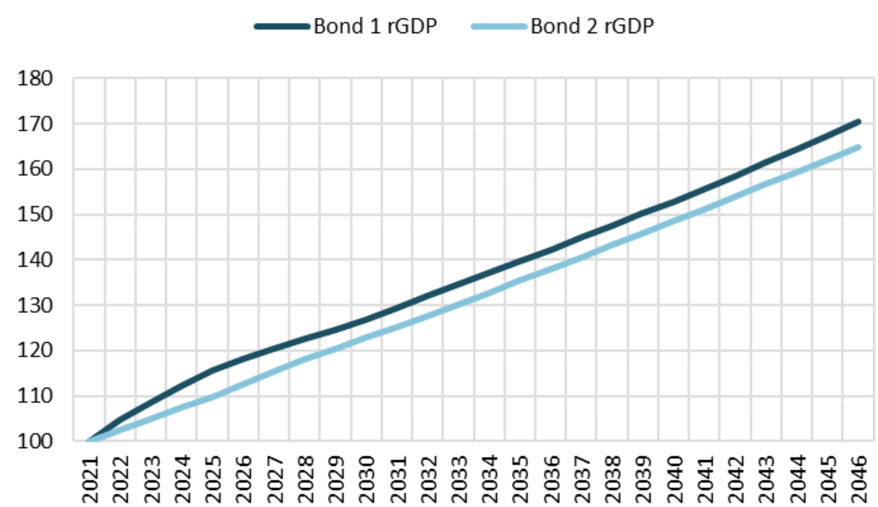
| Consolidated Operating Income | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 | FY 2032 | FY 2052 | 22E - '32F CAGR | 22E - '52F CAGR |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Revenue ($ in Mil) | $ 615 | $ 806 | $ 797 | $ 720 | $ 786 | $ 861 | $ 936 | $ 1,011 | $ 1,087 | $ 1,184 | $ 1,282 | $ 1,373 | $ 3,479 | **5.5%** | **5.0%** |
| % Δ in Revenue | 27.3% | 30.9% | -1.0% | -9.8% | 9.3% | 9.4% | 8.7% | 8.0% | 7.6% | 8.9% | 8.3% | 7.1% | 4.3% | | |
| Expenses ($ in Mil) | $ 321 | $ 356 | $ 384 | $ 398 | $ 426 | $ 458 | $ 506 | $ 544 | $ 577 | $ 629 | $ 684 | $ 727 | $ 1,614 | **7.4%** | **5.2%** |
| % Δ in Expenses | 16.1% | 11.1% | 7.6% | 3.6% | 7.3% | 7.5% | 10.4% | 7.5% | 6.0% | 9.1% | 8.6% | 6.3% | 3.8% | | |
| % of Revenues | 52.2% | 44.2% | 48.1% | 55.2% | 54.2% | 53.3% | 54.1% | 53.8% | 53.1% | 53.1% | 53.3% | 52.9% | 46.4% | | |
| Operating Income ($ in Mil) | $ 294 | $ 449 | $ 414 | $ 322 | $ 360 | $ 402 | $ 429 | $ 467 | $ 510 | $ 555 | $ 599 | $ 647 | $ 1,866 | **3.7%** | **4.9%** |
| % Δ in Operating Income | 42.3% | 52.6% | -7.9% | -22.2% | 11.8% | 11.7% | 6.8% | 8.6% | 9.4% | 8.7% | 7.8% | 8.0% | 4.7% | | |
| Operating Income Margin % | 47.8% | 55.8% | 51.9% | 44.8% | 45.8% | 46.7% | 45.9% | 46.2% | 46.9% | 46.9% | 46.7% | 47.1% | 53.6% | | |
| Revenue per Container | $173 | $214 | $212 | $189 | $196 | $202 | $208 | $214 | $220 | $227 | $234 | $241 | $358 | **1.2%** | **1.7%** |

| Container Volume | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 | FY 2032 | FY 2052 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Containers | 2,935 | 3,185 | 3,119 | 3,133 | 3,278 | 3,475 | 3,678 | 3,871 | 4,038 | 4,201 | 4,350 | 4,502 | 7,948 | **3.5%** | **3.1%** |
| Total TEUs (000s) | 5,331 | 5,747 | 5,614 | 5,639 | 5,901 | 6,254 | 6,621 | 6,967 | 7,268 | 7,561 | 7,830 | 8,104 | 14,306 | **3.5%** | **3.1%** |
| Y/Y % | 20% | 8% | -2.3% | 0.4% | 5% | 6% | 6% | 5% | 4% | 4% | 4% | 4% | 2% | | |
| Mega Rail TEUs (000s) | 987 | 910 | 1,040 | 1,170 | 1,264 | 1,408 | 1,523 | 1,631 | 1,724 | 1,814 | 1,888 | 1,965 | 3,720 | **8.0%** | **4.8%** |
| Y/Y % | 8% | -8% | 14% | 13% | 8% | 11% | 8% | 7% | 6% | 5% | 4% | 4% | 3% | | |

There are two main sources of disparity between the Series 2021 Bond (Bond 1) and Series 2022 Bond (Bond 2) volume forecasts. The source of the greatest disparity is driven by the downgraded economic outlook. In the chart below left, we compare an index of real GDP driven by the two real GDP forecasts. Essentially, the revised forecast delays real GDP and volumes by between a year and a year and a half, meaning that reaching any milestone takes that much longer.

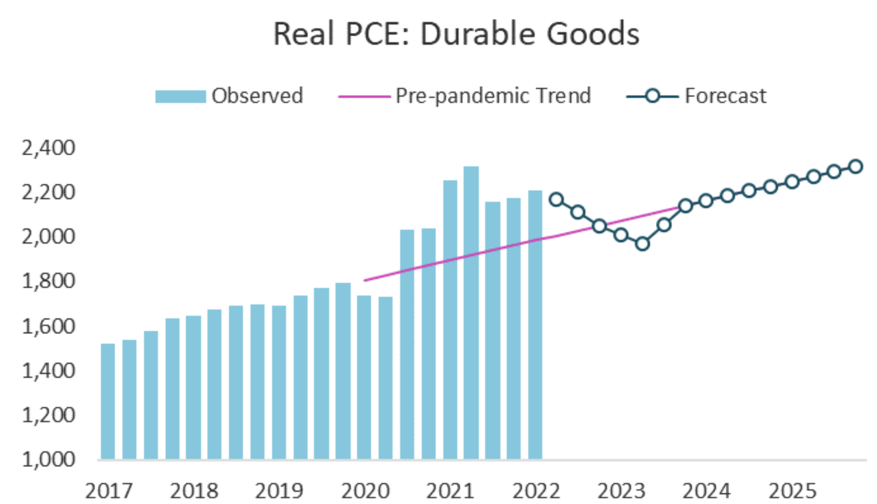
In addition to adopting a new real GDP outlook, we have shifted our forecast methodology. The Bond I forecast was based on monthly nominal personal consumption expenditures on goods, but our revised Bond 2 forecast adopts a more nuanced forecast methodology based on quarterly real personal consumption expenditures on durable goods and, separately, nondurable goods. This allows us to account for the fact that some durable goods purchases made over the last year and a half have been on goods that are infrequently purchased, and as such some portion of these purchases have been 'borrowed' from the future. This can be seen in the chart on the right, where durable goods purchases are expected to fall below the pre-pandemic trend before rising back to it in the fourth quarter of 2023.

Indices of Real GDP Growth (2021 = 100), 2021 to 2046




Source: Mercator

Historical and Forecasted Real PCE on Durable Goods, Q1 2017 to Q4 2025




Source: Mercator

## Comparison of Series 2022 Bond Forecast vs. Series 2021 Bond Forecast

Below is the consolidated financial and container volume forecast for the Series 2021 bonds along with a comparison with the series 2022 bond feasibility forecast. Due to the outperformance of the container volume expectations in first 11 months of fiscal year 2022 and the windfall in storage revenues, the operating income far exceeded expectations by $184 million. In the next few years, the 2022 forecast lowers storage revenues contribution to the container terminal revenues down to a 10% level. OPEX will rise due to a slightly lower labor productivity rate at the container terminals and therefore a higher labor expense per container. **By 2032, the 2022 forecast projects revenue to be 16% higher than the Series 2021 forecast and operating income to be 19% higher.**

### Comparison of Mercator forecast for Series 2021 bonds vs. Series 2022

**Series 2021 Mercator Forecast**

**Consolidated Operating Income**

| | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 | FY 2032 | '22E - '32F CAGR |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Revenue ($ in Mil) | $ 615 | $ 597 | $ 651 | $ 712 | $ 772 | $ 828 | $ 879 | $ 928 | $ 981 | $ 1,036 | $ 1,094 | $ 1,153 | **6.8%** |
| % Δ in Revenue | | -3.0% | 9.1% | 9.4% | 8.3% | 7.3% | 6.2% | 5.5% | 5.7% | 5.6% | 5.7% | 5.4% | |
| Expenses ($ in Mil) | $ 321 | $ 331 | $ 358 | $ 384 | $ 413 | $ 441 | $ 469 | $ 496 | $ 525 | $ 553 | $ 581 | $ 610 | **6.3%** |
| % Δ in Expenses | | 3.1% | 8.0% | 7.2% | 7.7% | 6.9% | 6.3% | 5.7% | 5.9% | 5.3% | 5.1% | 4.9% | |
| % of Revenues | 52.2% | 55.5% | 54.9% | 53.8% | 53.5% | 53.3% | 53.4% | 53.4% | 53.5% | 53.4% | 53.1% | 52.9% | |
| Operating Income ($ in Mil) | $ 294 | $ 266 | $ 294 | $ 329 | $ 359 | $ 387 | $ 410 | $ 432 | $ 456 | $ 483 | $ 513 | $ 543 | **7.4%** |
| % Δ in Operating Income | | -9.7% | 10.4% | 12.0% | 9.0% | 7.8% | 6.0% | 5.4% | 5.5% | 5.9% | 6.3% | 5.9% | |
| Operating Income Margin % | 47.8% | 44.5% | 45.1% | 46.2% | 46.5% | 46.7% | 46.6% | 46.6% | 46.5% | 46.6% | 46.9% | 47.1% | |
| Revenue per Container | $173 | $167 | $173 | $178 | $184 | $188 | $193 | $197 | $201 | $205 | $210 | $214 | **2.5%** |

**Container Volume**

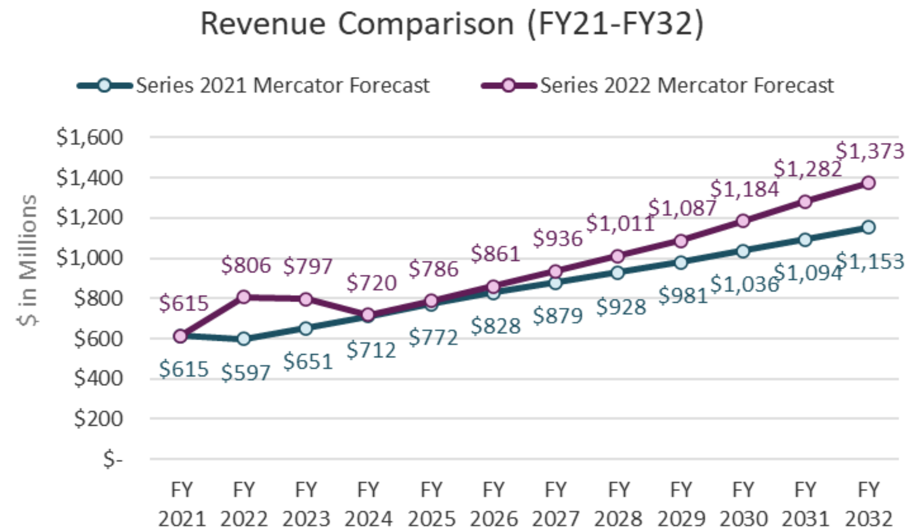
| | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 | FY 2032 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Total TEUs (000s) | 5,331 | 5,226 | 5,591 | 5,962 | 6,294 | 6,578 | 6,883 | 7,133 | 7,377 | 7,634 | 7,911 | 8,178 | **4.6%** |
| Y/Y % | 20.1% | -2.0% | 7.0% | 6.6% | 5.6% | 4.5% | 4.6% | 3.6% | 3.4% | 3.5% | 3.6% | 3.4% | |
| Mega Rail TEUs (000s) | 987 | 940 | 1,104 | 1,189 | 1,247 | 1,339 | 1,451 | 1,534 | 1,617 | 1,705 | 1,794 | 1,873 | **7.1%** |
| Y/Y % | | -4.8% | 17.5% | 7.7% | 4.8% | 7.4% | 8.4% | 5.7% | 5.4% | 5.5% | 5.2% | 4.4% | |

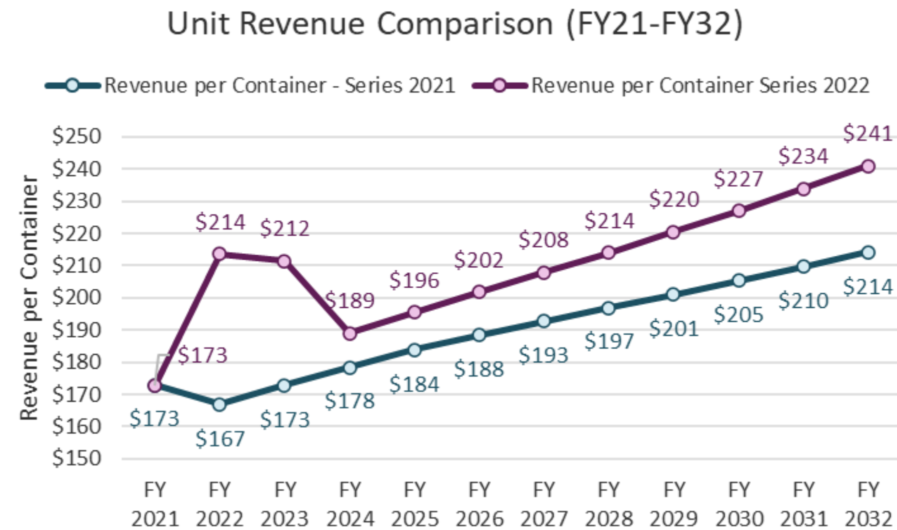
**Difference: 2022 - 2021**

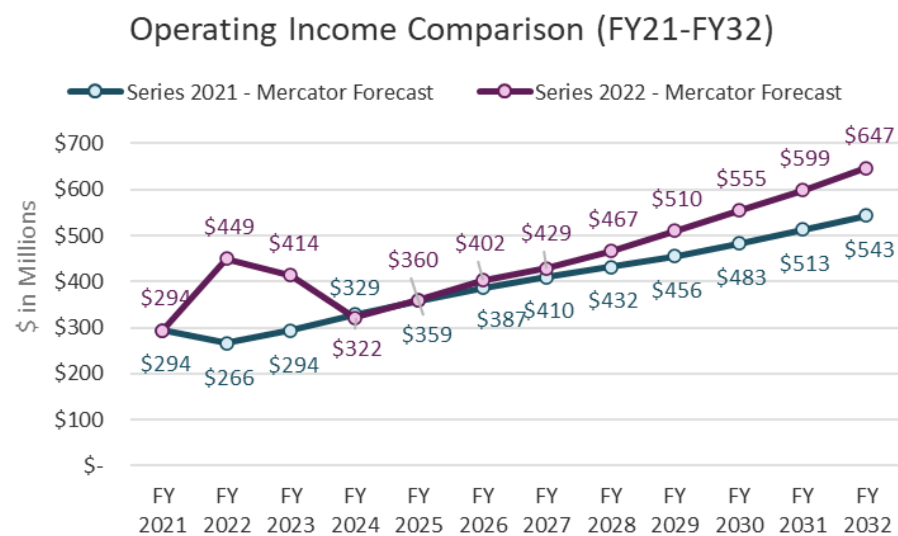
| | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 | FY 2032 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Revenue ($ in Mil) | $ 0 | $ 209 | $ 146 | $ 7 | $ 15 | $ 33 | $ 56 | $ 83 | $ 106 | $ 149 | $ 188 | $ 220 |
| Expenses ($ in Mil) | $ 0 | $ 25 | $ 26 | $ 14 | $ 13 | $ 17 | $ 37 | $ 48 | $ 52 | $ 76 | $ 102 | $ 117 |
| Operating Income ($ in Mil) | $ 0 | $ 184 | $ 120 | $ (7) | $ 1 | $ 16 | $ 19 | $ 34 | $ 55 | $ 72 | $ 85 | $ 103 |
| **Container Volume** | **FY 2021** | **FY 2022** | **FY 2023** | **FY 2024** | **FY 2025** | **FY 2026** | **FY 2027** | **FY 2028** | **FY 2029** | **FY 2030** | **FY 2031** | **FY 2032** |
| Total TEUs (000s) | 0 | 520 | 23 | -323 | -393 | -324 | -262 | -166 | -109 | -73 | -81 | -74 |
| Mega Rail TEUs (000s) | 0 | -30 | -64 | -19 | 18 | 69 | 72 | 97 | 107 | 109 | 94 | 92 |

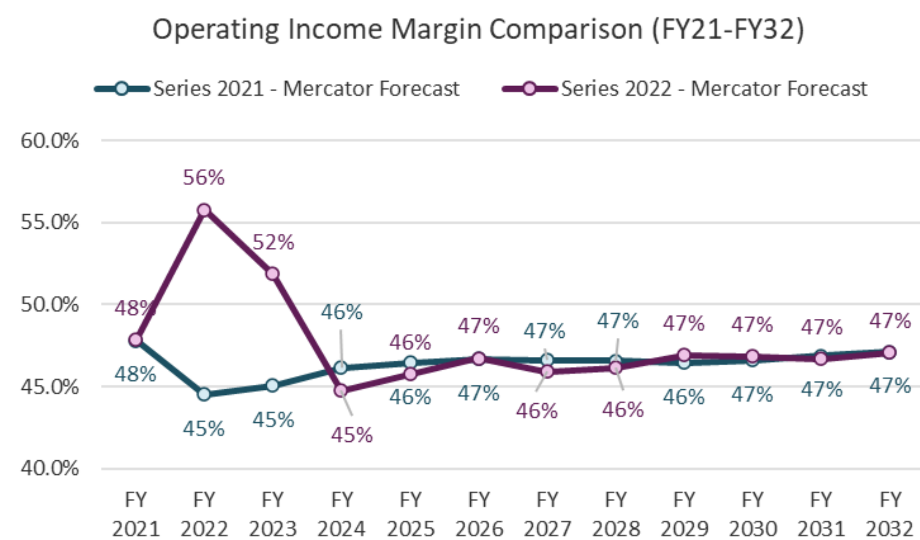
# Executive Summary

## Comparison of Series 2022 Bond Forecast vs. Series 2021 Bond Forecast



- The Port of Savannah's 1,345-acre Garden City Terminal is the largest single container terminal in the Western Hemisphere, with nine contiguous berths.
- GPA is the owner and operator of the terminal, which has 30 Super-Post-Panamax (SPPX) cranes that each have a 22-row outreach.
- Garden City Terminal handles over 35 weekly containership services, receiving calls from all major carriers and alliances.
- In May 2021, Garden City Terminal handled its largest vessel ever - the CMA CGM Marco Polo - with over 16,000 TEUs of nominal capacity.
- Interstate Highways I-95 and I-16 converge about five miles west of the terminal and, since the latter is northwest of the city of Savannah, truck drivers can avoid city traffic congestion to access the Garden City Terminal.
- Over the last 10 years, GPA's container volume has grown at a faster rate than any other major container port in the country.[1)]
- At the Garden City Terminal, the number of TEUs handled has grown from 2.93 million in FY2011 to 5.33 million in FY2021, an increase of 82%.
- GPA is investing heavily to protect its competitive position and to continue to grow its container volumes over the next 10 years.

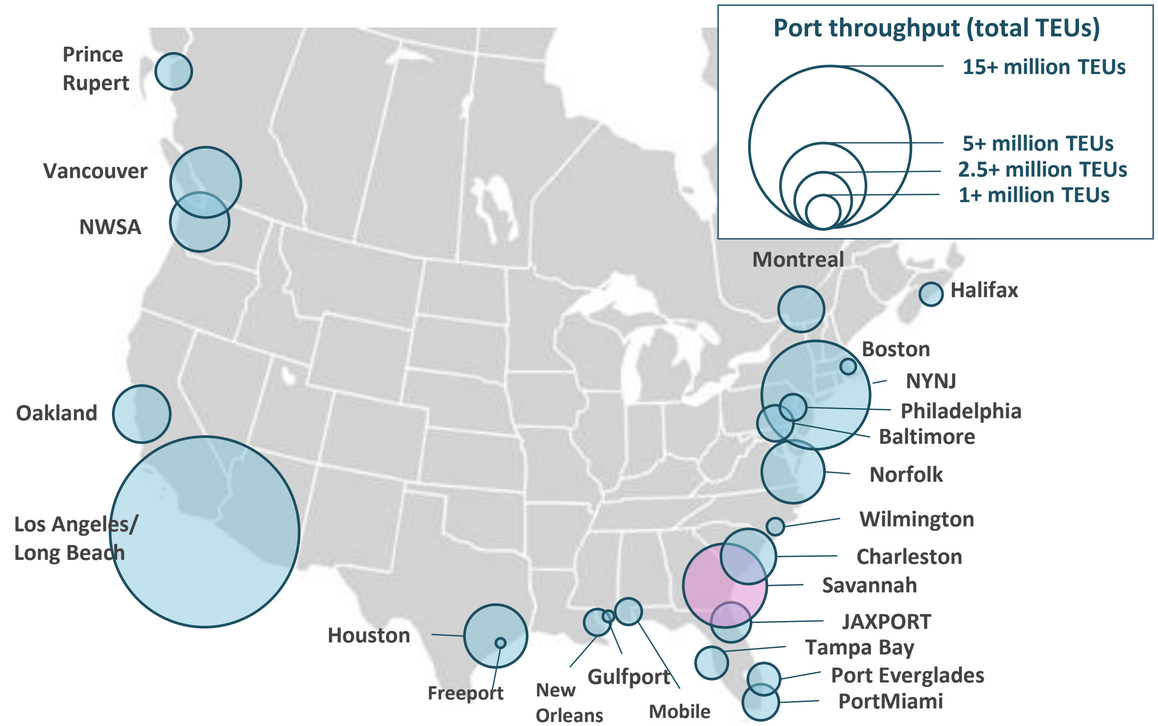
Google Earth view of Garden City Terminal and Mason Mega Rail


1) https://gaports.com/press-releases/port-of-savannah-moves-5m-teus/

## Savannah's position in the North American container market

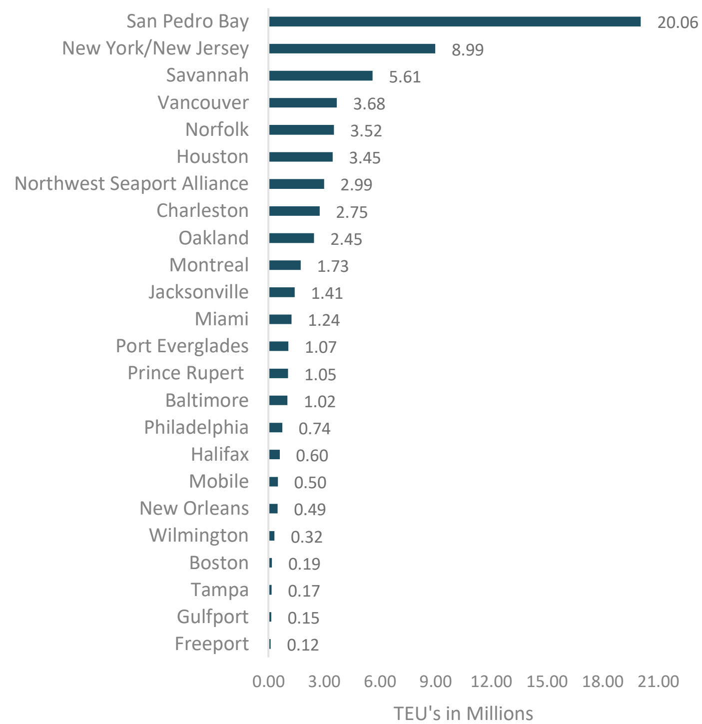
- In 2021, the Port of Savannah ranked as the third largest container gateway in North America by volume, as shown in the figures below. The only larger container port gateways were Los Angeles/Long Beach and New York/New Jersey. This ranking was done based on 2021 calendar year (CY) data, which was the latest complete year of available reported data.

Locations of major North American container ports




Source: Elaborated by Mercator with data from each port.

2021 ranking of North American container port volume




Source: Based on AAPA data

- Savannah's loaded inbound container volumes increased by 25.8% in FY2021, which was above the 20.8% growth achieved by the North American market overall. *(Savannah's CY throughput increased 19.9% in 2021 over 2020, of which, loaded inbound containers increased 21.4% compared with North America in aggregate, which increased 13.7% in total throughput, but gained 2.5% loaded inbound due to the COVID-19 pandemic impacts causing a decline in the first half of 2020 and subsequent rebound in the second half of the year).*

- Between 2011 and 2021, Savannah's container throughput grew at a CAGR of 6.7%, significantly above the total North American market growth rate of 4.4% CAGR.

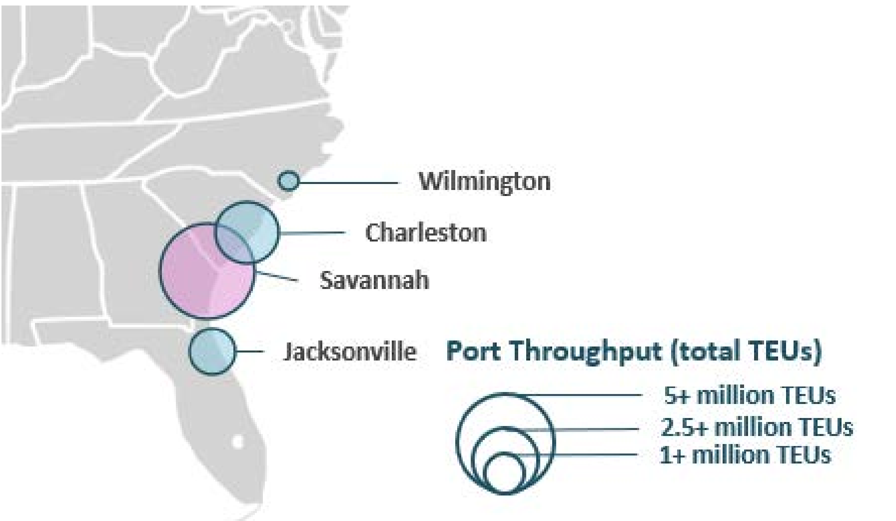
- Because Savannah's container volume growth since 2011 significantly outpaced overall North America container growth, **Savannah's share of the North American market has increased from 6.7% in 2011 to 8.7% in 2021.**

# Assessment of GPA's competitive position

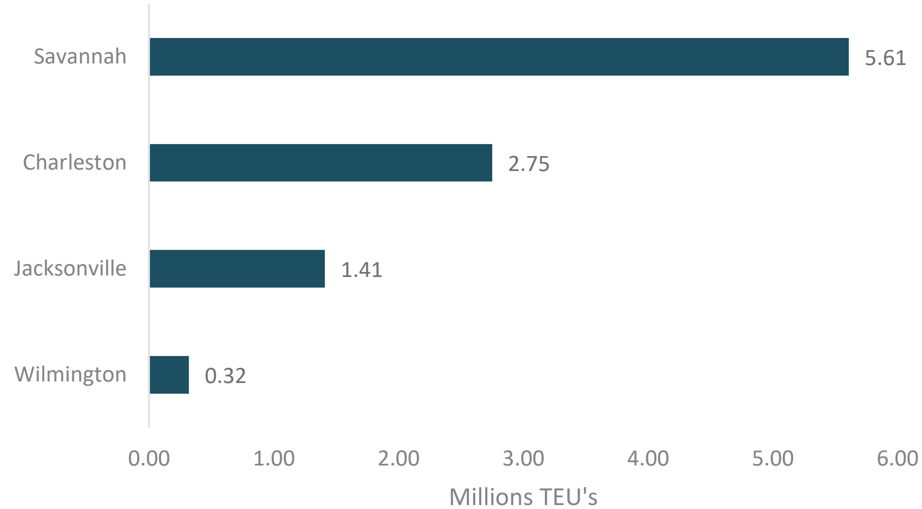
## Savannah's competitive position against neighboring ports in the South Atlantic market

- Savannah's primary competitors in the Southeast US region are Charleston and Jacksonville (JAXPORT), and to a lesser degree Wilmington, North Carolina. The map identifies Savannah's geographic position relative to these container ports and the bar chart shows each port's 2021 volumes in TEUs.

Locations of South Atlantic competitor ports




2021 South Atlantic container volumes




Source: Developed by Mercator with data from each port

- In CY2021, approximately 19% of GPA's loaded import containers moved by rail to their final destination and approximately 19% of loaded exports arrived at Savannah by rail, with the remaining roughly 80% moving by truck in both directions.
- Rail volumes include movements to/from major interior cities such as Atlanta, Memphis, Nashville, Charlotte, Huntsville, and Birmingham.
- For intermodal service to the above-mentioned inland locations, GPA's primary competitor is Charleston, and Savannah holds a slight competitive advantage vis-à-vis the South Carolina port, as will be discussed in subsequent pages.
- The Port of Savannah is served by both NS and CSX, and GPA operates one on-dock rail yard.

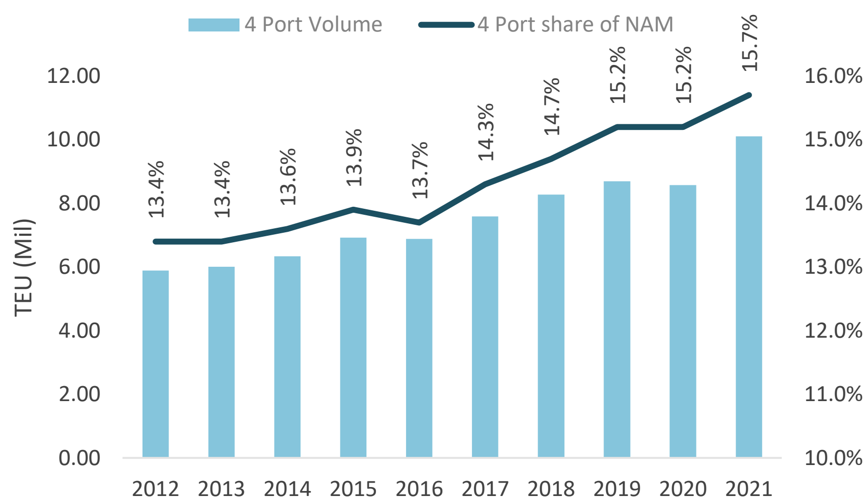
- Savanah is the largest container port in the region, with a 56% share of the traffic among the four ports in 2021.
- Savannah's throughput in CY2021 was 5.61 million TEUs (4.68 million TEU in CY2020)
  - *50% of this throughput consisted of laden imports in CY2021 (49% in CY 2020)*
  - *25% was laden exports in CY2021 (30% in CY2020)*
  - *21% was comprised of empty containers in CY2020, or 23% in FY2021.*
- In CY2021, Savannah generated 66% of its loaded movements from imports and 34% from exports, slightly more balanced than the overall average for North American container ports, which is 67% for imports versus 33% for exports.

# Assessment of GPA's competitive position

## Savannah's position against neighboring ports in the South Atlantic port region

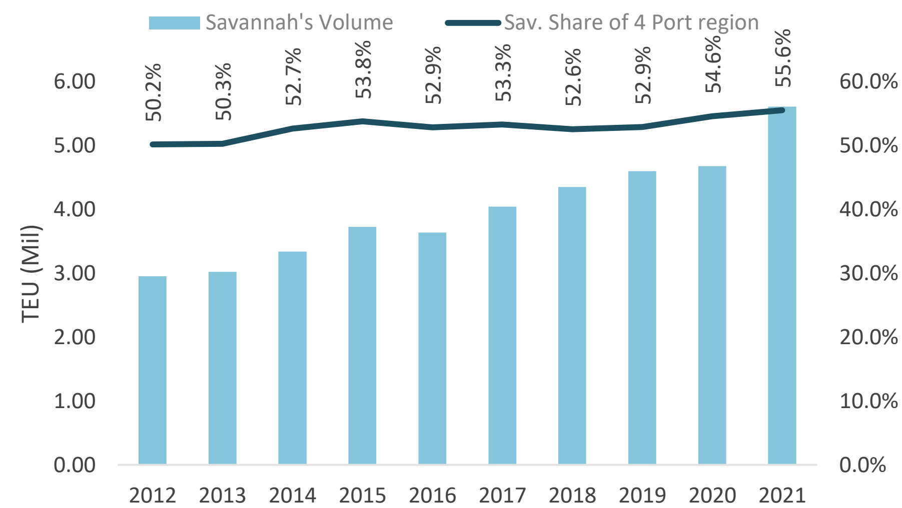
- A summary of the development of the region's share (i.e., collectively Wilmington, Charleston, Savannah, and JAXPORT) of the North American container market is provided in the chart to the left, while the chart to the right shows the evolution of Savannah's share of the 4-port market between 2012 and 2021.

The 4-port share of North American container volume




Source: AAPA

Savannah's share of 4-port container volume




Source: AAPA

- The 4-port share of the North American market increased by 2.3% percentage points between 2012 to 2021 (from 13.4% to 15.7%).
- As the North American market handled 64.3 million TEUs of container movements in 2021, the additional share that the four ports captured represents 1.48 million TEUs of additional volume beyond the overall market growth.
- The increase in the 4-port share of the North American market was driven by increased volume from Asia.

- Between 2012 and 2021, Savannah grew its share of the 4-port container market by a total of 5.4 percentage points (from 50.2% to 55.6%).
- Savannah's port volumes grew at a faster rate than the overall North American market.

## Assessment of GPA's competitive position

### Operating characteristics of GPA's container terminals and competing terminals

- This table shows the primary operating characteristics of GPA's container terminals and the characteristics of competing container terminals in the region. All data was sourced from port websites or port press releases except as otherwise cited in the footnotes to the right of the table.

Summary of operating characteristics of GPA's container terminals and competing container terminals

| Terminal | Operator | Acres | Berth length (ft) | Berth depth (ft) | Max air draft (ft) | Total cranes | SPPX cranes | PPX cranes | PMX cranes | Approx. max ship capability (TEU) | Rail access |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Port of Savannah** | | **1,545** | **13,292** | | | **31** | **30** | **1** | **0** | | **on-dock** |
| Garden City Terminal | GPA | 1,345 | 9,693 | 48 (1) | 185 | 30 | 30 | | | 16,000 | on-dock |
| Ocean Terminal | GPA | 200 | 3,599 | 47 | | 1 | | 1 | | | on-dock |
| **Port of Virginia** | | **669** | **10,630** | | | **28** | **28** | **0** | **0** | | **on-dock** |
| Virginia Intl. Gateway | VIT | 291 operating | 4,000 | 50 | NA | 12 | 12 | | | 18,000 | on-dock |
| Norfolk Intl. Terminal | VIT | 567 (378 operating) | 6,630 | 50 | NA | 16 | 16 | | | 18,000 | on-dock |
| **Port of Charleston** | | **885** | **7,660** | | | **24** | **19** | **5** | **0** | | **near-dock** |
| Wando Welch | SCSPA | 399 | 3,800 | 52 | 196 | 14 | 11 | 3 | | 20,000 | near-dock |
| Leatherman | SCSPA | 285 (134 developed) | 1,400 | 52 | 196 | 5 | 5 | | | 8,000 | on-dock |
| North Charleston | SCSPA | 201 | 2,460 | 45 | 155 | 5 | 3 | 2 | | 20,000 | near-dock |
| **JAXPORT** | | **1,512** | **16,876** | | | **19** | **0** | **13** | **6** | | **near-dock** |
| Blount Island | SSA | 754 | 7,094 | 47 | NA | 7 | | 7 | | 14,000 | near-dock |
| Dames Point | TraPac | 585 | 5,002 | 40 | 178 (4) | 6 | | 6 | | 9,000 | near-dock |
| Talleyrand | Seonus | 173 | 4,780 | 40 (3) | 178 (4) | 6 | | | 6 | | near-dock |
| **Port of Wilmington** | | **284** | **792** | | | **7** | **3** | **4** | **0** | | **near-dock** |
| Wilmington | NCPA | 284 | 2,600 | 42 | | 7 | 3 | 4 | | 12,000 (5) | near-dock |

(1)
Berths 2, 3, 8, 9 have depths of 48 ft; Berth 1 – under construction. 4,5,6,7 have depths of 47 ft
(3)
Berths 4-8 have depths of 40 ft; Berth 3 has a depth of 34 ft
(4)
https://www.joc.com/breakbulk/relocated-container-cranes-squeeze-under-jaxport-bridge_20170710.html
(5)
https://www.joc.com/port-news/us-ports/port-wilmington-nc/north-carolinas-wilmington-be-14000-teu-ship-ready-march_20200130.html

Note: PMX cranes suitable for old Panama Canal ships of 13 rows across; PPX for ships 18 rows across; SPPX for ships 22 rows across

- Savannah's advantages include having the largest terminal acreage, the longest amount of linear berth, and the highest number of cranes - most of which are SPPX cranes capable of handling the largest container vessels deployed.
- Savannah is dual-served by both NS and CSX and has the advantage of offering high-capacity, on-dock rail transfer service, which none of the terminals in Charleston, JAXPORT, or Wilmington have.
- Harbor deepening at Port of Savannah, completed in early 2022, facilitates improved access for all large vessels currently calling the East Coast.
- The container terminals at Wilmington, Savannah and JAXPORT all have air and water draft limitations that will impact the size of vessels that can call at those ports. This issue is further explored on the following page.

## Port of Savannah – Garden City Terminal – Infrastructure constraints

- The Talmadge Memorial Bridge, built in 1991, currently provides 185 feet (ft) or 56 meters (m) of vertical navigational clearance at Mean High Water (MHW), which is insufficient for 19,000 TEU vessels to clear, given the water depth of the Savannah River and the prevailing heights (from the keel to the top of the masthead) of such ships.
- Georgia's State Department of Transportation (DOT) is evaluating potential replacement options for the bridge, but no determinations have been made as to when a replacement may be in place or what the possible impact the changes would have on this air draft limitation.
  - *Planning for a new alternative has begun.*
  - *The required vertical clearance of the new alternative is uncertain, though large container vessels already exceed 200 ft in height.*
  - *The early, rough cost estimate for the project is $1 Billion.*
  - *GPA is making the case for a replacement alternative with higher clearance to be in place within a decade.*
- At the Port of Charleston, the Ravenel Bridge allows for slightly higher vertical clearance of 186 ft at MHW. The bridge was built in 2005 to replace the John P. Grace Memorial Bridge which had a clearance of 155 ft.
- JAXPORT's Dames Point Bridge over the St. Johns River has a vertical clearance of only 175 ft.
  - *Given a 40-ft depth of the navigation channel under the bridge, this precludes access by Neo-Panamax ships to JAXPORT's Dames Point and Talleyrand terminals.*

Views of Talmadge Memorial Bridge (top), Ravenel Bridge (middle) and Dames Point Bridge (bottom)

Source: savannahportjournal.com

Source: wikipedia.org/wiki/User:Bbatsell

Source: Jacksonville.com

- Located on the St. Johns River, JAXPORT has three terminals that handle containers - Blount Island Marine Terminal, Dames Point Marine Terminal, and Talleyrand Terminal.
- Blount Island, Dames Point and Talleyrand are 9, 12 and 19 miles from the open Atlantic Ocean, respectively, offering access for vessel calls at all three terminals.
- JAXPORT terminals are accessible to three interstates (10, 95 and 75).
- Intermodal rail service to/from Blount Island and Dames Point is provided exclusively by CSXT.
- The Dames Point Bridge presents an air draft constraint for the Talleyrand and Dames Point terminals, hindering its growth.

Google Earth view of JAXPORT's three container terminals

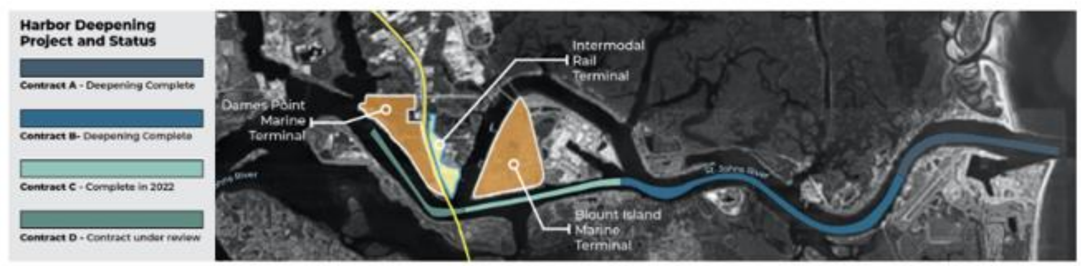
# Competitive Assessment of Container Ports

## JAXPORT – SSA Jacksonville Container Terminal

- In May 2022, JAXPORT and the US Army Corps of Engineers (USACE) completed a $420m harbor deepening project to dredge 11 miles of the St. Johns River to 14.3 meters up to Blount Island. The completion of this project allows 14,000 TEU ships to berth at Blount Island Terminal.
- The Jacksonville Harbor Deepening Project is a 13-mile federally authorized project. The current funding model covered the completion of the first 11 miles. The final two miles - which will impact Dames Point – are authorized and under review.
- In addition to the deepening project, JAXPORT recently completed (June 2022) a $100 million berth improvement project to enhance container handling capabilities at Blount Island.
- SSA Marine, under a 25-year concession agreement signed in 2019, is also expanding and improving its container terminal.
    - More than $70 million in phased yard improvements are underway to enable the SSA JCT to accommodate 500,000 TEUs annually.
    - The project which is expected to be completed by the end of 2024 includes expanding the terminal from 50 to 93 acres, repaving to enable stacked operations, and new truck gates.
- The expansion will grow JAXPORT's total throughput capability to nearly two million TEUs a year.

Google Earth view of Blount Island facility


Map of JaxPort Harbor Deepening Project

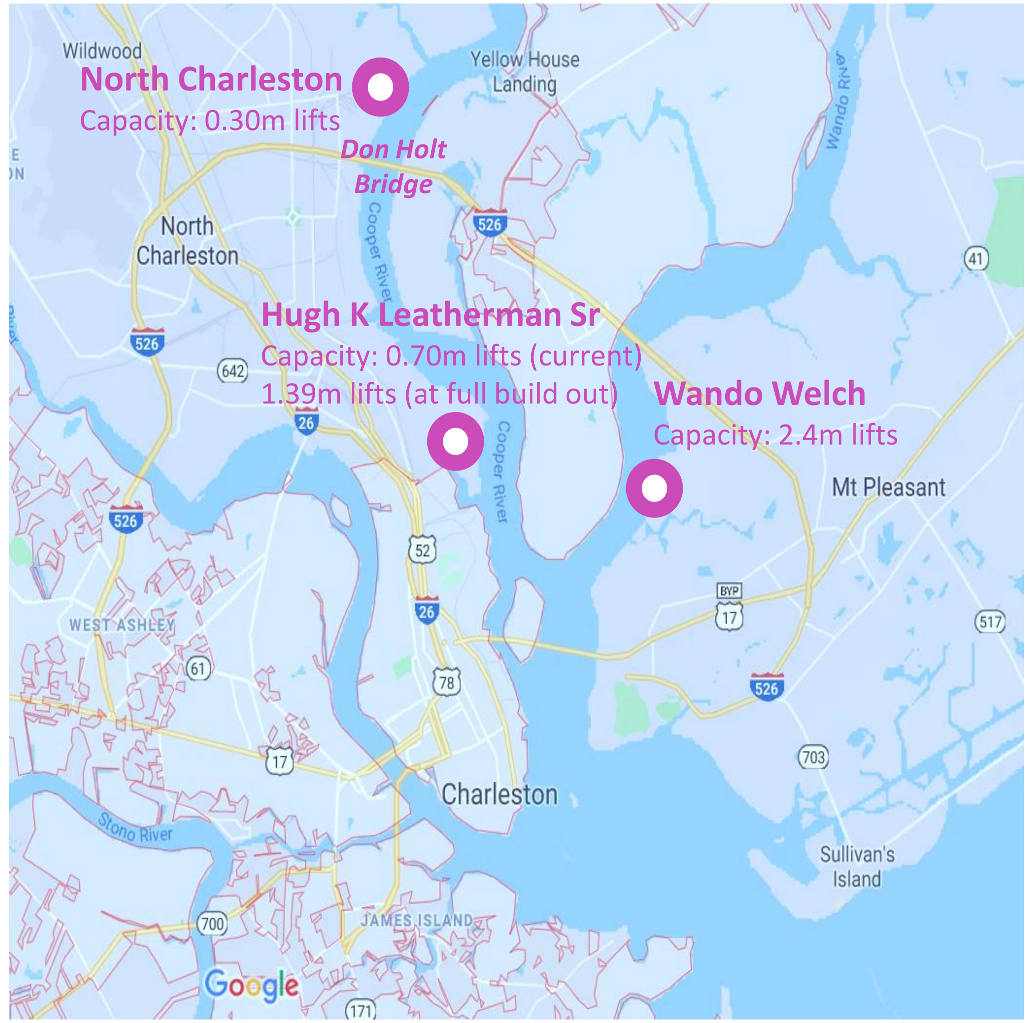


- South Carolina Ports Authority (SCPA) operates three container terminals at the Port of Charleston – the Wando Welch Terminal, the Hugh K Leatherman Sr. Terminal, and the North Charleston Terminal.
- As shown in the map to the right, the North Charleston Terminal (NCT) is located the furthest from the Atlantic Ocean, behind the Don Holt Bridge.
- Because SCPA is an operating port with responsibility for all container terminals in Charleston, it can work with the ocean carriers calling the Port to assign its respective liner services to the terminal that best suits its needs in terms of:
  - *Water and air draft requirements*
  - *Berth window availability*
  - *Crane size*

View of the Don Holt Bridge

Source: flickr

Map of Port of Charleston container terminals and Don Holt Bridge



# North Charleston Terminal

- The three-berth North Charleston Terminal has water depth alongside of 13.7 meters and the 750-meter berth can accommodate vessels up to 9,000 TEUs.
- The $558 million Charleston Harbor Deepening Project to dredge the harbor to 15.8 meters and the entrance channel to 16.4 meters will be completed by the end of 2022.
- The terminal footprint is 201 acres, with the container yard comprising 132 acres. There are 11,316 grounded container slots and 2,854 wheeled container slots.
- Annual throughput capacity in 2022 will increase from 300,000 TEUs to 500,000 TEUs.
- The Don Holt Bridge presents an air draft constraint. The clearance above the water varies between 48 meters (157.5 feet) and 49.5 meters (162.5 feet). At the mid-point of the tide, the clearance is about 48.75 meters (160 feet). Allowing for a 1-meter clearance, the maximum air draft can be about 47.75 meters (156.7 feet).
- Assuming a typical water draft of 12.5 meters, the allowable Keel-to-Top-of-Mast Height (KTMH) for a normal calling will be about 60.25 meters, which confines ships to 6,000 to 9,000 TEUs of nominal capacity in order to access this terminal. This height constraint will increasingly limit NCT to handling vessel services in secondary trades.

Google Earth view of North Charleston Terminal

## Summary of Savannah's infrastructure advantages versus its primary South Atlantic competitors

### Savannah's advantages versus Charleston

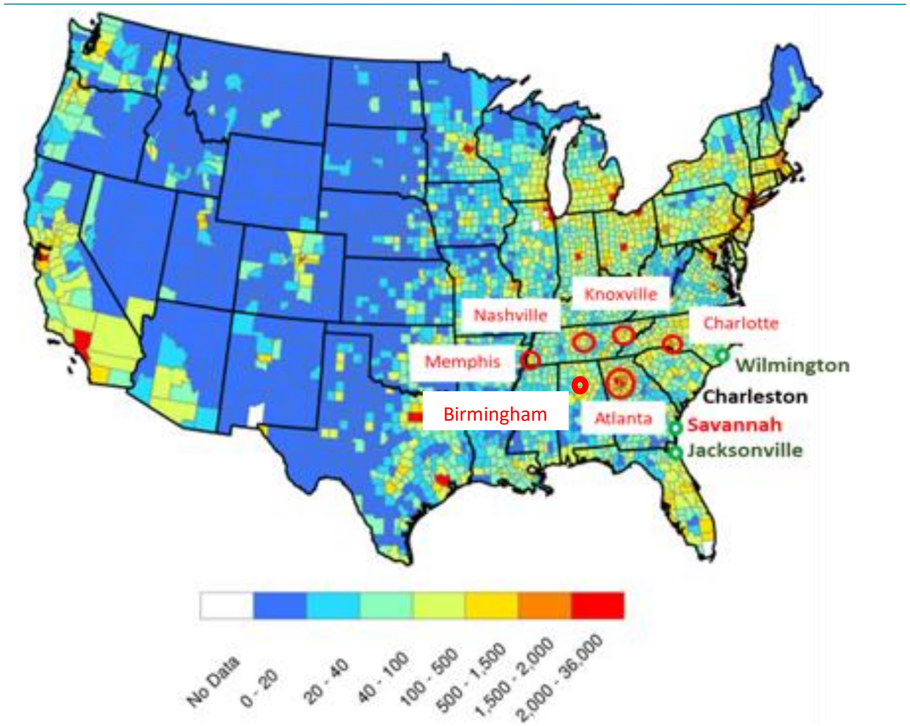
- Garden City Terminal has size/scale advantages that neither Charleston's Wando Welch Terminal or its new Leatherman Terminal can match.
- Savannah presently has the largest and most efficient on-dock rail transfer facility among all ports on the East Coast, and this facility is served by both CSXT and NS.
- Conversely, Wando Welch is more than 10 miles away from the NS and CSXT intermodal terminals, and the intermodal transfer facility proximate to the Leatherman Terminal is much smaller than the GPA's Mason Mega-Rail Terminal.
- Savannah has far more logistics infrastructure within 10-15 miles of its container terminal than exists within the Charleston metro area.

### Savannah's advantages versus Jacksonville

- Garden City Terminal has size/scale advantages that neither the SSA Blount Island, TraPac Dames Point, or Talleyrand terminals can match.
- The on-dock rail transfer facilities at all three of JAXPORT's terminals are relatively limited in size, and the two main such facilities (at Blount Island and at Dames Point) are served only by CSXT, via a branch line.
- Conversely, GPA's Mason Mega-Rail Terminal is linked directly to both the NS and CSXT main lines to Atlanta.
- Savannah has far more logistics infrastructure within 10-15 miles of its container terminal than exists within the Jacksonville metro area, despite the latter being much larger in population.

- Savannah is best positioned to handle container movements to/from population and manufacturing centers in Georgia. Moreover, its location and easy access to I-16 (East/West) and I-95 (North/South) makes it a viable gateway for several of the largest population centers in the Southeast as identified on the map and table below.

Overview of hinterland markets Savannah is positioned to serve




Source: US Census

South Atlantic ports versus inland population centers—distance comparison

| | Metro Area POP (mil)[1] | Savannah[2] | Jacksonville[2] | Charleston[2] | Wilmington[2] |
|---|---|---|---|---|---|
| Charlotte, NC | 2.68 | 258 | 372 | 222 | 204 |
| Atlanta, GA | 6.09 | **249** | 314 | 302 | 416 |
| Knoxville, TN | 0.88 | 417 | 548 | 381 | 465 |
| Nashville, TN | 1.96 | **498** | 598 | 555 | 644 |
| Birmingham, AL | 1.09 | **394** | 454 | 453 | 565 |
| Memphis, TN | 1.35 | **630** | 697 | 691 | 801 |

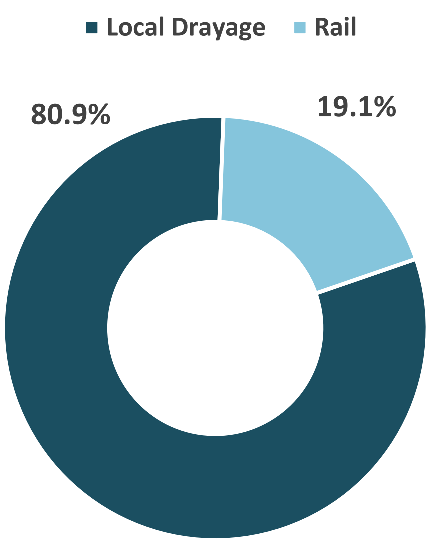
1) US Census
2) Google Maps

- The table to the right indicates the mileage between the region's large population centers and the Port of Savannah, as well as Savannah's primary port competitors.
- On a mileage basis, Savannah is competitively positioned to serve all the inland metropolitan areas identified above.
- Savannah is the closest container port to four of the six metropolitan areas identified above, and for the other two metropolitan areas, the distance to Savannah is within 50 miles of the distance to the closest container port.
- Memphis is principally a rail-served market, and Savannah and Charleston are the main South Atlantic gateways for Memphis since both have superior rail access versus Wilmington or JAXPORT.

## Savannah's competitiveness to access key inland markets – Rail-served markets

- Most of the import container traffic moving through Port of Savannah is destined to local truck-served markets, as shown on the pie chart below, with only approximately 19.1% of inbound container traffic moving inland by Interior Point Intermodal (IPI) rail in CY2021.

Savannah's import volumes by delivery mode, 2021




Source: GPA Port Statistics

Intermodal import volumes for Savannah and US ports, 2021 (TEUs in 000s)

| | SAV | NYNJ | NFK | CHS | Other USEC | LA/ LGB | Other USWC | Gulf | All USA |
|---|---|---|---|---|---|---|---|---|---|
| Total TEUs (000s) | 2,816 | 4,652 | 1,619 | 1,303 | 3,262 | 10,356 | 2,675 | 2,295 | 28,978 |
| Local Delivery | 2,520 | 3,969 | 1,192 | 873 | 3,324 | 8,599 | 2,185 | 2,185 | 24,847 |
| **IPI Cargo** | **296** | **682** | **426** | **199** | **191** | **1,757** | **490** | **90** | **4,131** |
| **Southeast** | 278 | 28 | 21 | 191 | 63 | 242 | 28 | 14 | 863 |
| Atlanta | 139 | 4 | 0 | 18 | 1 | 28 | 1 | 0 | 191 |
| Memphis | 50 | 1 | 0 | 18 | 0 | 182 | 21 | 6 | 277 |
| Nashville | 28 | 1 | 0 | 8 | 0 | 11 | 1 | 1 | 50 |
| Charlotte | 18 | 4 | 0 | 7 | 0 | 4 | 0 | 0 | 32 |
| Huntsville | 9 | 0 | 0 | 2 | 0 | 2 | 0 | 1 | 14 |
| Birmingham | 5 | 0 | 0 | 17 | 0 | 0 | 0 | 5 | 27 |
| Greenville-Spartanburg, SC | 0 | 0 | 0 | 110 | 0 | 0 | 0 | 0 | 111 |
| Other SE | 29 | 17 | 21 | 12 | 62 | 15 | 4 | 1 | 161 |
| **Mid-West** | 5 | 504 | 375 | 4 | 18 | 844 | 348 | 10 | 2,108 |
| Chicago, IL | 1 | 209 | 140 | 1 | 14 | 455 | 193 | 8 | 1,022 |
| Ohio Valley + Detroit | 0 | 184 | 131 | 0 | 2 | 151 | 69 | 0 | 538 |
| Other Mid-West | 4 | 111 | 103 | 3 | 2 | 238 | 86 | 2 | 548 |
| **Northeast** | 0 | 114 | 22 | 0 | 30 | 5 | 0 | 1 | 172 |
| **All Other US regions** | 13 | 36 | 8 | 4 | 81 | 666 | 115 | 65 | 987 |

Source: Datamyne

- The top destinations for intermodal moves from the Port of Savannah are Atlanta, Memphis and Nashville.
- As summarized in the table above right, the top intermodal destinations among the main East Coast ports for imports are in the Midwest, with Chicago and the Ohio Valley being the top destinations by a wide margin.
- The Port of Savannah handles very little of this Midwest traffic today but is investing heavily to further expand its reach into rail hinterland markets through the development of 92 acres adjacent to the Mason Mega Rail Terminal to add 750,000 TEUs of annual capacity.

## Savannah's competitiveness to access key inland markets – Rail-served markets

- GPA owns and operates the on-dock James D. Mason ICTF that is dual-served by NS and CSX and the Chatham ICTF.
- Two-day to five-day double-stack rail service is available to inland destinations including Atlanta, Charlotte, Chicago, Dallas and Memphis.
- The Mason Mega Rail intermodal yard project will double annual intermodal capacity to 2 million TEUs by increasing working tracks from eight to 18; adding 97,000 ft for a total of 180,000 ft at the 85-acre Chatham ICTF (which will be used as storage tracks); and linking it with Mason ICTF where railcar unloading/loading will be concentrated.
  - *The $218 million Phase 1 was completed in spring 2020 which added nine working tracks (97,000 ft).*
  - *Phase 2, which is adjacent space for CSX and includes a second set of nine tracks (97,000 ft). The 85-acre Mason Mega Rail Terminal is now able to simultaneously build and receive six 10,000-ft trains.*
- The completion of the Mega Rail project (all in operation as of summer 2022) will enable the Port of Savannah to grow its intermodal rail volumes into key markets in the Southeast region in line with overall growth of the traffic moving through the Port, and to potentially capitalize on future terminal capacity constraints in the container terminals of Southern California and British Columbia, as well as future terminal capacity constraints in the container terminals in the NY/NJ market.

View of the Mason Mega Rail project

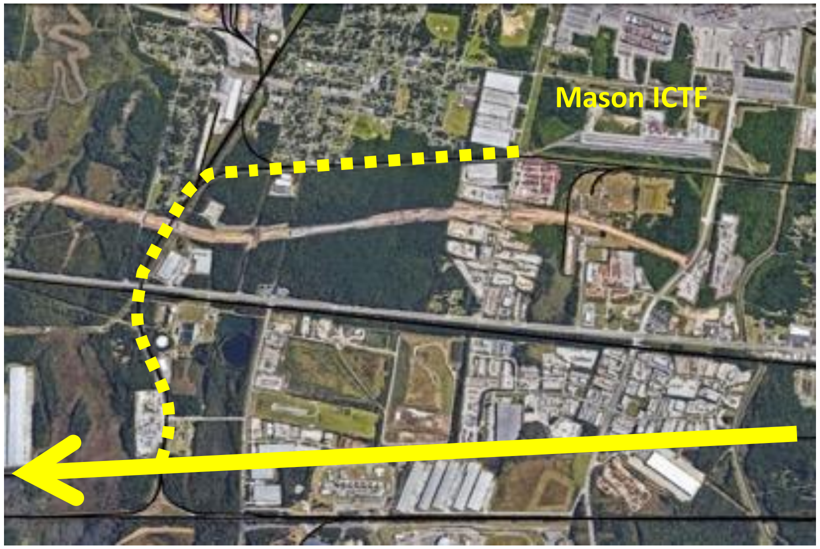
Source: https://gaports.com/blog/gpa-commissions-first-two-cranes-for-mason-mega-rail/

## Savannah's competitiveness to access key inland markets – Impacts of the Mason Mega Rail Terminal

- The Mason Mega Rail Terminal development consolidated Garden City Terminal's two rail transfer facilities, with all the container/railcar transfers expected to be made at the site of the NS facility (which will be enlarged and densified).
- As shown in the photo above right, tracks are being built in a long S-curve configuration that will link the south end of the current NS facility with the northeast end of the CSXT facility.
- Building a new set of tracks that will link the Garden City branch line (shown as the double yellow line in the top photograph) with the south end of the Mason container transfer facility will enable inbound CSXT trains to pull cuts of cars through the Mega Rail Terminal's working tracks and significantly improve Garden City Terminal's rail access for CSXT.
- A CSXT outbound train will exit the Mega Rail Terminal on the latter's south end and use that railroad's Garden City branch line to run into its Savannah Yard where locomotives can be attached to the rear end to enable the train to reverse direction and head north, or alternately where the trains can continue running south to Waycross, Georgia and then turn north to Atlanta.
- Mason Mega Rail Terminal allows for the rail network that serves the Port of Savannah to accommodate an additional train per day in each direction if required.

Aerial view of new tracks that will link Chatham and Mason yards


Aerial view of optimal path for CSXT trains from Mason Terminal



- Even after the completion of the Mason Mega Rail project, it will be challenging for the Port of Savannah to compete effectively in the Asia-Midwest all-water import market with the current primary gateway of NYNJ, based on a mileage disadvantage as depicted on the map below center and the table below right, and because of the liner service disadvantage for vessels transiting through the Suez Canal which generally call NYNJ first.
- However, terminals at NYNJ are expected to experience capacity constraint issues within the next five years, which will likely limit that port's ability to continue to grow intermodal volumes into the Chicago and the Midwest, creating an opportunity for the Port of Savannah to capture some overflow traffic.
- The Port of Charleston will also compete for this overflow traffic, but because the Port of Savannah is currently the first port of call for five services from Asia (as shown on the following page), Savannah will have a competitive advantage.

Rail mileage comparison

| Rail Mileage | Chicago | Columbus | Atlanta | Memphis | Dallas | Kansas City | St Louis |
|---|---|---|---|---|---|---|---|
| Savannah | 1083 | 1147 | 279 | 722 | 1113 | 1382 | 1073 |
| Charleston | 1204 | 958 | 400 | 843 | 1234 | 1507 | 1194 |
| NYNJ | 898 | 714 | 1350 | 1389 | 2184 | 1308 | 1085 |
| Norfolk | 1042 | 672 | 593 | 693 | 1427 | 1473 | 1251 |
| Mobile | 1086 | 1018 | 353 | 866 | 1187 | 1441 | 1147 |
| New Orleans | 959 | 1164 | 499 | 406 | 821 | 1374 | 725 |

# Assessment of GPA's competitive position

## Vessel services from Asia to Savannah and neighboring ports

Presently, there are 18 liner services that connect Asia to the East Coast of North America (ECNA) (excluding the Gulf Coast and South Florida only).

- *15 of 18 Asia services call one or more of the four South Atlantic ports of Savannah, Charleston, JAXPORT, and Wilmington.*
- *Five of the fifteen are making the first inbound calls at Savannah (versus only one at Charleston); the other ten are calling North Atlantic ports prior to calling Savannah.*

Port rotation sequences of vessel services calling at Savannah and neighboring ports: Asia trades (May 2022)

| **Trade/Alliance** | **Asia/Ocean-Alliance** | | | | | **Asia/THE-Alliance** | | | | **Asia/2M+ZIM** | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Carrier** | **CMA COSCO** | **EMC** | **CMA** | **EMC** | **COSCO OOCL** | **HMM Hapag** | **All** | **ONE YML** | **ONE** | **MSK** | **MSK MSC** | **MSK** | **MSK** | **ZIM** | **WHL** |
| **Service** | AWE1 | AWE2 | AWE3 | AWE4 | AWE5 | EC1 | EC2 | EC4 | EC5 | TP11 | TP16 | TP17 | TP23 | ZCP | AA7 |
| North Atlantic[1] | 1 | 2 | 1 | 3 | 1 | 3 | 1 | 1 | 1 | 1 | 2 | 1 | 3 | | 1 |
| Wilmington, NC | | | | | | | 2 | | | | | | | 3 | |
| Charleston | | | 3 | 2 | 3 | 2 | 4 | 3 | | | | | 1 | 2 | 2 |
| Savannah | 2 | 1 | 2 | 1 | 2 | 1 | 3 | 2 | 2 | 2 | 1 | 2 | 2 | 1 | 3 |
| JAXPORT | | | | | | | | | 3 | | | | | 4 | |
| Other N Amr Ports[2] | | | | | | | | | | | | 3 | | | |
| **Canal (head-haul)** | Pan | Pan | Suez | Pan | Pan | Pan | Pan | Suez | Suez | Suez | Pan | Suez | Pan | Pan | Suez |
| **Avg. TEUs** | 14,000 | 12,200 | 14,500 | 11,000 | 13,300 | 13,200 | 13,500 | 14,000 | 8,400 | 8,700 | 8,000 | 8,500 | 6,000 | 8,000 | 4,500 |

[1]North Atlantic includes HAL, BOS, NYC, PHL, BAL, NRF. [2]Other N Amr Ports include Freeport, Bahama, Mexican ports, and other US ports in Florida and Gulf Coast.

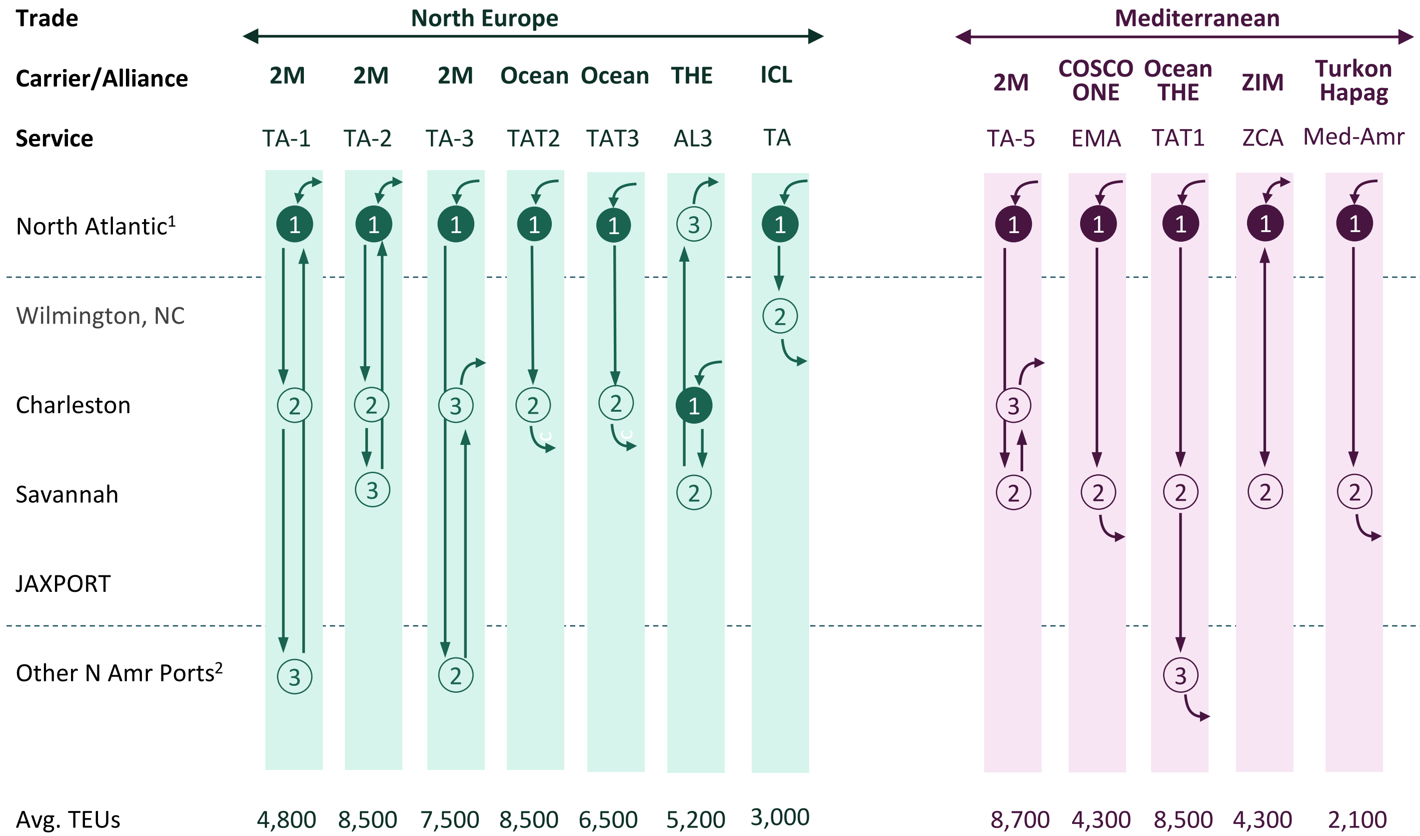
# Assessment of GPA’s competitive position

## Vessel services from Europe to Savannah and neighboring ports

There are 23 weekly liner services that connect Europe to the ECNA (excluding services that call only in the Gulf Coast and/or South Florida).

- *12 of those Transatlantic services call one or more of the four South Atlantic ports of Savannah, Charleston, JAXPORT, and Wilmington.**
- *Seven of the 12 call at the Port of Savannah, always as the second port of call after a North Atlantic port (or in one case, after Charleston).*
- *Two services are making a first inbound call at Charleston; most call a North Atlantic port prior to calling Savannah, Charleston or Wilmington. (No European services are calling JAXPORT.)*
- *Savannah has a strong position in the Mediterranean trade lane with five services calling the Port compared to one service in Charleston.*

Port rotation sequences of vessel services calling at Savannah and neighboring ports: European trades (July 2021)



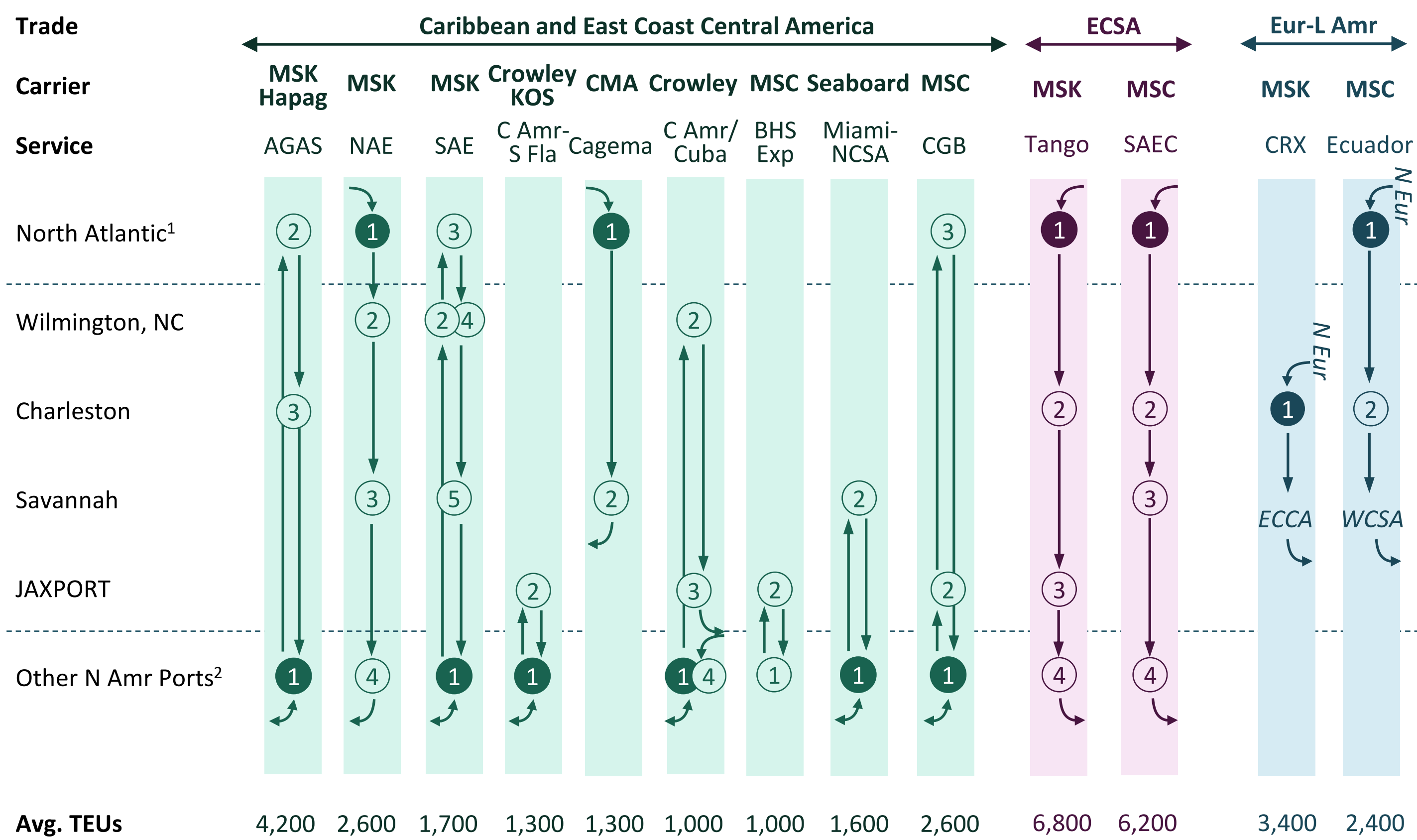

[1]North Atlantic includes HAL, BOS, NYC, PHL, BAL, NRF. [2]Other N Amr Ports include Freeport, Bahama, Mexican ports, and other US ports in Florida and Gulf Coast.

* not including CMA CGM's RTW service SB from Europe/to Oceania and NB to Europe/from Oceania which calls every other week for a large portion of the year.

There are currently 13 liner services that connect Latin America with Savannah and/or neighboring ports.

- *Nine serve the Caribbean and East Coast of Central America (ECCA) regions, but for all nine services, the first port of call is not Savannah.*
- *Two of these deployments serve the East Coast of South America (ECSA), and each makes its first call in a North Atlantic port.*
- *The CRX service makes its first inbound call at Charleston, but the vessel arrives from North Europe before departing to the ECCA.*

Port rotation sequences of vessel services calling at Savannah and neighboring ports: Latin America trades (July 2021)



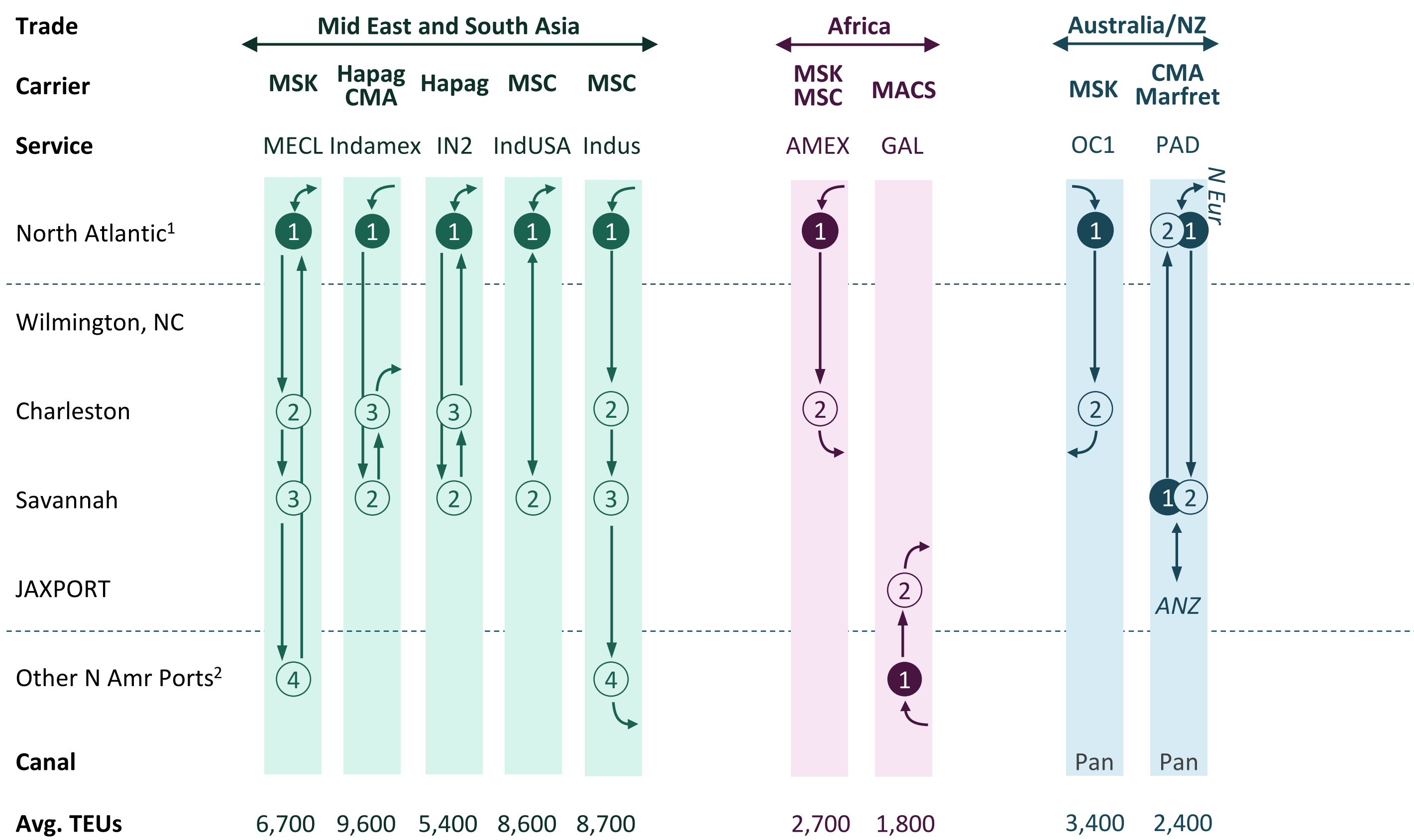

[1]North Atlantic includes Canadian ports, BOS, NYC, PHL, BAL, NRF. [2]Other N Amr Ports include Freeport, Bahama, Mexican ports, and other US ports in Florida and Gulf Coast.

## Vessel services from Middle East, South Asia, Africa, and Australia/New Zealand to Savannah and neighboring ports

Nine liner services connect Savannah and neighboring ports to the Middle East (ME)/Indian Subcontinent (ISC), Africa, and Australia/New Zealand (ANZ).

- *The ME and South Asia trade lane has five services (increased from three early last year) and all are calling North Atlantic ports first, and all are calling Savannah. Four of them call Charleston.*
- *There are two Africa services. AMEX focuses on East Coast ports, while GAL focuses on the Gulf Coast and has less frequent sailings.*
- *There are two ANZ services; one calls Charleston and the other, a multi-trade service, makes a way port call at Savannah.*

Port rotation sequences of vessel services calling at Savannah and neighboring ports: ME, South Asia, Africa, and ANZ trades (July 2021)




[1]North Atlantic includes Canadian ports, BOS, NYC, PHL, BAL, NRF. [2]Other N Amr Ports include Freeport, Bahama, Mexican ports, and other US ports in Florida and Gulf Coast.

## Planned improvements to navigational access at US Atlantic container ports

- The access channels of several US East Coast (USEC) ports including Savannah are presently being improved. All data was sourced from port websites or port press releases except as otherwise cited in the footnotes to the right of the table.

Summary of USEC container ports' current and planned navigational access

| | | Current channel depth (ft) | | Planned channel depth (ft) | | |
|---|---|---|---|---|---|---|
| **Port** | **Terminal** | **Outer** | **Inner** | **Outer** | **Inner** | **Water density** |
| **Port of Savannah** | | | | | **Savannah Harbor Expansion Project** | 1.000 |
| | Garden City Terminal | 49 | 47 | | | |
| | Ocean Terminal | 49 | 47 | | 47 | |
| **Port of Virginia** | | | | **Inner Harbor Deepening Project** | **Thimble Shoal Channel East Project** | 1.025 |
| | Virginia Intl. Gateway | 50 | 50 | 55 late 2023/early 2024 | 55 late 2023/early 2024 | |
| | Norfolk Intl. Terminal | 50 | 50 | 55 late 2023/early 2024 | 55 late 2023/early 2024 | |
| **Port of Charleston** | | | | **Charleston Harbor Deepening Project** | **Charleston Harbor Deepening Project** | 1.015-1.025 |
| | Wando Welch | 47 | 52 | 54 | | |
| | Leatherman | 47 | 52 | 54 | | |
| | North Charleston | 47 | 45 | 54 | 48 in 2022 | |
| **JAXPORT** | | | | | **Jacksonville Harbor Deepening Project** | brackish may be fresh |
| | Blount Island | 50 | 47 | | | |
| | Dames Point | 50 | 40 | | 47 end of 2022 | |
| | Talleyrand | 50 | 40 (2) | | 47 end of 2022 | |
| **Port of Wilmington** | | | | | | 1.000 |
| | Wilmington | 42 | 42 | | 47 unknown timeframe | |

1) Berths 30-35 have depths of 40 ft; Berth 20 and 22 have depths of 38 ft

2) Berths 4-8 have depths of 40 ft; Berth 3 has a depth of 34 ft

- After channel deepening, Savannah and JAXPORT will both improve their ability to handle larger vessels but will be tide-constrained for the largest vessels.
- The deepening of Charleston's channels to 52 ft (15.8m) will enable Charleston to offer 24-hour access without meaningful draft constraints to the largest ships expected at USEC ports, avoiding potential delays.
- The higher water density at Charleston provides another modest advantage. The actual draft of ships at the freshwater ports of Savannah and Wilmington will be about 1.0-1.5 ft deeper than at Charleston when carrying the same cargo load.

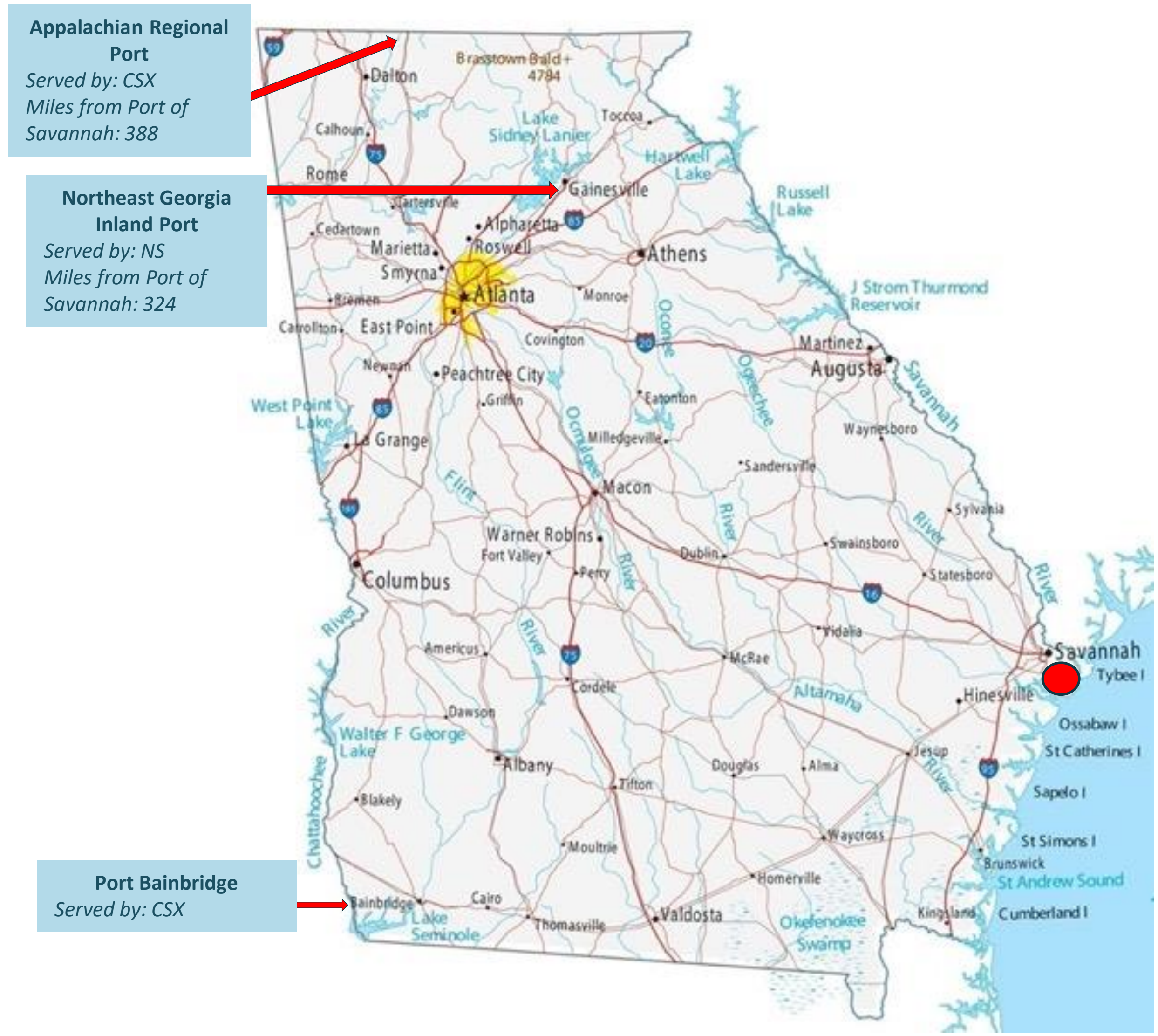
- The existing Appalachian Regional Port – and another inland port under development – Northeast Georgia Inland Port – that is scheduled to open in 2024 reduce congestion on Georgia's highways, provide beneficial cargo owners (BCO) with lower transportation costs, support volume growth at the Port of Savannah, and serve as economic development tools to attract new investment into the state.

- Locations of the terminals are shown in the map to the right, along with the railroad providing service and the distance from the Port of Savannah.

- The Appalachian Regional Port near Chatsworth, Georgia, provides an efficient option for cargo moving by rail to and from North Georgia, Alabama, Tennessee, Kentucky and the Port of Savannah.
  - *Once the Northeast Georgia Inland Port is operational, it will provide rail connectivity to the same areas via the NS network.*

- In addition, Port Bainbridge, located along the Flint River in southwest Georgia, has a terminal area of approximately 67 acres and primarily handles dry bulk cargo. The terminal is equipped to handle dry bulk cargo via barge, but due to water level restrictions, the cargo currently is received via rail and truck. Warehouse storage encompasses approximately 93,000 square feet.

Map of inland ports in Georgia



## Georgia’s Inland Ports - Appalachian Regional Port

- Opened in August 2018, the $19.7 million, 42-acre Appalachian Regional Port in Chatsworth, Murray County, is a joint effort of the state of Georgia, Murray County, GPA, and CSX Transportation under a public-private partnership arrangement.
- This inland port offers exclusive CSX service on a direct, 388-mile rail route to/from Garden City Terminal, providing an efficient alternative to an all-truck move while reducing road congestion around Atlanta.
- Key commodities produced in northwest Georgia include iron, manganese, copper, lead, poultry, carpeting, flooring, auto parts, and agricultural products. A primary reason why the Appalachian Regional Port is more attractive to exporters than rail service from Chattanooga is because of the shorter distance to the Port of Savannah.
- Consumer goods imports destined to retailers in the region, especially around the Atlanta population center, as well as eastern Tennessee can be efficiently served by this inland port.
- The annual throughput capacity is 50,000 containers and a 10-year development plan calls for doubling that capacity. In FY2021, Appalachian Regional Port handled 35,000 rail lifts of import, export and domestic cargo.
- This facility is 20 miles from the Tennessee border and, with close access to I-75, can serve Chattanooga, Nashville, Knoxville and other Tennessee markets.

View of Appalachian Regional Port

Source: https://gaports.com/facilities/inland-ports/

Google Earth view of Appalachian Regional Port

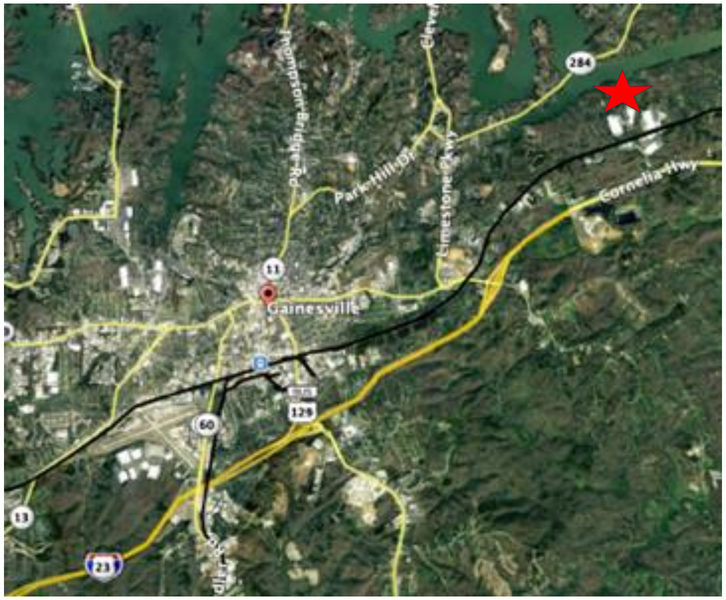
## Georgia’s Inland Ports - Northeast Georgia Inland Port

- The planned 104-acre, $156 million Northeast Georgia Inland Port at the Gateway Industrial Center near Gainesville will furnish a direct 324-mile intermodal freight rail service link to the Port of Savannah via the NS Crescent Corridor, a 2,500-mile East Coast network running from New Orleans and Memphis to New York and New Jersey. GPA’s partners in this endeavor are Norfolk Southern and Hall County, Georgia. GPA will operate the terminal.
- If the National Environmental Policy Act permit application is approved, GPA expects construction to commence in the summer of 2022, with the inland port becoming functional in 2024.
- In June 2021, GPA received a $46.8 million US DOT Infrastructure for Rebuilding America grant for this project after failing to secure such funds twice before. Also in June 2021, GPA secured a $2 million grant from the US Department of Commerce for roadway improvements outside the terminal. GPA will fund the $110 million balance.
- This rail terminal will initially have 9,000 ft of working track and at full build-out there will be 18,000 ft of track on six tracks. Top capacity will be 200,000 container lifts per year. GPA forecasts handling 30,000 lifts in year one and 50,000 the second year.
- The inland port will have direct access to I-985 and is less than 20 miles from I-85. It will have gate facilities for truck access. Currently it takes truck drivers over four hours one-way to travel from the area to the Port of Savannah. Once operational, Northeast Georgia Inland Port will eventually keep an estimated 150,000 trucks off the road each year, representing 60 million truck miles.
- There are numerous industrial companies such as Kubota Manufacturing Company of America (shown as a red star on the lower map) in the Gateway Industrial Center and surrounding area that will be able to make use of this inland port including Tatsumi Intermodal, Fox Factory, ZF Gainesville, and Auto Metal, along with carpet and flooring manufacturers, poultry exporters, and retailers with distribution centers nearby.
- This inland port will be attractive because BCOs select short-haul intermodal rail over truck in situations such as when supply chain requirements favor lower transport rates over speed to market or when they want to diversify their modal choices to hedge against potential business interruptions.

View of Northeast Georgia Inland Port

Source: GPA

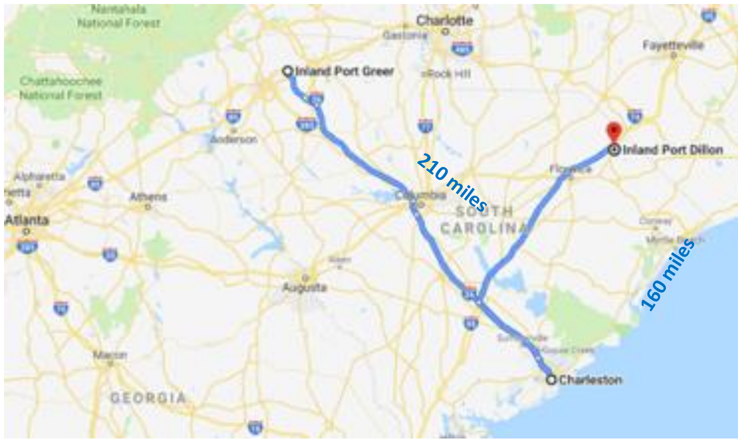
Google Earth view of Gainesville



## Competitive overview of South Carolina State Ports Authority’s inland port operations

- The map below indicates the locations of South Carolina State Ports Authority’s (SCSPA) two inland ports – Inland Port Greer (IPG) and Inland Port Dillion (IPD). The photo shows the IPG terminal layout.

Location of SCSPA’s inland ports




Aerial view of SCPA’s Inland Port Greer intermodal terminal

- In FY2021 (July 2020 to June 2021), IPG handled 157,842 rail moves and IPD handled 32,409 rail moves.[1)]
- Since IPG and IPD provide BCOs with scheduled service at reasonable rates, they have been able to capture movements that would traditionally have been handled by truck.
- IPG and IPD’s volume growth has also been facilitated by the introduction of mandatory electronic monitoring of the in-service hours of truck drivers, which effectively limits drivers to 11 hours of driving between rest periods. Allowing a total of two hours for pick up and delivery of a container and assuming an average truck speed of 50 miles per hour, truck drivers have a range of only about 225 miles for round trip moves. However, if any delay occurs, it could easily cause a driver to run out of hours, thus, most drivers who primarily undertake roundtrip movements are often limited to a daily round trip range of less than 225 miles. This has made daily short distance rail movements more attractive, making both IPG and IPD well positioned for handling shipments that have traditionally been transported by truck.
- The Port of Savannah can compete with the Port of Charleston for some cargo destined or originating in northwest South Carolina because the distance between IPG and the Port of Savannah is about 260 miles, not significantly farther than to the Port of Charleston (210), but it might entail a two-day rather than a one-day trip. Some BCOs favor making use of the more abundant ocean carrier services and more first port-calls at the Port of Savannah.

1) https://greertoday.com/greer-sc/inland-port-greer-reports-huge-may-in-rail-moves/2021/06/08/

## Port of Savannah – Planned infrastructure projects

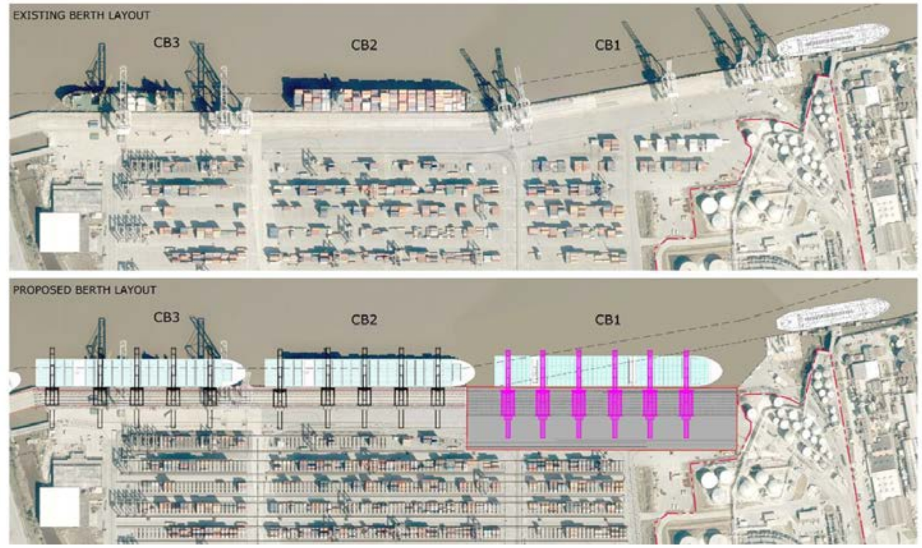
- Historically, the strong financial performance of GPA has allowed the Authority to internally fund most of the capital projects - along with State of Georgia funds from general obligation bonds as well as various federal grants.

- Due to the high performance and dominance in the South Atlantic region, GPA is embarking on multiple capital projects to maintain and expand its terminal footprints, inland ports and warehouse infrastructure in order to accommodate all of the future growth GPA is expected to capture. The scale of these projects is the genesis of the revenue bond series 2021 and 2022 which will supplement internal funds and federal grants for GPA's FY2021-2032 capital projects program of $4.4 Billion which will raise the Port's annual throughput capacity from 5.8 million TEUs to 9.5 million TEUs – a 45% increase. The projects from two bond issuances include:

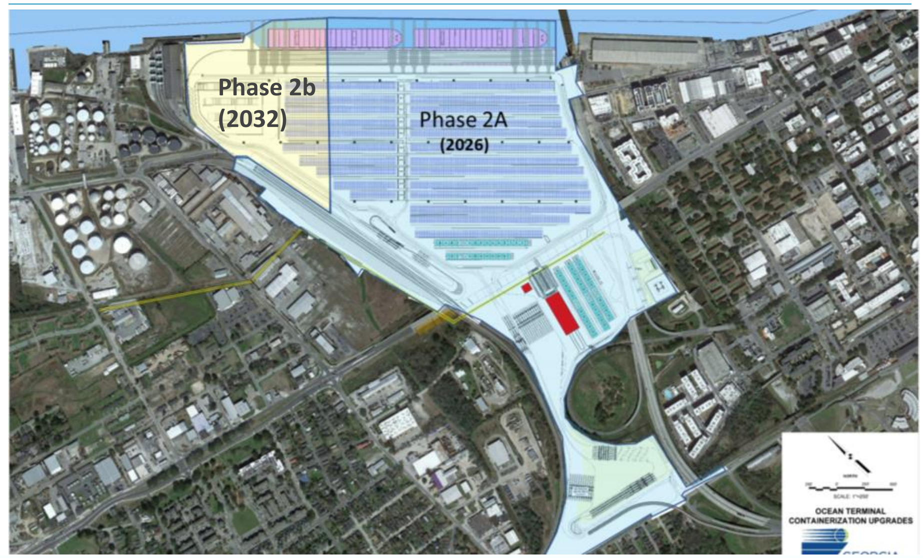
- **Series 2021 bonds:**
  - *Berth 1 re-alignment - Project Status: 55% complete; Schedule: Expected completion in summer, 2023*
  - *8 Ship to Shore Cranes - Project Status: 55% complete; Schedule: Expected completion in winter 2023*
  - *GCT West Phase 2 - Project Status: 5% complete; Schedule: Expected completion in summer, 2024*
  - *Peak Capacity Expansion - Project Status: 92% complete; Schedule: Expected completion in fall, 2022*

- **Series 2022 bonds:**
  - *Berth Reconstruction of approximately 2000 linear feet to serve 18,000 TEU vessels - Permit expected in July*
  - *Purchase and delivery of seven (7) new ship to shore cranes - Ordered March 2022*
  - *Redevelop approximately 150 acres of property for container operations and installation of 68 electric rubber tire gantry cranes - all warehouses demolished*

GCT Bert 1 Re-Alignment




Ocean terminal expansion and redevelopment



## Port of Savannah – Planned infrastructure projects

- Below is a consolidated view of the projects GPA is currently working on which will maintain assets and increase the terminal capacities. For the container port, these cumulative projects will dramatically increase throughput capacity of the berth, yard, truck gates, and intermodal yard and inland terminals and notably will allow for the ability of the Port to handle vessels up to 19,000 TEUs.

| Project | Budget | 2021 or 2022 Bond related | % Completed |
|---|---|---|---|
| Realignment of Berth 1 at Garden City Terminal | $138 Million | 2021 | 55% |
| Purchase of 8 STS Cranes at Garden City Terminal | $121 Million | 2021 | 55% |
| CGT West Phase 2 – Container storage expansion | $196 Million | 2021 | 5% |
| Peak Capacity Expansion – Storage berths modification | $87 Million | 2021 | 92% |
| Reconstruction of Berths 12 & 13 at Ocean Terminal | $279 Million | **2022** | Design 60% complete; permit acquisition by October 2022 |
| Purchase 7 new STS cranes at Ocean Terminal | $144 Million | **2022** | Contract executed; budget of $144MM |
| Redevelopment of Ocean Terminal Container Yard | $427 Million | **2022** | Design 20% complete |
| Colonels Island Break Bulk and RoRo Warehouse | $165 Million | No | Planning phase |
| GCT Terminal Capacity Improvements | $1,092 Million | No | Planning phase |
| Intermodal Garden City and Inland Terminal Development | $327 Million | No | Planning phase |
| Colonels Island Capacity Improvements | $165 Million | No | Planning phase |
| Brunswick Berth 3 Upgrade and Terminal Improvement | $40 Million | No | Planning phase |
| Hutchinson Island Lay Berths | $132 Million | No | Planning phase |
| Garden City Terminal Equipment | $626 Million | No | Planning phase |
| Ocean Terminal Container Conversion Phase 2B | $486 Million | No | Planning phase |

- In Georgia, the largest industrial warehouse cluster is in Atlanta, however due to the Port of Savannah, industrial development continues to grow at and near the port complex.
- Within the port itself, GPA has begun development of a cross-dock transload facility on the Georgia Steamship terminal. The warehouse will be nearly 350,000 sqft. with 300 dock doors with the anchor tenant being NFI. NFI will transload international import containers into domestic 53-foot containers. The redeveloped terminal will also provide expand the yard capacity by adding 9000 TEUs of storage space which is estimated to add 500,000 TEUs of annual storage capacity.
- The map to the right illustrates that Georgia has become a hub for cargo handling facilities, particularly near the Port of Savannah, around Atlanta, and along the I-285, 20, 75 and 85 corridors.
- According to the Metro Atlanta Chamber report - *Georgia Leading the Way: Logistics Workforce for the Future* - released in 2021, the logistics industry's contribution to Georgia's economy in 2018 represented 362,778 total jobs (7% of all Georgia jobs); $60.7 Billion in output/sales (6% of Georgia's total output/sales); $33.5 Billion in state Gross Domestic Product (6% of Georgia's total); $21.8 Billion in labor income (7% of total labor income); $1.3 Billion in tax revenue for the state government (6% of the Georgia Department of Revenue's FY2018 general fund receipts); and $1.4 Billion in tax revenue for local governments.[1)]

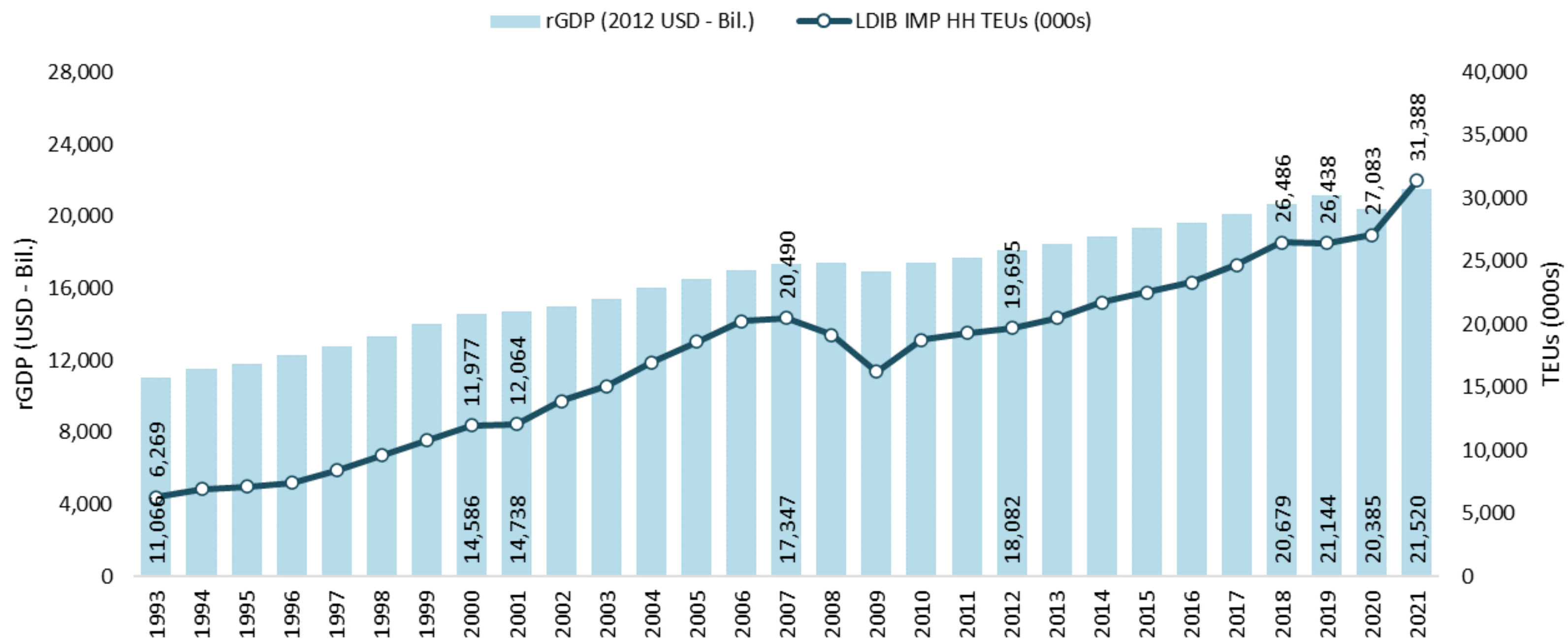
Georgia's logistics ecosystem


Source: https://www.georgia.org/sites/default/files/wp-uploads/2013/09/Georgia-Logistics-Industry-6-10.pdf

There has been a strong and enduring relationship between North American real GDP (rGDP) and demand for container imports. Loaded inbound containers on import-oriented trade lanes drive total container throughput. This relationship has been periodically disrupted by recessions, and more recently volumes were also impacted by the trade war in 2019 and the COVID-19 pandemic in 2020-2021.

North American Real GDP and loaded inbound containers on import-headhaul trade lanes, 1993-2021

Source: Mercator International




| CAGRs | 1993–2000 | 2001–2007 | 2012–2018 |
|---|---|---|---|
| Containers | 9.7% | 9.2% | 5.1% |
| Real GDP | 4.0 % | 2.8 % | 2.3 % |
| Growth Multiplier | 2.41 | 3.35 | 2.24 |

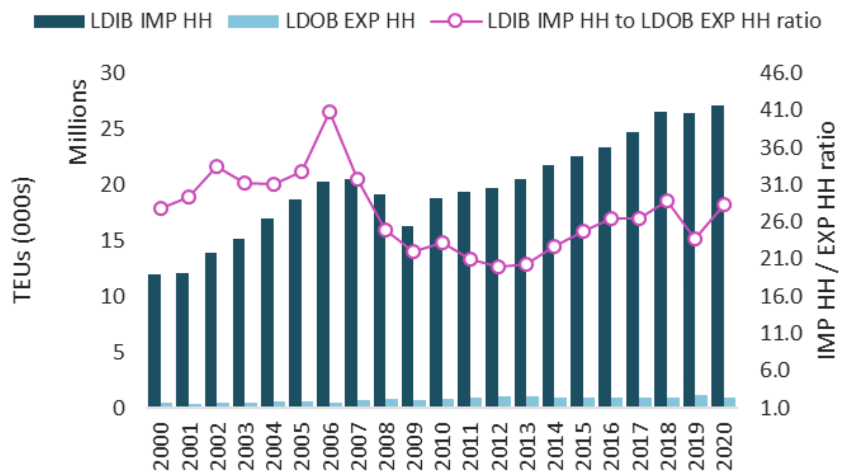
COVID-19

US-China Trade War

- The growth rate multipliers, which are calculated as the ratio of the compound annual growth rates of loaded inbound import headhaul (LDIB IMP HH) container volumes to the compound annual growth rates of real GDP, show some inconsistency, rising from 2.4 over the 1993 to 2000 period to 3.35 during the 2001 to 2007 period before falling back to 2.24 over the 2010 to 2018 period.
- Multipliers should be expected to decline asymptotically over time, and the temporary jump in the 2001 to 2007 period reflects the impact of China joining the World Trade Organization (WTO) and the wave of offshoring that followed.
- On the following pages, we explore relationships that characterize the recent period of stability that persisted from 2011 to 2018.

In each trade lane, the ocean containers that support international maritime trade must, over time, be well balanced. Because flows of goods are oriented to the import headhaul on eight of the eleven major container trade lanes, empty containers must be repositioned from North America to the sending countries in order to support future trade. Loaded containers moving to the net importing country are said to be 'headhaul' moves, and the loaded containers moving in the opposite direction comprise the 'backhaul'.

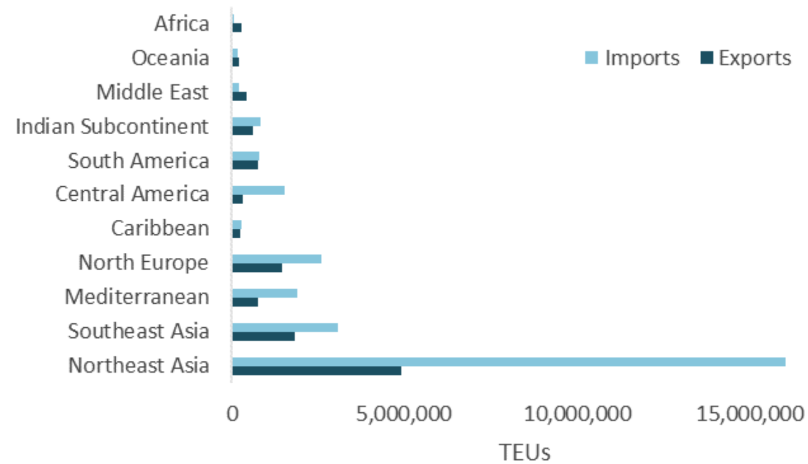
North American container imports and exports, 2000 - 2020




Source: Mercator International

- Because many containers moving over Canadian ports are destined for US markets, and many containerized goods moving over US ports are integrated into manufactured goods consumed in Canada, the US and Canada comprise a single container market, herein referred to as the North American market.
- The chart above shows the dominance of imports on import-oriented (import headhaul) trade lanes.

Trade balance for each of the eleven major North American trade lanes, 2020



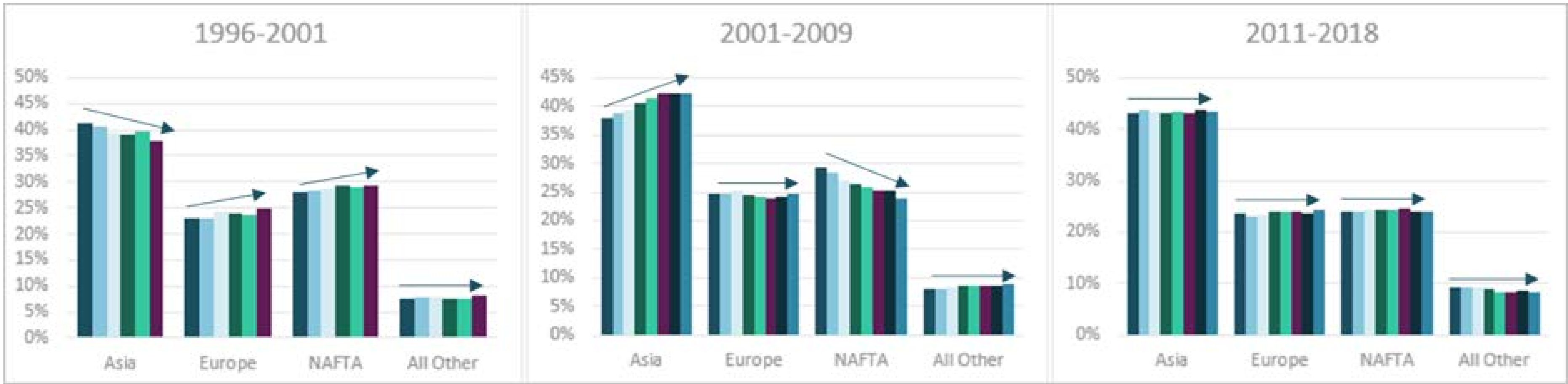

Source: Mercator International

- In the graphic above we see that volumes are dominated by trade with Asia and to a lesser extent, Europe (each of which are divided into two major trade lanes based upon container carrier networks).
- Only the four lowest volume trade lanes (Africa, Oceania, the Caribbean, and the ME) are export-oriented.
- For every loaded export container sent to Africa, Oceania, and the ME, nearly 30 loaded containers arrive from the eight import-headhaul trade lanes.
- Consequently, North American container volumes are driven by imports, which is the subject of the next few pages.

## Overview of US Imports by Trade Lane, 1996-2018

From a geographic perspective, non-energy imports have evolved through three major periods that coincide with major developments in global trade. The most recent period (2011 to 2018) was characterized by stable growth across the major trade lanes.

Shares of US imports (USD basis) over three major periods




Source: US Census

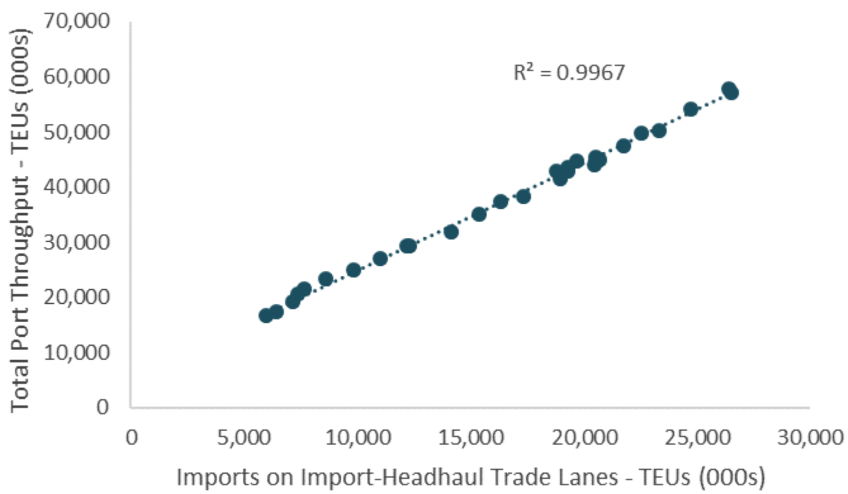
- Period 1 (1996-2001): Formation of the European Union and ratification of NAFTA* resulted in US imports from Europe and NAFTA countries rising faster than imports from Asia. Consequently, Asia's share of total imports fell while the share from Europe and NAFTA increased. Also, the relationship between TEUs and real GDP was slightly depressed, meaning that each unit of real GDP growth resulted in slightly fewer TEUs of imports.
- Period 2 (2001-2009): China completes its accession to the WTO in 2001, and on China's back, Asia's share of total US imports grew rapidly, and primarily at the cost of imports from Mexico, which was another low-labor cost supplier to the US. The relationship between TEUs and real GDP increased slightly over this period as trade over land borders declined relative to trade served by ocean carriers.
- Period 3 (2011-2018): A new equilibrium was reached around the time of the Global Financial Crisis, and shares of imports from Asia, Europe, NAFTA, and elsewhere remained flat. The relationship between TEUs and GDP returned to the pre-NAFTA relationship. The trade war has disrupted these shares.

* Both the formation of NAFTA and the European Union slightly predated the beginning of the US Census data series used for this analysis.

# Relationships between Container Throughput and Real GDP

Real GDP is an excellent predictor of non-energy imports. The scatterplot below left demonstrates that import containers on import-headhaul trade lanes are very highly correlated with total port throughput. Consequently, real GDP should be expected to be strongly correlated with total port throughput, and the scatterplot below right shows this to be statistically true.

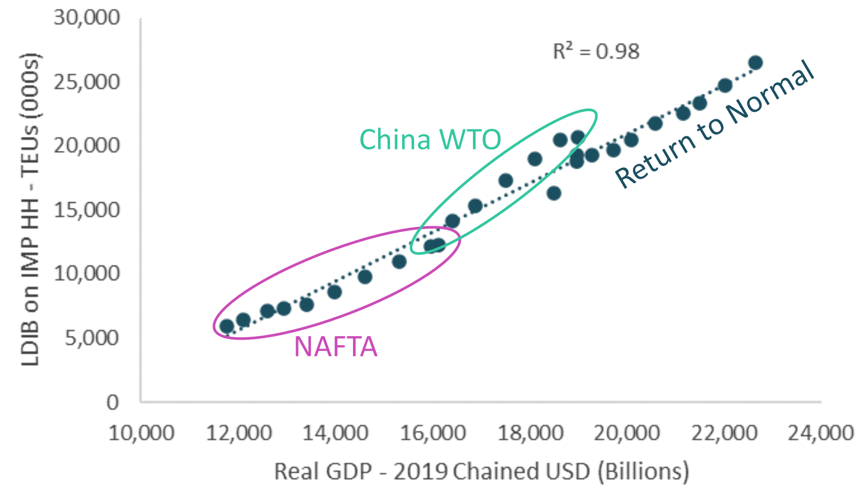
North American container imports and total port throughput, 1992-2018




Source: Mercator International, Datamyne

- A regression of import TEUs on import-oriented trade lanes to total North American container throughput shows that the level of import TEUs on eight import-headhaul trade lanes collectively explain/predict nearly 99.7% of the observed variation in total port throughput over the 1992-2018 period.

N. American real GDP and Import TEUs on Import Headhaul Lanes, 1992-2018



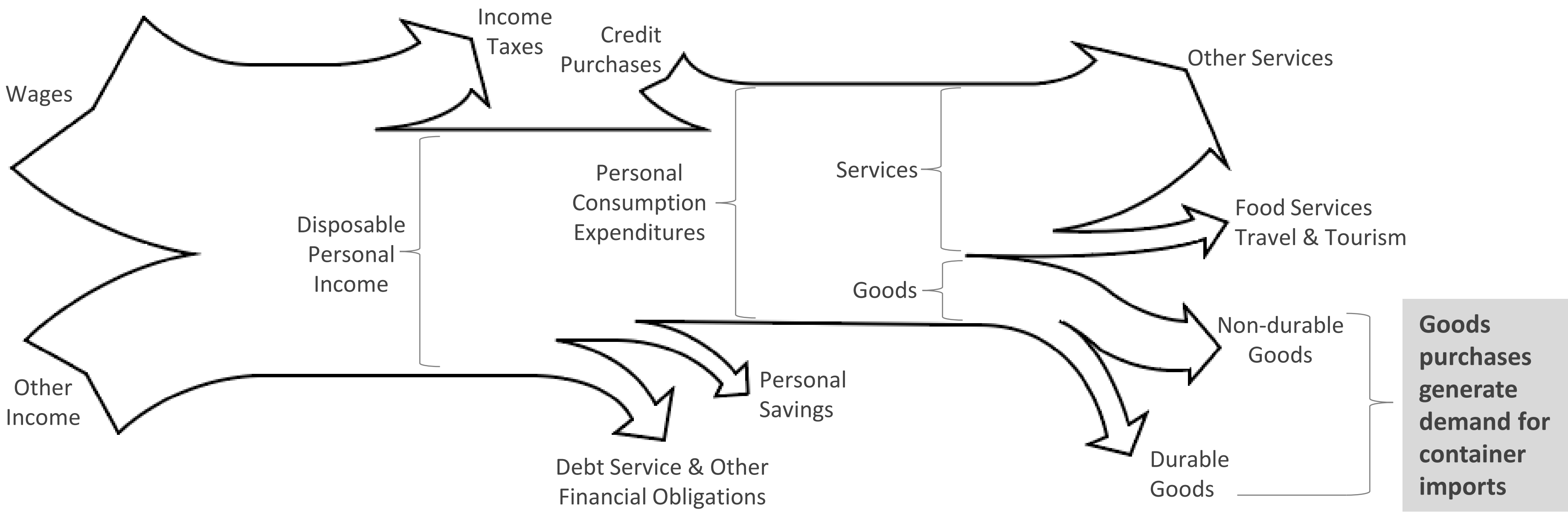

Source: Mercator International, Datamyne

- A regression of Real GDP to loaded inbound containers on import headhaul trade lanes shows that variations in real GDP explain/predict 98% of the observed variation in import TEUs.
  - *The coefficient of determination (R-squared) would be even higher if the relationship was not disturbed by the major trade deals described on the previous page.*
- After NAFTA was passed, imports over land borders (not counted in seaport data) increased as a share of total imports, and the opposite happened after China entered the WTO.
- Since 2011, the relationship has returned to the long-run trend.

# Overview of Net Flows of Income and Expenditures

The pandemic and pandemic response has disrupted the long-term relationship between personal consumption on goods and real GDP and between real GDP and container imports. Mercator has developed a disruption model based on personal consumption expenditures on goods, and proportional flow chart below was developed to help explain the logic underlying the disruption model. The proportional flow chart below summarizes a set of major flows from wages and other income to spending on goods and services. In this graphic, the two outflows in the lower right (durable and non-durable goods purchases) drive container import demand. More than 60% of imports are intermediate goods and industrial supplies purchased by domestic producers either as raw material inputs or equipment, while around 26% are final consumer goods. In this sense, container imports should be understood as supporting the entire economy.

Proportional flow chart of aggregate US wages/incomes and savings/expenditures, 2019




Wages
\+ Non-Wage Income
– Income Taxes
= Disposable Personal Income

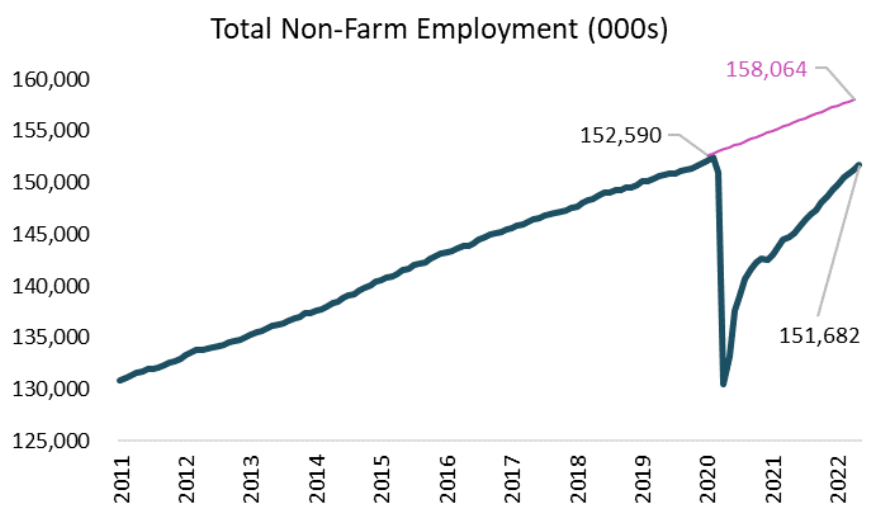
Disposable Personal Income
– Debt Service and Other Financial Obligations
– Personal Savings
\+ Credit Purchases (not paid for in same period)
= Personal Consumption Expenditures

Source: Mercator International

While the official U-3 unemployment rate is just 3.6%, the labor force participation rate is 1.5 percentage points lower now than it was prior to the pandemic in December 2019.

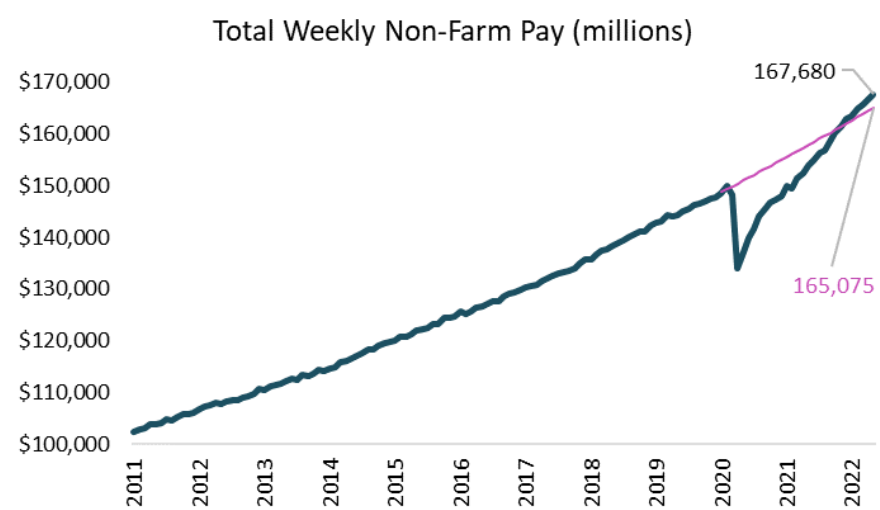
Total non-farm employment remains lower today than it was before the pandemic. More troubling is the comparison between current employment levels and the level that would have been reached if the pre-pandemic trend had persisted. Current employment is 6.4 million jobs lower than what would have been expected.

Total Non-Farm Employment (000s), January 2011 to May 2022




Source: Federal Reserve Bank of St. Louis, Mercator

Total Weekly Non-Farm Pay (USD – Millions) , January 2011 to December 2021




Source: Federal Reserve Bank of St. Louis, Mercator

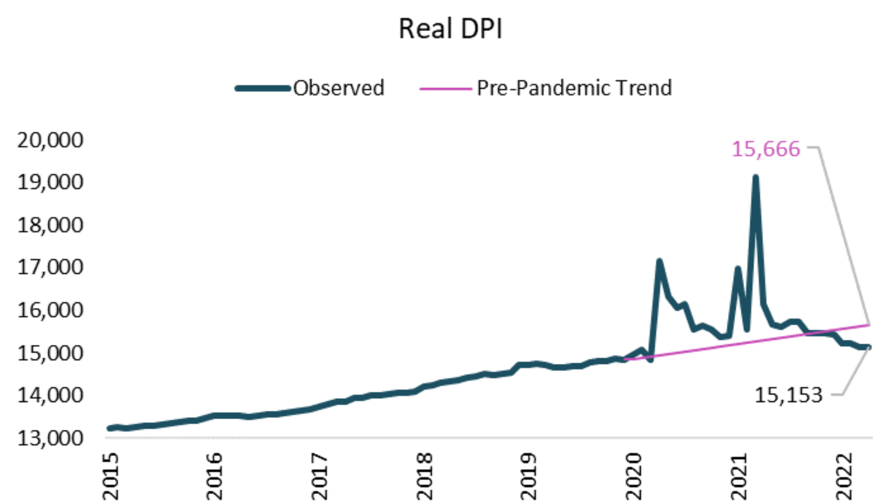
- Despite employment remaining low, total weekly non-farm pay has risen above the pre-pandemic trend, which had been growing exponentially since 2011.
- This reflects wage rate growth/inflation – 5% fewer workers than would have been expected are making the same total wage.
- On the whole, real wages have declined in the sense that wage inflation has not kept pace with the increase in the cost of goods and services.

## Real Disposable Personal Income and Real Personal Savings influence the Ability to Consume

Real (inflation adjusted) disposable personal income (rDPI) had been rising steadily and predictably for decades, but rDPI jumped with each of the three major federal stimulus direct disbursements, with peaks in April 2020, and January and March 2021. Despite the total recovery in nominal wages, real DPI has fallen to $513 billion (-1.2%) below the pre-pandemic trend.

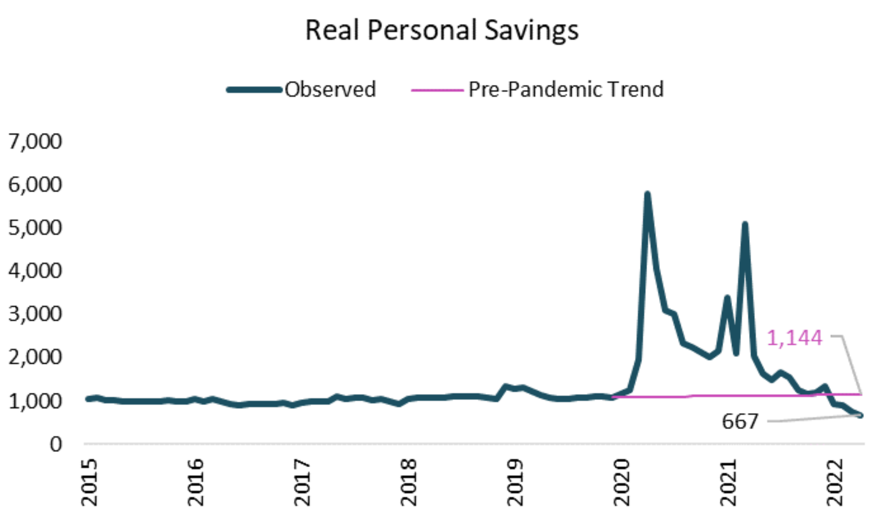
Real personal savings also peaked with each of the three rounds of federal stimulus, but real personal savings, which had fallen into a very narrow band around $1.0 trillion since January 2012, has fallen back to and then below pre-pandemic trend. In the last eight months, consumption has been fed by a $4.5 trillion reduction in real personal savings, and while personal savings remain positive, returning to the pre-pandemic trend would cause a reduction in personal consumption in the absence of a return of real DPI to the pre-pandemic trend.

Real Disposable Personal Income (Annualized USD-Billions), 1/2015 – 4/2022




Source: Federal Reserve Bank of St. Louis, Mercator

Real Personal Savings (USD-Billions), 1/2015 – 4/2022

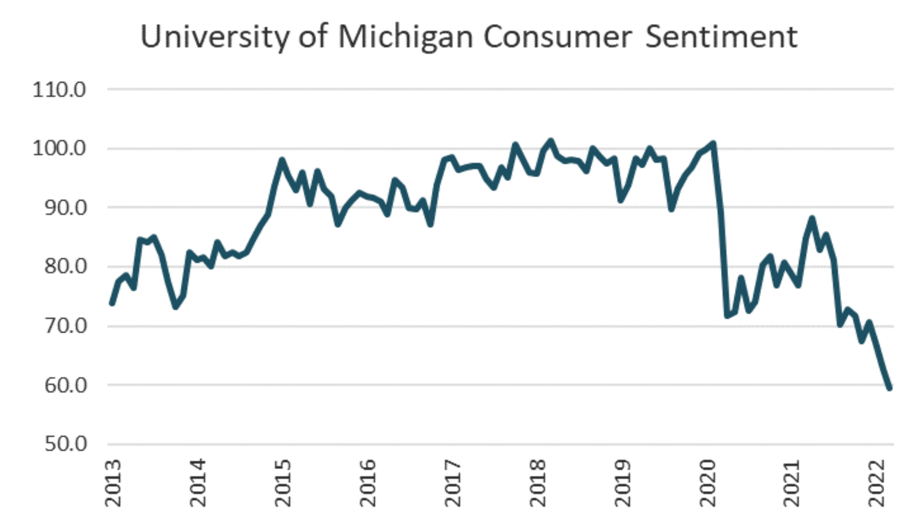


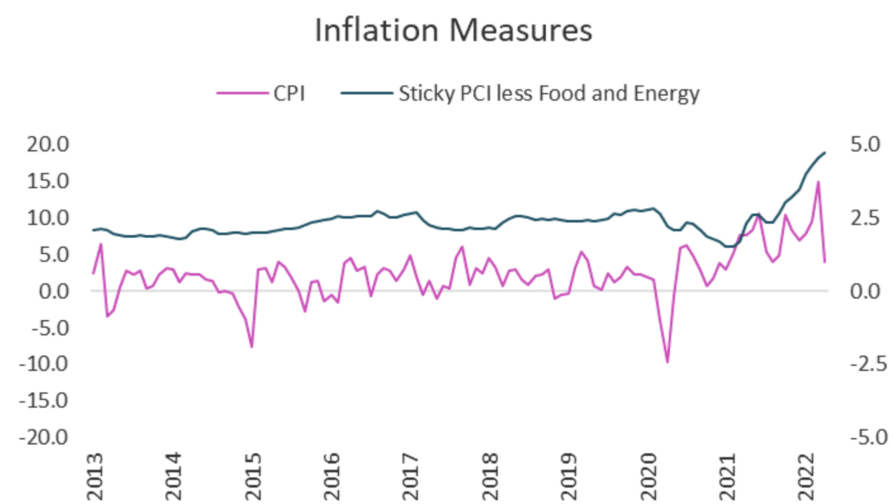

Source: Federal Reserve Bank of St. Louis, Mercator

- As the flow chart on a previous page shows, personal consumption expenditures are supported by disposable personal income, net savings, and net credit-based purchases.
- Real DPI and real personal savings have both fallen below the pre-pandemic trend, which means that the only way for real personal consumption expenditures to exceed the pre-pandemic trend is through an increase in credit spending, which is unsustainable.

Consumer sentiment has traditionally been a leading indicator that influences supply chain managers' purchasing decisions. Typically, low and falling consumer sentiment causes importers to slow stocking in anticipation of a slowdown in consumer demand. But this relationship has been broken. Despite declining consumer sentiment, retail sales remain historically strong.

The strength of retail sales is, however, somewhat overstated due to the impact of inflation as each dollar can purchase fewer goods.



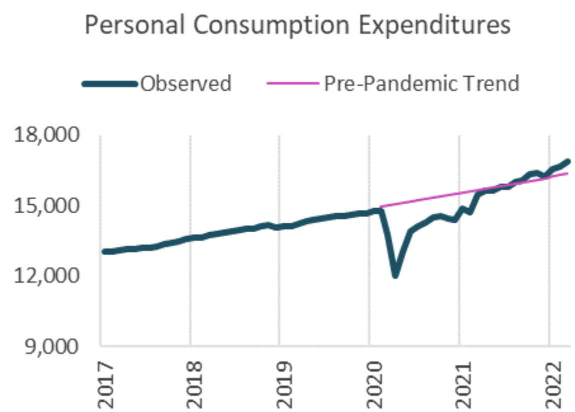

- Consumer sentiment has fallen below the lowest level reached during the Great Recession/Global Financial Crisis, and is much lower now than it was in April 2020 when the world became aware that a pandemic had arrives.
- The peak in April 2021 coincides with the largest of the federal stimulus direct payments to households, but it has dropped consistently and precipitously since then.
- It has become widely understood that inflation is not transitory, but it is less widely understood the extent to which inflation reaches into consumer goods.
- Shown above are two measures of inflation:
  - *The magenta line reflects all goods inflation, which includes food and fuel*
  - *The dark blue line (and trend) show that there has been a significant surge in the sticky price index, which is a measure of inflation in a subset of goods that traditionally demonstrate much lower price volatility.*

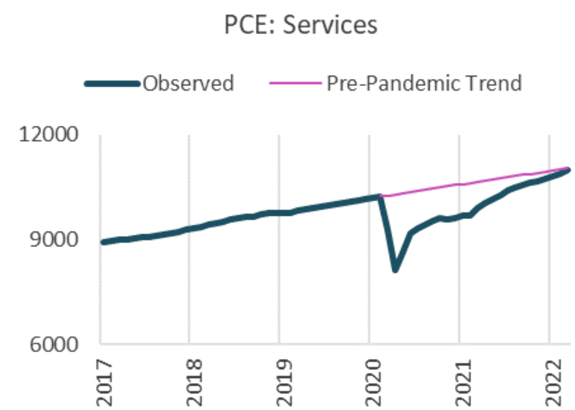
## Nominal and Real Personal Consumption Expenditures (PCE)

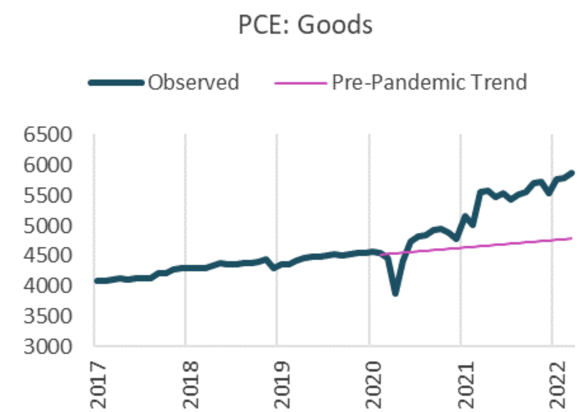
Nominal PCE (upper left graphic) returned to the pre-pandemic trend in mid-2021 and has since risen above the trend. After adjusting for inflation, however, we see that real PCE has consistently been around 0.5% below the trend.

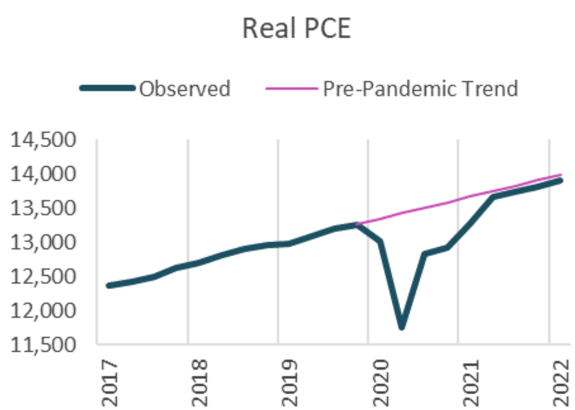
Nominal PCE on services have very nearly returned to the pre-pandemic trend, but real PCE on services remains 4.0% below the pre-pandemic trend and approximately on par with the 4th quarter of 2019.

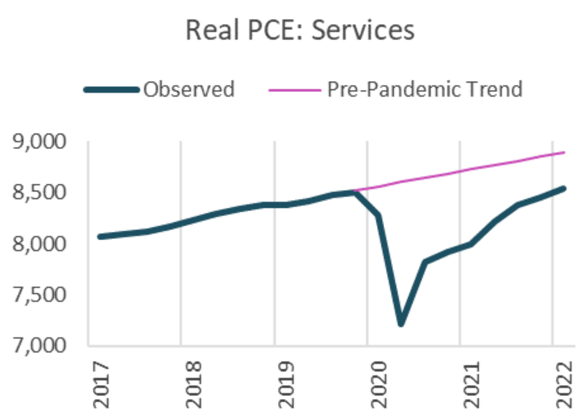
The gap between nominal goods PCE and the pre-pandemic trend has continued to grow, but inflation has caused the gap between real PCE on goods to contract from a peak of 13.2% above the pre-pandemic trend in Q2 2021 to 8.2% above trend in Q1 2022.

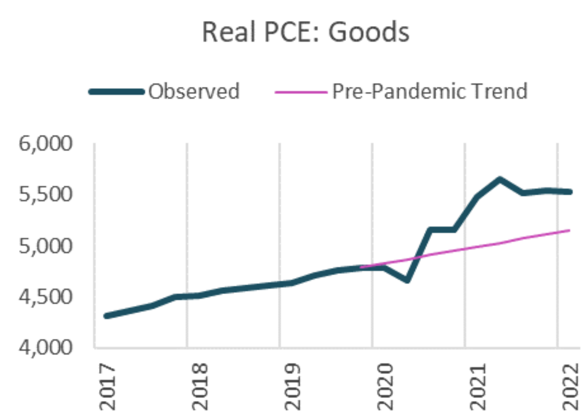


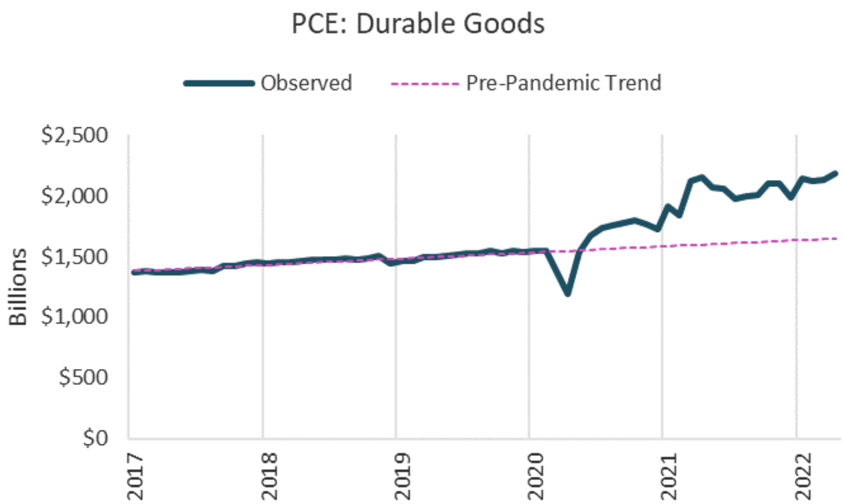



# Nominal and Real PCE on Durable Goods

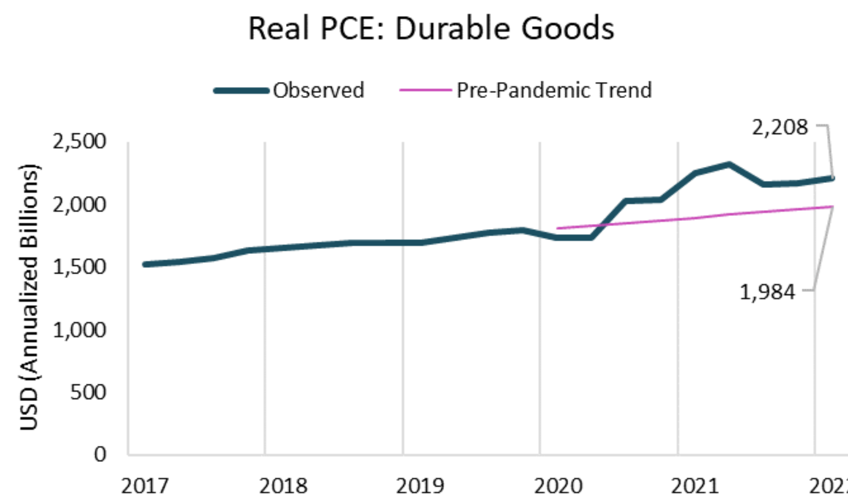
Durable goods include furniture, vehicles, appliances, and other goods that have long life spans and as such are not bought frequently. Following a short dip in Q2 2020, durable goods consumption continued to grow faster than the pre-pandemic trend level, and fueled by federal stimulus and rising home prices, durable goods climbed to well above the pre-pandemic trend by Q2 2022. Real durable goods consumption remains above the pre-pandemic trend but is growing at the pre-pandemic trend rate.

## Monthly Nominal PCE on durable goods, 1/2017 to 5/2022




- Nominal PCE on durable goods remains **27% above** the pre-pandemic trend

## Quarterly Real PCE on durable goods, Q1 2017 to Q1 2022

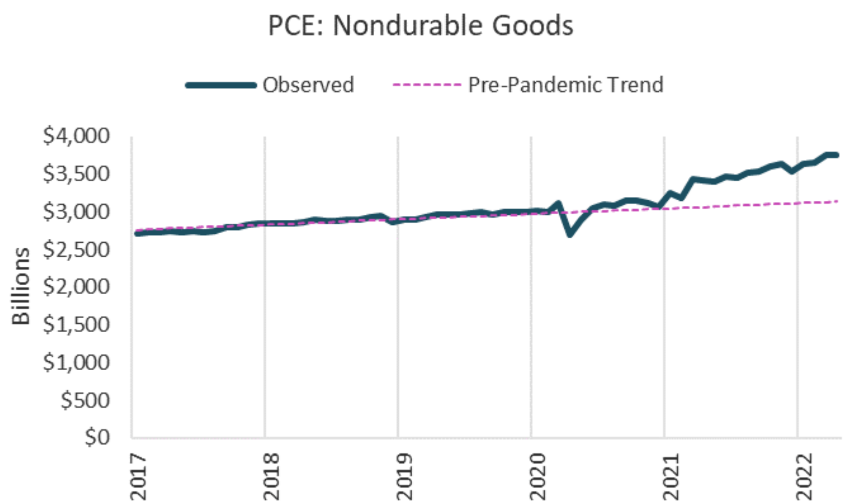



- Real PCE on durable goods peaked at 20.8% above the pre-pandemic trend in Q2 2022, but has since fallen to **11.3% above** the trend.

# Real PCE on Durable Goods and Nondurable Goods

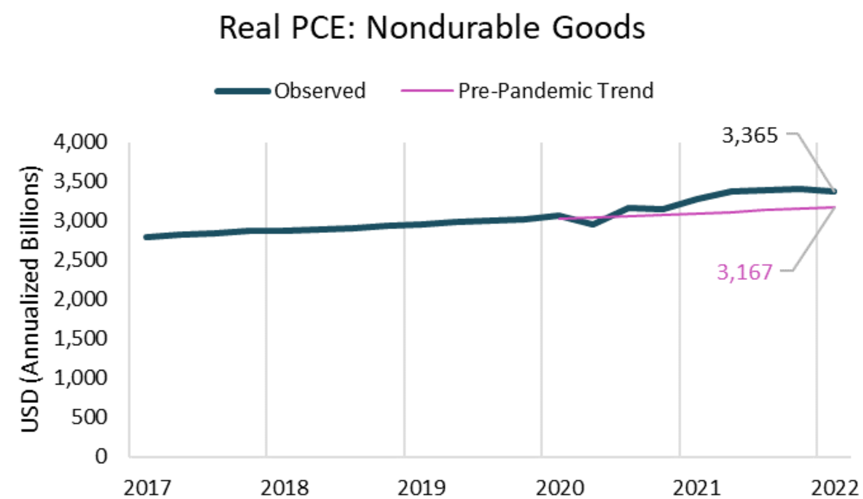
Nondurable goods is a group that includes all frequently purchased goods with short life spans. Here we see that the gap between observed sales and the pre-pandemic trend continues to grow, but in real terms, the gap is narrowing.

## Monthly Nominal PCE on nondurable goods, 1/2017 to 5/2022




- Nominal PCE on durable goods remains **27% ABOVE** the pre-pandemic trend

## Quarterly Real PCE on nondurable goods, Q1 2017 to Q1 2022

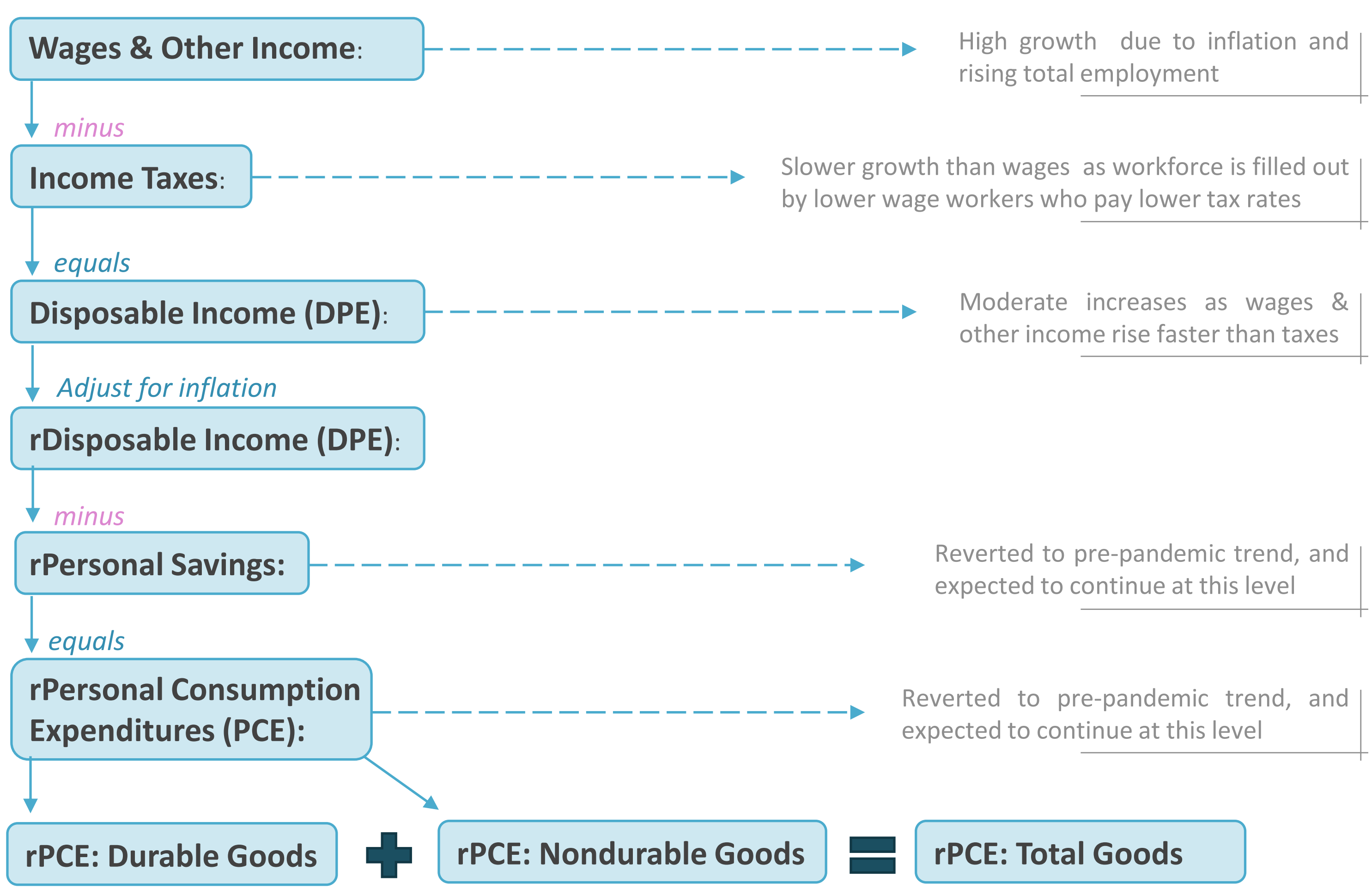



- Real PCE on nondurable goods remains **6.2% ABOVE** the pre-pandemic trend

## Overview of Personal Consumption Expenditures Forecast Methodology and Assumptions

Two models drive the volume forecast. A real PCE driven pandemic recovery model is used to forecast the first four years of the North American container volume forecast, but by 2025, it is assumed that the economy and trade return to the patterns prevalent over the 2012 to 2018 period, and a real GDP driven model is used for the rest of the forecast. In both models, assumptions are made for each of the key variables, as outlined below.

Personal Consumption Expenditures on Goods



# Real Goods PCE Forecast Forms the Base of the Near-Term Container Forecast (2022-2025)

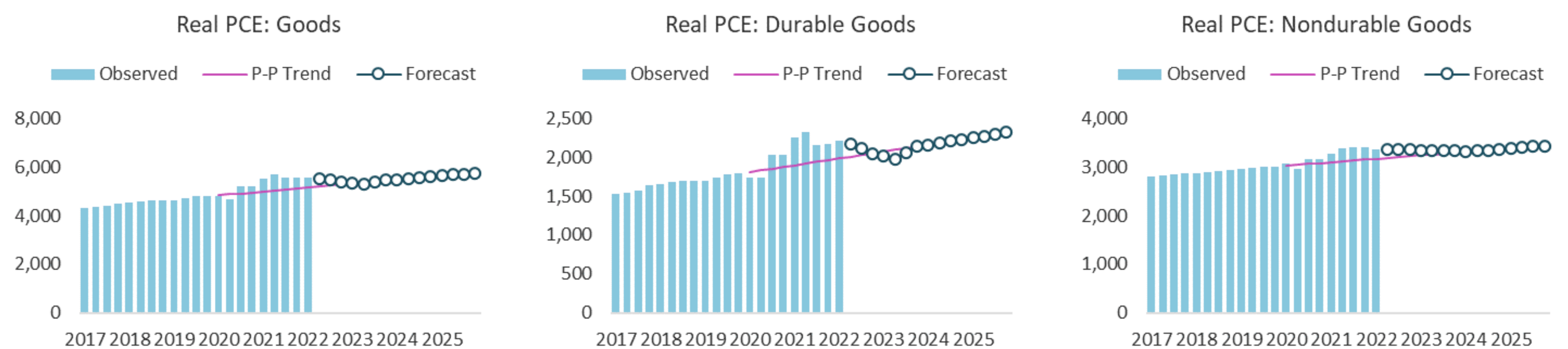
Real personal consumption expenditures on goods are forecasted individually at the durable and nondurable levels and aggregated to create a total goods PCE forecast. The previous pages have highlighted a number of accounting challenges to the continuation of the current trends in personal consumption expenditures, and we expect a return to the pre-pandemic trend.

Mercator's baseline assumption is built around the following assumptions:

1. Durable goods consumption in excess of the pre-pandemic trend reflects in some part a temporal advancement of purchases that would otherwise have occurred over the next two years. We have brought durable goods consumption back to the pre-pandemic trend by Q4 2022, and then durable goods consumption falls below that level over the next three quarters (i.e. through Q3 2023).
2. Nondurable goods consumption is assumed to fall back to the pre-pandemic trend by the end of Q1 2024, and nondurable goods consumption is grown at the pre-pandemic trend through the rest of the near-term forecast (i.e. through 2025).

The forecasts here must be adjusted to account for inventory restocking, which is the subject of the next page.

Forecasts of Durable, Nondurable, and Total Goods Personal Consumption Expenditures (USD-Billions), Q1 2017 to Q4 2025

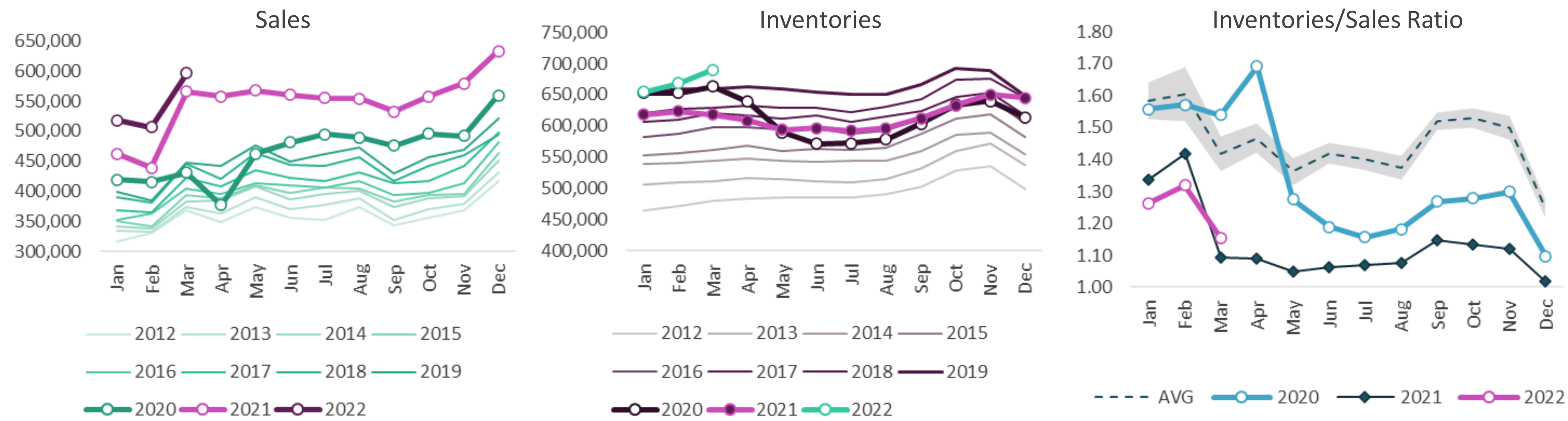



Source: Mercator

# Retail Inventories-to-Sales Ratios and the Need to Restock Inventories

Retail sales have set new monthly records every month since June 2020, and this has caused inventories to fall to 2016 levels. This has caused retail inventories to sales ratios to fall to historically low levels, and as inventories have risen to new highs, the I/S ratio has for the first time since June 2020 risen above the previous year's level. The forecast for import volumes must account not only for future goods consumption but also for the need to restock historically low inventories.

Monthly retail sales and inventories (USD – millions, SA) and retail inventories-to-sales ratios, January 2012 to November 2021

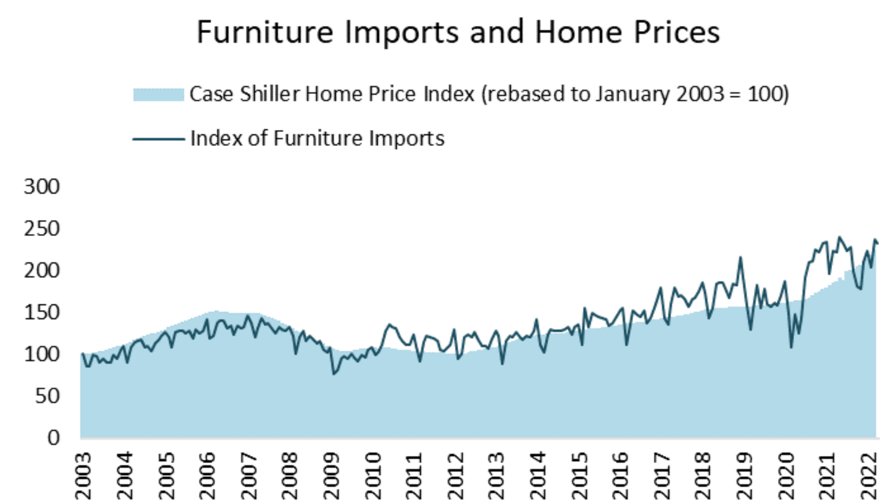



Source: US Census Bureau

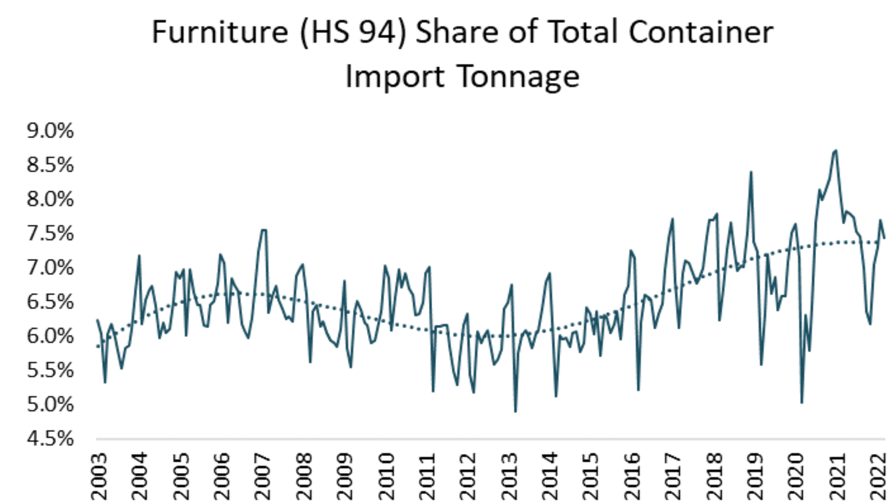
- Retail inventories-to-sales ratios fell to historically low levels in June 2020, and they set monthly records every month up to March 2022, thus suggesting that the market may have reached the reversal and begun to rebuild inventories.
- Bottlenecks in the supply chain, including equipment shortages (ocean containers and chassis), labor shortages (especially in warehouses and distribution centers), and other challenges including insufficient warehouse space, have stymied efforts to replenish inventories.
- Mercator estimates that between 1 and 2 million TEUs of imports are required to return inventories to pre-pandemic levels, if we assume that personal consumption of goods remains elevated. If sales fall off, then fewer TEUs would be required to return inventories to normal levels, but the effect of this is very limited.

Furniture is the among the top imports – if not the top import – in terms of TEUs for many/most of the larger gateways. Furniture includes home fixtures and knock-down cabinetry as well as couches and the like, and for this reason, furniture demand is driven by the housing market. Part of the above average container volumes is due to the high furniture sales which have resulted in furniture's share of total container import tonnage rising to sustained highs between mid 2020 and late 2021 (and a rebound following a cyclical low in late 2021/early 2022).

Monthly Home Prices and Furniture Imports, Jan 2003 to Apr 2022




Furniture Share of Total Import Containers (MT), Jan 2003 to Apr 2022




- Furniture imports are highly correlated with home prices, which have grown significantly since mid-2020.
- Rising inflation presents a risk to furniture imports because the Federal Reserve is likely to increase in lending and doing so could cool the housing market.

- As a share of total container import tonnage, furniture imports have experienced meaningful growth since mid-2020 despite container volumes jumping significantly.
- Not only have furniture imports taken share, they have done so during a period when total imports have rocketed to new heights well above what would have been anticipated given real GDP levels.

TEU forecast methodology

**Goods PCE Forecast (Mercator International)**

rPCE: Goods / Container Imports Regression Model

**Real GDP Forecast (IHS Global Insight)**

Real GDP / Container Imports Regression Model

**Annual Forecast of Import TEUs on Import-Headhaul Trade Lanes**

**Trade Lane Shift Share:**

SE Asia, Northern Europe, Central America, South America and the Mediterranean trade lanes lose share while NE Asia, the Indian Subcontinent, and the Caribbean (a transshipment hub) gain share through 2030

**Coastal Shift Share by Trade Lane:**

The Pacific Coast loses share to the Atlantic and Gulf Coasts.

**Forecast of Coastal TEU Growth Rates by Trade Lane***

Trade lane growth rates are applied to estimates of port/terminal volumes

**GPA share gain of main competitors**

GPA is expected to be responsible for around two-thirds of the South Atlantic's gain in share

* Export TEUs on export-headhaul trade lanes are forecasted to grow in line with US real GDP

## Forecast of North American Import TEUs on Import-Oriented Trade Lanes, 2021 to 2025

The near-term disruption model forecasts that loaded imports on import-oriented trade lanes will grow in 2022 by 1.6%, but then drop in 2023 and 2004 from 31.88 million TEUs to 31.2 million TEUs. As relationships revert to normal in 2025, the growth rate rises to 3.0%. Growth picks up in subsequent years, and then gradually declines, such that the CAGR for the 2024 to 2046 period is 3.1%.

It is further expected that there will be some shifting in trade lane shares, with Northeast Asia's share of the total falling by 1.4 percentage points (pp) while Southeast Asia's share increases by an equal amount. We also expect Northern Europe's share to fall by around 0.6 pp, Central America's share will fall by 0.4 pp, and both the Mediterranean's share and South America's share will decline by 0.1 pp. These declines are balanced by a 0.9 pp gain experienced by the Indian subcontinent and 0.3 pp gain from the Caribbean (which is expected to see an increase in transshipment from South America).

Import Container Forecast, 2022 to 2025

Source: Mercator

| Measure | Units | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|
| Real PCE: Total Goods | 2012 Chained USD (Bil.) | 5,584 | 5,492 | 5,380 | 5,535 | 5,692 |
| Loaded Import Headhaul Vols. | TEUs (000s) | 31,422 | 30,880 | 30,217 | 31,129 | 32,056 |
| Inventory Adjustment | " | | 1,000 | 1,000 | | |
| Adjusted LDIB IMP HH Vols. | " | 31,388 | 31,880 | 31,217 | 31,129 | 32,056 |
| " | Y/Y % | | 1.6% | -2.1% | -0.3% | 3.0% |

| Loaded Inbound TEUs | Units | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2042 |
|---|---|---|---|---|---|---|---|---|---|
| North America | (000s) | 33,464 | 34,964 | 36,397 | 37,638 | 38,866 | 40,100 | 41,360 | 55,098 |
| | Y/Y % | 4.4% | 4.5% | 4.1% | 3.4% | 3.3% | 3.2% | 3.1% | 2.6% |
| Northeast Asia | (000s) | 19,394 | 20,223 | 21,018 | 21,706 | 22,391 | 23,102 | 23,828 | 31,743 |
| Southeast Asia | " | 4,274 | 4,499 | 4,710 | 4,894 | 5,072 | 5,233 | 5,397 | 7,190 |
| Mediterranean | " | 2,271 | 2,386 | 2,495 | 2,589 | 2,681 | 2,766 | 2,853 | 3,801 |
| Northern Europe | " | 2,882 | 3,007 | 3,126 | 3,230 | 3,333 | 3,439 | 3,547 | 4,725 |
| Caribbean | " | 563 | 584 | 605 | 623 | 641 | 661 | 682 | 908 |
| Central America | " | 1,694 | 1,758 | 1,821 | 1,875 | 1,930 | 1,991 | 2,054 | 2,736 |
| South America | " | 867 | 909 | 948 | 983 | 1,016 | 1,049 | 1,082 | 1,441 |
| Indian Subcontinent | " | 1,519 | 1,598 | 1,673 | 1,738 | 1,802 | 1,859 | 1,917 | 2,554 |

The Atlantic Coast in general and the South Atlantic in particular are expected to gain share over this period as well as they have on a year-to-date basis. It is expected that approximately two-thirds of the South Atlantic share gain will be due to the GPA attracting discretionary intermodal volumes primarily from the San Pedro Bay gateway.

## GPA Container Volume Forecast, FY 2021 to FY 2052

The data in the table below summarize the GPA total container volume forecast and Mega Rail volume forecast. The container volumes are forecasted by applying South Atlantic growth rates by trade lane to the port's FY 2022 volumes by trade lane. The Mega Rail volumes are forecasted by first growing the Mega Rail volumes by the North American total import headhaul growth rate, and then adjusting this base up by adding to this base an amount equal to approximately two-thirds of the difference between the forecasted growth of GPA volumes and what the GPA volumes would have been without any share gain.

GPA Container Volume Forecast, FY2021 to FY 2052

| | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2030 | FY 2035 | FY 2040 | FY 2045 | FY 2050 | FY 2051 | FY 2052 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Total TEUs (000s) | 5,331 | 5,747 | 5,614 | 5,639 | 5,901 | 7,561 | 8,986 | 10,502 | 12,062 | 13,647 | 13,973 | 14,306 |
| Y/Y % | 20.2% | 7.8% | -2.3% | 0.4% | 4.7% | 4.0% | 3.4% | 3.0% | 2.7% | 2.4% | 2.4% | 2.4% |
| Mega Rail TEUs (000s) | 987 | 910 | 1,040 | 1,170 | 1,264 | 1,814 | 2,211 | 2,638 | 3,080 | 3,531 | 3,624 | 3,720 |
| Y/Y % | 7.8% | -7.8% | 14.3% | 12.5% | 8.0% | 5.2% | 3.9% | 3.4% | 3.0% | 2.6% | 2.6% | 2.6% |

| CAGRs | Total TEUs | Mega Rail |
|---|---|---|
| 5-year (2022-2027) | 3% | 11% |
| 10-year (2022-2032) | 3% | 8% |
| Full Period (2022 - 2052) | 3% | 5% |

Source: Mercator

## South Atlantic Region Container Terminal Capacities and Expansion Plans (2022-2032)

In order to understand the ability of the four South Atlantic container ports to efficiently handle the container volumes projected through the region over the next decade, Mercator researched the planned capacity expansions at each port as can be seen in the table below.

Savannah has by the far the greatest expansion plans in terms of TEU capacity and percentage growth, though its largest competitor, Charleston also has substantial increases planned over the next 10 years.

Mercator then calculated estimated capacity utilizations for each port over the next 10 years.

South Atlantic container port capacities and expansion plans

| Port | 2022 Utilization | Nominal Capacity (TEUs in 000s) | | | Key capacity expansion plans |
|---|---|---|---|---|---|
| | | 2022 | 2027 | 2032 | |
| **Wilmington, NC** | **61%** | 600 | 600 | 600 | No substantial capacity expansion planned |
| **Charleston, SC** | **90%** | 3,640 | 4,490 | 5,340 | Leatherman Terminal - full buildout capacity at 2.4M TEUs<br>Wando Welch Terminal - full renovation includes 15 STS cranes, 65 RTGs, capacity rising to 2.4M TEUs<br>New terminal operating system, upgrades of equipment, and expanded capacity at inland Port Greer |
| **Savannah, GA** | **97%** | 5,800 | 8,800 | 9,500 | Garden City Terminal (GCT): Berth 1 Re-Alignment (1.4 TEUs - 2024)<br>Ocean Terminal Berths 12/13 (600K TEUs 2026)<br>Savannah Container Terminal Lay berths (1M TEUs - 2026)<br>Ocean Terminal Berths 18 (700K TEUs 2031) |
| **Jacksonville, FL** | **93%** | 1,500 | 1,900 | 1,900 | Harbor deepening in 2022, allowing 14,000 TEU ships to berth at Blount Island Terminal<br>SSA Marine - berth improvements, new STS cranes, expanding acreage from 50 to 93 by 2024 |
| **South Atlantic** | **88%** | **11,540** | **15,790** | **17,340** | |

Source: Port Authority Websites

# South Atlantic Region Container Port Capacity Utilization

The container port capacity utilization estimates were projected from the annual container throughput forecast over the nameplate capacity at each port complex.

- The throughput forecast for Savannah is the Mercator forecast and the competing South Atlantic ports were projected based upon the Mercator's regional throughput growth rate.
- The capacity utilization levels over the next ten years are shown in the chart to the right.

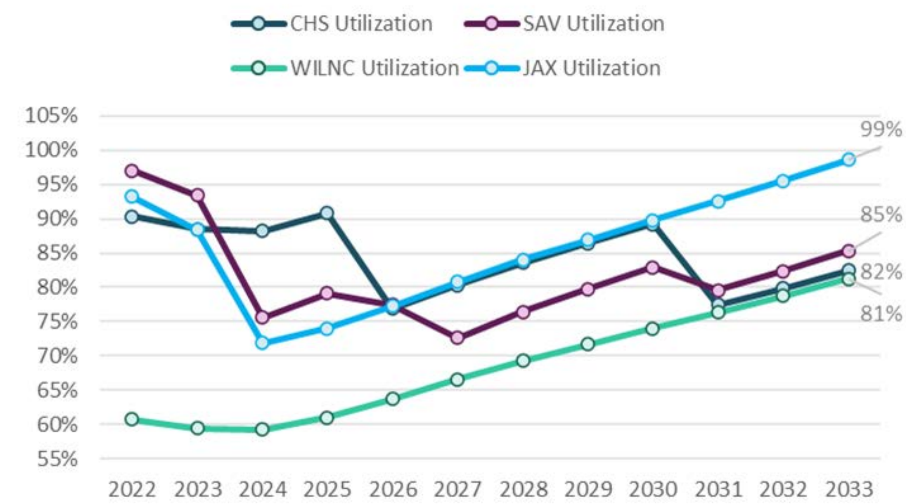
Due to the surge in container volumes for the Southeast and in particular, Savannah, Charleston, and Jacksonville, utilization levels are over 85% which is a rough approximation of when operations can be impacted and can be a leading indicator of gateway choice for carriers and BCOs.

Savannah's largest competitor, Charleston, is facing 4 years of high utilization before the next large tranche of capacity occurs in 2026, and then in 2030.

Jacksonville's capacity projects are coming online in the next 2 years and so will be able to ward off capacity pressures until the end of this decade, which will mean JAXPORT will need to start planning for further capacity projects in order to avoid constraints in the 2030's.

With Savannah's expansion of both yard capacity and container handling equipment at Garden City Terminal and Ocean Terminal, the utilization levels will drop in the coming years and with the additional phases and capital projects planned for the next 10 years, will be able to accommodate the forecasted growth in container volumes. Additionally, since Savannah's utilization rates will be lower than Charleston and Jacksonville for much of the next 10 years, it's reasonable to conclude that the Port could win discretionary volume that might otherwise move over Jacksonville or Charleston to interior markets.

South Atlantic region capacity utilization (TEU throughput / nameplate capacity)



# Contents

## Overview of GPA's Colonel's Island Terminal RoRo facilities

- While a limited amount of RoRo movements are handled at GPA's Ocean Terminal at the Port of Savannah, the majority of the shipments GPA handles in this business segment are at its Colonel's Island Terminal in the Port of Brunswick, about 83 miles south of Savannah.
- Information on Colonel's Island Terminal's operating characteristics can be found in the table below.

Google Earth view of Colonel's Island Terminal

Colonel's Island Terminal operating characteristics for RoRo operations

| Colonel's Island Terminal | Profile |
|---|---|
| **Vehicle processors** | International Auto Processing (IAP) , Mercedes-Benz USA, Wallenius Wilhelmsen Solutions |
| **Number of berths** | 3 |
| **Total RoRo berth length (m)** | Berth 1 – 370 Berth 2 – 282 Berth 3 – 370 |
| **Water depth at MLW (m)** | Berth 1 – 11 Berth 2 – 12 Berth 3 – 11 |
| **Facility footprint (ac)** | Autoport Facility – 1,700 (637 leased or sold to auto processors or OEMs plus 472 for future development of RoRo business permitted by the US Army Corps of Engineers) (USACE) |
| **Yard space for vehicle marshalling/processing (ac)** | 637 paved open storage |
| **Potential to increase yard space for vehicles** | Full build-out will provide 150,000 spaces for automobile processing, for an annual capacity of 1.5 million vehicles, additional 191 ha; permit for fourth berth acquired from USACE |
| **Static storage capacity (units)** | 98,250 |
| **Annual capacity (units)** | 1,400,000 |
| **Rail infrastructure** | 10,000-ft rail car unit train capability; Golden Isles Terminal Railroad links the three berths and interchanges with CSX and NS |

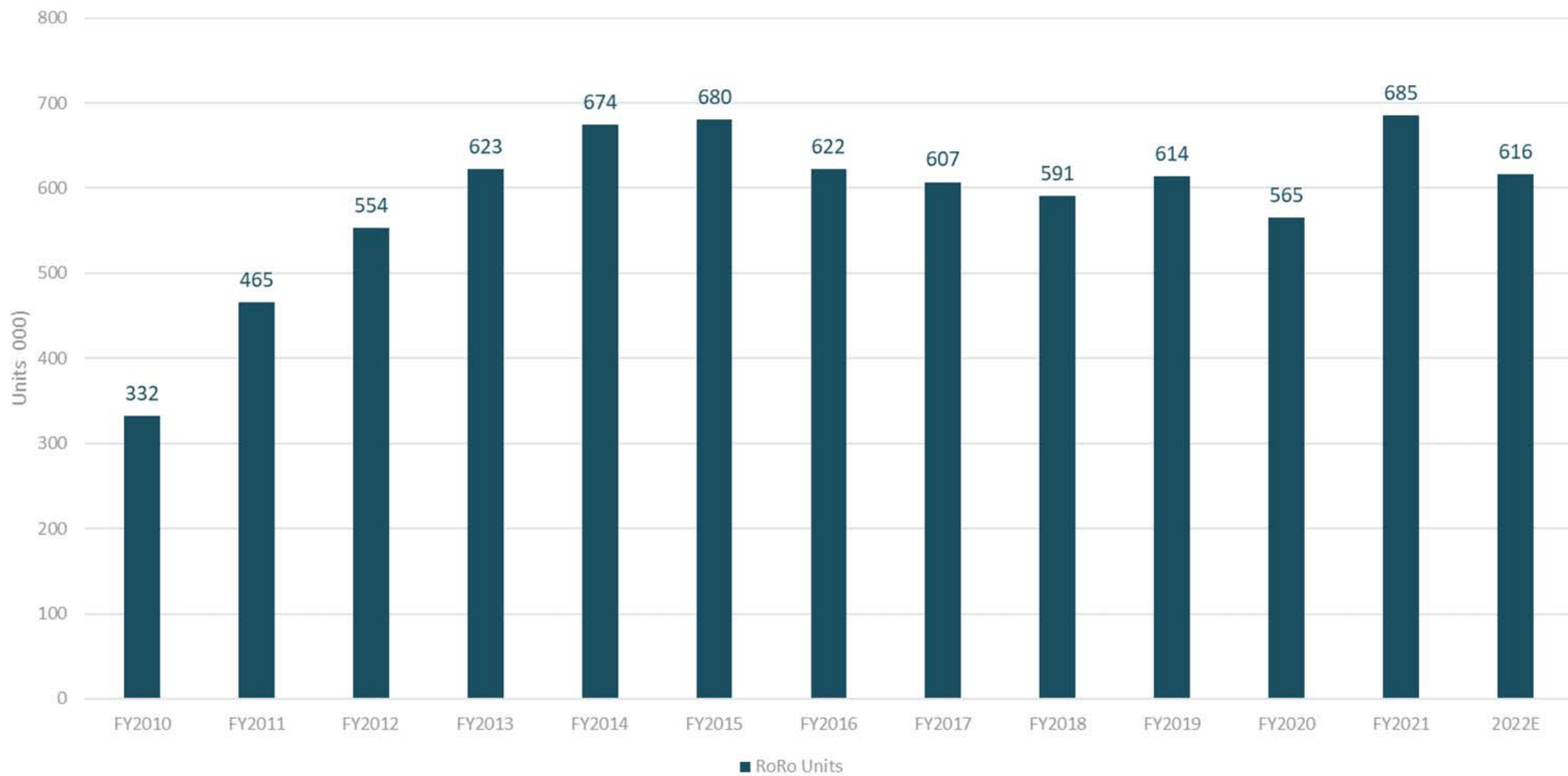
Source: GPA

- As noted above, GPA's Ocean Terminal currently handles a modest amount of RoRo movements, but this terminal is in the process of being redeveloped and expanded to primarily handle container vessels. Consequently, by FY2023, GPA intends to have all RoRo movements handled at the Colonel's Island Terminal.

## GPA's RoRo historical volume performance at Colonel's Island Terminal

- GPA's unit volumes of RoRo traffic at Colonel's Island more than doubled from FY2010 to FY2015, as shown in the chart below.
- In April 2015, however, Volkswagen (VW) began to shift the gateway for its import vehicles from Colonel's Island to JAXPORT, which is the primary reason GPA's RoRo volume dropped in 2016 and remained relatively flat through FY2019.

GPA's RoRo volume history – Units (000)




: GPA

- The effects of the COVID-19 pandemic can be seen in GPA's FY2020 RoRo volumes:
  - *Original equipment manufacturers (OEM) were unable to produce new vehicles during the initial stages of the COVID-19 pandemic.*
  - *However, by FY2021, production was ramping up to rebuild inventories.*
  - *However, GPA's FY2022E volumes are projected to decline, due to an industry wide lack of key electrical parts, which caused an industry wide drop in vehicle production.*

- A summary of the volume and revenue trends associated with GPA's RoRo business at Colonel's Island Terminal over the last 11 years (includes FY2021 Projection) is provided in the chart below.
    - *These revenues include items that are charged on a volume basis (dockage, wharfage, etc.) and on a fixed base, such as rent for the facilities on Colonel's Island Terminal.*

Summary of the GPA's RoRo volume and revenue

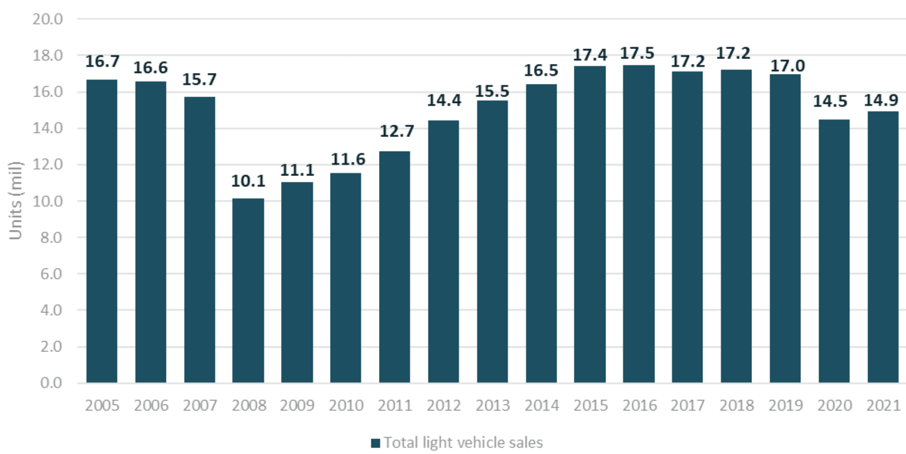

Source: GPA

- This chart indicates that, while GPA's RoRo volume decreased after FY2016, revenue declined only slightly in FY2016 and FY2017.
- Total revenues for the RoRo business segment exceeded $14 million in FY2018 and have remained over $13 million for FY2019 and FY2020.
    - *RoRo revenues for FY2021 are shown to top $15 million.*

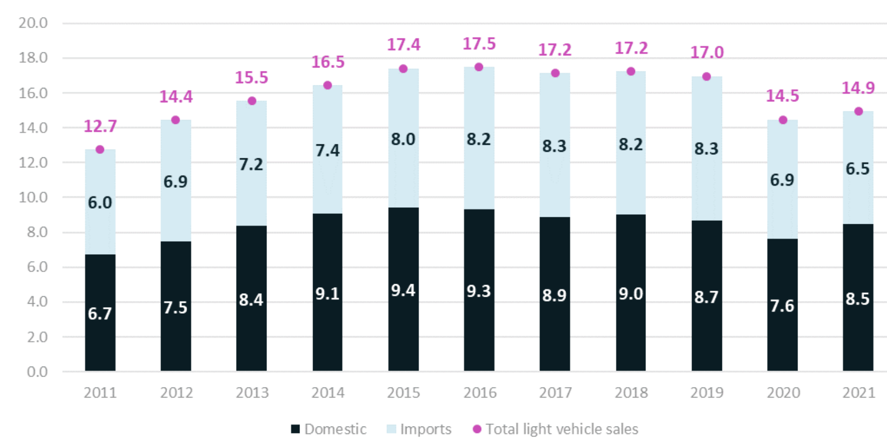
## Review of US market for new passenger vehicles and GPA's share of that market

- Light vehicle sales were 16.7 million units in 2005 and then dropped sharply after the global financial crisis which began in 2007.
- The chart below left indicates that light vehicle sales in the US bottomed out in 2008 and then increased to 17.5 million units by 2016.

US light vehicles sales – Units (mil)




Share of US light vehicle sales domestic versus foreign vehicles – Units (mil)




Source: FRED St. Louis

- The chart above right shows the historical breakdown of US sales of light vehicles broken down by domestically produced versus imported vehicles.
  - *Imported vehicles' share of US light vehicle sales increased from 47% in 2011 to 49% by the end of 2019.*
    - However, the effects of the pandemic caused import vehicles' share of the US market to drop to 43% by the end of 2021, but Mercator believes this to be a temporary situation and once current supply chain bottlenecks in the automotive industry are resolved, Mercator expects that imports' share of this market will increase from 47% to 48% of total sales.
  - *It is also important to note that, in 2011, Canada was the largest producer of export vehicles for the US market since it exported just over 1.8 million units to this market in 2011 and almost all units arrived in the US by rail or truck.*
    - However, by 2019, Canada's vehicle exports to the US market dropped to 1.6 million units and, over this period, Mexico became the largest exporter of light vehicles for the US market, exporting nearly 2.8 million to the US that year.
    - While Mexico delivers vehicles to the US by rail and truck, this country also transports a significant number of vehicles to the US on RoRo vessel services.

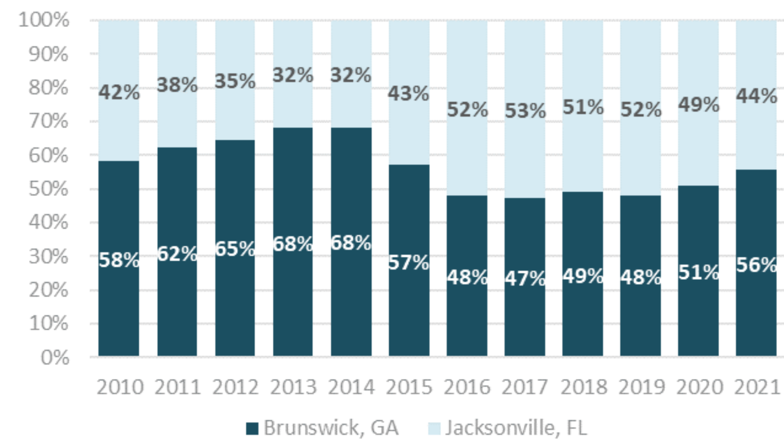
# RoRo volume, revenue and earnings forecasts

## US RoRo market for passenger vehicles

- The table and chart below provide tonnage data on vehicle imports via non-container vessels from 2010 to 2021.

Summary of non-container vehicle imports – M.tons (000)

| Ports | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | CAGR 10' to 19' | CAGR 10' to 21' |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Baltimore, MD | 478 | 493 | 546 | 610 | 658 | 800 | 865 | 873 | 879 | 950 | 818 | 880 | 7.9% | 5.7% |
| Brunswick, GA | 461 | 628 | 737 | 775 | 877 | 865 | 708 | 705 | 749 | 745 | 641 | 720 | 5.5% | 4.1% |
| Jacksonville, FL | 330 | 380 | 403 | 365 | 407 | 649 | 768 | 787 | 781 | 810 | 619 | 570 | 10.5% | 5.1% |
| Los Angeles, CA | 581 | 666 | 573 | 443 | 444 | 486 | 585 | 703 | 660 | 634 | 559 | 567 | 1.0% | -0.2% |
| Newark, NJ | 758 | 589 | 662 | 714 | 621 | 716 | 730 | 812 | 739 | 780 | 566 | 535 | 0.3% | -3.1% |
| Port Hueneme, CA | 215 | 248 | 317 | 401 | 439 | 524 | 448 | 502 | 513 | 515 | 399 | 449 | 10.2% | 6.9% |
| Portland, OR | 371 | 337 | 443 | 472 | 369 | 338 | 395 | 372 | 444 | 611 | 340 | 353 | 5.7% | -0.4% |
| Philadelphia, PA | 59 | 173 | 183 | 180 | 213 | 229 | 208 | 243 | 211 | 280 | 279 | 277 | 18.8% | 15.0% |
| Tacoma, WA | 194 | 202 | 232 | 214 | 248 | 263 | 233 | 217 | 225 | 280 | 232 | 235 | 4.2% | 1.8% |
| Providence, RI | 217 | 225 | 259 | 276 | 314 | 396 | 378 | 422 | 449 | 537 | 338 | 216 | 10.6% | 0.0% |
| Carquinez Strait, CA | 0 | 0 | 0 | 0 | 0 | 0 | 21 | 181 | 225 | 258 | 229 | 172 | 100.0% | 100.0% |
| San Diego, CA | 282 | 313 | 358 | 408 | 447 | 494 | 521 | 410 | 367 | 321 | 159 | 149 | 1.5% | -5.7% |
| Vancouver, WA | 82 | 73 | 65 | 103 | 120 | 132 | 131 | 134 | 140 | 137 | 140 | 115 | 5.9% | 3.1% |
| Oakland, CA | 0 | 0 | 7 | 60 | 75 | 120 | 301 | 145 | 97 | 92 | 97 | 99 | 205.0% | 150.6% |
| Houston, TX | 95 | 104 | 149 | 118 | 131 | 173 | 167 | 176 | 194 | 169 | 107 | 85 | 6.5% | -1.0% |
| Richmond, CA | 57 | 89 | 140 | 135 | 140 | 161 | 197 | 171 | 174 | 132 | 113 | 75 | 9.8% | 2.5% |
| Other | 252 | 233 | 340 | 291 | 260 | 291 | 221 | 286 | 331 | 249 | 216 | 185 | -0.2% | -2.8% |
| **Total** | **4,431** | **4,755** | **5,414** | **5,566** | **5,762** | **6,636** | **6,877** | **7,137** | **7,180** | **7,500** | **5,855** | **5,681** | **6.0%** | **2.3%** |

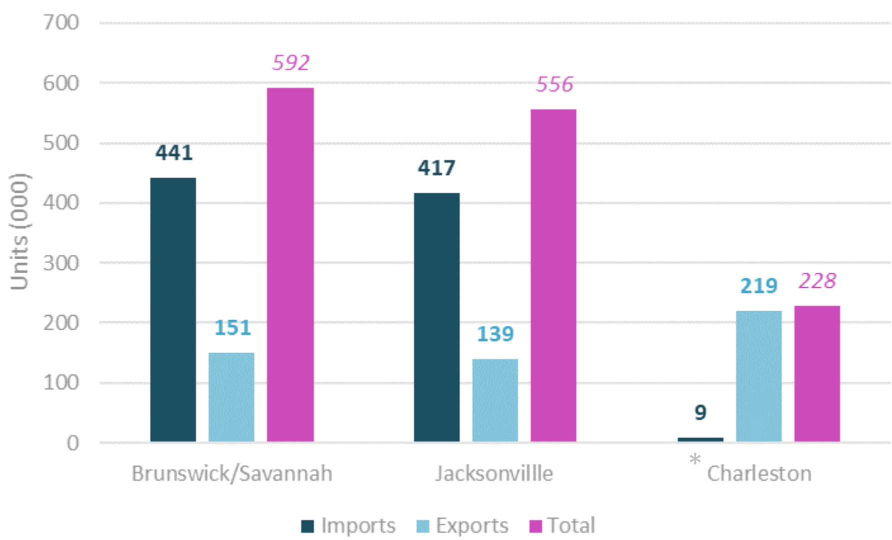



Source: US Census HS-8703

- This tonnage data reveals that US ports experienced a CAGR of 6% from 2010 to 2019 and total volume increased by over 3.0 million metric tons (M.tons).
- Growth in imported vehicles was registered in each year over the period, except in 2020 and 2021 when tonnage dropped as a result of the effects of the COVID-19 pandemic.
- The table also identifies Brunswick as the second largest gateway for imported passenger vehicles in the US in 2021, behind Baltimore, and shows that JAXPORT is the Port of Brunswick's primary competitor in the US Southeast port region.

- The chart and map indicate the volume and locations of ports in the US Southeast that handle large volumes of RoRo movements of vehicles.

2020 volume of major RoRo ports in the US Southeast




* Estimate based on2020 total units handled.

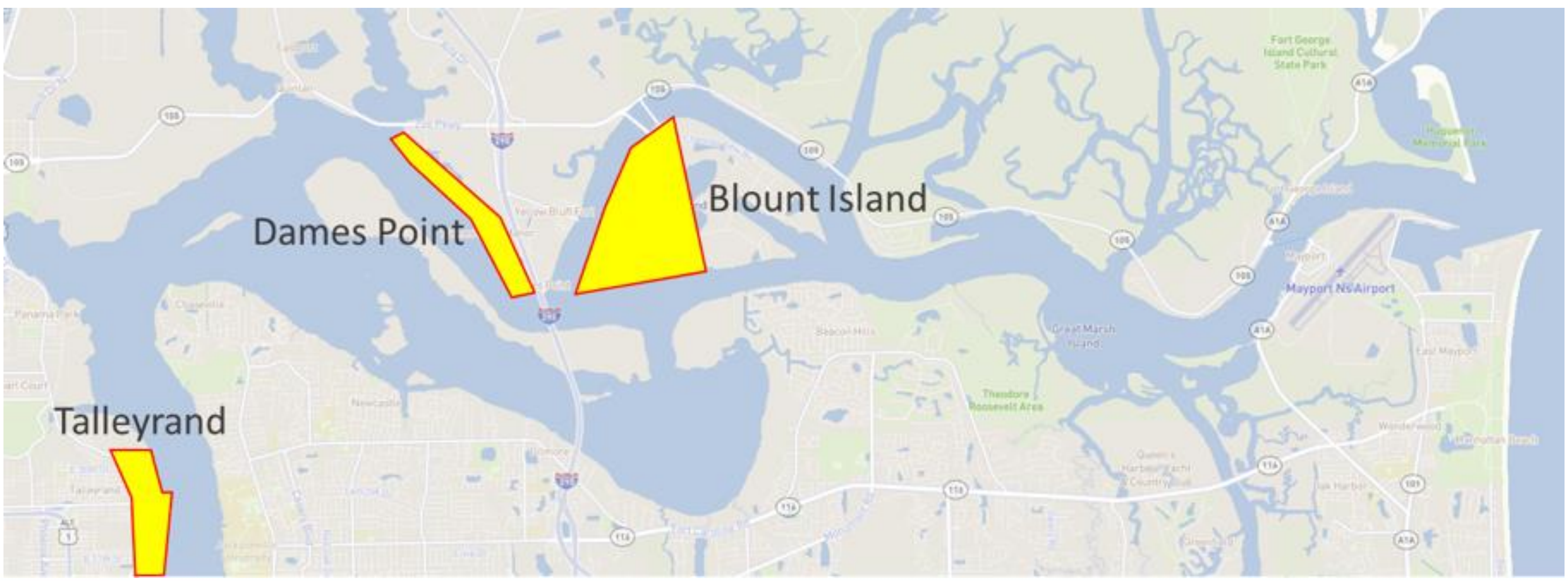
Source: Automotive Logistics

Location of major RoRo ports in the US Southeast


- In terms of total unit volume, Brunswick/Savannah was the largest gateway in the Southeast for vehicle movements in RoRo vessels in 2020.
- JAXPORT is only 64 miles south of the Port of Brunswick and is considered its primary competitor.
- Charleston is primarily handling vehicles for export and almost all are being produced at facilities in South Carolina (BMW, Volvo and Mercedes's Sprinter vans).
    - *It is unlikely that the Port of Brunswick will be able to attract vehicles that the Port of Charleston is exporting since the OEMs in South Carolina have received special consideration from that state's government, and as part of its agreements, have committed to use Charleston as its primary gateway.*
    - *Also, Charleston handles a limited number of imported vehicles, and none of the major import vehicle processors have operations at this port.*
    - *Therefore, Mercator does not consider Charleston to be a competitor of the Port of Brunswick.*

- Located on the St. Johns River, JAXPORT is the third largest port for handling imported vehicles.
- JAXPORT has three RoRo terminals listed below with information on the terminal operators at each location.
    - *Blount Island: Amports and Wallenius Wilhelmsen*
    - *Dames Point: Amports*
    - *Talleyrand: Toyota*
- Imports through JAXPORT grew by 4.5% in 2019 and the port is eager to increase its short-sea trade with Mexico, but the impacts of the Pandemic caused this port's imports to decline by just over 18% in 2020.
- OEM customers include Lexus, Toyota, Isuzu, Mercedes-Benz, Nissan, Audi, Mitsubishi, Honda, Ford, VW Group (VW, Audi, Porsche), BMW, Mazda, FCA, Infinity and General Motors.

Location of JAXPORT's RoRo Terminals



## Competitor RoRo Terminal Profiles: JAXPORT – Blount Island Terminal

- Blount Island Terminal is just 12.5 nautical miles (23.2 kilometers) from the sea buoy.
- Blount Island handles autos, RoRo, containers, breakbulk and general cargo.
- Amports and Wallenius Wilhelmsen Logistics process autos at this terminal.
- Amports, which has operated at JAXPORT for over 42 years, signed a 25-year agreement with the port in 2019 that committed Amports to increase its operating and storage space at JAXPORT to 170 acres at Blount Island and Dames Point to provide capacity and flexibility for new volumes.
- There is very little land to expand RoRo operations on Blount Island especially as RoRo must compete with the container operation at the terminal, which generates a higher revenue per acre.

Blount Island Terminal's operating characteristics for RoRo operations

| Blount Island Terminal | Profile |
|---|---|
| **Vehicle processors** | Amports, Wallenius Wilhelmsen Logistics |
| **Total berth length (m)** | Berth 20 - 229; Berth 22 - 182; Berths 30-35 - 1,749 |
| **Land area for RoRo (ac)** | 250 |
| **Water depth (m)** | Berths 30-35 - 12; Berths 20, 22 - 11.5 |
| **Rail infrastructure** | on-dock, served by CSX |

Source: JAXPORT

Google Earth view of Blount Island Terminal

## Competitor RoRo Terminal Profiles: JAXPORT – Dames Point Terminal

- This terminal handles autos, containers, bulk cargo, and cruise ships.
- Amports is developing 40 additional acres of storage space at Dames Point that is expected to be ready by 2023.
- This investment will create a larger contiguous auto yard with direct waterside access for loading and unloading vessels and the potential for rail connectivity.
- Once the 40 acres Amports is developing at the Dames Point Terminal is completed, Mercator is unaware of other development options at Dames Point.

Dames Point Terminal's operating characteristics for RoRo operations

| Dames Point Terminal | Profile |
|---|---|
| **Vehicle processor** | Amports |
| **Total berth length (m)** | Berth 10 - 390, Berths 16-17 - 366 each, Berth 18 - 403 |
| **Water depth (m)** | 12 |
| **Potential to increase yard space for vehicles** | Amports developing 40 ac to be ready in 2023 |
| **Annual throughput capacity (units)** | 40,000 |
| **Rail infrastructure** | served by CSX |

Source: JAXPORT

Google Earth view of Dames Point Terminal

## Competitor RoRo Terminal Profiles: JAXPORT – Talleyrand Terminal

- Talleyrand Terminal handles autos, RoRo, containers, breakbulk, liquid bulk and general cargo.
- Southeast Toyota Distributors Port Processing prepares new Toyotas delivered by ship or rail for distribution throughout the Southeast.

Talleyrand Terminal's operating characteristics for RoRo operations

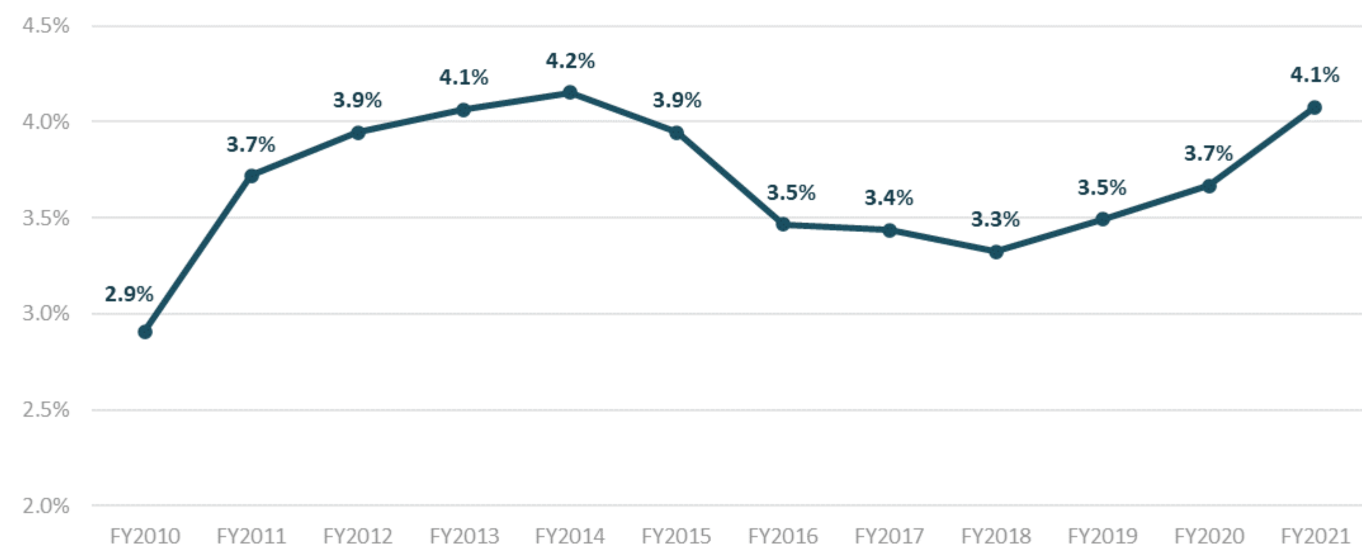
| Talleyrand Terminal | Profile |
|---|---|
| **Vehicle processor** | Southeast Toyota Distributors |
| **Total berth length (m)** | Berth 3 - 207, Berths 4-7 - 244 each, Berth 8 - 274 |
| **Water depth (m)** | Berths 4-8 - 12, Berth 3 - 11 |
| **Yard space for vehicle marshalling/processing (ac)** | 74 |
| **Rail infrastructure** | CSX, NS (Florida East Coast Railway near-dock); Jacksonville Terminal Port Railroad on-dock |
| **OEMs handled** | Toyota |

Source: JAXPORT

Google Earth view of Talleyrand Terminal

- GPA's RoRo volumes are predominately driven by vehicles being imported through its Colonel's Island Terminal to be sold in the US market.
- The chart below displays GPA's RoRo volume as a share of US new vehicle sales.

GPA's RoRo volume share of US vehicle sales



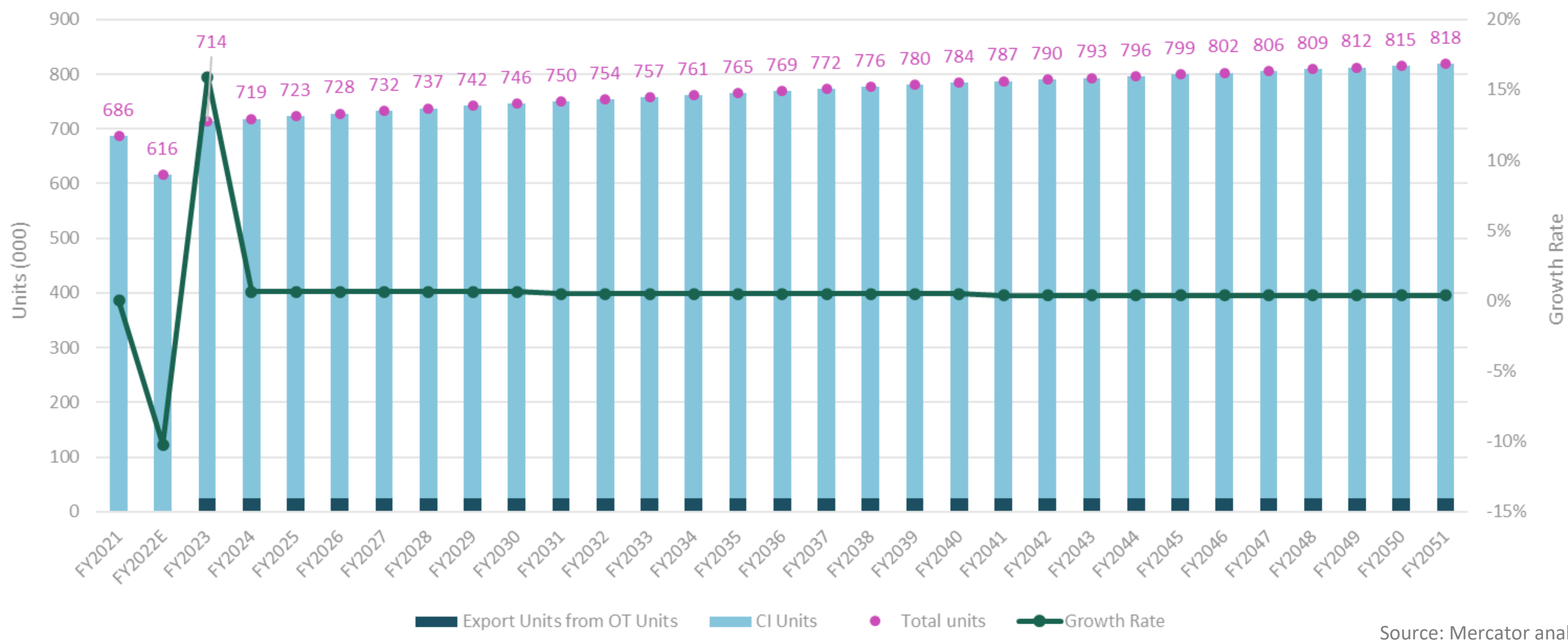

Note: US vehicle sales are on a fiscal year basis and not seasonally adjusted. Sources: GPA data and US Bureau of Economic

- GPA's RoRo movements share of the US vehicle sales peaked at 4.2% in FY2014 but declined to 3.5% by FY2016.
  - *VW Group's decision to shift its import operations to JAXPORT during 2015 was the primary reason that GPA's share of US vehicle sales declined.*
- Between FY2016 and FY2021, GPA's average share of US vehicle sales was 3.6%. GPA's share of US vehicle sales rose to 4.1% in FY2021, due to foreign OEMs needing to rebuild inventory levels after production disruptions due to the COVID-19 pandemic.

# Forecast of GPA's RoRo volume

- Mercator's forecast of GPA's RoRo volume is shown in the chart below and is based on the following assumptions:
  - *Based on GPA's actual vehicle volume for July to May of FY2022 it is expected that by the end of this fiscal year its annual volume will be 616,000 units.*
    - The drop in GPA' s vehicle volume in FY2022 is due to industry wide manufacturing issues, tied to availability electronic parts, but these issues are not expected continue into FY2023.
  - *GPA's RoRo volumes will be 3.6% of US vehicle sales.*
  - *US vehicle sales will recover to 17 million units by the end of 2024.*
  - *After 2024, US vehicle sales will grow in line with the US population.*
  - *The export vehicles that GPA currently handles at Ocean Terminal will shift to Colonel's Island in FY2023, and this volume will remain constant over the forecast period.*

RoRo volume forecast – Units (000)



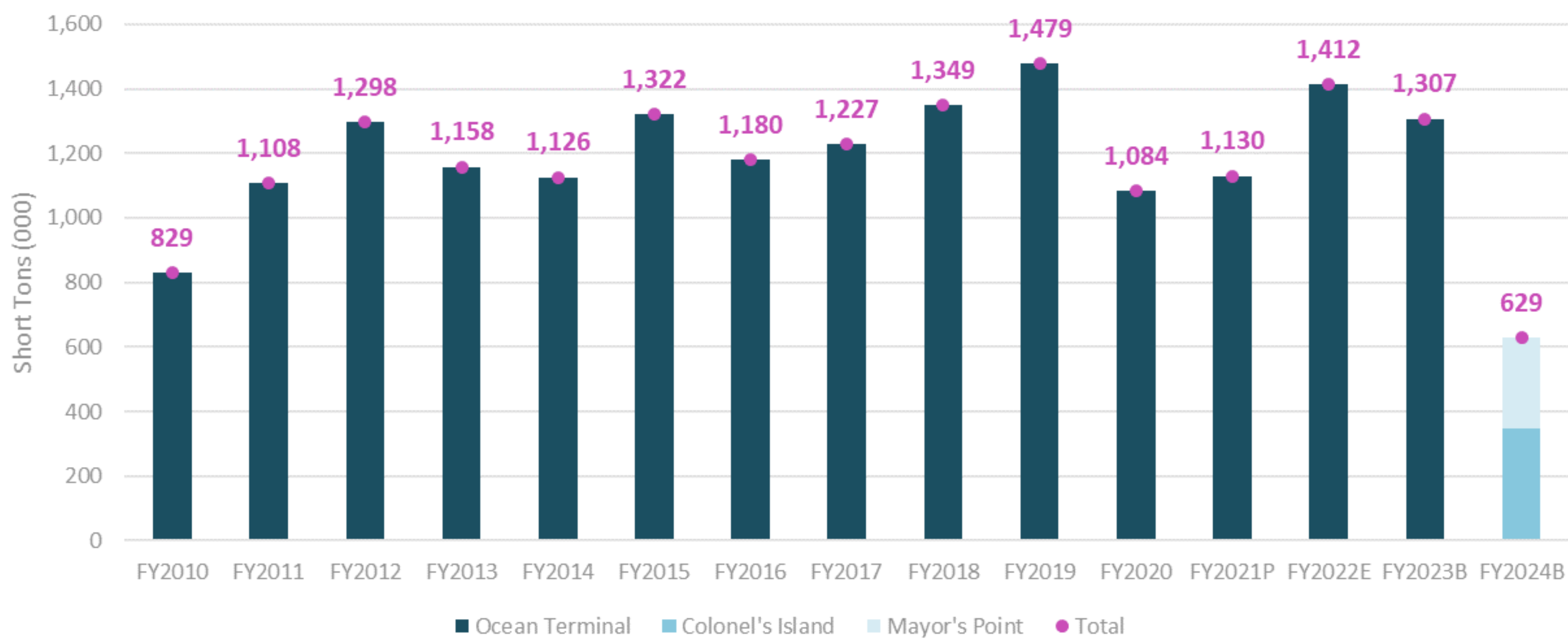

Source: Mercator analysis

Contents

## GPA's breakbulk historical volume performance at Ocean Terminal

- The chart below summarizes Ocean Terminal's breakbulk tonnage from FY2010 and FY202P, as well as an estimate of its breakbulk volume for FY2023 and FY2024 based on the GPA's current budgeting for these years.

GPA's breakbulk volume history – short tons (000)




Source: GPA

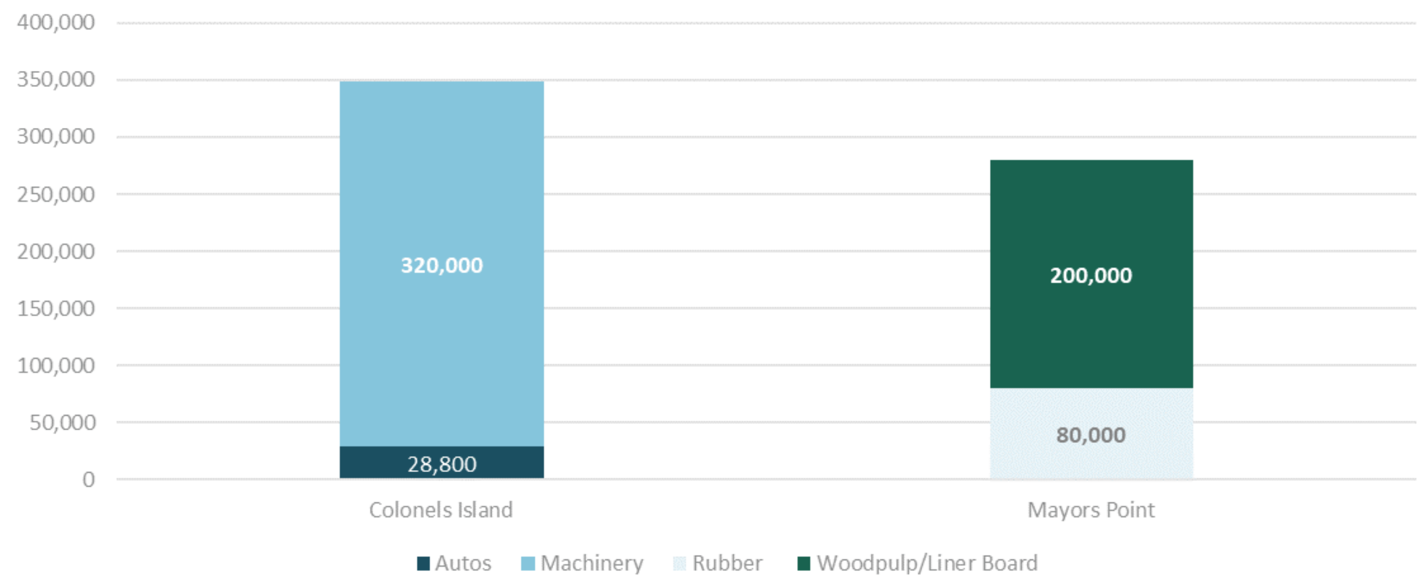
- This chart reveals that Ocean Terminal's breakbulk volume peaked at 1.48 million short tons in FY2019 but fell to just over 1.1 million short tons in FY2020, but there was a significant recovery in volumes during FY2022.
- GPA is forecasting that by the end of FY2023, its redevelopment and expansion of Ocean Terminal to a container terminal will be completed and a significant portion of the RoRo and breakbulk volume that Ocean Terminal has historically handled will be absorbed by other terminals that GPA operates.

# Breakbulk volume, revenue and earnings forecasts

## Impact on GPA's breakbulk volume after redevelopment and expansion of Ocean Terminal

- As mentioned on the previous page, GPA has a project underway to redevelopment and expand Ocean Terminal from primarily handling breakbulk cargo to a terminal primarily serving containerized cargo.
- GPA forecasts that, by the beginning of FY2024, Ocean Terminal will primarily be used to handle containers, thus, the breakbulk cargo now being handled at this location will have to move to other facilities that GPA operates, or to terminals that are not controlled by GPA.
- At present, GPA projects that a significant portion of the breakbulk cargo currently being handled at Ocean Terminal will transfer to other terminals that it operates in Savannah and Brunswick, but that roughly 500,000 short tons will be lost to non-GPA terminals. The chart below identifies the commodities and tonnages that GPA expects to retain after the shift and the terminals that will handle that volume.

Summary of cargo currently being handled at Ocean Terminal projected to be relocated to other GPA facilities in FY2024 – short tons



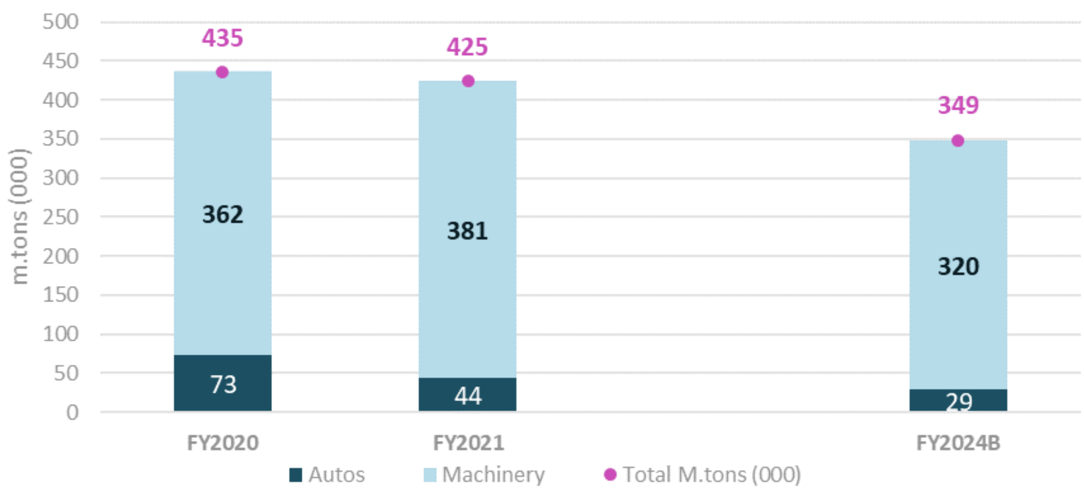

Source: GPA

- We analyze GPA's ability to retain these commodities in this section of the report.

## Review of Ocean Terminal's traditional volume being transferred to Colonel's Island Terminal

- GPA forecasts that it will transfer two cargo groups from Ocean Terminal to Colonel's Island in FY2024; they are identified in the chart with the volumes that were handled in FY2020 and FY2021.

Ocean Terminal cargoes projected to move to Colonel's Island Terminal




Source: GPA

- This tonnage data shows that GPA expects to experience some volume loss in FY2024, but that it will retain most of the tonnage these commodities generate by shifting them to Colonel's Island Terminal.
- Mercator will present our analysis on how likely the customers generating the three commodities listed in the chart will be retained.

Mercator's evaluation of the potential for GPA to transfer vehicles and machinery from Ocean Terminal to Colonel's Island Terminal is provided below.

**Vehicles**

- Colonel's Island is GPA's primary RoRo terminal and is chiefly a gateway for import passenger vehicles, while Ocean Terminal is being used to handle export vehicles.
- BMW (Spartanburg, South Carolina) and Mercedes Benz (Vance, Alabama) are the main OEMs exporting vehicles through Ocean Terminal.
- While the majority of vehicles that BMW produces for export at its Spartanburg plant are loaded onto vessels at the Port of Charleston, this company does use the Port of Savannah for vehicles destined for the Oceania region moving on Wallenius Wilhelmsen Line (WWL) vessels.
- Mercedes Benz also uses Savannah as an export gateway for vehicles it produces at its Vance plant that are being loaded onto WWL vessels for shipment to the Oceania region.
- WWL's subsidiary, Wallenius Wilhelmsen Solutions, has an auto processing operation on Colonel's Island, so it should be relatively easy to shift the export vehicles it is handling for BMW and Mercedes Benz to Colonel's Island.
  - *It is likely that GPA will need to provide additional land to accommodate the vehicles that are currently being exported from Ocean Terminal, and Colonel's Island has 472 acres of land permitted by the USACE for RoRo activities.*
- **Based on the analysis above, Mercator expects that GPA will be able to transfer the 24,000 export vehicles it is currently handling at Ocean Terminal to Colonel's Island Terminal in FY2023.**

**Machinery**

- GPA plans to transfer 320,000 short tons of machinery from Ocean Terminal. The customers generating most of this volume are identified below along with the type of machinery produced and the direction.
  - ***Caterpillar:*** *Wheeled Machinery and Machinery Parts – imports and exports*
  - ***JCB, Inc.:*** *Wheeled Machinery – imports*
  - ***Komatsu America Corp:*** *Wheeled Machinery – imports*
  - ***Volvo Construction Equipment:*** *Wheeled Machinery – imports*
  - ***Doosan Infracore:*** *Wheeled Machinery – imports*

**Machinery (continued)**

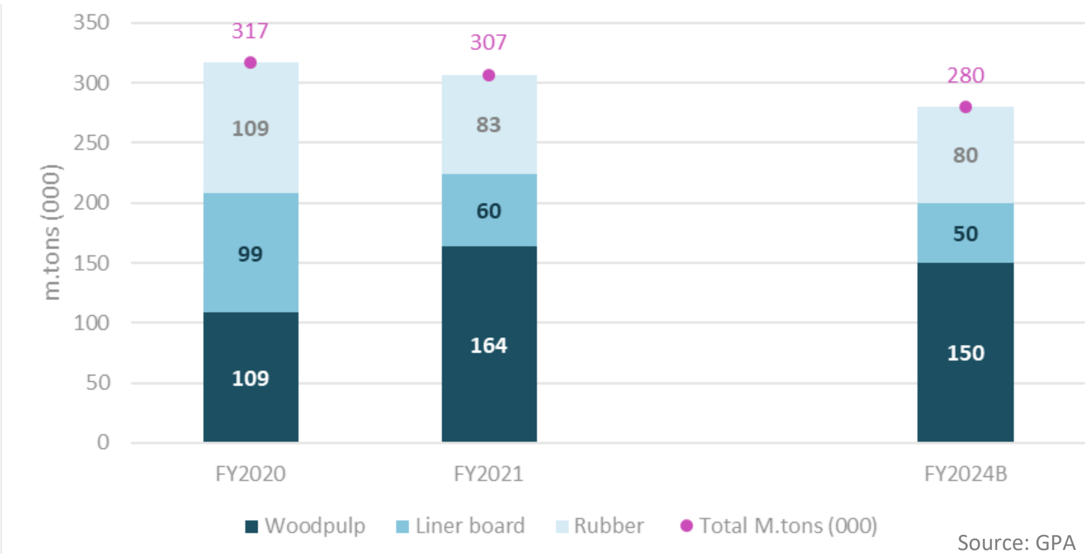
- Most of the machinery being handled at Ocean Terminal is imported wheeled machinery (excavators, tractors, bulldozers, etc.) and a review of the Datamyne database revealed that this cargo is arriving on RoRo vessels that are also handling import vehicles, such as WWL.
- **Mercator assumes that GPA will transfer 320,000 short tons of machinery it is currently handling at Ocean Terminal to Colonel's Island because:**
  - ***Most of this cargo is wheeled machinery and large attachments that are being moved on the same ocean carriers that are delivering vehicles to the auto processors on Colonel's Island.***
  - ***The additional space required to handle machinery shipments can be developed on Colonel's Island.***

**Summary of analysis**

- Mercator expects that the GPA will be able transfer the commodities and volumes it has identified in its budgeting process from Ocean Terminal to Colonel's Island Terminal based on the analysis in this section.

- GPA is also budgeting that it will be able to shift liner board wood pulp shipments and rubber currently being handling at Ocean Terminal to its Mayor's Point location in FY2024. This bar chart shows the volume that was handled in FY2020 and FY 2021.

Ocean Terminal cargoes projected to move to Mayor's Point




Source: GPA

- The tonnage data above suggests that GPA expects to retain most of the tonnage generated by these commodities by shifting them to Mayor's Point.
- Mercator presents next an analysis of the likelihood of GPA retaining the customers that generate wood pulp liner board and rubber.

GPA projects that it will be able to transfer imports of wood pulp and exports of liner board to Mayor's Point in FY2023. Below is our analysis of GPA's ability to move these commodities to Mayor's Point.

**Wood pulp**

- This commodity is being imported for Georgia Pacific's mill in Rincon, Georgia.
- Moving Georgia Pacific's wood pulp imports to the Mayor's Point Terminal at the Port of Brunswick will increase the inland distance from the port to Rincon by over 60 miles, as highlighted below:
  - *Savannah to Rincon: 20 miles*
  - *Brunswick to Rincon: 86 miles*
  - *Charleston to Rincon: 108 miles*
- **However, as Brunswick is still the closest port to Georgia Pacific's Rincon mill (more than 20 miles closer than Charleston), Mercator expects GPA will succeed in retaining its wood pulp imports at its Mayor's Point Terminal**.

**Liner board**

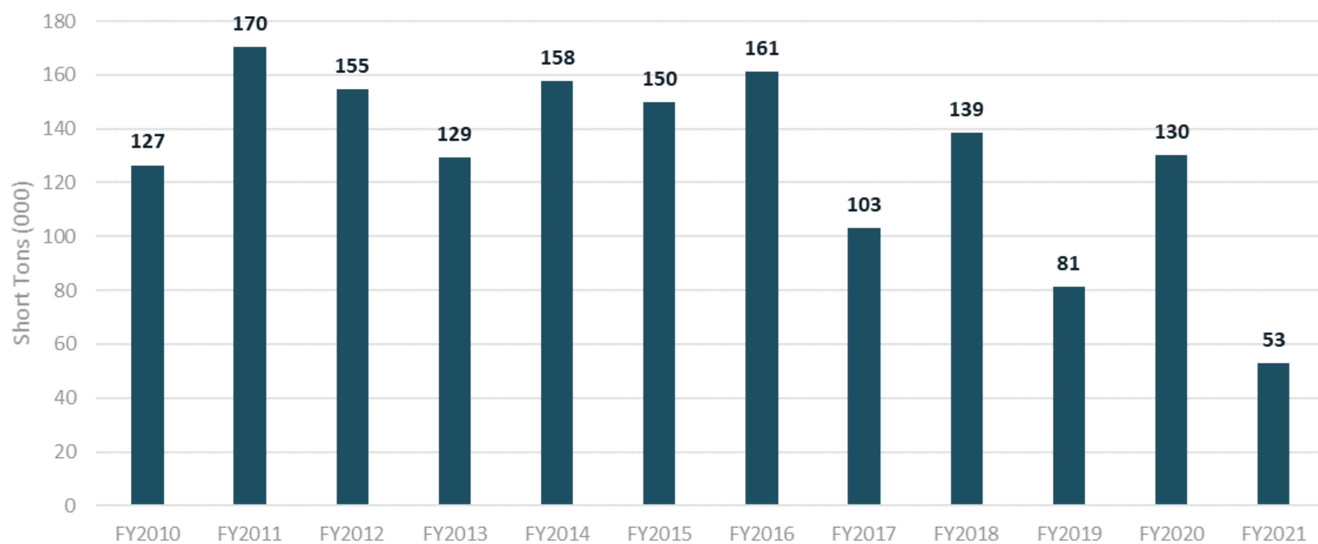
- This commodity is being produced for export at several Georgia Pacific and International Paper mills in Georgia.
- **Since Mayor's Point is the closest terminal to these mills, Mercator forecasts that GPA will retain this cargo at Mayor's Point from FY2024 onwards**.

**Rubber**

- During FY2021, Ocean Terminal handled 83,000 short tons of imported natural rubber and the primary importers were:
  - *Bridgestone – Nashville, Georgia*
  - *Michelin - Covington, Georgia and multiple plants in Alabama and South Carolina*
  - *Cooper Tire – Tupelo, Mississippi*
- WWL is the ocean carrier delivering rubber shipments to Ocean Terminal.
- **GPA is in the process of developing a warehouse for rubber at Mayor's Point, and as WWL is already calling its ships at Ocean Terminal for this commodity switching to Mayor's Point is not viewed as an issue for this carrier.**
- **Therefore, Mercator expects that GPA will be able to retain this commodity.**

- As discussed earlier, GPA also handles international breakbulk cargo at its Mayor's Point Terminal located at Port Brunswick. Mercator presents an overview of this terminal's historical volume in the chart below.

Overview of Mayor's Point international breakbulk volume

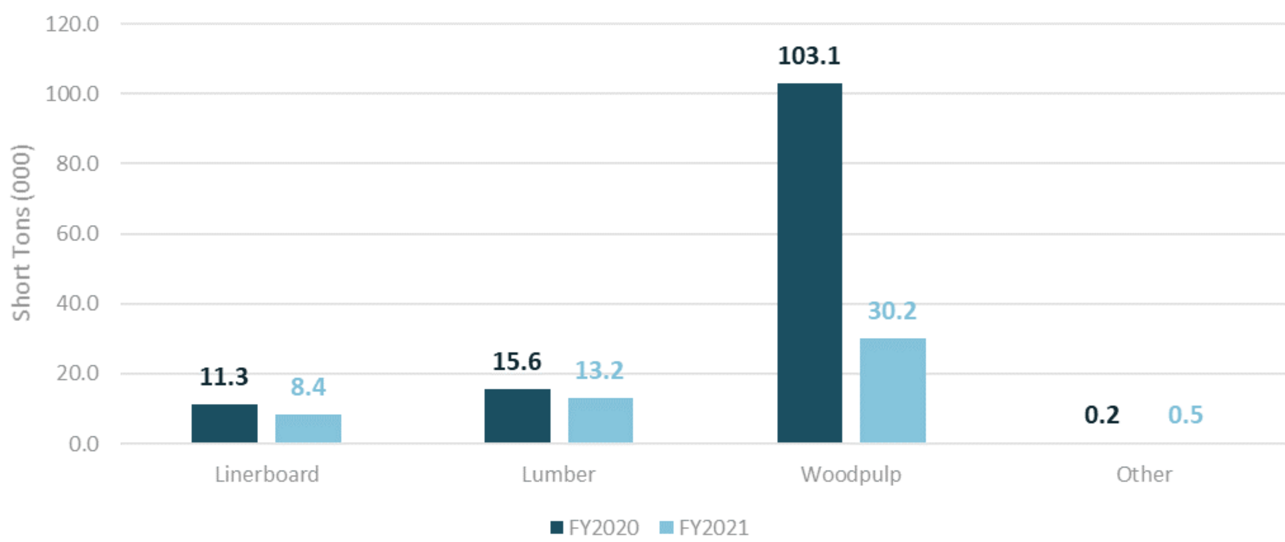



Source: GPA

- This tonnage data shows that, since FY2016, Mayor's Point breakbulk volumes have been declining, and most of this decline is tied to changes in wood pulp tonnage.

- A historical breakdown of the commodities comprising the breakbulk cargo handled at the Mayor's Point Terminal is provided in the chart below.

Overview of Mayor's Point breakbulk volume by commodity



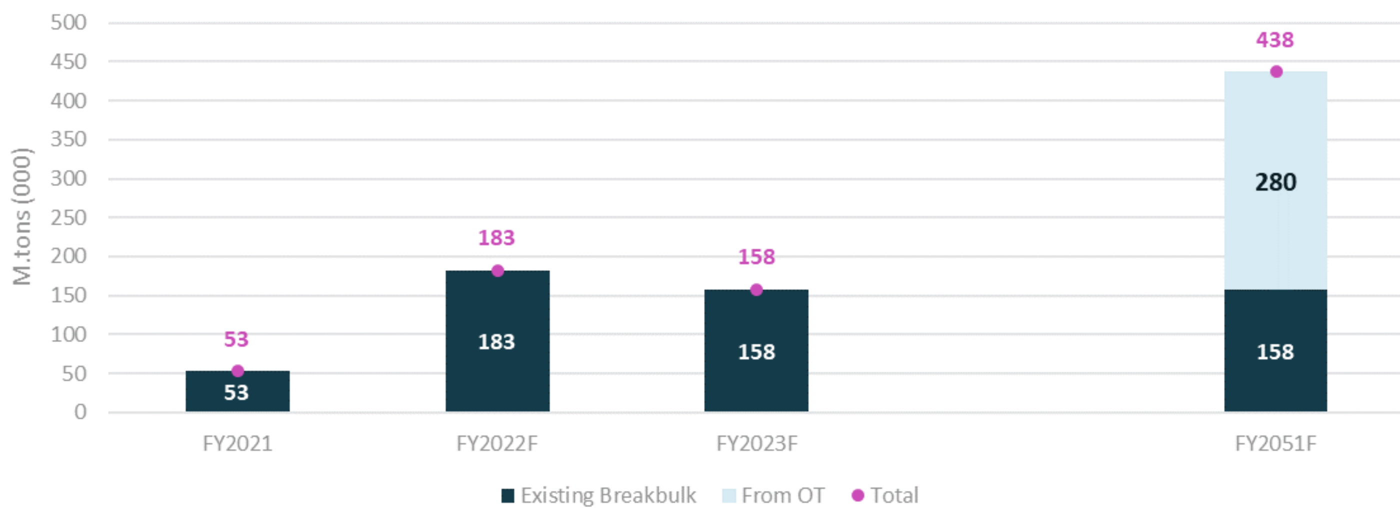

Source: GPA

- While this terminal experienced a volume drop in FY2021 for all the commodities it handles, the largest decline was in wood pulp.
- However, most of the decline in wood pulp shipments can be attributed to the effect that the COVID-19 pandemic had on paper production.

## Outlook for Mayor's Point Terminal's breakbulk volume

- The chart below shows Mercator's volume forecast for Mayor's Point based on the following assumptions:
  - *Mayor's Point wood pulp volume will recover to approximately 158,000 short tons per year in FY2023.*
  - *Mayor's Point will capture the 280,000 short tons of breakbulk cargo the GPA is planning transfer from Ocean Terminal in FY2024.*
  - *No major expansions or upgrades are planned for the facilities that either use these commodities or produce them for export.*
  - *For this reason, volumes have been held constant over the forecast period.*

Forecast of Mayor's Point breakbulk volume



Mercator created a 30-year financial model to forecast the operating income from the operating segment of GPA, also referred to by GPA as Operating Income before Depreciation. The purpose of the model is to forecast the operating cash flows available to GPA to meet and exceed the obligations to fund debt service from the revenue bond issuances: Series 2021 and Series 2022.

- The model is segmented by GPA's existing primary business lines and by terminal revenues and expenses. Mercator modelled the 30-year revenues, expenses and contribution margins for the container, RoRo, and breakbulk segments. In order to produce a model with GPA's consolidated operating income from all operating units, Mercator reviewed and made no changes to the 10-year forecast provided by GPA for the bulk segment. To extend the forecast for the bulk segment out to FY2052, Mercator modelled these segments to grow with inflation and volume forecasts consistent with our long-term forecast for the other business segments.
  - *Note, the financial model only takes into account revenues and expenses associated with the existing Port Facilities, which as of the date of the report include in the Port of Savannah - Garden City Terminal and Ocean Terminal; in the Port of Brunswick - Colonel's Island Terminal, Mayor's Point Terminal, East River Terminal and Lanier Docks; the Appalachian Regional Port; and the Port of Bainbridge. For the remainder of the 30-year forecast period, the Market Assessment takes into account revenues and expenses associated with such Port Facilities and also assumes revenues and expenses associated with the proposed SCT and other expansions by which the Authority's volume is projected to increase to over 14,000,000 TEUs by FY 2052*
- We analyzed GPA's historical revenues and expenses for FY2010 to FY2021 as well as the budget for FY 2022 based on real dollars to determine trends in volume variable unit revenue and cost categories as well as fixed revenue and cost categories. Growth rates from FY2023 to FY2052 were applied in real dollars. The complete 30-year financial model is based in nominal dollars to account for the growth of inflation-based revenues and expenses.
- Mercator made several assumptions in the model, including:
  - *Volumes for container, RoRo, and breakbulk are based on the Mercator forecasts reviewed earlier in this report.*
  - *Fuel costs are based on price per gallon estimates provided by GPA (for FY2023-FY2032). Beyond that, the long-term price per gallon increases were pegged to inflation. Fuel volumes (gallons) are modelled based on GPA's historical gallon per container metrics.*
  - *Lease revenues are based on near-term forecasts provided by GPA, and long-term (FY2033-FY2052) lease revenues are forecasted to grow by inflation which is consistent with GPA's lease contracts.*
  - *Mercator forecasts benefits to equate to 30% of total labor expenses annually which is based upon a slight discount over the historical average as GPA employees transition from defined benefit to defined contribution plans over the long-term.*
  - *Utility expenditures are forecasted to rise in line with volume growth and inflation.*
  - *In real terms the annual dredging costs are expected to remain at the historical levels, however additional dredging projects are anticipated with the opening of the Savannah Container Terminal in the future.*
  - *Mercator forecasts maintenance materials and equipment rentals to grow with volume and inflation.*
  - *Over the long-term, Mercator forecasts "Other" expenses to grow with volume and inflation. GPA expenses to outside providers such as Class I and short-line railroad operators are forecasted to grow based on volume growth at Mason Mega Rail and the inland terminals.*

# Financial model summary

## GPA financial model Container Segment

- The Container Segment is the largest contributor to revenues (92% in FY2021) and expenses (68% in FY2021) for GPA. The forecast period starts from a record-breaking year in terms of volume and profitability. The revenue growth was buoyed from storage revenues due to the large spike in volumes during the pandemic as purchases of goods increased dramatically and container dwell time ballooned from four days to ten or more days, compounded by pervasive chassis shortages.

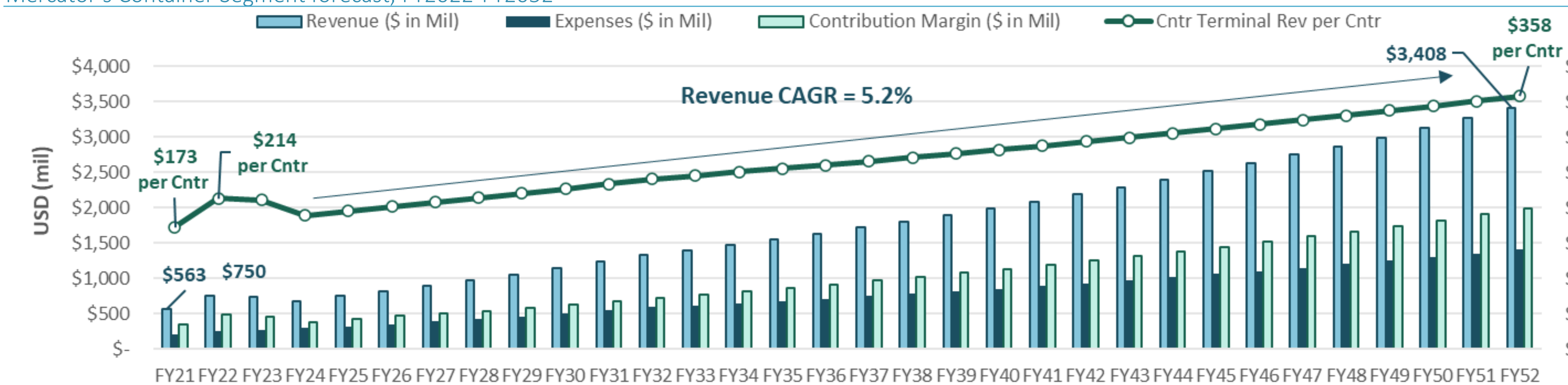
- Based upon discussions with management and recent performance, Mercator forecasts that GPA will be able to increase unit revenues for container throughput by a factor of CPI+ over the first five years of the forecast period and then achieve CPI increases annually over the long-term. The throughput unit rate incentives that GPA had provided to ocean carriers over the past decade expired in the mid-2010s, and the Port has been able to achieve real throughput rate growth over the past four years. The ability to raise unit rates in the near-term is supported by a comparison to the competition with Charleston:
  - *GPA's FY2021 unit revenue per container for the Container Terminal operations was $173 per container and is budgeted to be $214 in FY 2022 (as of the 11th month of the fiscal year), this represents a 12% increase followed by a 24% increase in unit revenues, compared to an average of 3% in the 5 years prior.*
  - *Ancillary unit revenues and Security unit revenues are included in the container unit revenue and are expected to have modest unit rate increases just above CPI over the next five years, then at inflation over the long-term.*

- The forecast for rail revenues are driven by unit revenue increases just above inflation over the near-term then grow by inflation over the long-term. The largest contributor will be from Mega Rail which is forecast to achieve step increases in unit revenue increases for the next 3 years, then are expected to be able to have annual increases of just above CPI going forward due to GPA's competitive position in the market.

- GPA container expenses are forecasted to increase by a compound annual growth rate (CAGR) of 5.8% over the period. The operating expense to revenue ratio begins at a historical low 37% based upon the revenue surge that didn't require a commensurate increase in labor costs from FY 2021 and forecast to continue through FY 2023.

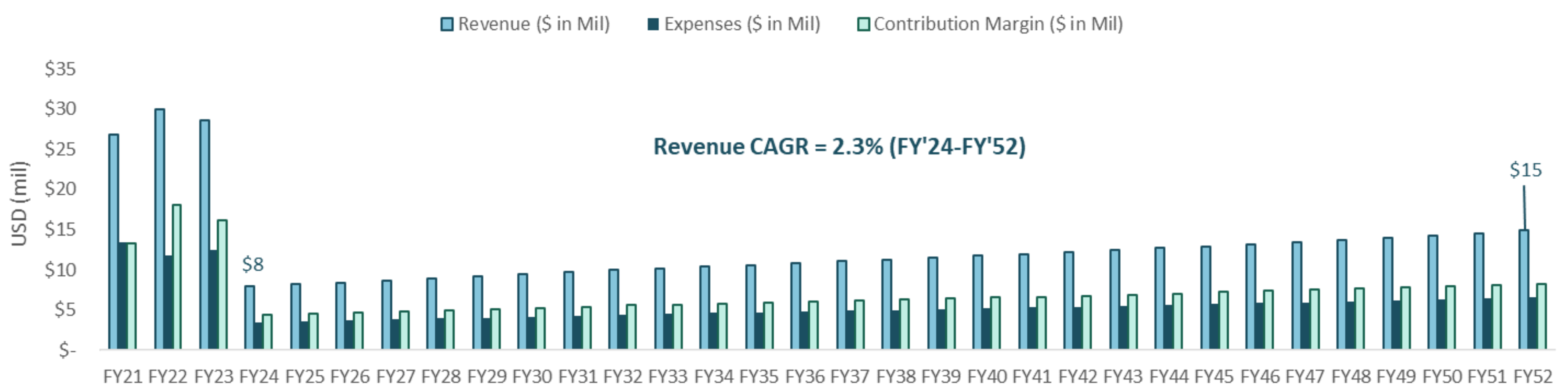
- The Container Segment's contribution margin will remain elevated well above 60% for FY 2022 and FY 2023, then will drop over the next few fiscal years, gradually improve up to 57% over time.

Mercator's Container Segment forecast, FY2022-FY2052



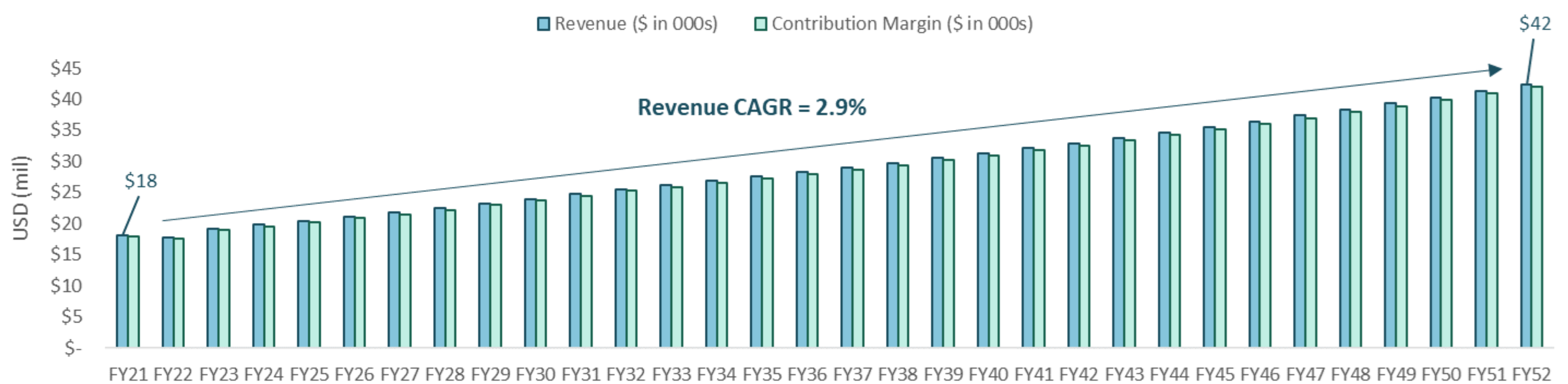
- Breakbulk revenues in the future will be generated from Mayor's Point and Colonel's Island as Ocean Terminal is redeveloped and expanded as a container focused terminal by FY2023. After that change, the breakbulk revenues will grow by a CAGR of 2.3% from FY2024 through FY2052, though total breakbulk revenue will decline by -2.3% CAGR from FY2022 to FY2052 due to the lost revenue at Ocean Terminal.
  - *For the last year of operations at Ocean Terminal, Mercator is forecasting no real unit revenue growth in FY2023 during the last year of breakbulk operations.*
  - *Colonel's Island Terminal will operate as a landlord port and will charge wharfage and dockage to WWL. No real unit revenue growth is expected over the forecast period.*
  - *Mayor's Point is forecasted to have no real unit revenue growth for international breakbulk and no real unit revenue growth on the domestic 'load and sort' service for the one forest products customer.*
  - *Security revenues will increase due to additional vessel calls with the transfer in volumes from Ocean Terminal.*
  - *The Leases at Mayor's Point will have no real revenue growth as contracted price per sq ft increases are based on the CPI, and total lease revenue will decline in FY2022 due to the end of the salvage operations for the Golden Ray removal.*
- Expenses: GPA breakbulk expenses are expected to increase by a CAGR of 2.3% for the years after the Ocean Terminal redevelopment FY2024-FY2052 (-1.9% CAGR from FY2022-FY2052). The main driver of breakbulk expenses is from Mayor's Point which will have added volume from a share of the cargo transferred from Ocean Terminal. Mercator forecasts unit labor expenses per total ton based on the 2010-2018 average (FY2019-FY2021 had extreme volatility and are outliers) with no increase in real unit labor expense due to improved labor productivity.
- Contribution Margin is forecast to be relatively stabile at 56% for the long-term.

Mercator's Breakbulk Segment forecast, FY2022-FY2050



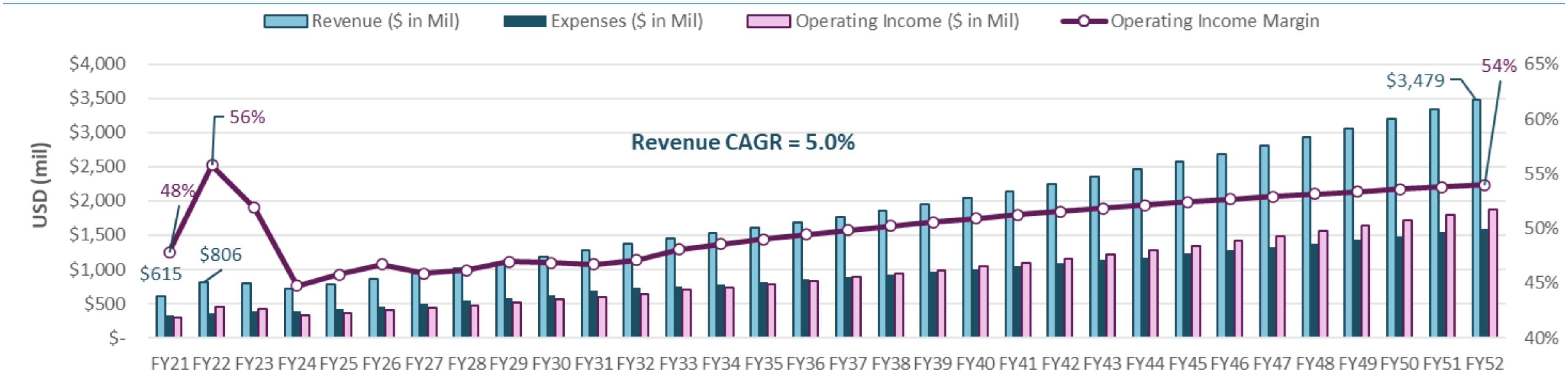
- RoRo revenues are forecasted to rise by a CAGR of 3.7% for the next decade and just under 3% over the 30-year forecast period generated at Colonel's Island from Auto, Rail and Leases including the Brunswick Railroad Easement.
  - *Colonel's Island Terminal auto revenue is expected to have no real unit revenue growth.*
  - *Security revenue from vessel calls is forecasted to grow with volume increases without real unit revenue increases.*
  - *Colonel's Island Terminal Rail revenues will have no real unit revenue growth and demurrage will increase with volume.*
  - *Leases will have no real revenue growth as contracts are pegged to the CPI.*
- As a landlord for the RoRo terminal, GPA RoRo expenses are less than 2% of RoRo revenues with no labor or benefits expense. Other expenses – which include utilities, dredging, and maintenance – are expected to increase by a CAGR of 1.0% over the forecast period.
- Contribution Margin is forecasted at 99% of revenues at the end of the 30-year period.

Mercator's RoRo Segment forecast, FY2022-FY2052



- **Revenues** for the consolidated operations of GPA are forecasted to rise at a **CAGR of 5.5% over the next 10 years and 5.0% over the 30-year** forecast period, generating just under $3.5 Billion in FY2052.
  - *This is driven by a 5.2% CAGR for container revenues which represented 92% of the Port's revenue in FY2021 and is forecasted to represent 96% in 10 years and roughly 98% of the revenues in 30 years.*
  - *With the redevelopment and expansion of the Ocean Terminal from a predominately breakbulk terminal to a terminal primarily serving containerized cargo in the coming years, breakbulk revenues will decline at a -10.4% CAGR over the next 10 years, and -2.3% CAGR over the entire 30-year period.*
- **Expenses** are expected to increase at a **CAGR of 5.2% over the 30-year period**, primarily in the Container Segment which accounted for 68% of the Port's expenses in FY2021 and is forecasted to represent 87% of port expenses by FY2052.
  - *Expenses for the Container Segment, which includes the container terminals, the Mason Mega Rail Terminal adjacent to Garden City Terminal, and the inland rail terminals, will grow by a CAGR of 5.8% over the next 30 years.*
    - Note: GPA Security & Administrative expenses were added to the consolidated forecast model based on GPA's 10-year forecast. FY2033-FY2052 expenses were assumed to grow with inflation.
- **Operating Income –** as measured by operating revenues less operating expenses - will grow at a **3.7% CAGR** over the next decade and **4.9% CAGR** over the next 30 years. In the short-term due to the volume boost through FY 2022 and the large increase in storage revenues, operating income will stay above 50% through FY 2023, then drops in FY2024 followed by steadily improving performance over the long-term cresting 47% in the next decade.
  - *The operating income margin improvement over the period is driven by the container port and rail segments.*
  - *Over the 30-year forecast period, the operating margin as a percentage of revenues is expected to rise to 54%*

Mercator's consolidated financial forecast for GPA, FY2022-FY2052

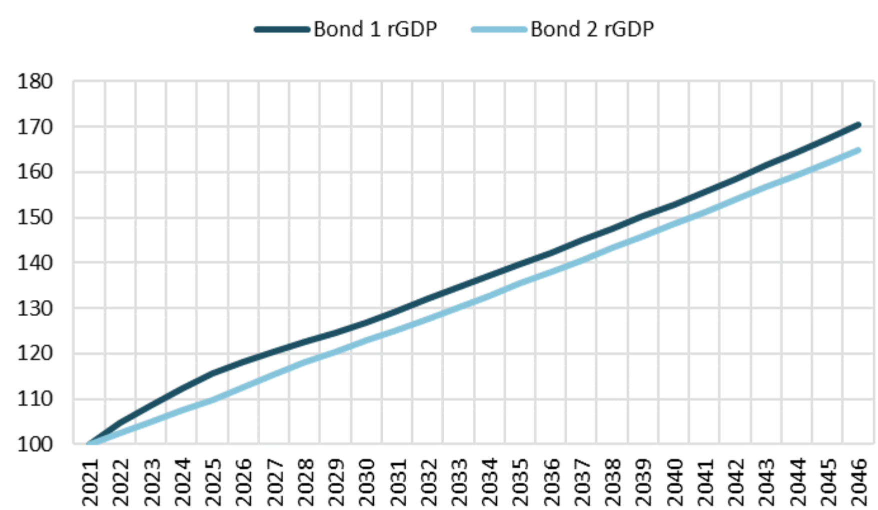


| Consolidated Operating Income<br>Figures in USD $000s | 2021A | 2022B | 2023F | 2024F | 2025F | 2026F | 2027F | 2028F | 2029F | 2030F | 2031F | 2032F | 2052F | 22E - '32F CAGR | 22E - '52F CAGR |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Revenue** | | | | | | | | | | | | | | | |
| Container | $563,010 | $749,928 | $741,943 | $684,879 | $750,081 | $823,142 | $896,957 | $970,693 | $1,046,346 | $1,142,103 | $1,238,631 | $1,328,496 | $3,408,252 | **5.9%** | **5.2%** |
| Breakbulk | $26,770 | $29,951 | $28,585 | $7,938 | $8,176 | $8,421 | $8,632 | $8,891 | $9,158 | $9,432 | $9,715 | $10,006 | $14,873 | **(10.4%)** | **(2.3%)** |
| RoRo | $18,123 | $17,816 | $19,181 | $19,800 | $20,440 | $21,102 | $21,787 | $22,495 | $23,227 | $23,984 | $24,746 | $25,533 | $42,391 | **3.7%** | **2.9%** |
| Bulk | $7,524 | $8,136 | $7,668 | $6,922 | $7,743 | $7,976 | $8,216 | $8,465 | $8,667 | $8,875 | $9,087 | $9,306 | $13,828 | **1.4%** | **1.8%** |
| **Operating Revenues** | **$615,428** | **$805,831** | **$797,377** | **$719,539** | **$786,441** | **$860,641** | **$935,593** | **$1,010,544** | **$1,087,397** | **$1,184,395** | **$1,282,180** | **$1,373,341** | **$3,479,344** | **5.5%** | **5.0%** |
| **Expense** | | | | | | | | | | | | | | | |
| Container | $217,082 | $257,475 | $276,446 | $299,250 | $324,534 | $352,565 | $396,821 | $430,237 | $458,924 | $506,802 | $556,597 | $594,921 | $1,413,292 | **8.7%** | **5.8%** |
| Breakbulk | $13,235 | $11,838 | $12,406 | $3,501 | $3,606 | $3,714 | $3,826 | $3,941 | $4,059 | $4,181 | $4,306 | $4,435 | $6,591 | **(9.4%)** | **(1.9%)** |
| RoRo | $240 | $230 | $262 | $265 | $269 | $273 | $276 | $281 | $285 | $289 | $293 | $298 | $385 | **2.6%** | **1.7%** |
| Bulk | $835 | $880 | $810 | $867 | $892 | $918 | $945 | $973 | $1,002 | $1,032 | $1,062 | $1,094 | $1,650 | **2.2%** | **2.1%** |
| Security & Admin | $89,556 | $86,035 | $93,769 | $93,647 | $97,114 | $100,977 | $104,261 | $108,590 | $112,661 | $117,024 | $121,302 | $125,927 | $191,631 | **3.9%** | **2.7%** |
| **Operating Expenses** | **$320,948** | **$356,459** | **$383,693** | **$397,531** | **$426,415** | **$458,447** | **$506,129** | **$544,020** | **$576,930** | **$629,327** | **$683,561** | **$726,676** | **$1,613,548** | **7.4%** | **5.2%** |
| **Operating Income** | **$294,480** | **$449,372** | **$413,684** | **$322,008** | **$360,025** | **$402,194** | **$429,464** | **$466,523** | **$510,467** | **$555,068** | **$598,619** | **$646,666** | **$1,865,796** | **3.7%** | **4.9%** |
| *OP Income Margin* | *48%* | *56%* | *52%* | *45%* | *46%* | *47%* | *46%* | *46%* | *47%* | *47%* | *47%* | *47%* | *54%* | | |

There are two main sources of disparity between the Series 2021 Bond (Bond 1) and Series 2022 Bond (Bond 2) volume forecasts. The source of the greatest disparity is driven by the downgraded economic outlook. In the chart below left, we compare an index of real GDP driven by the two real GDP forecasts. Essentially, the revised forecast delays real GDP and volumes by between a year and a year and a half, meaning that reaching any milestone takes that much longer.

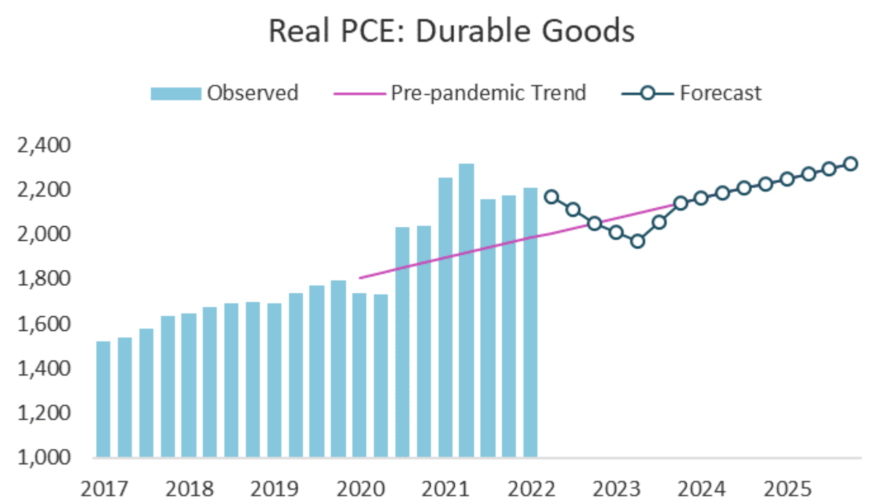
In addition to adopting a new real GDP outlook, we have shifted our forecast methodology. The Bond I forecast was based on monthly nominal personal consumption expenditures on goods, but our revised Bond II forecast adopts a more nuanced forecast methodology based on quarterly real personal consumption expenditures on durable goods and, separately, nondurable goods. This allows us to account for the fact that some durable goods purchases made over the last year and a half have been on goods that are infrequently purchased, and as such some portion of these purchases have been 'borrowed' from the future. This can be seen in the chart on the right, where durable goods purchases are expected to fall below the pre-pandemic trend before rising back to it in the fourth quarter of 2023.

Indices of Real GDP Growth (2021 = 100), 2021 to 2046




Source: Mercator

Historical and Forecasted Real PCE on Durable Goods, Q1 2017 to Q4 2025




Source: Mercator

# Financial model summary

## Comparison of Series 2022 Bond Forecast vs. Series 2021 Bond Forecast

Below is the consolidated financial and container volume forecast for the Series 2021 bonds along with a comparison with the series 2022 bond feasibility forecast. Due to the outperformance of the container volume expectations in first 11 months of fiscal year 2022 and the windfall in storage revenues, the operating income far exceeded expectations by $184 million. In the next few years, the 2022 forecast lowers storage revenues contribution to the container terminal revenues down to a 10% level. OPEX will rise due to a slightly lower labor productivity rate at the container terminals and therefore a higher labor expense per container. **By 2032, the 2022 forecast projects revenue to be 16% higher than the Series 2021 forecast and operating income to be 19% higher – which will increase the projected Debt Service Coverage Ratio (DSCR).**

Comparison of Mercator forecast for Series 2021 bonds vs. Series 2022

**Series 2021 Mercator Forecast**

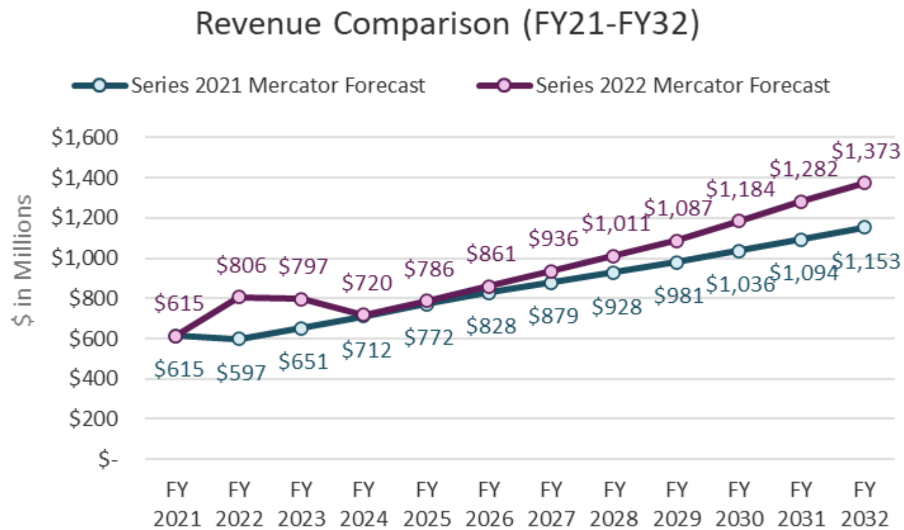
| Consolidated Operating Income | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 | FY 2032 | '22E - '32F CAGR |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Revenue ($ in Mil) | $ 615 | $ 597 | $ 651 | $ 712 | $ 772 | $ 828 | $ 879 | $ 928 | $ 981 | $ 1,036 | $ 1,094 | $ 1,153 | **6.8%** |
| % Δ in Revenue | | -3.0% | 9.1% | 9.4% | 8.3% | 7.3% | 6.2% | 5.5% | 5.7% | 5.6% | 5.7% | 5.4% | |
| Expenses ($ in Mil) | $ 321 | $ 331 | $ 358 | $ 384 | $ 413 | $ 441 | $ 469 | $ 496 | $ 525 | $ 553 | $ 581 | $ 610 | **6.3%** |
| % Δ in Expenses | | 3.1% | 8.0% | 7.2% | 7.7% | 6.9% | 6.3% | 5.7% | 5.9% | 5.3% | 5.1% | 4.9% | |
| % of Revenues | 52.2% | 55.5% | 54.9% | 53.8% | 53.5% | 53.3% | 53.4% | 53.4% | 53.5% | 53.4% | 53.1% | 52.9% | |
| Operating Income ($ in Mil) | $ 294 | $ 266 | $ 294 | $ 329 | $ 359 | $ 387 | $ 410 | $ 432 | $ 456 | $ 483 | $ 513 | $ 543 | **7.4%** |
| % Δ in Operating Income | | -9.7% | 10.4% | 12.0% | 9.0% | 7.8% | 6.0% | 5.4% | 5.5% | 5.9% | 6.3% | 5.9% | |
| Operating Income Margin % | 47.8% | 44.5% | 45.1% | 46.2% | 46.5% | 46.7% | 46.6% | 46.6% | 46.5% | 46.6% | 46.9% | 47.1% | |
| Revenue per Container | $173 | $167 | $173 | $178 | $184 | $188 | $193 | $197 | $201 | $205 | $210 | $214 | **2.5%** |

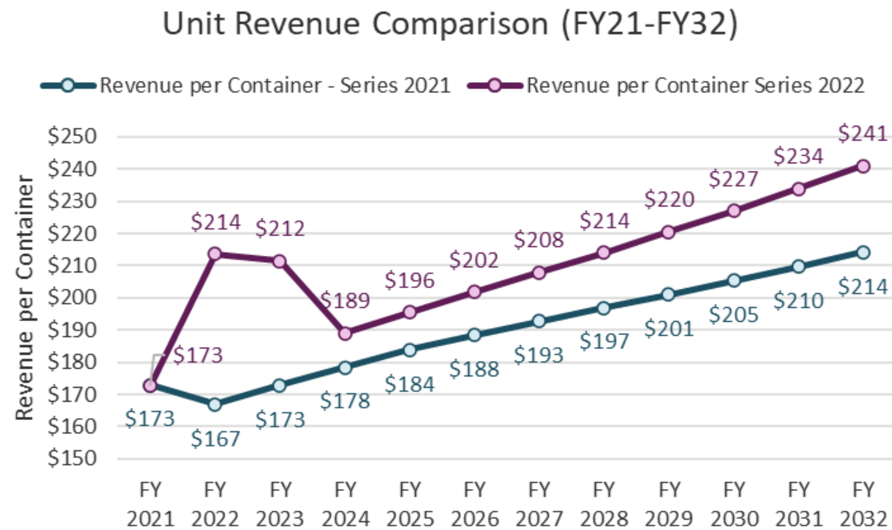
| Container Volume | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 | FY 2032 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Total TEUs (000s) | 5,331 | 5,226 | 5,591 | 5,962 | 6,294 | 6,578 | 6,883 | 7,133 | 7,377 | 7,634 | 7,911 | 8,178 | **4.6%** |
| Y/Y % | 20.1% | -2.0% | 7.0% | 6.6% | 5.6% | 4.5% | 4.6% | 3.6% | 3.4% | 3.5% | 3.6% | 3.4% | |
| Mega Rail TEUs (000s) | 987 | 940 | 1,104 | 1,189 | 1,247 | 1,339 | 1,451 | 1,534 | 1,617 | 1,705 | 1,794 | 1,873 | **7.1%** |
| Y/Y % | | -4.8% | 17.5% | 7.7% | 4.8% | 7.4% | 8.4% | 5.7% | 5.4% | 5.5% | 5.2% | 4.4% | |

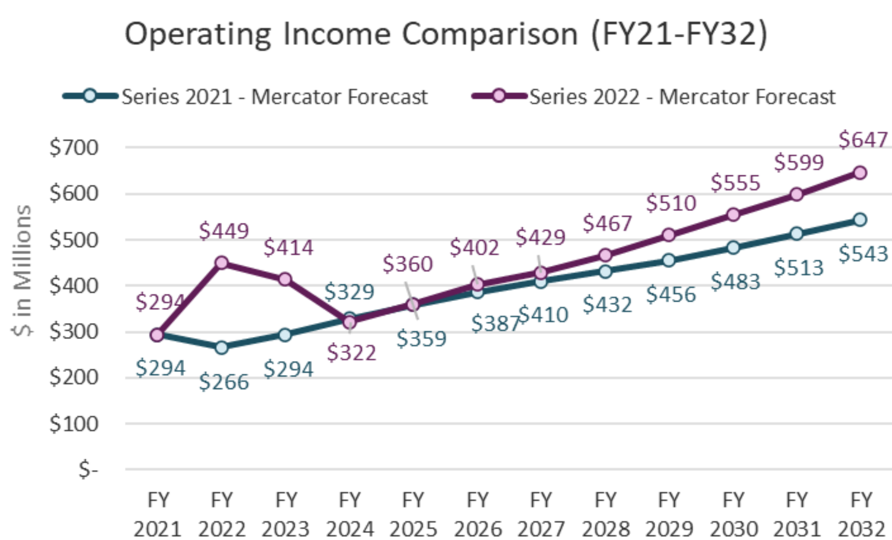
| Difference: 2022 - 2021 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 | FY 2032 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Revenue ($ in Mil) | $ 0 | $ 209 | $ 146 | $ 7 | $ 15 | $ 33 | $ 56 | $ 83 | $ 106 | $ 149 | $ 188 | $ 220 |
| Expenses ($ in Mil) | $ 0 | $ 25 | $ 26 | $ 14 | $ 13 | $ 17 | $ 37 | $ 48 | $ 52 | $ 76 | $ 102 | $ 117 |
| Operating Income ($ in Mil) | $ 0 | $ 184 | $ 120 | $ (7) | $ 1 | $ 16 | $ 19 | $ 34 | $ 55 | $ 72 | $ 85 | $ 103 |
| **Container Volume** | **FY 2021** | **FY 2022** | **FY 2023** | **FY 2024** | **FY 2025** | **FY 2026** | **FY 2027** | **FY 2028** | **FY 2029** | **FY 2030** | **FY 2031** | **FY 2032** |
| Total TEUs (000s) | 0 | 520 | 23 | -323 | -393 | -324 | -262 | -166 | -109 | -73 | -81 | -74 |
| Mega Rail TEUs (000s) | 0 | -30 | -64 | -19 | 18 | 69 | 72 | 97 | 107 | 109 | 94 | 92 |

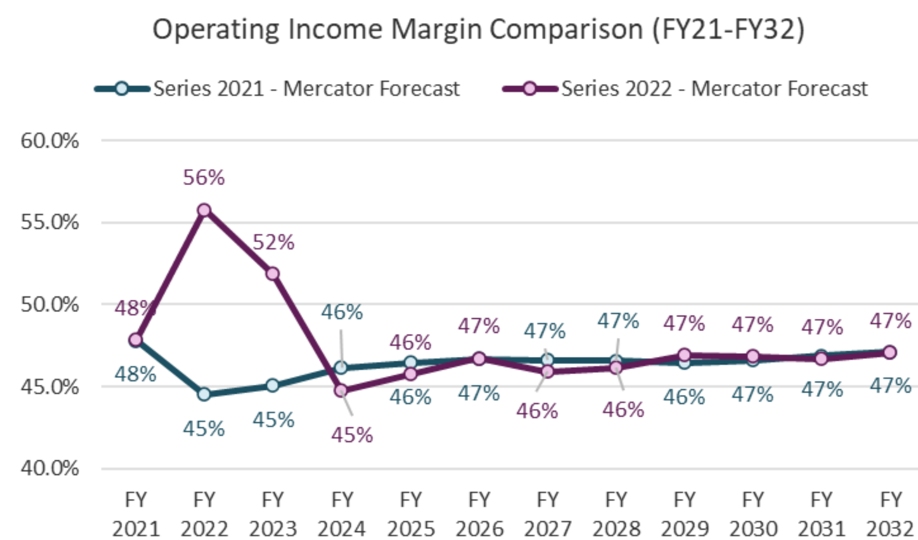
## Financial model summary

### Comparison of Series 2022 Bond Forecast vs. Series 2021 Bond Forecast



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**APPENDIX C**

# COPY OF RESOLUTION

This Appendix C has been prepared by Gray Pannell & Woodward LLP, Bond Counsel.

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GEORGIA PORTS AUTHORITY

MASTER BOND RESOLUTION

Adopted July 26, 2021

PROVIDING FOR THE ISSUANCE OF

GEORGIA PORTS AUTHORITY
REVENUE BONDS,
IN THE AGGREGATE PRINCIPAL AMOUNT
NOT TO EXCEED

$525,000,000

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## MASTER BOND RESOLUTION

**THIS MASTER BOND RESOLUTION** (THIS "**RESOLUTION**"), ADOPTED JULY 26, 2021, BY THE GEORGIA PORTS AUTHORITY (THE "**AUTHORITY**" OR THE "**ISSUER**"), PROVIDING FOR THE ISSUANCE OF GEORGIA PORTS AUTHORITY REVENUE BONDS, SERIES 2021, TO FINANCE THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF IMPROVEMENTS TO THE AUTHORITY'S DEEPWATER TERMINAL FACILITIES AND EQUIPMENT AS FURTHER DEFINED HEREIN (COLLECTIVELY, THE "**PORT FACILITIES**"); PROVIDING FOR THE ISSUANCE OF ADDITIONAL BONDS AND INCURRENCE OF OTHER OBLIGATIONS; PROVIDING FOR PAYMENT OF SUCH BONDS AND OBLIGATIONS FROM CERTAIN REVENUES OF THE PORT FACILITIES; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH, INCLUDING, BUT NOT LIMITED TO A RATE COVENANT AND COVENANTS REGARDING DEFAULTS AND REMEDIES; AND PROVIDING FOR OTHER MATTERS.

### PREAMBLE

1. The Georgia Ports Authority is a body corporate and politic, and an instrumentality of the State of Georgia (the "**State**") created and activated prior to November 8, 1960, pursuant to the "Georgia Ports Authority Act," Official Code of Georgia Annotated ("**O.C.G.A.**") §§ 52-2-1, *et seq*. (Ga. L. 1945, p. 464, as amended) (the "**Act**"). The Authority is charged with the power to develop, improve, and maintain the harbors and seaports of the State in accordance with O.C.G.A. § 52-2-9, and the Act empowers the Authority to issue its revenue obligations, in accordance with the applicable provisions of the Revenue Bond Law of the State of Georgia (O.C.G.A. § 36-82-60 through § 36-82-85, as amended), for the purpose of acquiring, constructing and installing any "project" (as defined in the Act) in furtherance of the public purpose for which it was created.

2. Capitalized terms used but not otherwise defined in this Preamble shall have the meanings given such terms in Article II of this Resolution.

3. After due study, investigation and consideration, the Issuer has determined that it is now necessary to expend funds on the planning, design, construction, acquisition, and development of certain property on, or adjacent to, the current Port Facilities in order to increase container handling capacities to meet the current demand and expected growth in demand for the services provided by the Issuer; such development also may include certain cranes, equipment and other property, both real and personal, to support the Port Facilities, as more particularly described in Exhibit B attached hereto, and in the plans and specifications which are on file with the Issuer, and are further incorporated herein (collectively, the "**2021 Projects**").

4. Pursuant to O.C.G.A. § § 50-17-21(9) and 50-17-22(f)(1), the Issuer may not incur debt without the specific approval of the Georgia State Financing and Investment Commission (the "**Commission**"), and any offering of revenue bonds by the Issuer also is subject to the review and approval of the Commission in accordance with O.C.G.A. § 52-2-23. In accordance with an

official intent and reimbursement resolution adopted by the Issuer on March 29, 2021, the Issuer requested authorization from the Commission to issue one or more series of revenue bonds in an aggregate principal amount not to exceed $525,000,000 (the "**Series 2021 Bonds**") to finance the 2021 Projects, and requested the Commission's assistance to distribute a request for proposals to select an underwriting team to assist in the negotiated sale of such debt. On April 28, 2021, the Commission adopted a resolution approving the Issuer's request.

5. The Professional Services Committee, which is a standing committee appointed by the Commission, at its meeting on July 15, 2021, has approved a bond underwriting team consisting of BofA Securities as Senior Manager and Citigroup Global Markets, Inc., J.P. Morgan, Wells Fargo Securities, Raymond James & Associates, Inc., Academy Securities, and Siebert Williams Shank & Co., LLC, as Co-Managers (collectively, the "**Underwriting Team**"), and the Issuer hereby ratifies the selection of such Underwriting Team to assist the Issuer in the sale of the Series 2021 Bonds authorized by this Resolution.

6. In order to accomplish the foregoing, the Issuer proposes to issue the Series 2021 Bonds in the aggregate principal amount not to exceed $525,000,000 in accordance with the terms of this Resolution.

7. Based on the historical revenues derived by the Issuer from the Port Facilities, the Issuer anticipates that the Net Revenues (as defined herein) will be sufficient to pay the principal of and interest on the Series 2021 Bonds in each year.

8. The Issuer has found and determined that the proceeds of the Series 2021 Bonds, together with other lawfully available funds, will be sufficient to provide for the costs of 2021 Projects and other costs incidental thereto.

9. The Issuer anticipates future capital needs in addition to the 2021 Projects and in accordance with the terms of this Resolution will provide for the issuance of additional bonds to be issued on a parity or subordinate basis with the Series 2021 Bonds.

NOW, THEREFORE, BE IT FURTHER RESOLVED by the Georgia Ports Authority in public meeting properly and lawfully called and assembled, and it is hereby resolved by authority of the same, as follows:



## ARTICLE I

## AUTHORITY FOR THIS RESOLUTION

**Section 101. Authority for this Resolution.** This Resolution is adopted pursuant to the Act, the Revenue Bond Law of Georgia, codified in O.C.G.A. § 36-82-60, *et. seq*., the Constitution of the State of Georgia, the general laws of the State of Georgia, and the laws of the State of Georgia relating to the Issuer.

[END OF ARTICLE I]

## ARTICLE II

## DEFINITIONS

**Section 201.** **Definitions**. As used herein, unless the context otherwise requires:

"**Act**" means the "Georgia Ports Authority Act," O.C.G.A. §§ 52-2-1, *et seq.* (Ga. L. 1945, p. 464, as amended).

"**Additional Bonds**" means additional obligations, including, without limitation, Commercial Paper Obligations, issued in compliance with the terms, conditions and limitations contained in Article XII hereof which will have an equal lien on the Pledged Revenues in the manner and to the extent herein provided, and rank equally in all other respects with the Series 2021 Bonds (except with respect to amounts held in any separate account created in the Construction Fund pursuant to Article VII hereof and with respect to amounts held in any separate account or accounts in the Debt Service Reserve Account, which amounts shall be held only for the benefit of the Holders of the Bonds for which such accounts were created).

"**Amortization Installment**" means the funds deposited in the Debt Service Account in a given Bond Year that are required for the payment at maturity or redemption of all or a portion of any Term Bond, as the case may be, within a Series of Bonds, as established by resolution of the Issuer at or before the delivery of that Series of Bonds.

"**Annual Budget**" means the budget, as amended and supplemented from time to time, prepared by the Issuer for each Fiscal Year in accordance with Section 1104 hereof.

"**Authorized Depository**" means any bank, trust company, national banking association, savings and loan association, savings bank or other banking association selected by the Issuer as a depository, having a combined capital, surplus and undivided profits of at least $50,000,000, which is authorized under Georgia law to be a depository of funds of the State of Georgia, and which has qualified with all applicable state and federal requirements concerning the receipt of Issuer funds.

"**Balloon Indebtedness**" means indebtedness in the form of Bonds, 25% or more of the principal payments of which are due in a single year, which portion of the principal is not required by the instrument authorizing the issuance of such indebtedness to be amortized by redemption prior to such maturity date which is designated in writing by the Issuer as Balloon Indebtedness at the time of its issuance.

"**Bond Counsel**" means nationally recognized legal counsel experienced in matters relating to the validity of, and the exclusion from gross income for federal income tax purposes of interest on, obligations of states and their political subdivisions.

"**Bond Insurer**" means, with respect to any Series of Bonds, the issuer of a municipal bond insurance policy insuring all or a portion of the payment, when due, of the principal of and interest on such Series of Bonds.



"**Bond Obligation**" means, as of the date of computation, the sum of: (i) the principal amount of all Current Interest Bonds then Outstanding and (ii) the Compounded Amount on any Capital Appreciation Bonds then Outstanding.

"**Bond Year**" means the 12-month consecutive period beginning on the second day of July and ending on the first day of July in the subsequent calendar year; provided that when such term is used to describe the period during which deposits are to be made pursuant to Section 902 to amortize principal and interest on the Bonds maturing or becoming subject to redemption, or the Debt Service Requirement, the principal amount of, and interest on, Bonds maturing or becoming subject to redemption, on July 1 of any year shall be deemed to mature, become subject to redemption, or be due for payment on the last day of the preceding Fiscal Year.

"**Bondholder**," "**Holder**," "**Owner**," "**holder**" or "**owner**" means the registered owner (or their authorized representative) of Bonds.

"**Bonds**" means the Series 2021 Bonds and any Additional Bonds.

"**Book-Entry Bonds**" means those Bonds to which the provision of Section 613 hereof apply.

"**Business Day**," unless otherwise provided by a supplemental resolution with respect to a particular Series of Bonds, means a day on which banking business is transacted in the city or cities in which the Paying Agent (if an Authorized Depository) has its designated corporate trust offices, on which the New York Stock Exchange is open and on which the Issuer is open to transact business.

"**Capital Appreciation Bonds**" means Bonds that bear interest, compounded semiannually, that is payable only at maturity or upon redemption prior to maturity in amounts determined by reference to the Compounded Amounts, and which may be either Serial Bonds or Term Bonds. In the case of Capital Appreciation Bonds that are convertible to Bonds with interest payable prior to maturity or prior to redemption of such Bonds, such Bonds shall be considered Capital Appreciation Bonds only during the period of time prior to such conversion, and after such conversion date shall be treated as having a principal amount equal to their accreted value on the conversion date.

"**Chairperson**" means the Chairperson of the Governing Body.

"**Chief Financial Officer**" means the Chief Financial Officer of the Issuer.

"**Code**" means the Internal Revenue Code of 1986, as amended, or any corresponding provisions of any future laws of the United States of America relating to federal income taxation, and except as otherwise provided herein or required by the context thereof, includes interpretations thereof contained or set forth in the applicable regulations of the Department of the Treasury (including applicable final regulations, temporary regulations and proposed regulations), the applicable rulings of the Internal Revenue Service (including published Revenue Rulings and private letter rulings) and applicable court decisions.

"**Commercial Paper Obligations**" means all of the Bonds (which may be designated as notes or other obligations) of a Series or a proportionate maturity thereof with a maturity of less than 271 days so designated by the Issuer by a supplemental resolution prior to the issuance thereof.

"**Compounded Amounts**" means the principal amount of the Capital Appreciation Bonds plus the amount of interest that has accreted on such Bonds, compounded semiannually, to the date of calculation, determined by reference to accretion tables contained in each such Bond or an offering document or official statement with respect thereto. The Compounded Amounts for such Bonds as of any date not stated in such tables shall be calculated by adding to the Compounded Amount for such Bonds as of the date stated in such tables immediately preceding the date of computation a portion of the difference between the Compounded Amount for such preceding date and the Compounded Amount for such Bonds as of the date shown on such tables immediately succeeding the date of calculation, apportioned on the assumption that interest accretes during any period in equal daily amounts on the basis of a year of twelve 30-day months.

"**Construction Fund**" means the Construction Fund established pursuant to Article VII hereof.

"**Cost of Operation and Maintenance**" means the reasonable and necessary costs of operating, maintaining and repairing the Port Facilities, including salaries, wages, the payment of any contractual obligations or services incurred pertaining to the operation of the Port Facilities, the cost of materials and supplies, rentals of leased property, real or personal, insurance premiums, audit fees, a reasonable allowance for working capital, and such other proper charges as may be made for the purpose of operating, maintaining and repairing the Port Facilities in accordance with sound business practice, including dredging costs paid by the Issuer, but before making provision for depreciation.

"**Cost**" or "**Cost of the Projects**," with respect to the 2021 Projects and each Project subsequently authorized pursuant to subsequent resolutions of the Issuer, shall include all items of cost with respect to such Project to be financed with proceeds of Bonds issued hereunder (including reimbursement to the Issuer in connection with items previously incurred in anticipation of the issuance of the Bonds). Without intending to limit the forgoing, Cost of the Projects shall include, without limitation: (i) all direct costs of the Project described in the plans and specifications for such Project; (ii) all costs of planning, designing, acquiring, constructing, financing, commissioning and placing such Projects in operation; (iii) all costs of issuance of Bonds, including the cost of bond insurance, any Reserve Product, any Credit Facility, any Liquidity Facility, fees and expenses of bond counsel, underwriters and underwriters' counsel, purchaser and purchaser's counsel, counsel for the Issuer, special tax counsel, financial advisors, printing costs and Rating Agency fees, initial acceptance fees of paying agents, registrars, trustees and depositaries, and any other costs of issuance of Bonds; (iv) the cost of any lands or interests therein and all of the properties deemed necessary or convenient for the maintenance and operation of the Projects; (v) all other engineering, legal and financial costs and expenses; (vi) all expenses for estimates of costs and of projections of future revenues; (vii) costs of obtaining governmental and regulatory permits, licenses, covenants and approvals; (viii) all fees of special advisors and consultants associated with one or more aspects of the Projects or the financing thereof; (ix) all costs relating to claims or judgments arising out of the construction of the Port Facilities; (x) all federal, state and local taxes and payments in lieu of taxes required to be paid in connection with



the acquisition and construction of the Port Facilities; (xi) all amounts required to be paid by this Resolution or any supplemental resolution authorizing the issuance of Bonds into the Debt Service Reserve Account upon the issuance of any Series of Bonds; (xii) the payment of all principal, premium, if any, and interest when due, of any Bonds of any Series or other evidences of indebtedness issued to finance a portion of the cost of the Projects, whether at the maturity thereof or at the due date of interest or upon redemption thereof; (xiii) interest on Bonds of any Series prior to and during construction of any Project for which such Bonds were issued, and for such additional periods as the Issuer may reasonably determine to be necessary for the placing of such Projects in operation; (xiv) the reimbursement to the Issuer of all such costs of any Project that have been advanced by the Issuer from its available funds before the delivery of a Series of Bonds issued to finance such costs; (xv) the principal, premium, if any, interest, and costs related thereto, payable with respect to any note or other obligation issued by the Issuer to pay any part of the Cost of the Project; (xvi) all amounts required to be rebated to the United States of America in order to preserve the exclusion from gross income for federal income tax purposes of interest on Bonds other than Taxable Bonds; and (xvii) such other costs and expenses which shall be necessary or incidental to the financing herein authorized and the construction and acquisition of the Projects and the placing of same in operation.

"**Credit Facility**" means a line of credit, letter of credit, bond insurance policy, guaranty or similar credit enhancement device or arrangement (including, without limitation, any reimbursement arrangement relating thereto) providing support for the payment of the principal of and interest on one or more Series of Bonds. A Credit Facility also may be a Liquidity Facility.

"**Credit Facility Provider**" means the issuer of a Credit Facility. A Credit Facility Provider also may be a Liquidity Facility Provider.

"**Current Interest Bonds**" means Bonds that bear interest which is payable periodically prior to, rather than solely at, the maturity of the Bonds.

"**Dated Date**" means the date established by a resolution authorizing the issuance of a Series of Bonds.

"**Debt Service Coverage Ratio**" means the quotient determined by dividing the Income Available for Debt Service by the Debt Service Requirement, and may be expressed as a fractional, decimal, or percentage result.

"**Debt Service Account**" means the Debt Service Account established pursuant to Section 901 hereof.

"**Debt Service Reserve Account**" means the Debt Service Reserve Account established pursuant to Section 901 hereof.

"**Debt Service Offset**" means the receipts of the Issuer that are not included in Gross Revenues and are legally available to pay interest on Bonds, including without limitation any federal interest subsidy payments. Any Debt Service Offset shall be deposited directly to the Debt Service Account upon receipt by the Issuer.

"**Debt Service Requirement**" means, for a given Bond Year, the remainder after subtracting any accrued and capitalized interest for that year that has been set aside in the Revenue Fund or in a separate account or subaccount in the Construction Fund for that purpose concurrently with the issuance of Bonds hereunder, from the sum of:

(a) The amount required to pay the interest coming due on Bonds during that Bond Year,

(b) The amount required to pay the principal of Serial Bonds and the principal of Term Bonds maturing in that Bond Year that are not included in the Amortization Installments for such Term Bonds; and

(c) The Amortization Installments for all series of Term Bonds for that Bond Year.

(1) For purpose of the rate covenant contained in Section 1105 of this Resolution, and for purposes of determining the Reserve Requirement pursuant to Sections 902 and 905 of this Resolution, the interest rate on Variable Rate Bonds for the Bond Year in which such calculation is made, or for any following Bond Year, as the case may be, shall be established by a supplemental resolution providing for the issuance of such Variable Rate Bonds.

(2) For purposes of determining the Maximum Debt Service Requirement or the Debt Service Requirement for the issuance of Additional Bonds pursuant to Section 1202 of this Resolution, the interest rate on Variable Rate Bonds Outstanding on the date of calculation shall be the same as the interest rate used for the rate covenant as described in paragraph (1) of this definition, and the interest rate on Variable Rate Bonds proposed to be issued under the provisions of Section 1202, shall be established by a supplemental resolution providing for the issuance of such Variable Rate Bonds.

(3) If Bonds are subject to purchase by the Issuer at the option of the Bondholder, the optional "put" date or dates shall be ignored and the stated maturity dates of such Bonds shall be used for the purposes of this calculation.

(4) For purposes of calculating the Debt Service Requirement with respect to Commercial Paper Obligations, only the interest component of such Commercial Paper Obligations and the principal component of the Commercial Paper Obligations that the Issuer reasonably expects to retire and not to pay with the proceeds of roll-over Commercial Paper Obligations in such Bond Year (as reflected in the Annual Budget and/or a certificate of the Chief Financial Officer) shall be included in the calculation of the Debt Service Requirement. The interest rate on the Commercial Paper Obligations shall be computed in the same manner as the computation of interest on Variable Rate Bonds as described above.

(5) For purposes of calculating the Debt Service Requirement with respect to any Balloon Indebtedness, the amount of the principal which would be payable in such period and the interest rate used for such computation shall be



provided in a supplemental resolution providing for the issuance of such Balloon Indebtedness.

"**Defeasance Obligations**" means (i) obligations of, or obligations guaranteed as to principal and interest by, the United States of America or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the United States of America, (ii) obligations of, and obligations guaranteed by, the Federal Home Loan Mortgage Corporation, Federal National Mortgage Corporation, or the Federal Home Loan Bank system.

"**Depository**" means DTC as securities depository for the Series 2021 Bonds and, if so designated by supplemental resolution, any Additional Bonds issued hereunder, until a successor depository is appointed pursuant to Section 613 hereof and thereafter means the successor securities depository appointed pursuant to this Resolution.

"**DTC**" means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, in its capacity as Depository for the Series 2021 Bonds and any subsequent Series of Bonds issued hereunder, as designated by supplemental resolution or any successor Depository designated by supplemental resolution for any Bonds.

"**DTC Participant**" means those broker dealers, banks and other financial institutions reflected as such on the books of DTC.

"**Executive Director**" means the Executive Director of the Issuer.

"**Fiscal Year**" means the period commencing on July 1 of each year and ending on the succeeding June 30, or such other consecutive 12-month period as may be hereafter designated as the fiscal year of the Issuer.

"**Governing Body**" means the members of the Authority so appointed in accordance with the Act.

"**Gross Revenues**" means all income and revenues derived from the ownership and operation of the Port Facilities, including income from the investment of funds to be deposited in the Revenue Fund, any proceeds from business interruption insurance, and all special assessment revenues related to improvements to the Port Facilities if such special assessment revenues are specifically designated by the Governing Body to be included in Gross Revenues, but shall not include (i) income from investments irrevocably pledged to the payment of any Bonds issued or to be refunded under any refunding plan of the Issuer, (ii) proceeds from the sale of any Bonds or other obligations of the Issuer, and the earnings thereon (other than the earnings on proceeds deposited in reserve funds), (iii) moneys received by the Issuer from federal, state or local governmental grants or stipends that by their terms are restricted from being used in the manner that Gross Revenues are to be applied hereunder, (iv) payments made under Credit Facilities issued to pay or secure the payment of a particular Series of Bonds, (v) insurance or condemnation proceeds other than business interruption insurance, (vi) any income and revenue of the Issuer separately pledged and used by it to pay and secure the payment of the principal of and interest on any issue or Series of Special Project Bonds issued to acquire, construct, equip, install or improve part or all of the particular facilities from which such income and revenue are derived, provided that the withdrawal from Gross Revenues of any income or revenue derived or to be derived by the Issuer from any income-producing facility which shall have been contributing to Gross Revenues prior to the issuance of any Special Project Bonds is not permitted, and (vii) any Debt Service Offset.

"**Income Available for Debt Service**" means, for any period of 12 consecutive calendar months for which such determination is made, Net Revenues; provided, however, that no determination thereof shall take into account (a) a gain or loss resulting from the extinguishment of Bonds, (b) the sale, exchange or other disposition of capital assets not made in the ordinary course of business, (c) unrealized gains or losses, or (d) earnings on the Construction Fund.

"**Issuer**" or "**Authority**" means the Georgia Ports Authority.

"**Liquidity Facility**" means a line of credit, letter of credit, standby bond purchase agreement or similar enhancement device or arrangement creating a source to be drawn upon by the Issuer to pay the purchase price of one or more Series of Bonds upon a mandatory or optional tender for payment. A Liquidity Facility may also be a Credit Facility.

"**Liquidity Facility Provider**" means the issuer of a Liquidity Facility. A Liquidity Facility Provider also may be a Credit Facility Provider.

"**Maximum Annual Debt Service Coverage Ratio**" means the quotient determined by dividing Income Available for Debt Service by the Maximum Debt Service Requirement and may be expressed as a fractional, decimal, or percentage result.

"**Maximum Debt Service Requirement**" means, as of any particular date of calculation, the largest Debt Service Requirement for any remaining Bond Year, except that with respect to any Bonds for which Amortization Installments have been established, the amount of principal scheduled to come due on the final maturity date with respect to such Bonds shall be reduced by the aggregate principal amount of such Bonds that are to be redeemed or paid from Amortization Installments to be made in prior Bond Years.

"**Net Revenues**" means, with respect to any Fiscal Year, the remainder of the Gross Revenues, after deducting the Cost of Operation and Maintenance for such Fiscal Year.

"**No Adverse Effect Opinion**" means an opinion of Bond Counsel that a particular event, plan of action or circumstance will not cause, in and of itself, interest on any Bonds issued hereunder to become includable in the gross income of the holders thereof for federal income tax purposes. A No Adverse Effect Opinion will not be required with respect to any Series of Bonds which were issued as Taxable Bonds.

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

"**Outstanding**" or "**Bonds outstanding**" or "**Outstanding Bonds**" means all Bonds that have been issued pursuant to this Resolution except:

(1) Bonds paid at maturity or as a result of redemption prior to maturity, or which have been cancelled after purchase in the open market by the Issuer;



(2) Bonds for the payment or redemption of which, pursuant to, and subject to the provisions of, Article XIV hereof, Defeasance Obligations shall have been theretofore irrevocably set aside in a special account with the Paying Agent or an Authorized Depository acting as an escrow agent (whether upon or prior to the maturity or redemption date of any such Bonds) in an amount which will be sufficient, together with earnings on such Defeasance Obligations, to pay the principal of and interest on such Bonds at maturity or the principal of, interest on and premium, if any, upon their earlier redemption; provided that, if such Bonds are to be redeemed before the maturity thereof, irrevocable and unconditional notice of such redemption shall have been given according to the requirements of this Resolution or irrevocable instructions directing the timely publication of such notice and directing the payment of the principal of, premium, if any, and interest on all Bonds at such redemption dates shall have been given to the Paying Agent or such escrow agent; and

(3) Bonds which are deemed paid pursuant to Section 606 hereof, or Section 608 hereof, or in lieu of which other Bonds have been issued under Section 605 hereof.

"**Paying Agent**" means the Issuer or any Authorized Depository designated by the Issuer to serve as a Paying Agent or place of payment for any one or more Series of Bonds issued hereunder that shall have agreed to arrange for the timely payment of the principal of, interest on and premium, if any, with respect to the Bonds to the registered owners thereof, from funds made available therefor by the Issuer, and any successors designated pursuant to this Resolution. All Paying Agents appointed hereunder, if other than the Issuer, shall have a combined capital, surplus and undivided profits of at least $50,000,000.

"**Payment Date**" means, as the context may require, any date on which a payment of principal and/or interest on any Bonds Outstanding is due hereunder, including, without limitation, any date of redemption of Bonds.

"**Permitted Investments**" means:

(a) with respect to bond proceeds, any investments currently authorized by O.C.G.A. § 36-82-7, or as subsequently amended, and the requirements below consisting of the following:

(1) The local government investment pool created in O.C.G.A. § 36-83-8; and

(2) The following securities:

A. Bonds or obligations of any municipal corporation, school district, political subdivision, authority, or body or bonds or obligations of the State or other states; provided, however, that all such bonds or obligations shall have a current credit rating from a nationally recognized rating service of at least one of the two highest rating categories available;

B. Bonds or other obligations of the United States of America or of subsidiary corporations of the United States government, which are fully guaranteed by such government;

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

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

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

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

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

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



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

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

(5) must be rated AAAm or AAm or equivalent by S&P or Aaa-mf or Aa-mf or equivalent by Moody's.

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

(b) With respect to moneys which do not consist of bond proceeds, if and to the extent the same are at the time legal under State law:

(i) any of the investments authorized by the Act, Article 2 of Chapter 17 of Title 50 of O.C.G.A., which generally consists of the following:

A. Obligations of the United States of America and of its agencies and instrumentalities, or obligations fully insured or guaranteed by the United States government or by one of its agencies.

B. Obligations of any corporation of the United States government; provided, however, that all such bonds or obligations shall have a current credit rating from a nationally recognized rating service of at least one of the two highest rating categories available.

C. Bonds or certificates of indebtedness of the State and of its agencies and instrumentalities, or of other states; provided, however, that all such bonds or obligations shall have a current credit rating from a nationally recognized rating service of at least one of the two highest rating categories available.

D. Obligations of other political subdivisions of the State.

E. Certificates of deposit of banks which have deposits insured by the Federal Deposit Insurance Corporation; provided, however, that portion of such certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation must be secured by direct obligations of the State or the United

States of America which are of a par value equal to that portion of such certificates of deposit which would be uninsured.

F. Prime bankers' acceptances.

G. Repurchase agreements.

H. The local government investment pool established by O.C.G.A. § 36-83-8; and

(ii) any other investments to the extent at the time hereafter permitted by the applicable law of the State for the investment of public funds; provided, however, that all such bonds or obligations shall have a current credit rating from a nationally recognized rating service of at least one of the two highest rating categories available.

"**Pledged Revenues**" means the Net Revenues of the Port Facilities and all other amounts, including investments thereof, held in the funds and accounts described hereunder, except funds held in the Rebate Fund and except funds held in an account in the Construction Fund or in the Debt Service Reserve Account for a specific Series of Bonds, which will be held solely for the Series of Bonds for which such account was created.

"**Port Facilities**" means the Issuer's following terminal facilities (i) in the Port of Savannah - Garden City Terminal and Ocean Terminal; (ii) in the Port of Brunswick - Colonel's Island Terminal, Mayor's Point Terminal, East River Terminal and Lanier Docks; (iii) Appalachian Regional Port; (iv) Port Bainbridge; and (v) any future terminals or facilities if and when so designated by supplemental resolution of the Issuer.

"**Project**" or "**Projects**" means the construction or acquisition of additions, extensions and improvements and repairs to and replacements of various components of any portion of the Port Facilities, as described from time to time by resolution of the Issuer, the Act, or the funding or refunding of debt obligations issued or incurred for such purpose.

"**2021 Projects**" means the Projects described in Exhibit B hereto, the costs of which are to be funded in whole or in part with proceeds from the Series 2021 Bonds.

"**Qualified Independent Consultant**" means any one or more qualified and recognized independent consultants determined by the Authority as having favorable repute, skill and experience with respect to the acts and duties required of a Qualified Independent Consultant related to Sections 1105, 1107 and 1202 hereof, as shall be retained by the Issuer from time to time for the purposes thereof.

"**Rating Agency**" means any nationally recognized securities rating agency.

"**Rebate Amount**" means the excess of the amount earned on all nonpurpose investments (as defined in Section 148(f)(6) of the Code) over the amount that would have been earned if such nonpurpose investments were invested at a rate equal to the yield on the applicable Series of Bonds, plus any income attributable to such excess, but shall not include any amount exempted by Section 148 of the Code thereof.



"**Rebate Fund**" means the fund of that name created by Section 901 hereof.

"**Rebate Year**" means a one year period (or shorter period from the date of first issuance of Bonds hereunder) that ends at the close of business on June 30 of each calendar year.

"**Record Date**" means the date specified as such in Section 602(d) hereof.

"**Registrar**" means the Issuer or any agent (including the Paying Agent) designated from time to time by the Issuer, by resolution, to maintain the registration books for the Bonds issued hereunder or to perform other duties with respect to registering the transfer of Bonds.

"**Revenue Bond Law**" means the Revenue Bond Law of the State, codified in O.C.G.A. § 36-82-60 through § 36-82-85, as amended.

"**Reserve Product**" means an insurance policy, a surety bond or a letter of credit or other credit facility issued by a Reserve Product Provider used in lieu of a cash deposit in an account in the Debt Service Reserve Account and meeting the terms and conditions of Section 902(a)(3) hereof.

"**Reserve Product Provider**" means a reputable and nationally recognized bond insurance provider or a bank or other financial institution providing a Reserve Product, whose bond insurance policies insuring, or whose letters of credit, surety bonds or other credit facilities securing, the payment, when due, of the principal of and interest on bond issues by public entities results in such issues (as of the delivery date of the Reserve Product) being rated in one of the three highest rating categories by any Rating Agency.

"**Reserve Requirement**" means the amount of money, if any, or available amount of Reserve Product, if any, or any combination thereof, required by subsequent resolution adopted prior to the issuance of such Series of Bonds to be deposited in the separate account in the Debt Service Reserve Account with respect to such Series of Bonds pursuant to Section 902 hereof, if the reserve established with respect to such Series of Bonds is available for use only with respect to such Series of Bonds.

"**Secretary and Treasurer**" means the Secretary and Treasurer of the Governing Body, or any such other person who is duly authorized to act on his or her behalf.

"**Serial Bonds**" means all Bonds of a Series other than Term Bonds.

"**Series**" means any portion of the Bonds of an issue authenticated and delivered in a single transaction, payable from an identical source of revenue and identified pursuant to the supplemental resolution authorizing such Bonds as a separate Series of Bonds, regardless of variations in maturity, interest rate, Amortization Installments or other provisions, and any Bonds thereafter authenticated and delivered in lieu of or in substitution of a series of Bonds issued pursuant to this Resolution.

"**Series 2021 Bonds**" means the Issuer's REVENUE BONDS, SERIES 2021 authorized to be issued hereunder.

"**SIFMA Municipal Index**" means the Securities Industry and Financial Markets Association Municipal Swap Index as of the most recent date for which such index was published, or such other weekly, high-grade index comprised of seven-day, tax-exempt variable rate demand notes produced by Municipal Market Data, Inc., a Thompson Financial Services Company, or its successor, or as otherwise designated by Securities Industry and Financial Markets Association or any successor thereto; *provided, however*, that, if such index is no longer produced by Municipal Market Data, Inc. or its successor, then "SIFMA Municipal Index" shall mean such other reasonably comparable index selected by the Issuer.

"**Special Project**" or "**Special Projects**" means any port property, improvement or facility or group of port properties, improvements, or facilities, all of the costs of the acquisition, construction, and installation of which was or is to be paid in whole or in part from proceeds of a financing transaction which are designated as a Special Project or Special Projects of the Issuer.

"**Special Project Bonds**" means bonds, notes, or other debt instruments issued pursuant to a resolution, indenture or other agreement, other than this Resolution, to finance Special Project(s), secured by revenues derived from such Special Project(s) of the Issuer.

"**Special Project Revenues**" means the contractual payments and all other reveuues derived or available to or receivable by the Issuer from a Special Project(s), which are pledged to secure Special Project Bonds.

"**State**" means the State of Georgia.

"**Subordinate Debt**" means any bond, note or other indebtedness or obligation authorized by resolution of the Issuer and designated in such resolution as constituting "Subordinate Debt" hereunder, which shall be payable from, and secured by a lien upon, Pledged Revenues subject and subordinate to Bonds issued hereunder.

"**Taxable Bonds**" means Bonds for which the interest on which is not intended at the time of the issuance thereof to be excludable from the gross income of the holders thereof for federal tax purposes.

"**Term Bonds**" means Bonds of a Series for which Amortization Installments are established, and such other Bonds of a Series so designated by supplemental resolution of the Issuer adopted on or before the date of delivery of such Bonds.

"**Trustee**" has the meaning provided in Section 1302 hereof.

"**Variable Rate Bonds**" means Bonds issued with a variable, adjustable, convertible or other similar interest rate, which rate cannot be ascertained and determined at the time of issuance for the entire term of such Bonds.

**Section 202. Rules of Construction.** Unless the context clearly indicates to the contrary:

(a) Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms, corporations or other entities including governments or governmental bodies.



(b) "herein," "hereby," "hereunder," "hereof," "hereinbefore," "hereinafter" and other equivalent words refer to this Resolution and not solely to the particular portion thereof in which any such word is used.

(c) any pronoun used herein shall be deemed to cover all natural persons;

(d) all references herein to particular Articles or Sections are references to Articles or Sections of this Resolution; and

(e) The titles preceding each Section or this Resolution are for convenience of reference only and are not intended to define, limit, or describe the scope or intent of any provisions of this Resolution.

[End of Article II]

## ARTICLE III

## FINDINGS

**Section 301.** **Findings.** It is hereby ascertained, determined and declared that:

(a) The Issuer now owns, operates and maintains the Port Facilities and derives Gross Revenues therefrom.

(b) The Issuer deems it necessary, desirable, and in the best interests of the Issuer that the Port Facilities be expanded and improved through the 2021 Project.

(c) Upon the effective date of this Resolution, there are not any outstanding obligations of the Issuer secured by the Pledged Revenues of the Port Facilities. Upon the issuance of the Series 2021 Bonds, the Series 2021 Bonds and any Additional Bonds (collectively, the "**Bonds**") will be secured by a first and prior pledge of and charge on the Pledged Revenues of the Port Facilities, on parity to any other charge or lien which may hereafter be created thereon.

(d) All Gross Revenues will be deposited into the Revenue Fund. The principal of, interest on and premium, if any, with respect to the Bonds and all required debt service, reserve and other payments with respect thereto shall be payable solely from moneys deposited in the Revenue Fund, and in the manner and to the extent provided pursuant to this Resolution, which the Issuer has full authority to irrevocably pledge.

(e) In accordance with the Act, the Bonds shall not be deemed to constitute a debt of the State or a pledge of the faith and credit of the State, but the Bonds shall be payable solely from the funds and earnings of the Issuer as provided and in accordance with the provisions of this Resolution. The issuance of the Bonds shall not directly or indirectly or contingently obligate the State to levy or to pledge any form of taxation whatever therefor; and the issuance of the Bonds shall not directly or indirectly or contingently obligate the State to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment. Neither the State nor the Issuer shall be obligated to pay the principal of or the interest on the Bonds except from Pledged Revenues. All Bonds shall contain recitals on their face covering the foregoing provisions of O.C.G.A. § 52-2-24.

[End of Article III]



## ARTICLE IV

## AUTHORIZATION OF CONSTRUCTION AND ACQUISITION OF PROJECTS; COST OF PROJECTS

**Section 401.** **Authorization of 2021 Projects.** The Issuer hereby authorizes the 2021 Projects as described in Exhibit B. Projects in addition to the 2021 Projects to be financed with proceeds of Bonds shall be defined and described by subsequent resolutions of the Issuer, the description of which Projects also may be modified as provided in the resolution authorizing the Bonds financing such Projects.

**Section 402.** **Cost of the Projects.**

(a) Proceeds received from the sale of the Series 2021 Bonds are hereby authorized to be used to fund the 2021 Projects or to reimburse the Issuer for eligible costs previously incurred by the Issuer for the 2021 Projects.

(b) Proceeds received from the sale of one or more subsequent Series of Bonds are hereby authorized to be used to fund the acquisition, construction, and equipping of the Port Facilities, to refinance, in whole or in part, outstanding obligations of the Port Facilities (the proceeds of which financed the acquisition, construction and equipping of the Port Facilities), or to reimburse the Issuer for costs previously incurred by the Issuer for Projects, all as described in subsequent resolutions authorizing the issuance of a Series of Bonds.

[End of Article IV]

## ARTICLE V

## RESOLUTION TO CONSTITUTE CONTRACT

**Section 501. Resolution to Constitute Contract.**

In consideration of the acceptance of the Bonds authorized to be issued hereunder by those who shall hold the same from time to time, and the issuance of a Reserve Product by a Reserve Product Provider or a Credit Facility by a Credit Facility Provider, from time to time, this Resolution shall be deemed to be and shall constitute a contract between the Issuer, the Bondholders, the Reserve Product Provider, and any Credit Facility Provider. The covenants and agreements herein set forth to be performed by the Issuer shall be first for the equal benefit, protection, and security of the Bondholders and all Bonds shall be of equal rank and without preference, priority, or distinction over any other thereof, except as expressly provided herein, and second for the equal and proportionate benefit, protection, and security of all Reserve Product Providers, without preferences, priority, or distinction over any other thereof.

[End of Article V]



## ARTICLE VI

## AUTHORIZATION, DESCRIPTION, FORM, AND TERMS OF BONDS

**Section 601. Authority for Issuance of Bonds; Terms of Series 2021 Bonds.**

(a) Subject and pursuant to the provisions hereof, Bonds to be known as GEORGIA PORTS AUTHORITY REVENUE BONDS are hereby authorized to be issued for the purpose of financing or refinancing the Cost of the Projects, with other or different descriptive words intended to delineate the purpose for the issuance of the Bonds. Bonds may be issued in one or more series and the name and series designation of such Bonds may be changed to reflect the date and sequence of issuance and the particular terms thereof. The terms of a Series of Bonds shall be set forth in a supplemental resolution to be adopted by the Issuer prior to the issuance and delivery of a Series of Bonds.

(b) Subject and pursuant to the provisions hereof, Bonds to be known as GEORGIA PORTS AUTHORITY REVENUE BONDS, SERIES 2021 (the "**Series 2021 Bonds**") are hereby authorized to be issued in an aggregate principal amount not to exceed $525,000,000 for the purposes of financing the 2021 Projects, funding a portion of the Reserve Requirement (either with cash, investments or Reserve Products), if necessary, and paying the Cost of issuance thereof. The Series 2021 Bonds may be issued in one or more series and the name and series designation of such Bonds may be changed to reflect the date and sequence of issuance and the particular terms thereof. The Series 2021 Bonds shall bear interest, payable semi-annually, at a rate or rates per annum not to exceed five percent (5.0%) per annum, shall be paid in full not later than July 1, 2056, shall have maximum annual principal and interest payments of $34,152,000, and shall mature in the years and principal amounts to be set forth in a supplemental resolution to be adopted by the Issuer prior to the issuance and delivery of the Series 2021 Bonds.

**Section 602. Description of Bonds.**

(a) The Bonds authorized hereunder may be issued in one or more Series that may be delivered from time to time. The Bonds may be issued as obligations the interest on which is excludable from gross income for federal tax purposes, as Taxable Bonds, as fixed rate bonds, as Variable Rate Bonds, as Capital Appreciation Bonds, as Current Interest Bonds, as Commercial Paper Obligations, or any combination of two of more types of Bonds.

(b) The Issuer by supplemental resolution shall authorize such Series and specify the following:

(1) the authorized principal amount of such Series;

(2) the Projects to be financed with the proceeds thereof;

(3) the date and terms of maturity or maturities of the Bonds of such Series, whether such Bonds are Taxable Bonds, Variable Rate Bonds, fixed rate Bonds, Capital Appreciation Bonds, Current Interest Bonds, Commercial Paper Obligations, or any combination of two of more types of Bonds, or the payment of the Bonds on the demand of the holder, provided that each maturity date shall be July 1 (or, in the event of semiannual

maturities of principal, January 1 and July 1) unless otherwise expressly provided by subsequent resolution;

(4) the interest rate or rates of the Bonds of such series, which may include variable, dual, adjustable, convertible or other rates, original issue discounts, compound interest, Capital Appreciation Bonds and zero interest rate bonds, *provided* that the average net interest cost rate on each such Series shall never exceed for such Series the maximum interest rate permitted by law in effect at the time such Series are issued, and *provided* further that in the event original issue discount, zero interest rate, Capital Appreciation Bonds or similar Bonds are issued, only the original principal amount of such Bonds shall be deemed issued on the date of issuance for the purposes of the maximum amount of Bonds authorized hereunder or under a supplemental resolution;

(5) the denominations, numbering, lettering and series designation of such Series of Bonds, provided, however, that the Bonds shall be in denominations of $5,000 or any integral multiple thereof, or in the case of Capital Appreciation Bonds, in denominations of $5,000 due at maturity or any integral multiple thereof, or any other denomination as designated by subsequent resolution;

(6) the Paying Agent and place or places of payment of such Bonds;

(7) the redemption prices for such Series of Bonds and any terms of redemption or any formula for accretion upon redemption not inconsistent with the provisions of this Resolution which may include mandatory redemption at the election of the holder or registered owner thereof;

(8) the amount and date of each Amortization Installment, if any, for such Series of Bonds, *provided* that each Amortization Installment shall fall due on July 1 of a Bond Year, unless otherwise expressly provided by subsequent resolution;

(9) the use of proceeds of such Series of Bonds, including deposits required to be made into the Construction Fund and the Debt Service Reserve Account, if any; and

(10) the Reserve Requirement, if any, and any other terms or provisions applicable to the Series of Bonds, not inconsistent with the provisions of this Resolution.

The supplemental resolution shall designate whether or not such Series of Bonds shall be secured by the Debt Service Reserve Account. All of the foregoing may be added by supplemental resolution or resolutions adopted at any time and from time to time prior to the issuance of such Series of Bonds. Unless otherwise so provided, each Bond shall bear interest from the later of the Dated Date or the most recent interest Payment Date to which interest has been paid, until payment of the principal sum or until provision for the payment thereof on or after the maturity or redemption date has been duly provided for and, unless otherwise so provided, interest on the Bonds shall be calculated on the basis of a 360-day year consisting of twelve thirty-day months.

(c) All Bonds hereunder shall be in registered form, in substantially the form set forth in Exhibit A hereto; shall be numbered from one upward per Series, preceded by the letter "R" and may contain such other designations as the Issuer may specify by supplemental resolution; and shall be payable in lawful money of the United States of America. In the case of Current Interest



Bonds, interest thereon shall be payable by mail to the Holder thereof, *provided, however*, that (i) so long as the ownership of such Bonds is maintained in a Book-Entry-Only system by a securities depository, such payment shall be made by automatic funds transfer ("wire") to such securities depository or its nominee; and (ii) if such Bonds are not maintained in a Book-Entry-Only system by a securities depository, upon written request of the registered owner of $1,000,000 or more in principal amount of Bonds delivered 15 days prior to an interest Payment Date, interest may be paid when due by wire in immediately available funds to the bank account number of a bank within the continental United States of America designated in writing by such bondholder to the Paying Agent, on a form acceptable to it. Any such written election may state that it will apply to all subsequent payments due with respect to the Bonds held by such registered owner until a subsequent written notice is filed.

(d) Unless otherwise provided by subsequent resolution authorizing a Series of Bonds, interest will be paid to the Holders of Bonds as their addresses may appear on the registration books of the Issuer at the close of business on the fifteenth day, whether or not a Business Day, of the month next preceding the interest Payment Date (the "**Record Date**"), irrespective of any transfer or exchange of a Bond subsequent to such Record Date and prior to the next succeeding interest Payment Date, unless the Issuer shall be in default in payment of interest due on such interest Payment Date. Unless otherwise provided by subsequent resolution authorizing a Series of Bonds, in the event of any such default, such defaulted interest shall be payable to the persons in whose names the Bonds are registered at the close of business on a special record date (which date also shall be the date for the payment of such defaulted interest) as established by notice by deposit in the U.S. mail, postage prepaid, by the Issuer to the Holders of the Bonds not less than fifteen (15) days preceding such special record date. Such notice shall be mailed to the persons in whose names the Bonds are registered at the close of business on the fifth day, whether or not a Business Day, preceding the date of mailing. Principal of Current Interest Bonds and principal of and any accreted interest on Capital Appreciation Bonds, shall be payable at maturity or earlier redemption thereof as provided herein upon presentation and surrender of such Bonds at the designated office of the Registrar by check or draft unless otherwise provided by subsequent resolution.

(e) If any date for payment of the principal of, premium, if any, or interest on any Bond is not a Business Day, then, unless otherwise provided by subsequent resolution with respect to a series of Bonds, the date for such payment shall be the next succeeding Business Day, and payment on such day shall have the same force and effect as if made on the nominal date of payment.

(f) The form of Bonds may provide that the Holder of any such Bond may demand that the Issuer purchase such Bond by payment of principal and interest within a stated period after delivering notice to a designated agent for the Issuer and providing a copy of the notice with the tender of the Bond to such agent. The designated agent for the Issuer, in accordance with the terms of a remarketing or replacement agreement, may provide for the resale or redelivery of the Bonds on behalf of the Issuer at a price provided for in the agreement. If the Bonds shall not be resold or redelivered within a stated period, the agent for the Issuer may be authorized to draw upon a previously executed Credit Facility or Liquidity Facility between the Issuer and one or more banks or other financial or lending institutions permitting the Issuer to borrow funds to pay for the purchase of Bonds to which such Credit Facility or Liquidity Facility shall pertain. The particular form or forms of such demand provisions, the period or periods for payment of principal and interest after delivery of notice, the appointment of the agent for the Issuer, the terms and provisions of the remarketing or replacement agreement, and the terms and provisions of the Credit Facility or Liquidity Facility shall be as designated by a supplemental resolution of the Issuer pertaining to each Series of Bonds to which such terms and provisions are applicable, prior to the sale and delivery thereof.

**Section 603. Execution of Bonds**. The Bonds shall be executed in the name of the Issuer by the Chairperson, the seal of the Issuer shall be imprinted, reproduced or lithographed on the Bonds and attested to and countersigned by the Secretary and Treasurer. The signatures of the Chairperson and the Secretary and Treasurer on the Bonds may be by facsimile, but one of such officers shall sign his or her manual signature on the Bonds unless the Issuer appoints an authenticating agent, registrar, transfer agent or trustee who shall be authorized and directed to cause one of its duly authorized officers to manually execute the Bonds. If any officer whose signature appears on the Bonds ceases to hold office before the delivery of the Bonds, his or her signature shall nevertheless be valid and sufficient for all purposes. In addition, any Bond may bear the signature of, or may be signed by, such persons as at the actual time of execution of such Bond shall be the proper officers to sign such Bond although at the date of such Bond, or the date of delivery thereof, such persons may not have been such officers.

**Section 604. Registration**.

(a) The Issuer shall establish a system of registration with respect to any Series or all Series of Bonds issued hereunder and may issue thereunder certificated registered public obligations (represented by instruments) or uncertificated registered public obligations (not represented by instruments) commonly known as book-entry obligations (which shall be subject to the provisions of Section 613), combinations thereof, or such other obligations as then may be permitted by law. The Issuer shall appoint such Registrars, transfer agents, depositories or other agents as may be necessary to cause the registration, registration of transfer, or reissuance of the Bonds within a commercially reasonable time according to the then-current industry standards and to cause the timely payment of interest, principal and premium, if any, payable with respect to the Bonds. Registration and registration of transfer of the Bonds shall be subject to the terms set forth below and those set forth in the forms of the Bonds referred to in Section 610 hereof. Any such system may be effective for any Series then Outstanding or subsequently to be issued, provided however, that if the Issuer adopts a system for the issuance of uncertificated registered public obligations, it may permit thereunder the conversion, at the option of a holder of any Bond then Outstanding, of a certificated registered public obligation to an uncertificated registered public obligation, and the reconversion of the same. A list of the names and addresses of the Holders of the Bonds shall be maintained at all times by the Registrar and shall be made available to any Bondholder requesting same during normal business hours.

(b) The registration of the Bonds may be transferred upon the registration books therefor upon delivery to the Registrar, accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Registrar, duly executed by the Holder of such Bonds or by his attorney-in-fact or legal representative, containing written instructions as to the details of transfer of such Bonds, along with the social security number or federal employer identification number of such transferee. In all cases of a transfer of the Bonds, the Registrar shall enter the transfer of ownership in the registration books from the Bonds at the earliest practical time in accordance with the provisions of this Resolution and shall deliver in the name of the new transferee or transferees a new fully registered Bond or Bonds (unless



uncertificated registration shall be requested and the Issuer has a registration system that will accommodate uncertificated registration) of the same maturity and of authorized denomination or denominations for the same aggregate principal amount and payable from the same sources of funds. Unless otherwise provided by supplemental resolution with respect to any Series of Bonds issued hereunder, neither the Issuer nor the Registrar shall be required to register the transfer of any Bond during the period commencing on the fifteenth day of the month next preceding an interest Payment Date on the Bonds and ending on such interest Payment Date, or, in the case of any proposed redemption of Bonds, after such Bonds or any portion thereof have been selected for redemption. The Registrar or the Issuer may charge the registered owners of such Bonds for the registration of every such transfer of such Bonds an amount sufficient to reimburse it for any tax, fee or any other governmental charge required to be paid with respect to the registration of such transfer, and may require that such amounts be paid before any such new Bonds shall be delivered.

(c) The registered owner of any Bond shall be deemed and regarded as the absolute owner of such Bond for all purposes of this Resolution. Payment of or on account of the debt service on any Bond shall be made only to, or upon the order of, that registered owner or such registered owner's attorney-in-fact duly authorized in writing in the manner permitted by law, and neither the Issuer nor the Paying Agent shall be affected by notice to the contrary. All payments made as described in the Resolution shall be valid and effective to satisfy and discharge the liability upon that Bond, including without limitation, the interest on that Bond, to the extent of the amount or amounts so paid.

**Section 605. Bonds Mutilated, Destroyed, Stolen or Lost**.

If any Bond is mutilated, destroyed, stolen or lost, the Issuer or its agent may, in its discretion (i) deliver a duplicate replacement Bond, or (ii) pay a Bond that has matured or is about to mature. A mutilated Bond shall be surrendered to and cancelled by the Registrar. The Bondholder must furnish the Registrar proof of ownership of any destroyed, stolen, or lost Bond; post satisfactory indemnity; comply with any reasonable conditions the Registrar may prescribe; and pay the Registrar's reasonable expenses.

Any such duplicate Bond shall constitute an original contractual obligation on the part of the Issuer whether or not the destroyed, stolen, or lost Bond be at any time found by anyone, and such duplicate Bond shall be entitled to equal and proportionate benefits and rights as to lien on, and source of and security for payment from, the funds pledged to the payment of the Bond so mutilated, destroyed, stolen, or lost.

**Section 606. Provisions for Redemption**.

Each Series of Bonds shall be subject to redemption prior to the maturity thereof at the option of the Issuer at such times and in such manner as shall be established by subsequent resolutions of the Issuer adopted with respect to any Series of Bonds on or before the time of delivery of those Bonds. Except as otherwise provided by subsequent resolution with respect to a Series of Bonds, notice of redemption shall be given by the deposit in the U.S. mail of a copy of a redemption notice, postage prepaid, at least thirty (30) days and not more than sixty (60) days before the redemption date to all Holders of the Bonds or portions of Bonds to be redeemed at their addresses as they appear on the registration books to be maintained in accordance with the provisions hereof. Failure to give any such notice to a registered owner of a Bond, or any defect therein, shall not affect the validity of the proceedings for redemption of any Bond or portion thereof with respect to which no failure or defect occurred. Said notice also shall be given by certified mail, return receipt requested, or shall be filed electronically, not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption, to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system ("**EMMA**"), or as may be required by applicable law or regulation at the time of giving such notice provided however, failure to give such notice shall not affect the validity of the proceedings for redemption. Each notice shall set forth the date fixed for redemption for each Bond being redeemed, the redemption price to be paid, the date of publication of a notice of redemption, if any, the name and address of the Registrar, and, if less than all of the Bonds then outstanding shall be called for redemption, the distinctive numbers and letters, including CUSIP numbers, if any, of such Bonds to be redeemed, and in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. If any Bond is to be redeemed in part only, the notice of redemption which relates to such Bond also shall state that on or after the redemption date, upon surrender of such Bond, a new Bond or Bonds in a principal amount equal to the unredeemed portion of such Bond will be issued. Any notice mailed in the U.S. mail as provided in this section shall be conclusively presumed to have been duly given, whether or not the owner of such Bond receives such notice.

Notwithstanding the foregoing or any other provision herein, notice of optional redemption pursuant to this Section 606 may be conditioned upon the occurrence or non-occurrence of such event or events as shall be specified in such notice of optional redemption and also may be subject to rescission by the Issuer if expressly set forth in such notice.

**Section 607. Effect of Notice of Redemption.**

Except as set forth in the last paragraph of Section 606, notice having been given in the manner and under the conditions herein provided above, the Bonds or portions of 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 or portions of Bonds on such date. On the date so designated for redemption, moneys for payment of the redemption price being held in separate accounts by the Paying Agents in trust for the Holders of the Bonds or portions thereof to be redeemed, and any conditions to such redemption having been satisfied, all as provided in this Resolution, interest on the Bonds or portions of Bonds so called for redemption shall cease to accrue, such Bonds and portions of Bonds shall cease to be entitled to any lien, benefit or security under this Resolution, and the Holders of such Bonds or portions of Bonds shall have no right in respect thereof except to receive payment of the redemption price thereof and, to the extent provided in Section 608 of this Article, to receive Bonds for any unredeemed portions of the Bonds.

**Section 608. Redemption of Portion of Registered Bonds.**

In case part, but not all of an outstanding fully registered Bond shall be selected for redemption, the registered owners thereof shall present and surrender such Bond to the Issuer or its designated Paying Agent for payment of the principal amount thereof so called for redemption, and the Issuer shall execute and deliver to or upon the order of such registered owner, without charge therefor, a Bond or Bonds fully registered as to principal and interest, for the unredeemed balance of the principal amount of the Bond so surrendered.



**Section 609. Bonds Called for Redemption not Deemed Outstanding.**

Bonds or portions of Bonds that have been duly called for redemption under the provisions of this Article VI, with respect to which any conditions to such redemption have been satisfied and with respect to which amounts snfficient to pay the principal of, premium, if any, and interest to the date fixed for redemption shall be delivered to and held in separate accounts by an escrow agent, any Authorized Depository, or any Paying Agent in trust for the registered owners thereof, as provided in this Resolution, and as to which any conditions to such redemption have been satisfied, shall not be deemed to be outstanding under the provisions of this Resolution and shall cease to be entitled to any lien, benefit, or security under this Resolution, except to receive the payment of the redemption price on or after the designated date of redemption from moneys deposited with or held by the escrow agent, Authorized Depository, or Paying Agent, as the case may be, for such redemption of the Bonds and, to the extent provided in Section 608 of this Article, to receive Bonds for any unredeemed portions of the Bonds.

**Section 610. Form of Bonds.**

The text of the Current Interest Bonds, the form of assignment for such Bond and the form of certificate of authentication, if any, provisions for compound, zero and dual interest rate Bonds (if other than Capital Appreciation Bonds), and the certificate of validation, if any, shall be substantially in the form set forth in Exhibit A attached hereto, with such omissions, insertions and variations as may be necessary or desirable and authorized or permitted by this Resolution or by any subsequent resolution adopted prior to the issuance thereof, including, without limitation, such changes as may be required for the issuance of Taxable Bonds, uncertificated public obligations to the extent herein authorized, and for the execution of the Bonds by an authenticating agent.

The text of the Capital Appreciation Bonds shall be in such form as may be set forth in the subsequent resolution adopted by the Issuer authorizing such series of Bonds.

**Section 611. Application of Bond Proceeds.** Except as otherwise provided hereby, the proceeds, including accrued interest and premium, if any, received from the sale of the Bonds of any Series shall be applied by the Issuer simultaneously with the delivery of such Bonds in accordance with the provisions of a supplemental resolution of the Issuer in conformity with this Resolution to be adopted at or before the delivery of such Series of Bonds.

**Section 612. Temporary Bonds.** Pending the preparation of definitive Bonds, the Issuer may execute and deliver temporary Bonds. Temporary Bonds shall be issuable as registered Bonds without coupons, of any authorized denomination, and substantially in the form of the definitive Bonds, but with such omissions, insertions, and variations as may be appropriate for temporary Bonds, all as may be determined by the Issuer. Temporary Bonds may contain such reference to any provisions of this Resolution as may be appropriate. Every temporary Bond shall be executed and authenticated upon the same conditions and in substantially the same manner, and with like effect, as the definitive Bonds. As promptly as practicable, the Issuer shall execute and shall furnish definitive Bonds and thereupon temporary Bonds may be surrendered in exchange for definitive Bonds without charge at the designated office of the Registrar, and the Registrar shall authenticate and deliver in exchange for such temporary Bonds a like aggregate principal amount of definitive Bonds of authorized denominations. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Resolution as definitive Bonds.

**Section 613. Book-Entry Bonds.**

(a) The Bonds may initially be issued as Book-Entry Bonds in the form of a separate single authenticated fully registered certificate for each interest rate per maturity of such Bonds. Upon initial issuance, the ownership of such Bonds shall be registered in the registration books of the Issuer kept by the Registrar in the name of Cede & Co., as nominee of DTC. The Issuer, the Registrar, and the Paying Agent may treat DTC (or its nominee) as the sole and exclusive Holder of such Bonds registered in its name for the purposes of payment of the principal, redemption price of or interest on such Bonds; any notice permitted or required to be given to Bondholders under this Resolution; registering the transfer of Bonds; obtaining any consent or other action to be taken by Holders of such Bonds; and for all other purposes whatsoever, and neither the Issuer, the Registrar nor the Paying Agent shall be affected by any notice to the contrary. Neither the Registrar, the Paying Agent nor the Issuer shall have any responsibility or obligation to any DTC Participant, any Person claiming a beneficial ownership interest in such Bonds under or through DTC or any DTC Participant, or any other Person which is not shown on the registration books of the Registrar as being a Holder, with respect to the accuracy of any records maintained by DTC or any DTC Participant; the payment of DTC or any DTC Participant of any amount in respect of the principal, Amortization Installments or redemption price of or interest on such Bonds; any notice which is permitted or required to be given to Bondholders under this Resolution or any other documents; the selection by DTC or any DTC Participant of any Person to receive payment in the event of a partial redemption of such Bonds; or any consent given or other action taken by DTC as Bondholder. The Registrar shall pay all principal of, and premium, if any, and interest on such Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to the principal of, and premium, if any, and interest on such Bonds to the extent of the sum or sums so paid. Except as otherwise provided in subsection (c) below, no Person other than DTC shall receive an authenticated Bond certificate evidencing the obligation of the Issuer to make payments of principal of, Amortization Installments and premium, if any, and interest pursuant to this Resolution. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions of this Resolution with respect to transfers of Bonds, the word "Cede & Co." in this Resolution shall refer to such new nominee of DTC.

(b) Payment of interest for any Bond registered in the name of Cede & Co. shall be made by wire transfer of same day funds to the account of Cede & Co. on the interest Payment Date for such Bonds at the address indicated for Cede & Co. in the registration books of the Issuer kept by the Registrar.

(c) In the event the Issuer determines that it is in the best interest of the beneficial owners that they be able to obtain Bond certificates, the Issuer shall so notify DTC and the Registrar, whereupon DTC will notify the DTC Participants of the availability through DTC, of obtaining Bond certificates. In such event, the Issuer shall prepare and shall execute and the Registrar shall authenticate, transfer, and exchange Bond certificates as requested by DTC in appropriate amounts within the guidelines set forth in this Resolution. DTC may determine to discontinue providing its services with respect to such Bonds at any time by giving written notice to the Issuer and the Registrar and discharging its responsibilities with respect thereto under applicable law. Under such circumstances, provided there is no successor securities depository, the Issuer and the Registrar shall be obligated to deliver Bond certificates as described herein. In



the event Bond certificates are issued, the provisions of this Resolution shall apply to, among other things, the transfer and exchange of such certificates, and the method of payment of principal of, premium, if any, and interest on such certificates. Whenever DTC requests the Issuer and the Registrar to do so, the Issuer will direct the Registrar to cooperate with DTC in taking appropriate action after reasonable notice (i) to make available one or more separate certificates evidencing such Bonds to any DTC Participant having Bonds credited to its DTC account, or (ii) to arrange for another securities depository to maintain custody of certificates evidencing such Bonds.

(d) NEITHER THE ISSUER NOR THE REGISTRAR WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO THE DTC PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (2) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT, AMORTIZATION INSTALLMENT FOR, REDEMPTION PRICE OF OR INTEREST ON SUCH BONDS; (3) THE DELIVERY BY DTC OR ANY DTC PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THIS RESOLUTION TO BE GIVEN TO BONDHOLDERS; (4) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF SUCH BONDS; OR (5) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY CEDE & CO. AS THE NOMINEE OF DTC AS REGISTERED OWNER. SO LONG AS CEDE & CO IS THE REGISTERED OWNER OF SUCH BONDS AS NOMINEE OF DTC, REFERENCES HEREIN TO THE BONDHOLDERS OR REGISTERED HOLDERS OF SUCH BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF SUCH BONDS.

**Section 614. Validation of Bonds.**

Each Series of Bonds shall be validated through the Superior Court of Chatham County, Georgia. A validation certificate of the Clerk of the Superior Court of Chatham County, bearing the manual or facsimile signature of such Clerk will be endorsed on the Bonds of each Series and will be essential to their validity.

[End of Article VI]

## ARTICLE VII

## CONSTRUCTION FUND

**Section 701. Construction Fund.**

The "GEORGIA PORT AUTHORITY REVENUE BONDS CONSTRUCTION FUND" (the "**Construction Fund**") is hereby created and established. There shall be paid into the Construction Fund funds which, together with investment earnings thereon, will be sufficient to pay the cost of the Projects to be funded hereunder and as designated by supplemental resolution of the Issuer.

The Issuer shall establish a separate account in the Construction Fund for the Project or Projects to be financed by each Series of Bonds issued hereunder. Each such account in the Construction Fund shall be kept separate and apart from all other funds and accounts of the Issuer, and the funds on deposit therein shall be withdrawn, used and applied by the Issuer solely for the payment of the costs of such Project or Projects and purposes incidental thereto as hereinabove described and set forth in Section 402. Capitalized interest with respect to any Series of Bonds, if any, will be deposited to a designated and so named account in the Construction Fund and kept separate and apart from all other funds and account of the Issuer and such funds, including any income therefrom, shall be transferred, to the extent necessary, to the Debt Service Account to pay interest on the related Series of Bonds. Any moneys on deposit in an account in the Construction Fund to pay capitalized interest but not needed to pay interest pursuant to the preceding sentence may be used to pay costs of issuance of the related Series of Bonds or if not necessary for such purpose may be used in the same manner as other funds on deposit in that account of the related Series of Bonds in the Construction Fund. All such moneys shall be and constitute trust funds for such purposes, and shall be delivered to and held by the Chief Financial Officer (or other designated Authorized Depository) who shall act as trustee of such funds for the purposes of this Resolution. There hereby is created a lien upon such funds in favor of the Holders of the Series of Bonds to which such account is related until applied as herein provided.

Any funds on deposit in the Construction Fund that, in the opinion of the Issuer, are not immediately necessary for expenditure, as hereinabove provided, shall be held and may be invested, in the manner provided by law, in Permitted Investments pursuant to Section 1002 below. All income derived from investments of funds in an account or sub-account in the Construction Fund shall be deposited in such account to which such investment income is attributable.

Any liquidated damages or settlement payments received by the Issuer as a result of the breach by any contractor, subcontractor, or supplier working or supplying goods for the Projects, of any representation, warranty or performance guaranty, and all insurance and condemnation proceeds received with respect to damages to or the taking of the Projects during construction shall be deposited into the appropriate account or accounts in the Construction Fund to insure completion of the Projects, or, if the Chief Financial Officer shall certify that the failure to complete a Project or the modification of a Project or the acquisition or construction of a different Project or the abandonment of a Project will not materially adversely affect the Issuer's ability to comply with the rate covenant set forth in Section 1105, such damages or settlement payments shall be deposited in the Revenue Fund for the redemption of Bonds, as shall be determined by the Issuer.



The Issuer covenants to commence the acquisition and construction of each Project authorized hereunder, promptly upon the delivery of the Series of Bonds issued to pay the cost thereof, and to thereafter work with due diligence to complete each such Project. The Issuer may, however, upon receipt of a No Adverse Effect Opinion, abandon or defer any Project if it first obtains the written opinion of the Chief Financial Officer that such abandonment or deferral (and the use of the remaining proceeds set aside for the construction of such Project to acquire or construct a different Project or redeem Bonds according to the following paragraph) will not materially adversely affect Issuer's ability to comply with the rate covenant set forth in Section 1105. To the extent the cost of a Project is to be paid in part from revenues of the Issuer, such funds shall be transferred to and deposited into the appropriate account in the Construction Fund and used in accordance with the provisions of this section. If funds for any Project are to come from other sources (for example, from Issuer funding or state or federal grants or loans), the Issuer shall take all legally available actions to insure the receipt of such funds and shall cause such funds to be deposited into the Construction Fund or otherwise set aside in a separate fund or account and used for the purposes herein provided. For the purposes of this Article VII, "deferral" of a Project shall refer to situations where the Issuer shall not have formally taken action to abandon or cancel a Project, but shall have determined not to currently proceed with such Project and not to finance such Project with funds then held in the Construction Fund.

Except as otherwise provided with respect to any account in the Construction Fund in any supplemental resolution approving the issuance of a Series of Bonds, upon completion of each Project, or upon the abandonment or deferral thereof pursuant to the foregoing, any amounts then remaining in the corresponding account in the Construction Fund and not reserved by the Issuer for the payment of any remaining part of the cost of construction and acquisition thereof or for the payment of the cost of another Project, shall be used to redeem Bonds in the manner described in Section 903(c) below, or upon receipt of a No Adverse Effect Opinion, (i) shall be deposited into the Revenue Fund and used to pay principal and interest next coming due on the Bonds, or (ii) if needed to attain the Reserve Requirement amount to be on deposit therein, shall be deposited in the Debt Service Reserve Account, if any, with respect to the related Series of Bonds, or (iii) shall be paid to the Issuer to be used for any lawful purpose.

Upon the occurrence of an event of default hereunder, the moneys in an account in the Construction Fund related to a Series of Bonds may be applied to the payment of such Bonds.

[End of Article VII]

## ARTICLE VIII

## SOURCE OF PAYMENT OF BONDS; SPECIAL OBLIGATIONS OF THE ISSUER

**Section 801.** **Bonds Not to be General Indebtedness of the Issuer**. The Bonds shall not constitute general obligations or indebtedness of the Issuer within the meaning of the Constitution of the State of Georgia, nor a pledge of the general faith and credit of the Issuer, nor shall the Issuer be subject to any pecuniary liability thereon, either as to payment of principal, premium, if any, or interest. The Bonds shall be payable solely from and secured by a lien upon and a pledge of the Pledged Revenues in the manner and to the extent herein provided. No Bondholder shall ever have the right to compel the exercise of the taxing power of the Issuer or the State of Georgia, or taxation in any form on any real or personal property to pay the principal of, premium, if any, and interest on the Bonds, nor shall any Bondholder be entitled to payment of such principal, premium and interest from any other funds of the Issuer other than the Pledged Revenues, all in the manner and to the extent herein provided. The Bondholders shall not have a lien upon the Port Facilities, the Projects, or any other assets of the Issuer.

**Section 802.** **Pledge of Revenues**. The payment of the principal of, premium, if any, and interest on the Bonds, and the reimbursement of amounts due and owing any Reserve Product Provider or Credit Facility Provider, shall be secured forthwith equally and ratably by an irrevocable, valid and binding lien on and security interest in the Pledged Revenues, all in the manner and to the extent provided herein, prior and superior to all other liens or encumbrances on the Pledged Revenues, and, as provided herein, the Issuer does hereby irrevocably pledge, in the manner and to the extent provided herein, the Pledged Revenues, all to the payment of the principal of, premium, if any, and interest on the Bonds, the funding and maintaining of the reserves as required herein and for all other payments as provided herein. Notwithstanding the foregoing, nothing herein provided shall be deemed to grant or create a lien on any account in the Debt Service Reserve Account created only with respect to a particular Series of Bonds in favor of the owners of Bonds of any other Series. In addition, nothing herein shall be deemed to grant or create a lien on any funds, including investments and investment earnings in the Rebate Fund.

[End of Article VIII]



## ARTICLE IX

## CREATION AND USE OF FUNDS AND ACCOUNTS; DISPOSITION OF REVENUES

**Section 901.** **Creation of Funds and Accounts**.

The Issuer will heretofore establish the following funds, accounts, and subaccounts: the "GEORGIA PORTS AUTHORITY REVENUE FUND" (the "**Revenue Fund**"); the "GEORGIA PORTS AUTHORITY SINKING FUND" (the "**Sinking Fund**"), and two subaccounts which are held within the Sinking Fund, the "**Debt Service Account**" and the "**Debt Service Reserve Account**;" and the "GEORGIA PORTS AUTHORITY REBATE FUND" (the "**Rebate Fund**"). Such funds, accounts, and any subaccounts shall constitute trust funds for the purposes herein provided, shall be delivered to and held by an Authorized Depository who shall act as trustee of all such funds for the purposes hereof, shall (except for the Rebate Fund and any portion of the Revenue Fund not representing Pledged Revenues) be subject to a pledge and lien or charge in favor of the Holders of the Bonds in the manner and to the extent provided herein, and, except as expressly permitted hereby, shall be kept separate and distinct from all other funds of the Issuer and used only as herein provided.

**Section 902.** **Disposition of Revenues**. Commencing on the date of issuance and delivery of the Series 2021 Bonds, except as otherwise provided herein, all Gross Revenues shall be deposited by the Issuer into the Revenue Fund promptly upon receipt.

(a) *Disposition of Revenues*. Funds in the Revenue Fund shall be accumulated, paid out, withdrawn and disposed of from time to time for the payment of Cost of Operation and Maintenance of the Port Facilities as the same become due and payable. In addition, each month, commencing on the first Business Day of the month immediately following the delivery of the Series 2021 Bonds, and continuing on the first Business Day of each month thereafter, only in the following order and priority:

(1) First, by deposit into the Debt Service Account an amount which will equal (i) one-sixth of the interest maturing on the Bonds on the next interest Payment Date, with respect to Bonds that bear interest payable semiannually, (ii) the amount of interest next maturing on Bonds that bear interest payable monthly, (iii) the amount of interest accruing in such month on Bonds that bear interest on other than a monthly or semiannual basis (other than Bonds that bear interest only payable upon maturity or redemption), (iv) one-twelfth of all principal, and with respect to Bonds that pay interest only upon maturity or redemption, principal and accreted interest, maturing or becoming payable during the current Bond Year on the various Serial Bonds that mature annually, (v) one-sixth of all principal, and with respect to Bonds that pay interest only upon maturity or redemption, principal and accreted interest, maturing or becoming payable on the next maturity date in such Bond Year on the various Serial Bonds that mature semiannually, and (vi) one-twelfth of the Amortization Installments and unamortized principal balances of Term Bonds coming due during the then-current Bond Year with respect to the Bonds, until there are sufficient funds then on deposit equal to the sum of all interest, principal and redemption payments coming due on the Bonds on the next interest, principal and redemption dates in such Bond Year.

Deposits required pursuant to the foregoing shall be increased or decreased each month to the extent required to pay all interest, principal and redemption premiums next becoming due and payable, after making allowance for any accrued and capitalized interest, and to make up any deficiency or loss that may otherwise arise or in the case of a shorter period between the date of issuance and the first Payment Date or may otherwise arise in such fund or account. If any Variable Rate Bonds are outstanding on the fifteenth day of such month, unless the Issuer shall establish a different procedure for the payment or deposit of monthly interest on Variable Rate Bonds, the Issuer shall deposit into the Debt Service Account in lieu of the monthly interest deposit or the one-sixth semiannual interest deposit described above, the interest actually accruing on such Bonds for such month (plus any deficiencies in interest deposits for the preceding month), assuming the interest rate thereon on the fifteenth day of such month will continue through the end of such month. On or before each interest Payment Date, the Issuer shall make up any deficiencies in such interest deposit, based on the actual interest accruing through such date, from and to the extent of the funds remaining on deposit in the Revenue Fund.

Notwithstanding anything in this Section 902(a)(2) to the contrary, if principal, interest or premium payments have been made on behalf of the Issuer by a Bond Insurer or the issuer of a Liquidity Facility or Credit Facility or other entity insuring, guarantying or providing for the payment of Bonds or any Series thereof, moneys on deposit in the Revenue Fund and allocable to such Bonds shall be paid to such Bond Insurer or issuer of the Liquidity Facility or Credit Facility having theretofore made a corresponding payment on the Bonds.

(2) Next, by deposit *pro rata* (such pro ration to be done on the basis of the amount of the Reserve Requirement for each applicable subaccount in the Debt Service Reserve Account) into the subaccounts as created for separate Series of Bonds in the Debt Service Reserve Account, such amounts that, after taking into account other concurrent deposits made in such accounts pursuant to the provisions of this Resolution, and other funds or Reserve Products then on deposit therein or credited to such accounts, if any, will be sufficient to make the funds on deposit therein and Reserve Products credited thereto equal to the Reserve Requirement for each such account.

Notwithstanding anything herein to the contrary, the Issuer may satisfy the Reserve Requirement for any subaccount in the Debt Service Reserve Account, in whole or in part with a Reserve Product in lieu of a cash funded deposit. Such Reserve Product must provide for payment of deficiencies (up to the policy limits of such Reserve Product) on any interest or principal payment date (provided adequate notice is given) on which a deficiency exists (or is expected to exist) in moneys held hereunder for a payment with respect to Bonds secured by the applicable subaccount in the Debt Service Reserve Account, which cannot be cured by funds in any other account held pursuant to this Resolution and available for such purpose. Each such Reserve Product shall name as the beneficiary thereof, the Paying Agent or an Authorized Depository who has agreed to serve in such capacity as trustee for the benefit of such Bondholders.

If a disbursement is made from a Reserve Product as provided pursuant hereto, the Issuer shall be obligated to reinstate the maximum limits of such Reserve Product promptly following such disbursement or to replace such Reserve Product by depositing into the



applicable subaccount in the Debt Service Reserve Account pursuant to this Section 902(a)(3), from the first available Net Revenues, funds in the maximum amount originally payable under such Reserve Product, plus amounts necessary to reimburse the Reserve Product Provider for previous disbursements made pursuant to such Reserve Product, or a combination of such alternatives, and for purposes of this Section 902(a)(3), amounts necessary to satisfy such reimbursement obligation and other obligations of the Issuer to such a Reserve Product Provider shall be deemed required deposits into the applicable subaccount in the Debt Service Reserve Account, but shall be used by the Issuer to satisfy its obligations to the Reserve Product Provider.

Notwithstanding the foregoing, if one or more subaccounts in the Debt Service Reserve Account has or have been funded with cash or Permitted Investments and no event of default shall have occurred and be continuing hereunder, the Issuer may, at any time in its discretion, substitute a Reserve Product meeting the requirements of this Resolution for the cash and Permitted Investments in any such subaccount, and the Issuer then may withdraw such cash and Permitted Investments from such subaccount and apply them to any lawful purpose that, in the opinion of Bond Counsel, will not result in the interest on the Bonds for which such subaccount in the Debt Service Reserve Account was held which are not Taxable Bonds to be includable in the gross income of the Holders thereof for federal income tax purposes.

(3) Next, by payment of all amounts related to any Subordinate Debt required to be paid by the terms of the resolution or other instrument authorizing such Subordinate Debt and the unpaid fees, costs and expenses of any Reserve Product Provider or issuer of a Liquidity Facility or Credit Facility.

(4) Next, by payment of all Rebate Amounts determined to be due and owing pursuant to the Code as provided in Section 1003 below.

(5) Next, any capital improvements to the Port Facilities or any lawful purposes of the Issuer.

(b) *Additional Payments*. The Issuer shall not be required to make any further payments into the Debt Service Account or the Debt Service Reserve Account when (i) the aggregate amount of moneys in the Debt Service Account and moneys in the Revenue Fund set aside specifically to pay debt service on the Bonds, and (ii) the moneys in the Debt Service Reserve Account set aside specifically to pay debt service on the Bonds are, in the aggregate, at least equal to the aggregate principal amount of Bonds issued and Outstanding pursuant to this Resolution and not defeased pursuant to Article XIV below, plus the amount of interest then due or thereafter to become due on said Bonds.

**Section 903. Use of Moneys in the Debt Service Account.**

(a) Moneys on deposit in the Debt Service Account and the subaccounts contained therein shall be used solely for the payment of principal of, interest on, and any premium required with respect to the Bonds.

(b) On or before the maturity date of each Bond, the due date of each Amortization Installment, or installment of interest on Bonds, the Issuer shall transfer from the Debt Service

Account to the Paying Agent(s) sufficient moneys to pay all principal of, premium, if any, and interest due and payable with respect to such Bonds due and payable, and shall be paid by check or draft of the Paying Agent to the registered owner thereof unless the registered owner has elected to receive payments by wire transfer as permitted in this Resolution and the supplemental resolution authorizing a Series of Bonds.

(c) Moneys deposited in the Debt Service Account for the redemption of Bonds shall be applied with reasonable diligence to the retirement of Bonds issued under the provisions of this Resolution and then Outstanding in the following order:

(1) The Issuer may first endeavor to purchase outstanding Term Bonds of each Series redeemable from Amortization Installments, and pro rata (based on the principal amount of the Amortization Installments due in such Bond Year for each such Series of Term Bonds) among all such Bonds if more than one Series of such Term Bonds are outstanding, or if no such Term Bonds are outstanding, Serial Bonds, whether or not such Bonds shall then be subject to redemption, but only to the extent moneys are available therefor, at the most advantageous price obtainable or the Compounded Amount, as the case may be, but no such purchase shall be made by the Issuer within a period of thirty days next preceding any interest Payment Date on which such Bonds are subject to call for redemption under the provisions of this Resolution;

(2) Then, to the extent moneys remain on deposit in the Debt Service Account that are specifically set aside or that have been otherwise set aside or transferred specifically for the redemption of Bonds, the Issuer shall call for redemption on each interest Payment Date on which Bonds are subject to redemption, with or without premium, from such moneys, such amount of Term Bonds subject to the Amortization Installments for such Bond Year that have not been purchased pursuant to clause (a) above; and

(3) Then, to the extent moneys remain on deposit in the Debt Service Account that are specifically set aside therein or that have been otherwise set aside or transferred pursuant to this Resolution specifically for the purpose of redeeming Bonds, the Issuer shall first call any remaining Term Bonds then subject to redemption and then Serial Bonds then subject to redemption, in such order and by such selection method as the Issuer, in its discretion, may determine, from such funds as will exhaust the money then held for the redemption of such Bonds as nearly as may be possible.

If Term Bonds are purchased or redeemed pursuant to this section in excess of the Amortization Installments for such Bond Year, such excess principal amount of such Term Bonds so purchased or redeemed shall be credited against subsequent Amortization Installments for Bonds in such Series in such Bond Year or Years as the Issuer may determine and as may be reflected in the Issuer's permanent accounting records. Such election shall be included in the annual audited reports of Issuer referred to in Section 1106 below.

**Section 904. Special Project Bonds.**

The Authority reserves the right to issue revenue bonds secured by liens on and pledges of revenues and proceeds derived from Special Project(s) of the Issuer ("**Special Project Bonds**"). Such Special Project Bonds may be issued junior and subordinate to the lien on and pledge of the



Pledged Revenues or may be secured under a separate revenue stream from such Special Project ("**Special Project Revenue**").

**Section 905. Use of Moneys in the Debt Service Reserve Account; Funding of Subaccounts in Debt Service Reserve Account.**

(a) Except as otherwise expressly provided in this Section 905, or in a supplemental resolution, funds on deposit in a subaccount in the Debt Service Reserve Account may be used only for the purpose of curing deficiencies in the amounts available for such purposes in the Debt Service Account related to the Series of Bonds with respect to which such subaccount in the Debt Service Reserve Account was created and for no other purpose. If funds on deposit in a subaccount in the Debt Service Reserve Account exceed, in the aggregate, the applicable Reserve Requirement for such subaccount, such excess funds shall be paid into the Revenue Fund. Any proceeds received from a Reserve Product shall be applied immediately to cure deficiencies in the moneys or investments set aside and available in the Revenue Fund to pay debt service with respect to all Series of Bonds or the respective subaccount in the Debt Service Reserve Account to which such Reserve Product was credited, as the case may be, and for no other purpose.

(b) At the time of issuance of any Series of Additional Bonds, the Issuer shall, by resolution, indicate whether such Series is to be secured by a special subaccount in the Debt Service Reserve Account. If such Additional Bonds are to be secured by a subaccount in the Debt Service Reserve Account, such supplemental resolution shall set forth the Reserve Requirement with respect thereto. Nothing herein prevents a Series of Bonds from not being secured by a subaccount in the Debt Service Reserve Account.

Notwithstanding anything in the foregoing to the contrary, to the extent that such Series of Additional Bonds are being issued to refund Outstanding Bonds secured by a subaccount in the Debt Service Reserve Account and such subaccount in the Debt Service Reserve Account has been funded or partially funded with respect to the Outstanding Bonds to be refunded, the amount theretofore funded allocable to the Bonds being refunded by such Series of Additional Bonds shall be credited against the amount required by this Section 905 to be deposited to the Debt Service Reserve Account.

(c) If cash has been deposited in a subaccount in the Debt Service Reserve Account, all such cash shall be used (or any Permitted Investments purchased with such cash and held in such account shall be liquidated and the proceeds applied as herein required) prior to any disbursement made under any Reserve Product relating to Bonds secured by such subaccount. If more than one Reserve Product relates to Bonds secured by a subaccount in the Debt Service Reserve Account, then disbursements under such Reserve Products shall be made on a pro rata basis (calculated by reference to the maximum amounts available thereunder) after applying all available cash in such subaccount in the Debt Service Reserve Account.

**Section 906. Use of Moneys in the Rebate Fund.**
Moneys in the Rebate Fund shall be applied only to the Rebate Amount except as otherwise provided in Section 1004 hereof.

**Section 907. Paying Agents.**

The Issuer shall transfer, from the various funds and accounts established in this Article IX, to one or more Paying Agents as shall be designated by resolution hereafter and from time to time adopted or enacted by the Issuer, on the date preceding each interest, principal and redemption date, an amount sufficient to pay when due, the principal of, interest on, and premium, if any, with respect to the Bonds.

No resignation or removal of a Paying Agent appointed hereunder shall be effective until such time as a successor has been appointed by the Issuer and has accepted the duties as Paying Agent hereunder.

[End of Article IX]



## ARTICLE X

## DEPOSITARIES OF MONEYS, SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

**Section 1001. Deposits Constitute Trust Funds.** All funds or other property which at any time may be owned or held in the possession of or deposited with the Issuer in the funds and accounts created under the provisions of this Resolution shall be held in trust and applied only in accordance with the provisions of this Resolution and shall not be subject to lien or attachment by any general creditor of the Issuer.

All funds or other property which at any time may be owned or held in the possession of or deposited with the Issuer pursuant to this Resolution shall be continuously secured, for the benefit of the Issuer and (except in the case of the Rebate Fund) the Bondholders in such manner as permitted hereunder and as may then be required or permitted by applicable State or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds. All cash held in deposit accounts must be collateralized by obligations of, or obligations the principal of an interest on which are unconditionally guaranteed by, the United State of America having a market value (exclusive of accrued interest) not less than the amount of such deposit.

All moneys deposited with each Authorized Depository shall be credited to the particular fund or account to which such moneys belong. Notwithstanding anything herein to the contrary, for purposes of investment and to the extent permitted by applicable law, amounts on deposit in any fund or account may be commingled, as provided in Section 1004 below, provided adequate care is taken to account for such amounts as provided in the preceding sentence.

**Section 1002. Investment of Moneys.** Moneys held for the credit of each of the funds and accounts created hereby shall be invested and reinvested by the Issuer in Permitted Investments, either directly or through broker-dealer deposit agreements or a combination thereof. Such investments or reinvestments shall mature not later than the respective dates, as estimated by the Issuer, that the moneys held for the credit of said funds or accounts will be needed for the purposes of such funds or accounts, but in no event shall any of the investments of funds in an account in the Debt Service Reserve Account have a term to maturity exceeding the final maturity date of the Series of Bonds secured by such account.

Obligations so purchased as an investment of moneys in any such fund or account shall be deemed at all times to be a part of such fund or account, and shall at all times, for the purposes of this Resolution, be valued annually as of the last day of each Fiscal Year at the market value thereof on the date of valuation, as determined by the Issuer, exclusive of accrued interest, except with regard to a Debt Service Reserve Account, which will be determined by a supplemental resolution.

Except as otherwise provided herein, all income and profits derived from the investment of money in the Construction Fund or the Debt Service Account shall be retained in such Fund and used for the purposes specified for such Fund. All income and profits derived from the investment of moneys in an account in the Debt Service Reserve Account shall be retained therein until the amount in such account equals the applicable Reserve Requirement, and thereafter, shall be applied as provided by Section 905 hereof. Except as otherwise provided above, all income and profits derived from the investment of moneys in all other accounts or funds created hereby shall be deposited upon receipt in the Revenue Fund.

**Section 1003. Tax Covenants**. It is the intention of the Issuer and all parties under its control that the interest on the Bonds issued hereunder that are not Taxable Bonds be and remain excludable from gross income for federal income tax purposes, and to this end the Issuer hereby represents to and covenants with each of the Holders of the Bonds issued hereunder that are not Taxable Bonds that it will comply with the requirements applicable to it contained in Section 103 and Part IV of Subchapter B of Chapter 1 of Subtitle A of the Code to the extent necessary to preserve the exclusion of interest on the Bonds issued hereunder that are not Taxable Bonds from gross income for federal income tax purposes. Specifically, without intending to limit in any way the generality of the foregoing, the Issuer covenants and agrees:

(a) to make or cause to be made all necessary determinations and calculations of the Rebate Amount required to be paid to the United States of America pursuant to Section 148(f) of the Code;

(b) to set aside in the Rebate Fund sufficient moneys from the Gross Revenues or other legally available funds of the Issuer to timely pay the Rebate Amount to the United States of America;

(c) to pay the Rebate Amount to the United States of America at the times and to the extent required pursuant to Section 148(f) of the Code;

(d) to maintain and retain all records pertaining to the Rebate Amount with respect to the Bonds that are not Taxable Bonds issued hereunder and required payments of the Rebate Amount with respect to the Bonds that are not Taxable Bonds for at least six years after the final maturity of the Bonds that are not Taxable Bonds or such other period as shall be necessary to comply with the Code;

(e) to refrain from taking any action that would cause any Bonds or any Series of Bonds or portion thereof issued hereunder, other than Taxable Bonds and bonds issued with the intent that they shall constitute "private activity bonds" under Section 141(a) of the Code, to be classified as "private activity bonds" under Section 141(a) of the Code; and

(f) to refrain from taking any action that would cause the Bonds that are not Taxable Bonds issued hereunder to become arbitrage bonds under Section 148 of the Code.

The Issuer understands that the foregoing covenants impose continuing obligations of the Issuer that will exist as long as the requirements of Section 103 and Part IV of Subchapter B of Chapter 1 of Subtitle A of the Code are applicable to the Bonds.

Notwithstanding any other provision of this Resolution, including, in particular Article XIV hereof, the obligation of the Issuer to pay the Rebate Amount to the United States of America and to comply with the other requirements of this Section 1003 shall survive the defeasance or payment in full of the Bonds that are not Taxable Bonds.

**Section 1004. Rebate Fund**. The Issuer covenants and agrees that it shall maintain and retain all records pertaining to and shall be responsible for making or having made all



determinations and calculations of the Rebate Amount for each Series of Bonds issued hereunder that are not Taxable Bonds for each Rebate Year within twenty-five (25) days after the end of such Rebate Year and within twenty-five (25) days after the final maturity of each such Series of Bonds. On or before the expiration of each such period, the Issuer shall deposit into the Rebate Fund from investment earnings on moneys deposited in the other funds and accounts created hereunder, or from any other legally available funds of the Issuer, an amount equal to the Rebate Amount for such Rebate Year. The Issuer shall use such moneys deposited in the Rebate Fund only for the payment of the Rebate Amount to the United States of America as required by Section 1003 hereof, which payments shall, unless otherwise permitted or required by applicable law, be made in installments, commencing not more than thirty (30) days after the end of the fifth Rebate Year and with subsequent payments to be made not later than five (5) years after the preceding payment was due, except that the final payment shall be made within sixty (60) days after the final maturity of the last obligation of the Series of Bonds issued hereunder that are not Taxable Bonds. In complying with the foregoing, the Issuer may rely upon any instructions or opinions from Bond Counsel.

If any amount shall remain in the Rebate Fund after payment in full of all Bonds issued hereunder that are not Taxable Bonds and after payment in full of the Rebate Amount to the United States of America in accordance with the terms hereof, such amounts shall be available to the Issuer for any lawful purpose.

The Rebate Fund shall be held separate and apart from all other funds and accounts of the Issuer, shall not be impressed with a lien in favor of the Bondholders and the moneys therein shall be available for use only as herein provided.

Notwithstanding any other provision of this Resolution, including in particular Article XIV hereof, the obligation to pay over the Rebate Amount to the United States of America and to comply with all other requirements of Section 1003 and this Section 1004 shall survive the defeasance or payment in full of the Bonds.

The Issuer shall apply any funds in the Rebate Fund for a purpose other than the payment of the Rebate Amount only upon receipt of a No Adverse Effect Opinion from Bond Counsel.

**Section 1005. Separate Accounts**. The moneys required to be accounted for in each of the funds and accounts established under this Resolution may be deposited in a single account, and funds allocated to the various funds and accounts established herein may be invested in a common investment pool, provided that adequate accounting records are maintained to reflect and control the restricted allocation of the moneys on deposit therein and such investments for the various purposes of such funds and accounts as herein provided.

The designation and establishment of the various funds and accounts in and by this Resolution shall not be construed to require the establishment of any completely independent, self-balancing funds as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues for certain purposes and to establish certain priorities for application of such revenues as herein provided.

[End of Article X]

## ARTICLE XI

## GENERAL COVENANTS OF THE ISSUER

**Section 1101. Representations of the Issuer**. The Issuer makes the following representations on which the Bondholders are hereby entitled to rely:

(a) Adoption of this Resolution and the compliance by the Issuer with the requirements hereof will not conflict with or result in a breach of or a default under any ordinance, resolution, agreement, or instrument to which the Issuer is now a party.

(b) The Issuer is duly authorized and empowered to operate the Port Facilities under the laws, rulings, regulations and ordinances of the United States of America, the State and the departments, agencies, and political subdivisions thereof.

(c) As of the date of issuance of a Series of Bonds, there will exist no event of default, as defined in Section 1301 hereof, or any condition or event which, or with the passage of time or the giving of notice, or both, would constitute an event of default hereunder.

(d) There are no pending, or to the knowledge of the Issuer, threatened actions or proceedings against the Issuer before any court of the State or any federal court in the State or any administrative agency which are likely in any case or in the aggregate to materially adversely affect the financial condition or operations of the Issuer or its obligations under this Resolution, nor is the Issuer aware of any facts or circumstances that would give rise to any such actions or proceedings.

**Section 1102. Punctual Payment**. The Issuer covenants and agrees with the Bondholders that it will punctually pay or cause to be paid the principal of, premium, if any, and interest on the Bonds and that it will be unconditionally and irrevocably obligated, so long as any of the Bonds are Outstanding and unpaid, to take all lawful action necessary or required during each Fiscal Year so long as any of the Bonds are Outstanding, to pay from the funds pledged hereunder, in accordance with the provisions hereof (i) all Debt Service Reserve Account deposits provided herein for such year, (ii) the Debt Service Requirement deposits that shall become due on the Bonds in such Bond Year, and (iii) all other payments required by this Resolution, and that the funds pledged hereunder shall not, in the aggregate, be reduced so as to be insufficient to provide adequate revenues for such purposes. Such covenant and agreement of the Issuer shall be cumulative and shall continue until such funds in amounts sufficient to make all payments required hereunder have been paid in lawful money as herein provided.

**Section 1103. Maintenance of Port Facilities**. The Issuer will maintain the Port Facilities and all parts thereof in good condition and will operate the same in an efficient and economical manner, making such expenditures for such equipment, maintenance and repairs and for renewals and replacements thereof as may be proper for economical operation and maintenance.

**Section 1104. Operating Budget**. Before the first day of each Fiscal Year the Governing Body shall prepare, approve and adopt in the manner prescribed by law, a budget of the Gross Revenues, the Debt Service Requirement (including anticipated amortization of Commercial Paper Obligations) and the Cost of Operation and Maintenance for the next succeeding Fiscal Year.



Copies of its Annual Budgets and all authorizations for increases in the Cost of Operation and Maintenance shall be available for inspection at the offices of the Issuer.

**Section 1105. Rate Covenant**. Commencing on a date at least thirty (30) days prior to the first interest Payment Date for which interest on the a Series of Bonds has not been fully funded from Bond proceeds or from other funds of the Issuer, the Issuer covenants with the Bondholders to fix, establish, revise from time to time whenever necessary, maintain and collect fees, rates, rentals and other charges for the use of the products, services and facilities of the Port Facilities that will always provide Net Revenues in each Bond Year which shall not be less than one hundred twenty-five percent (125%) of the Debt Service Requirement (after subtracting the amount of any scheduled payments of Debt Service Offset) for such Bond Year.

Notwithstanding the foregoing, failure of the Issuer to comply with the foregoing provisions of this Section 1105 shall not constitute an event of default hereunder if funds are otherwise available to pay all amounts due under this Resolution and the Issuer promptly engages the services of a Qualified Independent Consultant to perform a rate study recommending the rate levels necessary to comply with the foregoing provisions of this Section 1105 in the next succeeding Bond Year. Such study must be completed within ninety (90) days after the Issuer becomes aware of its non-compliance with this section. The Issuer will place in effect, as soon as practicable, either (i) the recommendations of such study by the Qualified Independent Consultant, or (ii) certain adjustments to the Issuer's current budget, as recommended by the Chief Financial Officer, to comply with the provisions of this Section 1105, provided however such deviations from the recommendations by the Qualified Independent Consultant shall be subject to approval by the Governing Body.

**Section 1106. Reports and Annual Audits**.

The Issuer shall require that an annual audit of its accounts and records be completed within nine (9) months after the end of each Fiscal Year by an independent certified public accountant of recognized standing. Such audit shall be conducted in accordance with generally accepted auditing standards as applied to governments.

**Section 1107. No Mortgage or Sale of Port Facilities**.

(a) The Issuer shall not mortgage, pledge or otherwise encumber the physical assets of the Port Facilities.

(b) The Issuer may sell, lease or dispose of, for fair market value, any properties, parts or portions of the Port Facilities if a Qualified Independent Consultant shall certify that (i) such properties, parts or portions of the Port Facilities are not necessary for the continued operation and functioning of the Port Facilities and (ii) the sale, lease or disposal of such properties, portions or parts of the Port Facilities will not adversely affect the Gross Revenues to be derived from the Port Facilities to such an extent that the Issuer will fail to comply with the covenants of this Resolution, including, without limitation, the covenants of Section 1105 hereof; *provided, however*, that the Issuer shall have, and hereby expressly reserves, the right to sell, lease or otherwise dispose of any of the properties, parts or portions of the Port Facilities having a fair market value not in excess of ten percent (10%) of the value of the fixed assets of the Port Facilities according to the most recent available annual audit at the time of such disposition that the Issuer shall determine, as evidenced by a certificate of the Executive Director and the Chief Financial Officer, to be no longer necessary, useful or beneficial for the continued operation of the Port Facilities.

Notwithstanding anything in the foregoing to the contrary, the Issuer shall have, and hereby expressly reserves, the right to sell, lease, or otherwise dispose of, for fair and reasonable consideration, any land or interests in land comprising a portion or part of the Port Facilities which is no longer necessary or useful in the operation of the Port Facilities, or the sale or leasing of an interest in land which will not interfere with the operation of the Port Facilities in any material respect, all as certified in writing by the Executive Director and the Chief Financial Officer.

The Issuer will not sell any portion of the Port Facilities or enter into any leasing of the components thereof, in each case to the extent such portion or components were financed with proceeds of Bonds issued hereunder, without first (i) making a good faith determination, as certified by the Executive Director and the Chief Financial Officer, that such sale or leasing will not materially adversely affect the Issuer's ability to comply with the rate covenant set forth in Section 1105 and (ii) with respect to leases, obtaining a No Adverse Effect Opinion. In addition, proceeds received from the sale or disposition of the Port Facilities or any portion thereof shall not be deemed Gross Revenues and may be used and applied by the Issuer in any manner for which a No Adverse Effect Opinion may be obtained. Proceeds received from the leasing of the Port Facilities or any portion thereof shall be included in Gross Revenues for all purposes of this Resolution.

**Section 1108. Insurance and Condemnation Awards**. The Issuer will, to the extent economically feasible, carry adequate fire, windstorm, earthquake, and extended coverage policies on the components of the Port Facilities that are subject to loss through fire, windstorm or earthquake; adequate business interruption insurance; adequate public liability insurance; other insurance of the kinds and amounts normally carried in the operation of similar facilities and properties in Georgia. The Issuer may, upon appropriate authorization by its Governing Body, self-insure against such risks on a sound actuarial basis. Any such insurance shall be carried for the benefit of the Issuer. All proceeds received from property damage or destruction insurance, business interruption insurance, and all proceeds received from the condemnation of the Port Facilities or any part thereof are hereby pledged by the Issuer as security for the Bonds and shall be deposited at the option of the Issuer but subject to the limitations hereinafter described either (i) into the Revenue Fund and used to remedy the loss, damage or taking for which such proceeds are received, either by repairing the damaged property or replacing the destroyed or taken property, as soon as practicable after the receipt of such proceeds, or (ii) into the Debt Service Account for the purpose of purchasing or redeeming Bonds according to the provisions set forth in Section 903(c) above.

Proceeds received from such insurance proceeds and condemnation awards shall not be deemed Gross Revenues.

**Section 1109. Enforcement of Collections**. The Issuer will enforce its right to receive the Gross Revenues and will enforce and collect the fees, rates, rentals and other charges for the use of the products, services and facilities of the Port Facilities in a diligent manner in accordance with good business practices and without preference as to any customer or customers. The Issuer will not take any action that will impair or adversely affect its rights to levy, collect and receive the Gross Revenues, as herein pledged, or impair or adversely affect in any manner the pledge of the



Gross Revenues, made herein or the rights of the Bondholders. The Issuer shall be unconditionally and irrevocably obligated, so long as any of the Bonds are Outstanding and unpaid, to take all lawful action necessary or required to continue to entitle the Issuer to receive the Gross Revenues in at least the amounts required by this Resolution.

**Section 1110. Qualified Independent Consultant**. The Issuer will retain Qualified Independent Consultants from time to time when, if, and as necessary to comply with the requirements of this Resolution.

[End of Article XI]

## ARTICLE XII

## CONDITIONS TO THE ISSUANCE OF EACH SERIES OF BONDS AND ADDITIONAL BONDS

**Section 1201.** **Issuance of Obligations**. The Issuer will not issue or incur any obligations payable from the Gross Revenues or voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge having priority to or being on a parity with the lien of any Bonds issued pursuant to this Resolution upon the Gross Revenues, except under the conditions and in the manner provided herein. Any obligations issued by the Issuer other than in accordance with this Article XII and payable from the Gross Revenues shall contain an express statement that such obligations are junior and subordinate in all respects to the Bonds as to the lien on, and source of and security for payment from, the Gross Revenues.

**Section 1202.** **Issuance of Additional Bonds**. Except as otherwise provided in this section, no Series of Additional Bonds may be issued under this Resolution, unless the Issuer shall first have complied with the requirements of this section. No other obligations of any kind or nature will hereafter be issued which are payable from or enjoy a lien on the Pledged Revenues prior to the lien created for the payment of the Bonds. It is expressly provided, however, that Additional Bonds may be issued from time to time, for the purpose of refunding any issue or issues of outstanding Bonds or financing, in whole or in part, additions, extensions and improvements to the Port Facilities ranking as to lien on the Pledged Revenues on a parity with the Bonds herein authorized to be issued, provided all of the following conditions are met:

(a) None of the Bonds or any Additional Bonds then outstanding are in default as to principal or interest and the Issuer is in compliance with this Resolution.

(b) The payments covenanted to be made into the Debt Service Account and the Debt Service Reserve Account (including the various subaccounts therein) currently are being made in the full amount as required and said funds and accounts are at their proper respective balances.

(c) Except where Additional Bonds are to be issued for the purpose of refunding Outstanding Bonds and the Maximum Debt Service Requirement is not increased by such Additional Bonds, the following conditions must be met:

(i) A Qualified Independent Consultant shall have certified either: (A) that for a period of 12 full consecutive calendar months out of the 18 consecutive calendar months preceding the month of the adoption of proceedings for the issuance of the Additional Bonds, the Debt Service Coverage Ratio (excluding (x) any Bonds which are to be refunded or defeased by the proposed Additional Bonds and (y) any payments of Debt Service Offset, and including for calculation of the Debt Service Requirement the proposed Additional Bonds which are to be issued) for each full Bond Year subsequent to issuance of the proposed Additional Bonds, shall not be less than 1.25; or (B) if a new schedule of rates and charges for the services, facilities and commodities furnished by the Port Facilities has been adopted, the Debt Service Coverage Ratio (excluding (x) any Bonds which are to be refunded and defeased by the proposed Additional Bonds and (y) any payments of Debt Service Offset, and including for calculation of the Debt Service Requirement the proposed Additional Bonds which are to be issued) would have met the



test specified in (A) if such new schedule had been in effect throughout such specified period; or

(ii) A Qualified Independent Consultant shall certify that the projected Maximum Annual Debt Service Coverage Ratio (including for calculation of the Debt Service Requirement the proposed Additional Bonds which are to be issued and excluding the amount of any scheduled payments of Debt Service Offset) through each of the first five full Bond Years subsequent to the issuance of Additional Bonds shall not be less than 1.25.

(d) The Issuer shall pass proper proceedings reciting that all of the above requirements have been met, shall authorize the issuance of the Additional Bonds and shall provide in such proceedings that such Additional Bonds shall be secured under and pursuant to this Resolution. Any such Additional Bonds may be issued under or pursuant to a trust indenture and, in such event, the proceedings authorizing the issuance of such Additional Bonds shall make appropriate provisions for the transfer of moneys on deposit in the Debt Service Account and the Debt Service Reserve Account to the trustee in sufficient time for the payment of debt service on such Additional Bonds; but nothing contained herein shall require the Debt Service Account or the Debt Service Reserve Account to be held by such trustee. In the event Additional Bonds are secured hereunder and issued pursuant to a trust indenture, the trustee thereunder shall for purposes of this Resolution, in accordance with the provisions of such trust indenture, exercise the rights and remedies of the owners of such Additional Bonds on behalf of such owners. It shall not be necessary that the interest and principal and payment dates or redemption provisions for such Additional Bonds correspond with the provisions of any other Bonds. Any Credit Facility or Liquidity Facility related to any Additional Bonds may secure only such Additional Bonds and not any other Bonds issued hereunder. Any such proceeding or proceedings shall restate and reaffirm, by reference, all of the applicable terms, conditions and provisions of this Resolution.

(e) Any proposed Additional Bonds which are Variable Rate Bonds shall specify a maximum interest rate. If any such Additional Bonds which are Variable Rate Bonds so issued provide for the mandatory redemption or purchase of such Additional Bonds at the option of owner, a Credit Facility or Liquidity Facility shall be provided at or prior to the issuance of such Additional Bonds which are Variable Rate Bonds to support the Issuer's obligations for any such mandatory redemption or purchase.

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

(g) Notwithstanding anything in this Section 1202 to the contrary, Subordinate Debt may be issued based on the requirements to be specified in a supplemental resolution of the Issuer providing for the issuance of such Subordinate Debt.

[End of Article XII]

## ARTICLE XIII

## EVENTS OF DEFAULT; REMEDIES

**Section 1301. Events of Default**. Each of the following events is hereby declared an "event of default," that is to say if:

(a) payment of principal of any Bond shall not be made by the Issuer when the same shall become due and payable, either at maturity or on required payment dates by proceedings for redemption or otherwise; or

(b) payment of any installment of interest on any Bond shall not be made by the Issuer when the same shall become due and payable; or

(c) the Issuer shall discontinue or unreasonably delay or fail to complete within a reasonable period of time a Project for which Bonds have been issued hereunder, unless the same shall be abandoned or deferred pursuant to Article VII hereof; or

(d) the Issuer shall for any reason be rendered incapable of fulfilling its obligations hereunder to the extent that the payment of or security for the Bonds would be materially adversely affected, and such conditions shall continue unremedied for a period of thirty (30) days after the Issuer becomes aware of such conditions; or

(e) an order or decree shall be entered, with the consent or acquiescence of the Issuer, appointing a receiver or receivers of the Issuer, the Port Facilities, the Gross Revenues, or any part thereof or the filing of a petition by the Issuer for relief under federal bankruptcy laws or any other applicable law or statute of the United States of America or the State of Georgia, which shall not be dismissed, vacated or discharged within thirty (30) days after the filing thereof; or

(f) any proceedings shall be instituted, with the consent or acquiescence of the Issuer, for the purpose of effecting a composition between the Issuer and its creditors or for the purpose of adjusting the claims of such creditors, pursuant to any federal or state statutes now or hereafter enacted, if the claims of such creditors are under any circumstances payable from the Gross Revenues; or

(g) the entry of a final judgment or judgments for the payment of money against the Issuer as a result of the ownership, operation or control of the Port Facilities or which subjects any of the funds pledged hereunder to a lien for the payment thereof in contravention of the provisions of this Resolution for which there does not exist adequate insurance, reserves or appropriate bonds for the timely payment thereof, and any such judgment shall not be discharged within ninety (90) days from the entry thereof or an appeal shall not be taken therefrom or from the order, decree or process upon which or pursuant to which such judgment shall have been granted or entered, in such manner as to stay the execution of or levy under such judgment, order, decree or process or the enforcement thereof; or

(h) the Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Resolution on the part of the Issuer to be performed, and such default shall continue for thirty (30) days after



written notice specifying such default and requiring the same to be remedied shall have been given to the Issuer by the registered owners of not less than ten percent (10%) of the Bond Obligation.

Notwithstanding the foregoing, with respect to the events described in clauses (a) or (b), when determining whether a payment default has occurred with respect to any Series of Bonds, no effect shall be given to payments made under a Credit Facility in place with respect to such Series of Bonds. Notwithstanding the foregoing, with respect to the events described in clause (h), the Issuer shall not be deemed in default hereunder if such default can be cured within a reasonable period of time and if the Issuer in good faith institutes appropriate curative action and diligently pursues such action until the default has been corrected. With respect to the event described in clause (c) above, the Issuer shall not be deemed in default hereunder if the performance by the Issuer is prevented or delayed at any time by an act or the neglect of any contractor who is retained with due diligence by the Issuer or by the unavailability of labor, strikes, lockouts, fire, unusual delay in transportation, unavoidable casualties, war, hostilities, acts of God or other causes beyond the Issuer's control and arising without its fault or negligence, including the existence of any law, order, proclamation, regulation or ordinance of any government (excluding the Issuer), provided the Issuer shall use its best efforts to remedy the delay.

**Section 1302. Enforcement of Remedies**. Upon the happening and continuance of any event of default specified in Section 1301 above, then and in every such case the owners of not less than twenty-five percent (25%) of the Bond Obligation may appoint any state bank, national bank, trust company or national banking association qualified to transact business in Georgia and having a combined capital, surplus and undivided profits of at least $50,000,000, to serve as trustee for the benefit of the holders of all Bonds then Outstanding (the "**Trustee**"). Notice of such appointment, together with evidence of the requisite signatures of the holders of twenty-five percent (25%) of the Bond Obligation and the trust instrument under which the Trustee shall have agreed to serve shall be filed with the Issuer and the Trustee and notice of such appointment shall be published in a financial journal of general circulation in the Issuer of New York, New York. After the appointment of the first Trustee hereunder, no additional Trustees may be appointed; however, the holders of a majority of the Bond Obligation may remove the Trustee initially appointed and appoint a successor and subsequent successors at any time, but no such removal, and no resignation, of such Trustee shall be effective until a successor has been appointed and has accepted the duties of Trustee hereunder. If the default for which the Trustee was appointed is cured or waived pursuant to this Article, the appointment of the Trustee shall terminate as to such default.

After a Trustee has been appointed pursuant to the foregoing, the Trustee may proceed, and upon the written request of holders of twenty-five percent (25%) of the Bond Obligation shall proceed, subject to the provisions of Section 1303 of this Resolution, to protect and enforce the rights of the Bondholders under the laws of the State, including the Revenue Bond Law, and under this Resolution, by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board, body or officer having jurisdiction, either for the specific performance of any covenant or agreement contained herein or in aid of execution of any power herein granted or for the enforcement of any proper legal or equitable remedy, all as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights.

In the enforcement of any remedy against the Issuer under this Resolution the Trustee shall be entitled to sue for, enforce payment of, and receive any and all amounts then or during any default becoming, and at any time remaining, due from the Issuer for principal, interest or otherwise under any provisions of this Resolution or of such Bonds and unpaid, with interest on overdue payments of principal and, to the extent permitted by law, on interest at the rate or rates of interest specified in such Bonds, together with any and all costs and expenses of collection and of all proceedings hereunder and under such Bonds, without prejudice to any other right or remedy of the Trustee or of the Bondholders, and to recover and enforce any judgment or decree against the Issuer, but solely as provided herein and in such Bonds, for any portion of such amounts remaining unpaid and interest, costs, and expenses as above provided, and to collect (but solely from moneys in the Revenue Fund specifically set aside for that purpose, the Debt Service Reserve Account and any other moneys available for such purpose) in any manner provided by law, the moneys adjudged or decreed to be payable. Notwithstanding the foregoing, however, nothing herein shall permit an acceleration of the Bonds.

**Section 1303.** **Effect of Discontinuing Proceedings**. In case any proceeding taken by the Trustee or any Bondholder on account of any default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or such Bondholder, then and in every such case the Issuer, the Trustee and Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Trustee shall continue as though no such proceeding had been taken.

**Section 1304.** **Directions to Trustee as to Remedial Proceedings**. Anything in this Resolution to the contrary notwithstanding, the holders of a majority of the Bond Obligation shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law or the provisions of this Resolution, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bondholders not parties to such direction.

**Section 1305.** **Restrictions on Actions by Individual Bondholders**. No Bondholder shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust hereunder or for any other remedy hereunder unless such Bondholder previously shall have given to the Trustee written notice of the event of default on account of which such suit, action or proceeding is to be taken, and unless the holders of not less than twenty-five percent (25%) of the Bond Obligation shall have made written request of the Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers hereinabove granted or to institute such action, suit or proceeding in its or their name, and unless also, there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, including the reasonable fees of its attorneys (including fees on appeal), and the Trustee shall have refused or neglected to comply with such request within a reasonable time; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Resolution or for any other remedy hereunder. It is understood and intended that no one or more owners of the Bonds hereby secured shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Resolution, or to enforce any right hereunder, except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein



provided and for the benefit of all Bondholders, and that any individual rights of action or any other right given to one or more of such owners by law are restricted by this Resolution to the rights and remedies herein provided.

Nothing contained herein, however, shall affect or impair the right of any Bondholder, individually, to enforce the payment of the principal of and interest on his Bond or Bonds at and after the maturity thereof, at the time, place, from the source and in the manner provided in this Resolution.

**Section 1306.** **Appointment of a Receiver**. Upon the happening and continuance of an event of default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Bondholders under this Resolution, the Trustee shall be entitled, pursuant to the Revenue Bond Law, without regard to the solvency of the Issuer, to apply, in an appropriate judicial proceeding, for the appointment of a receiver of the Port Facilities, pending such proceedings, with such powers as the court making such appointments shall confer whether or not the Gross Revenues and other funds pledged hereunder shall be deemed sufficient ultimately to satisfy the Bonds outstanding hereunder.

**Section 1307.** **Rights of Bond Insurer**.

(a) Each Bond Insurer, if any, shall receive from Issuer and the Trustee (i) copies of all notices required to be delivered to the Bondholders and (ii) notice of any event of default.

(b) Each Bond Insurer shall, in accordance with the provisions of Section 1503, be entitled to control and direct the enforcement of all remedies and rights to the extent granted to the holders of the Bonds insured by them hereunder, and shall also have the right to waive events of default on behalf of such holders; provided that no such Bond Insurer that (i) is insolvent, (ii) in default, or (iii) has a current credit rating that is below the "A" category by a nationally recognized rating service, with respect to its obligations under the Credit Facility, shall be entitled to exercise any such right.

[End of Article XIII]

## ARTICLE XIV

## DEFEASANCE AND RELEASE OF RESOLUTION

**Section 1401. Defeasance and Release of Resolution.**

If, at any time after the date of issuance of any Series of the Bonds, (a) all Bonds secured hereby or any Bonds within a Series or any maturity of any Bonds shall have become due and payable in accordance with their terms or otherwise as provided in this Resolution, or shall have been duly called for redemption, or the Issuer gives the Paying Agent irrevocable instructions directing the payment of the principal of, premium, if any, and interest on such Bonds or maturities thereof at maturity or at any earlier redemption date scheduled by the Issuer, or any combination thereof, and (b) the whole amount of the principal, premium, if any, and the interest so due and payable upon all of such Bonds or maturities thereof then Outstanding, at maturity or upon redemption, shall be paid, or sufficient moneys shall be held by the Paying Agent or other Authorized Depository acting as an escrow agent in irrevocable trust for the benefit of such Bondholders (whether or not in any accounts created hereby) which, as verified by a report of an independent certified public accountant or firm of certified public accountants, when so paid in full in cash or invested in Defeasance Obligations maturing not later than the maturity or redemption dates of such principal, premium, if any, and interest will, together with the income realized on such investments, be sufficient to pay all such principal, premium, if any, and interest on said Bonds or maturities thereof at the maturity thereof or the date upon which such Bonds or maturities thereof are to be called for redemption prior to maturity, *then* and in that case the right, title and interest of such Bondholders hereunder and the pledge of and lien on the Gross Revenues and all other pledges and liens created hereby or pursuant hereto, with respect to such Bonds and the Bondholders thereof, shall thereupon cease and become void, and such Bonds or maturities thereof shall no longer be deemed Outstanding for purposes of this Resolution, and if such conditions have been satisfied with respect to *all* Bonds issued hereunder and then Outstanding, all balances remaining in any other funds or accounts created by this Resolution other than moneys held for redemption or payment of Bonds and to pay all other sums payable by the Issuer hereunder, shall be distributed to the Issuer for any lawful purpose; otherwise, this Resolution shall be, continue and remain in full force and effect.

Notwithstanding anything herein to the contrary, in the event that the principal and/or interest on Bonds shall have been paid to the Holders of such Bonds by a Bond Insurer, such Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Issuer, and the assignment and pledge of the security hereunder and all covenants, agreements and other obligations of the Issuer to the Holders shall continue to exist and shall accrue to the benefit of the Bond Insurer and the Bond Insurer shall be subrogated to the rights of such Holders.

Notwithstanding any other provision of this Resolution, including in particular this Article XIV, the obligation to pay over the Rebate Amount to the United States of America and to comply with all other requirements of Section 1003 shall survive the defeasance or payment in full of the Bonds and continue to be an obligation of the Issuer until paid in full, together with any interest or penalties accruing thereto.

[End of Article XIV]



## ARTICLE XV

## MODIFICATION OR AMENDMENT

**Section 1501. Modification or Amendment.** This Resolution may be modified and amended and all appropriate blanks appearing herein may be completed by the Issuer from time to time prior to the issuance of the first Series of Bonds hereunder. Thereafter, no modification or amendment of this Resolution, or of any resolution amendatory hereof, materially adverse to the interests of the Bondholders may be made without the consent in writing of the Holders of not less than a majority of the Bond Obligation, but no modification or amendment shall permit a change (a) in the maturity of any of the Bonds or a reduction in the rate of interest thereon, (b) in the amount of the principal obligation of any Bond, or (c) that would reduce such percentage of holders of the Bond Obligation, required above, for such modifications or amendments, without the consent of all of the Bondholders. For the purpose of Bondholders' voting rights or consents, the Bonds owned by or held for the account of the Issuer, directly or indirectly, shall not be counted as if Outstanding. Notwithstanding the foregoing, the Issuer may, from time to time and at any time without the consent of the Bondholders, approve such amendatory resolutions (which amendatory resolutions shall thereafter form a part hereof):

(a) To cure any ambiguity, inconsistency or formal defect or omission in this Resolution or in any supplemental resolution, or

(b) To grant to or confer upon the Bondholders any additional rights, remedies, powers, authority or security that lawfully may be granted to or conferred upon the Bondholders, or

(c) To provide for the sale, authentication and delivery of Additional Bonds, Commercial Paper Obligations, Variable Rate Bonds, or refunding Bonds and the disposition of the proceeds from the sale thereof, in the manner and to the extent authorized by Article XII above, or

(d) To modify, amend or supplement this Resolution or any resolution supplemental hereto in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of any of the states of the United States of America, and, if the Issuer so determines, to add to this Resolution or any resolution supplemental hereto such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939 or similar federal statute, or

(e) To provide for certificated or uncertificated registered public obligations as contemplated in Section 602 hereof, or

(f) To provide for changes suggested by a Rating Agency as necessary to secure the highest rating on the Bonds, or

(g) To subject to the terms of this Resolution any additional funds, securities or properties, or

(h) To make any other change or modification of the terms hereof which, in the reasonable judgment of the Issuer is not materially prejudicial to the rights or interests of the holders of the Bonds hereunder.

**Section 1502. Amendatory Resolutions With Bondholders' Consent**. Subject to the terms and provisions contained in this section, and not otherwise, the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have the right from time to time, anything contained in this Resolution to the contrary notwithstanding, to consent to and approve the adoption of such amendatory resolution or resolutions as shall be deemed necessary or desirable by the Issuer for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Resolution or in any supplemental resolution; *provided, however*, that nothing in this section shall permit, or be construed as permitting, without the consent of the Holders of all Bonds Outstanding, (a) an extension of the maturity of the principal of or the interest on any Bonds, or (b) a reduction in the principal amount of, or the premium or the rate of interest on, any Bonds, or (c) the creation of a lien upon or a pledge of any of the funds or accounts established under or pursuant to this Resolution other than a lien and pledge (i) created by this Resolution or (ii) that is made expressly subordinate to the Issuer's obligations hereunder, or (d) a preference or priority of any Bond or Bonds over any other Bond other Bonds, or (e) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental resolution. Nothing in this section, however, shall be construed as making necessary the approval by Bondholders of the adoption of any supplemental resolution as authorized in Section 1501.

Subject to the provisions of Section 1503, if the Owners of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the adoption of such amendatory resolution shall have consented to and approved its adoption, no Owner of any Bond, any Bond Insurer, or any Reserve Product Provider of a Reserve Product shall have any right to object to the adoption of such supplemental resolution, or to object to any of its terms and provisions, or in any manner to question the propriety of its adoption, or enjoin or restrain the Issuer from adopting the same or from taking any action pursuant to its provisions. Bondholder approval need not be given at one time, and approvals may be prospective in nature and aggregated over a period of time. Once a Bondholder has given approval to an amendment (either current or prospective), such approval shall be irrevocable and binding on all subsequent holders of such Bonds.

Upon the adoption of any amendatory resolution pursuant to the provisions of this section, this Resolution shall be modified and amended in accordance with such supplemental resolution, and the respective rights, duties and obligations under this Resolution of the Issuer and all Owners of Bonds then Outstanding shall thereafter be determined, exercised and enforced in all respects under the provisions of this Resolution as so modified and amended.

**Section 1503. Rights of Bond Insurer or Credit Facility Provider**. In the event that a Credit Facility is in full force and effect as to a Series of Bonds and the Bond Insurer or Credit Facility Provider is not (i) insolvent, (ii) in default, or (iii) rated below the "A" category by a nationally recognized rating service, the Bond Insurer or Credit Facility Provider, in place of the Holder of such Bonds, shall have the power and authority to give any consents and exercise any and all other rights that the Owners of such Bonds otherwise would have the power and authority to make, give or exercise, including, but not limited to, the exercise of remedies provided in Article



XIII, and the giving of consents to amendatory resolutions when required by Section 1502 (exclusive of those matters referred to in the proviso to the first sentence of Section 1502), and such consent shall be deemed to constitute the consent of the Holders of all of those Bonds which are secured by such Credit Facility.

**Section 1504. Supplemental or Amendatory Resolutions Part of Resolution**. Any supplemental or amendatory resolution adopted in accordance with the provisions of this Resolution shall thereafter form a part of this Resolution, and all of the terms and conditions contained in any such amendatory or supplemental resolution shall be part of the terms and conditions of this Resolution for any and all purposes. Express reference to any supplemental or amendatory resolution may be made in the text of any Bonds issued after its adoption, if deemed necessary or desirable by the Issuer.

**Section 1505. Notice of Amendatory Resolutions**. The Issuer shall give to the Rating Agencies then maintaining a rating on any Outstanding Bonds notice of the adoption of any amendatory resolution, which notice shall include the form of such amendatory resolution.

[End of Article XV]

## ARTICLE XVI

## REGISTRAR AND PAYING AGENT

**Section 1601. Notice by Registrar and Paying Agent if Default Occurs**. The Registrar and Paying Agent shall not be required to take notice or be deemed to have notice of any default under this Resolution except failure by the Issuer to cause to be made any of the payments to the Registrar and Paying Agent required to be made by this Resolution unless the Registrar and Paying Agent shall be specifically notified in writing of such default by the Issuer or by the Holders of at least twenty-five percent (25%) in aggregate principal amount of all Bonds then Outstanding, and all notices or other instruments required by this Resolution to be delivered to the Registrar and Paying Agent must, in order to be effective, be delivered at a corporate trust office of the Registrar and Paying Agent, and in the absence of such notice so delivered, the Registrar and Paying Agent may conclusively assume there is no default except as aforesaid.

If a default occurs of which the Registrar and Paying Agent is by this Section 1601 required to take notice or if notice of default be given as provided in the preceding paragraph, then the Registrar and Paying Agent shall give written notice thereof by mail to the Issuer, each provider of a Credit Facility any Reserve Product and the registered owners of all Bonds then Outstanding.

**Section 1602. Registrar and Paying Agent; Appointment and Acceptance of Duties; Removal**.

(a) The Issuer will appoint a Registrar and Paying Agent in accordance with such supplemental resolution authorizing a Series of Bonds. The Chief Financial Officer is authorized to enter into a registrar and paying agent agreement with the Registrar and Paying Agent on behalf of the Issuer, if so required.

(b) The Issuer may appoint one or more additional Paying Agents for each Series of Bonds which may include the Registrar. Any such Paying Agent shall be a commercial bank or trust company organized under the laws of the United States of America or one of the States thereof. Each Paying Agent other than the Registrar and Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Resolution by executing and delivering to the Issuer and the Registrar and Paying Agent a written acceptance of this Resolution.

The Issuer may remove any Paying Agent or the Registrar and Paying Agent and any successors thereto, and may appoint a successor or successors thereto; provided that the Registrar and Paying Agent or any other such Paying Agent then so designated by the Issuer shall continue to function as such until the designation of a successor. The Registrar and Paying Agent and each other Paying Agent is hereby authorized to pay or redeem Bonds from money on deposit in the respective funds and accounts hereunder when duly presented to it for payment or redemption.

[End of Article XVI]



## ARTICLE XVII

## MISCELLANEOUS PROVISIONS

**Section 1701. Limitation of Rights**. With the exception of rights in this Resolution expressly conferred, nothing expressed or mentioned in or to be implied from this Resolution or the Bonds is intended or shall be construed to give to any person or company other than the parties hereto, the Registrar and Paying Agent, each provider of a Credit Facility, each provider of a Reserve Product, and the Holders of the Bonds, any legal or equitable right, remedy or claim under or in respect to this Resolution or any covenants, conditions and provisions in this Resolution contained; this Resolution and all of the covenants, conditions and provisions of this Resolution being intended to be and being for the sole and exclusive benefit of the parties hereto, the Registrar and Paying Agent, each provider of a Credit Facility, each provider of a Reserve Product, and the Holders of the Bonds as in this Resolution provided.

Each provider of a Credit Facility is an express third party beneficiary of this Resolution and is entitled to enforce this Resolution as if it were a party hereto to the extent provided in this Resolution.

**Section 1702. Unclaimed Moneys**. Any moneys deposited with the Registrar and Paying Agent by the Issuer in accordance with the terms and covenants of this Resolution, in order to redeem or pay any Bond in accordance with the provisions of this Resolution, and remaining unclaimed by the registered owner of the Bond for five (5) years after the date fixed for redemption or of maturity, as the case may be, shall, if the Issuer is not at the time to the actual knowledge of the Registrar and Paying Agent in default with respect to any of the terms and conditions of this Resolution, be repaid by the Registrar and Paying Agent to the Issuer upon its written request therefor; and thereafter the registered owner of the Bond shall be entitled to look only to the Issuer for payment of such amount, *provided, however*, that the Registrar and Paying Agent, before being required to make any such repayment, shall, at the expense of the Issuer, mail to the registered owner of such Bond at its address, as the same shall last appear on the Bond Register, a notice to the effect that said moneys have not been so applied and that after the date named in said notice any unclaimed balance of said moneys then remaining shall be returned to the Issuer. If the Issuer makes arrangements satisfactory to the Registrar and Paying Agent to indemnify the Registrar and Paying Agent for any costs which it may incur due to the unavailability of moneys due to such investment, such moneys may be invested in accordance with Section 1002. Investment income on any such unclaimed moneys received by the Registrar and Paying Agent shall be deposited as provided in Section 1002 until the final maturity or redemption date of the Bonds. Any such income generated after such date shall be deemed to be unclaimed moneys of the type referred to in the first sentence of this section and shall be disposed of in accordance with such sentence. The Issuer must covenant and agree, as a condition to it receiving such funds, to indemnify and save the Registrar and Paying Agent harmless from any and all loss, costs, liability and expense suffered or incurred by the Registrar and Paying Agent by reason of having returned any such moneys to the Issuer as in this Resolution provided.

**Section 1703. Action Required on Non-Business Day**. Notwithstanding anything to the contrary in this Resolution, in the event that any payment, action or notice required by this Resolution is required or scheduled for a day which is not a Business Day, except as otherwise provided in this Resolution or in a supplemental resolution with respect to a Series of Bonds, such payment, action or notice shall take place on the next succeeding Business Day with the same effect as if made on the required or scheduled date, and no Event of Default shall exist solely because of the failure to make such payment, take such action or give such notice on such required or scheduled date.

**Section 1704.** **Severability**. If any one or more of the covenants, agreements or provisions of this Resolution should be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid by a court of competent jurisdiction, then such covenants, agreements or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions of this Resolution or of the Bonds issued hereunder, which remaining covenants, agreements and provisions shall remain in full force and effect.

**Section 1705.** **No Third-Party Beneficiaries**. Except as herein otherwise expressly provided, nothing in this Resolution expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the parties hereto and the owners and holders of the Bonds issued under and secured by this Resolution; any right, remedy or claim, legal or equitable, under or by reason of this Resolution or any provision hereof this Resolution and all its provisions being intended to be and being for the sole and exclusive benefit of the parties hereto and the owners and holders from time to time of the Bonds issued hereunder.

**Section 1706.** **Controlling Law; Members of Governing Body Not Liable**. All covenants, stipulations, obligations and agreements of the Issuer contained in this Resolution shall be deemed to be covenants, stipulations, obligations and agreements of the Issuer to the full extent authorized by the Constitution and laws of the State of Georgia. No covenant, stipulation, obligation or agreement contained herein shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, agent, officer or employee of the Issuer or the Governing Body of the Issuer in his or her individual capacity, and neither the members or officers of the Governing Body of the Issuer nor any official executing the Bonds shall be liable personally on the Bonds or this Resolution or shall be subject to any personal liability or accountability by reason of the issuance or the execution by the Issuer or such members thereof.

**Section 1707.** **Repeal of Inconsistent Resolutions**. All resolutions in conflict with the express terms hereof are hereby repealed.

**Section 1708.** **Effective Date**. This Resolution shall take effect immediately upon its passage in the manner provided by law.

[End of Article XVII]



ADOPTED this 26th day of July, 2021.

GEORGIA PORTS AUTHORITY

By: ____________________
Chairperson

(S E A L)

ATTEST:

By: ____________________
Secretary and Treasurer

EXHIBIT A

[FORM OF CURRENT INTEREST BOND]

*[Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.]*

No. R-

UNITED STATES OF AMERICA
STATE OF GEORGIA

GEORGIA PORTS AUTHORITY (GEORGIA)
[REFUNDING] REVENUE BOND
SERIES 20__

Maturity Date: [CUSIP:]
Interest Rate:
Principal Amount:
Bond Date: [Date of Issuance]
Registered Owner: [Cede & Co.]

The Georgia Ports Authority (hereinafter called the "Issuer"), a body corporate and politic, and an instrumentality of the State of Georgia (the "State"), for value received, hereby promises to pay to the Registered Owner identified above, or to registered assigns or legal representatives, but solely from the revenues hereinafter mentioned, on the Maturity Date identified above (or earlier as hereinafter provided), the Principal Amount identified above, upon presentation and surrender hereof at the designated office of ____________________, ___________, ______, or its successors, as Registrar and Paying Agent (the "Registrar" and "Paying Agent"), and to pay, solely from such special revenues, interest on the Principal Amount from the Dated Date, or from the most recent interest payment date to which interest has been paid, at the Interest Rate per annum identified above, until payment of the Principal Amount, or until provision for the payment thereof has been duly provided for, such interest being payable semiannually on the first day of ______ and the first day of _______ of each year, commencing on _________ 1, 20__. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months and will be paid by check or draft mailed to the Registered Owner hereof at his address as it appears on the registration books of the Issuer maintained by the Registrar at the close of business on the fifteenth day (whether or not a Business Day) of the month next preceding the interest payment date (the "Record Date"), irrespective of any transfer or exchange of this Bond subsequent to the Record Date and prior to such interest payment date, unless the Issuer shall be in default in payment of interest due on such interest payment date. In the event of any such default, such defaulted



interest shall be payable to the person in whose name such Bond is registered at the close of business on a special record date (which date shall also be the date for the payment of such defaulted interest) as established by notice by deposit in the U.S. mails, postage prepaid, by the Issuer to the Registered Owners of Bonds not less than fifteen days preceding such special record date. Such notice shall be mailed to the persons in whose names the Bonds are registered at the close of business on the fifth day (whether or not a Business Day) preceding the date of mailing.

This Bond and the interest hereon is payable solely from and secured by a lien upon and pledge of certain revenues derived by the Issuer from the operation of the Port Facilities, pursuant to the terms and subject to the conditions described in a resolution adopted by the Issuer on __________, 2021, as supplemented (the "Resolution"), and certain other funds and investment earnings thereon, all in the manner and to the extent provided in the Resolution and as more particularly described below. Reference is hereby made to the Resolution for the provisions, among others, relating to the terms, lien and security of the Bonds, the custody and application of the proceeds of the Bonds, the rights and remedies of the Registered Owners of the Bonds, the extent of and limitations on the Issuer's rights, duties and obligations, and the provisions permitting the issuance or incurrence of additional parity indebtedness (including Additional Bonds), to all of which provisions the Registered Owner hereof for himself and his successors in interest assents by acceptance of this Bond. All terms used herein in capitalized form, unless otherwise defined herein, shall have the meanings ascribed thereto in the Resolution.

[THE ISSUER HAS ESTABLISHED A BOOK ENTRY SYSTEM OF REGISTRATION FOR THIS BOND. EXCEPT AS SPECIFICALLY PROVIDED OTHERWISE IN THE HEREINAFTER DEFINED RESOLUTION, CEDE & CO., AS NOMINEE OF THE DEPOSITORY TRUST COMPANY, WILL BE THE REGISTERED OWNER AND WILL HOLD THIS BOND ON BEHALF OF EACH BENEFICIAL OWNER HEREOF. BY ACCEPTANCE OF A CONFIRMATION OF PURCHASE, DELIVERY OR TRANSFER, EACH BENEFICIAL OWNER OF THIS BOND SHALL BE DEEMED TO HAVE AGREED TO SUCH ARRANGEMENT. CEDE & CO., AS REGISTERED OWNER OF THIS BOND, WILL BE TREATED AS THE OWNER OF THIS BOND FOR ALL PURPOSES.]

THIS BOND SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OF THE STATE OF GEORGIA OR A PLEDGE OF THE FAITH AND CREDIT THEREOF, AND THE BONDS ARE PAYABLE SOLELY FROM THE REVENUES AND THE FUNDS DESCRIBED IN THE RESOLUTION. NO OWNER OF ANY BOND HAS THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER OF THE STATE OF GEORGIA TO PAY THE BONDS OR THE INTEREST THEREON, AND THE ISSUANCE OF THE BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OF GEORGIA TO LEVY OR PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR FROM EARNINGS, AND THE ISSUANCE OF THE BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OF GEORGIA TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. NEITHER THE STATE NOR THE ISSUER SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THE BONDS EXCEPT FROM THE REVENUES AND FUNDS PROVIDED BY THE RESOLUTION.

It is further agreed between the Issuer and the Registered Owner of this Bond that this Bond and the indebtedness evidenced hereby shall not constitute a lien upon the Port Facilities, or any part thereof, or any other tangible personal property of or in the Issuer, but shall constitute a lien only on the Pledged Revenues and certain other funds and investment earnings thereon, all in the manner and to the extent provided in the Resolution. Neither the Chairperson, the Secretary and Treasurer, officers or officials of the Issuer, nor any person executing the Bonds shall be liable personally on the Bonds by reason of their issuance.

Under the terms of the Resolution, the Issuer may issue, under certain terms and conditions, Additional Bonds on a parity as to lien on the Pledged Revenues of the Port Facilities with the Bonds.

This Bond is one of an authorized issue of Bonds in the [aggregate] principal amount of $____________, of like tenor and effect, except as to number, maturity (unless all Bonds mature on the same date) and interest rate, issued to [finance or refinance] the cost of the acquisition, construction and equipping of additions, extensions and improvements to the Port Facilities, pursuant to the authority of and in full compliance with the Constitution and laws of the State of Georgia. This Bond is also subject to the terms and conditions of the Resolution.

The Bonds of this issue are subject to redemption prior to their maturity [Insert Term Bond amortization provisions]. The Bonds of this issue shall be further subject to redemption prior to their maturity at the option of the Issuer [Insert optional redemption provisions].

[Notice of such redemption shall be given in the manner required by the Resolution.]

The registration of this Bond may be transferred upon the registration books upon delivery to the designated office of the Registrar accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Registrar, duly executed by the owner of this Bond or by his attorney-in-fact or legal representative, containing written instructions as to the details of transfer of this Bond, along with the social security number or federal employer identification number of such transferee. In all cases of a transfer of a Bond, the Registrar shall at the earliest practical time in accordance with the provisions of the Resolution enter the transfer of ownership in the registration books and (unless uncertificated registration shall be requested and the Issuer has a registration system that will accommodate uncertificated registration) shall deliver in the name of the new transferee or transferees a new fully registered Bond or Bonds of the same maturity and of authorized denomination or denominations, for the same aggregate principal amount and payable from the same source of funds. Neither the Issuer nor the Registrar shall be required to register the transfer of any Bond during the period commencing on the fifteenth day of the month immediately preceding an interest payment date on the Bonds and ending on such interest payment date, or, in the case of any proposed redemption of Bonds, after such Bonds or any portion thereof have been selected for redemption. The Issuer and the Registrar may charge the owner of such Bond for the registration of every such transfer of a Bond an amount sufficient to reimburse them for any tax, fee or any other governmental charge required (other than by the Issuer) to be paid with respect to the registration of such transfer, and may require that such amounts be paid before any such new Bond shall be delivered.

If the date for payment of the principal of, premium, if any, or interest on this Bond is not a Business Day, then the date for such payment shall be the next succeeding Business Day, and



payment on such day shall have the same force and effect as if made on the nominal date of payment.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen, and to be performed precedent to and in the issuance of this Bond exist, have happened and have been performed in regular and due form and time as required by the laws and Constitution of the State of Georgia applicable hereto, and that the issuance of the Bonds of this Series does not violate any constitutional or statutory limitation or provision.

[PROVISION FOR VARIABLE RATE BONDS]

[The form of the Current Interest Bonds may be modified as appropriate by supplemental resolution to provide for a variable interest rate calculated as provided by supplemental resolution pertaining to each Series of Bonds, provided that in no event shall the interest rate calculated in accordance with such formula or any accreted interest exceed the maximum rate permitted by law.]

[PROVISION FOR DEMAND BONDS]

[The form of the Current Interest Bonds may be modified as appropriate by supplemental resolution of the Issuer for each series of Bonds prior to the sale thereof, to provide that the holder of any such Bond may demand from the Issuer payment of principal and interest on his Bond within a specified number of calendar days after delivering notice to a remarketing or other agent for the Issuer and providing a copy of the notice and tendering the Bonds to a named tender or other agent for the Issuer. ]

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the Certificate of Authentication endorsed hereon shall have been signed by the Registrar.

This Bond is issued with the intent that the laws of the State of Georgia shall govern its construction.

IN WITNESS WHEREOF, the Georgia Ports Authority, has issued this Bond and has caused the same to be signed by the Chairperson and attested to and countersigned by the Secretary and Treasurer, either manually or with their facsimile signatures, and its corporate seal or a facsimile thereof to be affixed, impressed, imprinted, lithographed or reproduced hereon, all as of the ______ day of _____________, 20___.

(S E A L)

GEORGIA PORTS AUTHORITY

By: (FORM)
Chairperson

ATTEST:

By: (FORM)
Secretary and Treasurer



STATE OF GEORGIA )
) VALIDATION CERTIFICATE
CHATHAM COUNTY )

I, the undersigned Clerk of the Superior Court of Chatham County, State of Georgia, keeper of the records and seal thereof, hereby certify that this Bond was validated and confirmed by judgment of the Superior Court of Chatham County, Georgia, on _________, 20__.

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

(S E A L)

______________________________
CLERK, SUPERIOR COURT
CHATHAM COUNTY, GEORGIA

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds designated in and executed under the provisions of the within mentioned Resolution.

Date of Authentication: __________, 20__

____________________,
As Authentication Agent

By: ______________________________
Authorized Officer

ASSIGNMENT

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

______________________________

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

______________________________

______________________________

Please print or typewrite name and address, including postal zip code of transferee.

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

______________________________
Assignor

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

Date: __________, 20__

Signature Guaranteed:

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

[END OF BOND FORM]



EXHIBIT B

2021 PROJECT DESCRIPTION

Any exact quantities, dimensions, and nomenclature described below may be modified by the Authority as necessary in as much as final designs are not complete and actual conditions may differ from current expectations.

1) Berth 1 Realignment:

a. Landside Infrastructure includes king pile walls and relieving platforms. In addition to the realigned berth, crane rails will be constructed that will provide 130 feet of separation between the landside and waterside rail, allowing for operational truck lanes to move cargo on and off the vessels.

b. Demolition of existing Berth 1 and installation of waterside infrastructure that includes crane rail, fendering, and bollards.

c. Dredging of Berth 1 upon realignment of the dock will provide the depth as approved by the Savannah Harbor Expansion Project.

2) Container Handling Equipment – 8 Ship-to-Shore Cranes:

a. Ongoing expansion of the Garden City Terminal and Ocean Terminal will allow for vessel operations of up to 18,000 TEU ships. Vessels of this size require ship-to-shore cranes with a lift height of approximately 164 feet above the dock and 130 feet of crane gauge to allow for additional truck lanes between the crane legs.

3) Garden City Terminal Expansion:

a. East property development and equipment - The facility will include a gate complex and connection to the Garden City Terminal to provide a Transportation Worker Identification Credential ("TWIC") compliant parcel for container operations. In addition to property development, purchase of rubber-tired gantry cranes ("RTGs") will be purchased to efficiently operate the container yard and maximize the container throughput.

b. West property acquisition, development, and equipment - The facility will be paved to allow for container support services. This property has direct access to State Road 21 for easy access to Gate 4 and Gate 8 at the Garden City Terminal.

4) Garden City Terminal Container Storage at Container Berths 7, 8 and 9 with Rubber-Tired Gantry ("RTG") Cranes:

a. Modification of approximately 57.5 acres of property behind container Berths 7, 8, and 9 to provide additional storage capacity for the Garden City Terminal.

b. A drainage retention lake will be constructed to divert drainage to allow for the construction of paved areas.

c. It is expected that multiple deliveries of RTGs will take place beginning in early 2022 with a majority of the RTG cranes servicing Garden City Terminal.

SECRETARY AND TREASURER'S CERTIFICATE

I, the undersigned Secretary and Treasurer of the Georgia Ports Authority (the "Authority"), keeper of the records and seal thereof, hereby certify that the foregoing is a true and correct copy of a resolution adopted by the Georgia Ports Authority in public meeting assembled on July 26, 2021, the original of which resolution has been entered in the official records of the Authority under my supervision and is in my official possession, custody and control.

I further certify that the meeting was held in conformity with the requirements of Title 50, Chapter 14 of the Official Code of Georgia Annotated.

(SEAL)

By: ______________________
SECRETARY AND TREASURER
GEORGIA PORTS AUTHORITY

GEORGIA PORTS AUTHORITY

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FIRST SUPPLEMENTAL BOND RESOLUTION

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Adopted October 19, 2021

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PROVIDING FOR THE ISSUANCE OF

GEORGIA PORTS AUTHORITY
REVENUE BONDS, SERIES 2021
IN THE AGGREGATE PRINCIPAL AMOUNT
OF
$427,040,000

**FIRST SUPPLEMENTAL BOND RESOLUTION**

THIS FIRST SUPPLEMENTAL BOND RESOLUTION OF THE GEORGIA PORTS AUTHORITY (THE "**AUTHORITY**" OR THE "**ISSUER**") IS ADOPTED THIS OCTOBER 19, 2021, FOR THE PURPOSE OF PROVIDING THE FINAL TERMS FOR THE ISSUANCE OF THE GEORGIA PORTS AUTHORITY REVENUE BONDS, SERIES 2021.

**PREAMBLE**

1. The Governing Body of the Issuer adopted a Master Bond Resolution on July 26, 2021 (the "**Master Resolution**") providing for the issuance of the GEORGIA PORTS AUTHORITY REVENUE BONDS, SERIES 2021, in the aggregate principal amount not to exceed $525,000,000 (the "**Series 2021 Bonds**"). The Master Resolution provides that the final terms of the Series 2021 Bonds are to be set forth in a supplemental resolution to be adopted prior to the issuance and delivery of the Series 2021 Bonds, within the parameters provided by the Master Resolution.

2. Capitalized terms used herein and not otherwise defined shall have the meanings given such terms in the Master Resolution. Hereinafter the Master Resolution and this First Supplemental Resolution are referred to together as the "**Resolution**".

3. In accordance with the provisions of this First Supplemental Bond Resolution, it is necessary and proper for the Issuer to (i) authorize the final terms for the issuance and delivery of the Series 2021 Bonds, (ii) provide for the redemption of the Series 2021 Bonds prior to their maturity thereof, (iii) designate the Registrar and Paying Agent for the Series 2021 Bonds, and (iv) provide for the application of the proceeds of the Series 2021 Bonds.

4. To facilitate the marketing and sale of the Series 2021 Bonds, the Issuer has authorized the preparation, use, and distribution of a Preliminary Official Statement, the form of which has been presented to the Governing Body of the Issuer and is on file with the Secretary-Treasurer of the Issuer (the "**Preliminary Official Statement**"), which on October 8, 2021, was "deemed final" by the Executive Director of the Authority for purposes of Rule 15c2-12 under the Securities Exchange Act. It is now necessary and proper for the Issuer to ratify the distribution of the Preliminary Official Statement and to authorize the execution and delivery of an Official Statement in final form, to be dated as of the date hereof (the "**Official Statement**").

5. It is proposed that the Issuer authorize and approve the execution and delivery of a continuing disclosure agreement, in the form attached to the Preliminary Official Statement relating to the Series 2021 Bonds (the "**Continuing Disclosure Agreement**"). It is necessary and proper for the Issuer to authorize the execution and delivery of the Continuing Disclosure Agreement.

4. The Series 2021 Bonds are being purchased by BofA Securities, Inc., Academy Securities, Inc., Citigroup Global Markets Inc., J.P. Morgan Securities LLC, Raymond James & Associates, Inc., Siebert Williams Shank & Co., LLC and Wells Fargo Bank, National Association (collectively, the "**Underwriters**") through a negotiated sale. In order to finalize the sale of the Series 2021 Bonds, it is necessary and proper that the Issuer approve a Bond Purchase

Agreement, dated as of the date hereof (the "**Bond Purchase Agreement**"), by and among the Issuer and the Underwriters, in the form submitted to the Issuer at the time of adoption of this First Supplemental Resolution.

NOW, THEREFORE, BE IT RESOLVED by the Georgia Ports Authority in public meeting properly and lawfully called and assembled, and it is hereby resolved by authority of the same, as follows:

**Section 1. <u>Terms of the Series 2021 Bonds; Redemption Provisions</u>.**

(a) The Series 2021 Bonds shall be issued in the aggregate principal amount of $427,040,000. The Series 2021 Bonds shall bear interest at the rates set out below, payable semi-annually on the first days of January and July in each year, beginning July 1, 2022, and shall mature on July 1 in the years and in the amounts as follows:

| Maturing July 1 | Principal Amount | Interest Rate |
|---|---|---|
| 2022 | $ 4,590,000 | 5.000% |
| 2023 | 7,205,000 | 5.000 |
| 2024 | 7,565,000 | 5.000 |
| 2025 | 7,945,000 | 5.000 |
| 2026 | 8,340,000 | 5.000 |
| 2027 | 8,755,000 | 5.000 |
| 2028 | 9,195,000 | 5.000 |
| 2029 | 9,655,000 | 5.000 |
| 2030 | 10,135,000 | 5.000 |
| 2031 | 10,645,000 | 5.000 |
| 2032 | 11,175,000 | 5.000 |
| 2033 | 11,735,000 | 5.000 |
| 2034 | 12,320,000 | 5.000 |
| 2035 | 12,940,000 | 5.000 |
| 2036 | 13,585,000 | 5.000 |
| 2037 | 14,265,000 | 4.000 |
| 2038 | 14,835,000 | 4.000 |
| 2039 | 15,430,000 | 4.000 |
| 2040 | 16,045,000 | 4.000 |
| 2041 | 16,685,000 | 3.000 |
| 2042 | 17,185,000 | 4.000 |
| 2043 | 17,875,000 | 4.000 |
| 2046* | 25,000,000 | 3.000 |
| 2046* | 32,785,000 | 4.000 |
| 2051* | 25,000,000 | 2.625 |
| 2051* | 86,150,000 | 4.000 |

* Subject to scheduled mandatory redemption.



(b) The Series 2021 Bonds will be dated the date of their issuance and delivery (the "**Bond Date**") and the Series 2021 Bonds as originally issued shall be lettered and numbered from R-1 upward in order of maturity, or in such other manner as may be directed by the Issuer, according to the records maintained by the Bond Registrar. The Series 2021 Bonds are issued in fully registered form in the denomination of $5,000 or any integral multiple thereof.

(c) The Series 2021 Bonds maturing on July 1, 2032, and thereafter may be redeemed prior to their respective maturities at the option of the Issuer, in whole or in part, at any time, beginning July 1, 2031, (if less than all of the Series 2021 Bonds of a maturity are to be redeemed, the actual Series 2021 Bonds of such maturity shall be selected by lot in such manner as may be designated by DTC while the Series 2021 Bonds are held as book-entry bonds and by the Paying Agent if the Series 2021 Bonds are no longer held as book-entry bonds), in such order as may be designated by the Issuer, at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date.

(d) The Series 2021 Bonds maturing on July 1, 2046 yielding interest at 3.000%, are subject to scheduled mandatory redemption prior to maturity in part *pro rata* among the Bondholders of the mandatory Series 2021 Bonds to be redeemed (rounded to the nearest $5,000 of the principal amount of each Series 2021 Bond) at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of such redemption, in the following principal amounts and on the dates set forth below (the July 1, 2046 amount to be paid at maturity rather than redeemed):

| July 1 | Principal Amount |
|---|---|
| 2044 | $8,090,000 |
| 2045 | 8,330,000 |
| 2046 | 8,580,000 |

The Series 2021 Bonds maturing on July 1, 2046 yielding interest at 4.000%, are subject to scheduled mandatory redemption prior to maturity in part *pro rata* among the Bondholders of the mandatory Series 2021 Bonds to be redeemed (rounded to the nearest $5,000 of the principal amount of each Series 2021 Bond) at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of such redemption, in the following principal amounts and on the dates set forth below (the July 1, 2046 amount to be paid at maturity rather than redeemed):

| July 1 | Principal Amount |
|---|---|
| 2044 | $10,500,000 |
| 2045 | 10,925,000 |
| 2046 | 11,360,000 |

The Series 2021 Bonds maturing on July 1, 2051 yielding interest at 2.625%, are subject to scheduled mandatory redemption prior to maturity in part *pro rata* among the Bondholders of the mandatory Series 2021 Bonds to be redeemed (rounded to the nearest $5,000 of the principal amount of each Series 2021 Bond) at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of such redemption, in the following principal amounts and on the dates set forth below (the July 1, 2051 amount to be paid at maturity rather than redeemed):

| July 1 | Principal Amount |
|---|---|
| 2047 | $4,745,000 |
| 2048 | 4,870,000 |
| 2049 | 4,995,000 |
| 2050 | 5,130,000 |
| 2051 | 5,260,000 |

The Series 2021 Bonds maturing on July 1, 2051 yielding interest at 4.000%, are subject to scheduled mandatory redemption prior to maturity in part *pro rata* among the Bondholders of the mandatory Series 2021 Bonds to be redeemed (rounded to the nearest $5,000 of the principal amount of each Series 2021 Bond) at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of such redemption, in the following principal amounts and on the dates set forth below (the July 1, 2051 amount to be paid at maturity rather than redeemed):

| July 1 | Principal Amount |
|---|---|
| 2047 | $15,905,000 |
| 2048 | 16,540,000 |
| 2049 | 17,205,000 |
| 2050 | 17,890,000 |
| 2051 | 18,610,000 |

(e) The *pro rata* redemption provided for in this Section 2(e) shall be made by redeeming from each Bondholder of the maturity to be redeemed that principal amount which bears the same proportion to the principal amount of such stated maturity registered in the name of such Bondholder as the total principal amount of such stated maturity to be redeemed on any date of scheduled mandatory redemption bears to the aggregate principal amount of such stated maturity Outstanding prior to redemption. If the Paying Agent cannot make a strict *pro rata* redemption among the Bondholders of a stated maturity, the Paying Agent will redeem more or less than a *pro rata* portion from one or more Bondholders of such stated maturity in such manner as the Paying Agent deems fair and reasonable. As long as the Series 2021 Bonds are held as book-entry bonds, such selection for redemption shall be made in accordance with the operational arrangements of DTC. In connection with any such redemption prior to maturity, the Paying Agent will make appropriate entries in the Bond Register to reflect a portion of any Series 2021 Bond so redeemed and the amount of the principal remaining outstanding. The Paying Agent's notation in the Bond Register shall be conclusive as to the principal amount of any Outstanding Series 2021 Bond at any time.



(f) Notice of any optional redemption of Series 2021 Bonds pursuant to this Section shall be given by the Issuer to the Bond Registrar and Paying Agent at least 35 days prior to the date fixed for redemption. The Bond Registrar shall give notice of redemption pursuant to this Section at least one time not less than 30 days nor more than 60 days prior to the date fixed for redemption to the Bondholder of each of the Series 2021 Bonds being called for redemption by first class mail (electronically while the Series 2021 Bonds are held as book-entry bonds) at the address shown on the register of the Bond Registrar. Said notice may be a conditional notice under such terms as specified in the notice and shall contain the complete official name of the Series 2021 Bonds being redeemed, CUSIP number, certificate numbers, amounts called of each certificate (for partial calls), redemption date, redemption price, the Paying Agent's name and address (with contact person and phone number), date of issue of the Series 2021 Bonds, interest rate, and maturity date. Said notice also shall be given not less than 30 days nor more than 60 days prior to the date fixed for redemption, to the Electronic Municipal Market Access system ("**EMMA**") operated by the Municipal Securities Rulemaking Board or such other securities depository registered with the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, which disseminate redemption notices. No transfer or exchange of any Series 2021 Bond so called for redemption shall be allowed. If any Bondholder of any Series 2021 Bond being redeemed pursuant to the provisions of this Article shall fail to present for redemption any such Series 2021 Bond within 60 days after the date fixed for redemption, a second notice of the redemption of such Series 2021 Bond shall be given to said Owner at the address of said Owner as shown on the bond register of the Bond Registrar within 90 days after the date fixed for redemption. The failure of the Bond Registrar to give such notice shall not affect the validity of the proceedings for the redemption of any Series 2021 Bond as to which no such failure occurred. Any notice mailed or delivered as provided in this Section shall be presumed conclusively to have been duly given, whether or not the Bondholder receives the notice.

**Section 2. Book-Entry Bonds**.

As provided by Section 613 of the Master Resolution, the Series 2021 Bonds shall be issued in book-entry only form, as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee), or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity, in the aggregate principal amount of such maturity, and will be deposited with DTC as the Depository.

**Section 3. Form of the Series 2021 Bonds.**

The Series 2021 Bonds and the certificate of validation and certificate of authentication to be endorsed thereon will be in substantially the form set forth in Exhibit A attached hereto and made a part hereof.

**Section 4. Application of Bond Proceeds**.

The proceeds from the sale of the Series 2021 Bonds, together with other funds of the Issuer, if any, shall be applied as follows:

(a) all costs and expenses in connection with the issuance and sale of the Series 2021 Bonds, including, without limitation, fees and expenses of engineers, accountants, attorneys, underwriters, financial advisors, and financial fees and expenses, advertising, recording, validation and printing expenses, and all other expenses incurred in connection with the issuance of the Series 2021 Bonds, shall be paid by the Issuer to those persons who shall be entitled to receive the same, or an amount sufficient to pay all or a portion of the same may be deposited in the Construction Fund from which such costs of issuance for the Series 2021 Bonds may be paid; and

(b) the balance of the proceeds of the Series 2021 Bonds shall be deposited into the Construction Fund as described in Section 6 for use in payment of the costs of the 2021 Projects.

**Section 5. No Debt Service Reserve Requirement.**

There is no Debt Service Reserve Requirement for the Series 2021 Bonds and no deposits will be made to the Debt Service Reserve Account for the Series 2021 Bonds.

**Section 6. Construction Fund.**

(a) In accordance with Section 701 of the Master Resolution, a construction fund is hereby authorized to be created prior to or concurrently with the issuance and delivery of the Series 2021 Bonds, said fund to be designated the GEORGIA PORT AUTHORITY REVENUE BONDS CONSTRUCTION FUND 2021 (the "**2021 Construction Fund**"). The 2021 Construction Fund shall be maintained by the Issuer until completion of the 2021 Projects. There shall be deposited to the credit of the 2021 Construction Fund proceeds of the sale of the Series 2021 Bonds as set forth in Section 4 of this First Supplemental Resolution. Such money as deposited in the 2021 Construction Fund shall be held and withdrawn only in accordance with the provisions and restrictions set forth in the Master Resolution, and the Issuer will not cause or permit to be paid therefrom any sums except in accordance herewith; provided, however, that any money in the 2021 Construction Fund not needed at the time for the payment of current obligations during the course of the acquisition and construction of the 2021 Projects, may be invested and reinvested by the Issuer, in such investments as are set forth in Section 1002 of the Master Resolution. Any such investments shall mature not later than such times as shall be necessary to provide money when needed for the 2021 Projects from payments to be made from the 2021 Construction Fund, and shall be held for the account of the 2021 Construction Fund until maturity or until sold, and at maturity or upon such sale, the proceeds received therefrom, including accrued interest and premium, if any, shall be immediately deposited in the 2021 Construction Fund and shall be disposed of in the manner and for the purposes hereinafter provided.

(b) All payments from the Construction Fund shall be made by the Chief Financial Officer, or such other officer of the Issuer properly authorized to sign on its behalf, but before such officer shall make payments from the Construction Fund, there shall be filed in the records of the Issuer a requisition and certificate certifying: (i) each amount to be paid and the name of the person, firm or corporation to whom payment thereof is due; (ii) that an obligation in the stated amount has been incurred by the Issuer, that the same is a proper charge against the



Construction Fund and has not been paid, and stating that the bill, invoice or statement of account for such obligation, or a copy thereof, is on file in the office of the Chief Financial Officer; (iii) that the Issuer has no notice of any vendor's, mechanic's or other liens or rights to liens, chattel mortgages or conditional sales contracts which should be satisfied or discharged before such payment is made; (iv) that such requisition contains no item representing payment on account or any retained percentages which the Issuer is, at the date of such certificate, entitled to retain; and (v) that insofar as such obligation was incurred for work, material, supplies or equipment in connection with the 2021 Projects, such work was actually performed, or such material, supplies or equipment was actually installed in or about the construction or delivered at the site of the work for that purpose.

**Section 7. Lien on 2021 Construction Fund for Series 2021 Bondholders**.

All money in and securities held for the 2021 Construction Fund shall be subject to a lien and charge in favor of the Bondholders of the Series 2021 Bonds and shall be held for the security of such Bondholders until paid out as provided in the Resolution.

**Section 8. Construction of 2021 Projects.**

The Issuer will proceed with the acquisition, construction and equipping of the 2021 Projects substantially in accordance with the plans and specifications on file with the Authority.

**Section 9. Designation of Registrar and Paying Agent; Authorization of Paying Agent/Registrar Agreement**.

U.S. Bank National Association is hereby designated as Registrar and Paying Agent for the Series 2021 Bonds and is requested to execute the certificate of authentication for the Series 2021 Bonds. The Governing Body hereby authorizes and approves the execution and delivery of the Paying Agent/Registrar Agreement, to be dated the date of issuance and delivery of the Series 2021, by and between the Issuer and U.S. Bank National Association in substantially the form set forth in Exhibit B attached hereto and made a part hereof.

**Section 10. Bond Purchase Agreement.**

The sale of the Series 2021 Bonds to the Underwriters is hereby ratified and approved. The Executive Director of the Issuer is authorized to execute on behalf of the Issuer the Bond Purchase Agreement with the Underwriters for the Series 2021 Bonds, dated the date hereof, in the form submitted to the Issuer at the time of adoption of this First Supplemental Resolution.

**Section 11. Authorization of Final Official Statement and Continuing Disclosure Certificate**.

(a) The Issuer has caused to be distributed a Preliminary Official Statement with respect to the Series 2021 Bonds and the execution and delivery of the Official Statement is hereby authorized and approved. The Chairperson is hereby authorized to execute and deliver the Official Statement for and on behalf of the Issuer, in substantially the form of the Preliminary Official Statement, subject to such changes, insertions or omissions as may be approved by the

Chairperson, and the execution of the Official Statement by the Chairperson as hereby authorized shall be conclusive evidence of any such approval. The distribution of the Official Statement for and on behalf of the Issuer is hereby authorized and approved.

(b) In order to assist the initial purchasers of the Series 2021 Bonds in complying with their obligations under Securities and Exchange Commission Act Rule 15c2-12, as amended (the "**Rule**"), with respect to the Series 2021 Bonds, pursuant to the Continuing Disclosure Agreement, the Issuer agrees to undertake all responsibility for compliance with the continuing disclosure requirements contained in the Rule, and hereby approves and authorizes the Chairperson of the Issuer to execute and deliver the Continuing Disclosure Agreement.

**Section 12. General Authorization.**

The proper officers and agents of the Issuer are hereby authorized, empowered, and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Master Resolution, as supplemented and amended by this First Supplemental Resolution, and are further authorized to take any and all further actions and execute and deliver any and all other documents as may be necessary in the issuance of the Series 2021 Bonds. All actions heretofore taken and all documents heretofore executed in connection with the issuance of the Series 2021 Bonds are ratified and approved.

**Section 13. Reaffirmation of Master Resolution.**

Except as supplemented by the provisions of this First Supplemental Resolution, the Master Resolution is hereby reaffirmed and shall continue in full force and effect, and the terms and provisions shall be applicable to the Series 2021 Bonds.

[SIGNATURES TO FOLLOW]



ADOPTED this 19th day of October, 2021.

GEORGIA PORTS AUTHORITY

By: ______________________
Chairperson

(S E A L)

ATTEST:

By: ______________________
Secretary and Treasurer

[SIGNATURE PAGE TO FIRST SUPPLEMENTAL BOND RESOLUTION]

Exhibit A

[FORM OF SERIES 2021 BONDS]

*Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.*

No. R-___

UNITED STATES OF AMERICA
STATE OF GEORGIA

GEORGIA PORTS AUTHORITY (GEORGIA)
REVENUE BOND, SERIES 2021

| | | |
|---|---|---|
| Maturity Date: | July 1, 20__ | CUSIP:__________ |
| Interest Rate: | ___% | |
| Principal Amount: | $____________ | |
| Bond Date: | [Date of Issuance] | |
| Registered Owner: | Cede & Co. | |

The Georgia Ports Authority (hereinafter called the "Issuer"), a body corporate and politic, and an instrumentality of the State of Georgia (the "State"), for value received, hereby promises to pay to the Registered Owner identified above, or to registered assigns or legal representatives, but solely from the revenues hereinafter mentioned, on the Maturity Date identified above (or earlier as hereinafter provided), the Principal Amount identified above, upon presentation and surrender hereof at the designated office of U.S. Bank National Association, or its successors, as Registrar and Paying Agent (the "Registrar" and "Paying Agent"), and to pay, solely from such special revenues, interest on the Principal Amount from the Dated Date, or from the most recent interest payment date to which interest has been paid, at the Interest Rate per annum identified above, until payment of the Principal Amount, or until provision for the payment thereof has been duly provided for, such interest being payable semiannually on the first day of January and the first day of July each year, commencing on July 1, 2022. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months and will be paid by check or draft mailed to the Registered Owner hereof at his address as it appears on the registration books of the Issuer maintained by the Registrar at the close of business on the fifteenth day (whether or not a Business Day) of the month next preceding the interest payment date (the "Record Date"), irrespective of any transfer or exchange of this Bond subsequent to the Record Date and prior to such interest payment date, unless the Issuer shall be in default in payment of interest due on such interest payment date. In the event of any such default, such



defaulted interest shall be payable to the person in whose name such Bond is registered at the close of business on a special record date (which date shall also be the date for the payment of such defaulted interest) as established by notice by deposit in the U.S. mails, postage prepaid, by the Issuer to the Registered Owners of Bonds not less than fifteen days preceding such special record date. Such notice shall be mailed to the persons in whose names the Bonds are registered at the close of business on the fifth day (whether or not a Business Day) preceding the date of mailing.

This Bond and the interest hereon is payable solely from and secured by a lien upon and pledge of certain revenues derived by the Issuer from the operation of the Port Facilities, pursuant to the terms and subject to the conditions described in a resolution adopted by the Issuer on July 26, 2021, as supplemented and amended on October 19, 2021 (together, the "Resolution"), and certain other funds and investment earnings thereon, all in the manner and to the extent provided in the Resolution and as more particularly described below. Reference is hereby made to the Resolution for the provisions, among others, relating to the terms, lien and security of the Bonds, the custody and application of the proceeds of the Bonds, the rights and remedies of the Registered Owners of the Bonds, the extent of and limitations on the Issuer's rights, duties and obligations, and the provisions permitting the issuance or incurrence of additional parity indebtedness (including Additional Bonds), to all of which provisions the Registered Owner hereof for himself and his successors in interest assents by acceptance of this Bond. All terms used herein in capitalized form, unless otherwise defined herein, shall have the meanings ascribed thereto in the Resolution.

THE ISSUER HAS ESTABLISHED A BOOK ENTRY SYSTEM OF REGISTRATION FOR THIS BOND. EXCEPT AS SPECIFICALLY PROVIDED OTHERWISE IN THE HEREINAFTER DEFINED RESOLUTION, CEDE & CO., AS NOMINEE OF THE DEPOSITORY TRUST COMPANY, WILL BE THE REGISTERED OWNER AND WILL HOLD THIS BOND ON BEHALF OF EACH BENEFICIAL OWNER HEREOF. BY ACCEPTANCE OF A CONFIRMATION OF PURCHASE, DELIVERY OR TRANSFER, EACH BENEFICIAL OWNER OF THIS BOND SHALL BE DEEMED TO HAVE AGREED TO SUCH ARRANGEMENT. CEDE & CO., AS REGISTERED OWNER OF THIS BOND, WILL BE TREATED AS THE OWNER OF THIS BOND FOR ALL PURPOSES.

THIS BOND SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OF THE STATE OF GEORGIA OR A PLEDGE OF THE FAITH AND CREDIT THEREOF, AND THE BONDS ARE PAYABLE SOLELY FROM THE REVENUES AND THE FUNDS DESCRIBED IN THE RESOLUTION. NO OWNER OF ANY BOND HAS THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER OF THE STATE OF GEORGIA TO PAY THE BONDS OR THE INTEREST THEREON, AND THE ISSUANCE OF THE BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OF GEORGIA TO LEVY OR PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR FROM EARNINGS, AND THE ISSUANCE OF THE BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OF GEORGIA TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. NEITHER THE STATE NOR THE ISSUER SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THE BONDS EXCEPT FROM THE REVENUES AND FUNDS PROVIDED BY THE RESOLUTION.

It is further agreed between the Issuer and the Registered Owner of this Bond that this Bond and the indebtedness evidenced hereby shall not constitute a lien upon the Port Facilities, or any part thereof, or any other tangible personal property of or in the Issuer, but shall constitute a lien only on the Pledged Revenues and certain other funds and investment earnings thereon, all in the manner and to the extent provided in the Resolution. Neither the Chairperson, the Secretary and Treasurer, officers or officials of the Issuer, nor any person executing the Bonds shall be liable personally on the Bonds by reason of their issuance.

Under the terms of the Resolution, the Issuer may issue, under certain terms and conditions, Additional Bonds on a parity as to lien on the Pledged Revenues of the Port Facilities with the Bonds.

This Bond is one of an authorized issue of Bonds known as the GEORGIA PORTS AUTHORITY REVENUE BONDS, SERIES 2021, in the aggregate principal amount of $427,040,000 (the "Series 2021 Bonds"), of like tenor and effect, except as to number, maturity and interest rate, issued to finance the cost of the acquisition, construction and equipping of additions, extensions and improvements to the Port Facilities, pursuant to the authority of and in full compliance with the Constitution and laws of the State of Georgia. This Bond is also subject to the terms and conditions of the Resolution.

The Series 2021 Bonds maturing on July 1, 2032, and thereafter may be redeemed prior to their respective maturities at the option of the Issuer, in whole or in part, at any time, beginning July 1, 2031, (if less than all of the Series 2021 Bonds of a maturity are to be redeemed, the actual Series 2021 Bonds of such maturity shall be selected by lot in such manner as may be designated by DTC while the Series 2021 Bonds are held as book-entry bonds and by the Paying Agent if the Series 2021 Bonds are no longer held as book-entry bonds), in such order as may be designated by the Issuer, at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date.

The Series 2021 Bonds maturing on July 1, 2046 yielding interest at 3.000%, are subject to scheduled mandatory redemption prior to maturity in part *pro rata* among the Bondholders of the mandatory Series 2021 Bonds to be redeemed (rounded to the nearest $5,000 of the principal amount of each Series 2021 Bond) at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of such redemption, in the following principal amounts and on the dates set forth below (the July 1, 2046 amount to be paid at maturity rather than redeemed):

| July 1 | Principal Amount |
|---|---|
| 2044 | $8,090,000 |
| 2045 | 8,330,000 |
| 2046 | 8,580,000 |

The Series 2021 Bonds maturing on July 1, 2046 yielding interest at 4.000%, are subject to scheduled mandatory redemption prior to maturity in part *pro rata* among the Bondholders of the mandatory Series 2021 Bonds to be redeemed (rounded to the nearest $5,000 of the principal amount of each Series 2021 Bond) at a redemption price equal to 100% of the principal amount



thereof plus accrued interest to the date of such redemption, in the following principal amounts and on the dates set forth below (the July 1, 2046 amount to be paid at maturity rather than redeemed):

| July 1 | Principal Amount |
|---|---|
| 2044 | $10,500,000 |
| 2045 | 10,925,000 |
| 2046 | 11,360,000 |

The Series 2021 Bonds maturing on July 1, 2051 yielding interest at 2.625%, are subject to scheduled mandatory redemption prior to maturity in part *pro rata* among the Bondholders of the mandatory Series 2021 Bonds to be redeemed (rounded to the nearest $5,000 of the principal amount of each Series 2021 Bond) at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of such redemption, in the following principal amounts and on the dates set forth below (the July 1, 2051 amount to be paid at maturity rather than redeemed):

| July 1 | Principal Amount |
|---|---|
| 2047 | $4,745,000 |
| 2048 | 4,870,000 |
| 2049 | 4,995,000 |
| 2050 | 5,130,000 |
| 2051 | 5,260,000 |

The Series 2021 Bonds maturing on July 1, 2051 yielding interest at 4.000%, are subject to scheduled mandatory redemption prior to maturity in part *pro rata* among the Bondholders of the mandatory Series 2021 Bonds to be redeemed (rounded to the nearest $5,000 of the principal amount of each Series 2021 Bond) at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of such redemption, in the following principal amounts and on the dates set forth below (the July 1, 2051 amount to be paid at maturity rather than redeemed):

| July 1 | Principal Amount |
|---|---|
| 2047 | $15,905,000 |
| 2048 | 16,540,000 |
| 2049 | 17,205,000 |
| 2050 | 17,890,000 |
| 2051 | 18,610,000 |

Notice of such redemption shall be given in the manner required by the Resolution.

The registration of this Bond may be transferred upon the registration books upon delivery to the designated office of the Registrar accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Registrar, duly executed by the owner of this Bond or by his attorney-in-fact or legal representative, containing written instructions as to the details of transfer of this Bond, along with the social security number or federal employer identification number of such transferee. In all cases of a transfer of a Bond, the Registrar shall at the earliest practical time in accordance with the provisions of the Resolution enter the transfer of ownership in the registration books and (unless uncertificated registration shall be requested and the Issuer has a registration system that will accommodate uncertificated registration) shall deliver in the name of the new transferee or transferees a new fully registered Bond or Bonds of the same maturity and of authorized denomination or denominations, for the same aggregate principal amount and payable from the same source of funds. Neither the Issuer nor the Registrar shall be required to register the transfer of any Bond during the period commencing on the fifteenth day of the month immediately preceding an interest payment date on the Bonds and ending on such interest payment date, or, in the case of any proposed redemption of Bonds, after such Bonds or any portion thereof have been selected for redemption. The Issuer and the Registrar may charge the owner of such Bond for the registration of every such transfer of a Bond an amount sufficient to reimburse them for any tax, fee or any other governmental charge required (other than by the Issuer) to be paid with respect to the registration of such transfer, and may require that such amounts be paid before any such new Bond shall be delivered.

If the date for payment of the principal of, premium, if any, or interest on this Bond is not a Business Day, then the date for such payment shall be the next succeeding Business Day, and payment on such day shall have the same force and effect as if made on the nominal date of payment.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen, and to be performed precedent to and in the issuance of this Bond exist, have happened and have been performed in regular and due form and time as required by the laws and Constitution of the State of Georgia applicable hereto, and that the issuance of the Bonds of this Series does not violate any constitutional or statutory limitation or provision.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the Certificate of Authentication endorsed hereon shall have been signed by the Registrar.

This Bond is issued with the intent that the laws of the State of Georgia shall govern its construction.



IN WITNESS WHEREOF, the Georgia Ports Authority has issued this Bond and has caused the same to be signed by the Chairperson and attested to and countersigned by the Secretary and Treasurer, either manually or with their facsimile signatures, and its corporate seal or a facsimile thereof to be affixed, impressed, imprinted, lithographed or reproduced hereon, all as of the ______ day of _____________, 2021.

GEORGIA PORTS AUTHORITY

(S E A L)

By: (FORM)
Chairperson

ATTEST:

By: (FORM)
Secretary and Treasurer

STATE OF GEORGIA )
) VALIDATION CERTIFICATE
CHATHAM COUNTY )

I, the undersigned Clerk of the Superior Court of Chatham County, State of Georgia, keeper of the records and seal thereof, hereby certify that this Bond was validated and confirmed by judgment of the Superior Court of Chatham County, Georgia, on August 17, 2021.

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

(S E A L)

__________________________________
CLERK, SUPERIOR COURT
CHATHAM COUNTY, GEORGIA

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds designated in and executed under the provisions of the within mentioned Resolution.

Date of Authentication: __________, 2021

U.S. BANK NATIONAL ASSOCIATION,
As Authentication Agent

By: ______________________________
Authorized Officer



ASSIGNMENT

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

____________________________________________

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF ASSIGNEE

__________________________________

________________________________________________________________
Please print or typewrite name and address, including postal zip code of transferee.

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

__________________________________
Assignor

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

Date: __________, 20__

Signature Guaranteed:

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

[END OF BOND FORM]

Exhibit B

PAYING AGENT/ REGISTRAR AGREEMENT

THIS PAYING AGENT/ REGISTRAR AGREEMENT (this "Agreement"), is entered into as of __________, 2021 by and between Georgia Ports Authority (the "Issuer"), and U.S. Bank National Association ("Bank"), as Paying Agent and Registrar.

RECITALS

WHEREAS the Issuer has duly authorized and provided for the issuance of its GEORGIA PORTS AUTHORITY REVENUE BONDS, SERIES 2021 (the "Bonds") in an aggregate principal amount of $427,040,000 to be issued as fully registered bonds without coupons, in accordance with the provisions of a Master Bond Resolution adopted by the Governing Body of the Issuer on July 26, 2021, as supplemented and amended by a First Supplemental Bond Resolution adopted on October 19, 2021 (together, the Resolution"); and

WHEREAS, capitalized terms used herein and not otherwise defined shall have the meanings given such terms in the Resolution; and

WHEREAS the Issuer will ensure all things necessary to make the Bonds the valid obligations of the Issuer, in accordance with their terms, will be done upon the issuance and delivery thereof; and

WHEREAS the Issuer and the Bank wish to provide the terms under which Bank will act as Paying Agent to pay the principal, redemption premium (if any) and interest on the Bonds, in accordance with the terms thereof, and under which the Bank will act as Registrar for the Bonds; and

WHEREAS the Bank has agreed to serve in such capacities for and on behalf of the Issuer and has full power and authority to perform and serve as Paying Agent and Registrar for the Bonds; and

WHEREAS the Issuer has duly authorized the execution and delivery of this Agreement; and all things necessary to make this Agreement a valid agreement have been done.

NOW, THEREFORE, it is mutually agreed as follows:



ARTICLE ONE

DEFINITIONS

Section 1.01. Definitions.

For all purposes of this Agreement except as otherwise expressly provided or unless the context otherwise requires:

"Bank" means U.S. Bank National Association, a national banking association organized and existing under the laws of the United States of America.

"Bond Register" means the book or books of registration kept by the Bank in which are maintained the names and addresses and principal amounts registered to each Registered Owner.

"Fiscal Year" means the fiscal year of the Issuer ending on June 30 of each year.

"Issuer" means Georgia Ports Authority.

"Paying Agent" means the Bank when it is performing the function of paying agent for the Bonds.

"Person" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision of a government or any entity whatsoever.

"Registered Owner" means a Person in whose name a Bond is registered in the Bond Register.

"Registrar" means the Bank when it is performing the function of registrar for the Bonds.

"Stated Maturity" when used with respect to any Bond means the date specified in the Bond as the date on which the principal of such Bond is due and payable.

ARTICLE TWO

APPOINTMENT OF BANK AS
PAYING AGENT AND REGISTRAR

Section 2.01. Appointment and Acceptance.

The Issuer hereby appoints the Bank to act as Paying Agent with respect to the Bonds, to pay to the Registered Owners in accordance with the terms and provisions of this Agreement the principal of, redemption premium (if any), and interest on all or any of the Bonds.

The Issuer hereby appoints the Bank as Registrar with respect to the Bonds. As Registrar, the Bank shall keep and maintain for and on behalf of the Issuer, books and records as to the ownership of the Bonds and with respect to the transfer and exchange thereof as provided.

The Bank hereby accepts its appointment, and agrees to act as Paying Agent and Registrar.

Section 2.02. Compensation.

As compensation for the Bank's services as Paying Agent and Registrar, the Issuer hereby agrees to pay the Bank the fees and amounts as set forth in a separate agreement between the Issuer and the Bank. For the first year of this Agreement, and thereafter, the fees and amounts set forth in the Bank's current fee schedule then in effect for services as Paying Agent/Registrar for municipalities, which shall be supplied by the Bank to the Issuer on or before 90 days prior to the close of the Fiscal Year of the Issuer, and, if there are any changes, shall be effective upon the first day of the following Fiscal Year.

In addition, the Issuer agrees to reimburse the Bank, upon its request, for all reasonable out-of-pocket expenses, disbursements, and advances, including without limitation the reasonable fees, expenses, and disbursements of its agents and attorneys, incurred or made by the Bank in connection with entering into and performing its duties under this Agreement or in connection with investigating and defending itself against any claim or liability hereunder ("Extraordinary Fees"). The Bank shall promptly notify the Issuer of any such Extraordinary Fees and such payment shall be made by the Issuer after such notice and approval by the Issuer.

ARTICLE THREE

PAYING AGENT

Section 3.01. Duties of Paying Agent.

As Paying Agent, the Bank, provided sufficient collected funds have been deposited for such purpose by or on behalf of the Issuer in the account designated by the Bank hereunder (the "Account"), shall pay on behalf of the Issuer the principal of, redemption premium, if any, and interest on each Bond in accordance with the provisions of such Bond. The Bank has no obligation to draw upon any account or pursuant to any letter of credit, insurance policy or other agreement or take any other action to assist the Issuer to comply with its obligations except to the extent expressly set forth in this Agreement.

Section 3.02. Payment Dates.

The Issuer hereby instructs the Bank to pay the principal of, redemption premium (if any) and interest on the Bonds on the dates specified in each Bond, from the Account to the extent such amounts are on deposit in the Account.

The Bank shall not be required to pay interest on any funds of the Issuer for any period during which such funds are held by the Bank awaiting the presentation of the Bonds for payment.



Section 3.03 Receipt of Funds.

The Issuer hereby agrees to deposit in the Account sufficient funds to make principal of, redemption premium (if any) and interest payments as follows: (1) payment by check must be received by the Paying Agent at least 5 Business Days prior to payment date and (2) payment by wire must be received by the Paying Agent not later than one Business Day prior to payment date. For purposes of this Agreement, a "Business Day" is any day other than a Saturday, Sunday, or federally recognized holiday on which the Paying Agent is open to the public for all banking purposes.

ARTICLE FOUR

REGISTRAR

Section 4.01. Initial Delivery of Bonds.

The Bonds will be initially registered and delivered to the purchaser(s) designated by the Issuer as one Bond for each maturity, however, if said purchaser(s) delivers a written request to the Bank, not later than five business days prior to the date of initial delivery, the Bank will deliver, on the date of initial delivery, Bonds of authorized denominations, registered in accordance with the instructions in such written request.

Section 4.02. Duties of Registrar.

The Bank shall provide for the proper registration of transfer, exchange and replacement of the Bonds. Every Bond surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, the signature on which has been guaranteed by an eligible guarantor institution, in form acceptable to the Bank, duly executed by the Registered Owner thereof or such Registered Owner's agent. The Registrar may request any supporting documentation it deems necessary or appropriate to effect a re-registration.

Section 4.03. Unauthenticated Bonds.

The Issuer shall provide to the Bank on a continuing basis, an adequate inventory of unauthenticated Bonds to facilitate transfers. The Bank agrees that it will maintain such unauthenticated Bonds in safekeeping.

Section 4.04. Form of Bond Register.

The Bank as Registrar will maintain its records as Registrar in accordance with the Bank's general practices and procedures in effect from time to time.

Section 4.06. Cancelled Bonds.

All Bonds surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Bank, shall be promptly cancelled by it and, if surrendered to the Issuer, shall be delivered to the Bank and, if not already cancelled, shall be promptly cancelled by the Bank. The Issuer may at any time deliver to the Bank for cancellation any Bonds previously authenticated and delivered which the Issuer may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly cancelled by the Bank. All cancelled Bonds held by the Bank for its retention period then in effect and shall thereafter be destroyed and evidence of such destruction furnished to the Issuer upon its written request.

Section 4.07. Mutilated, Lost, Stolen or Destroyed Bonds.

In case any Bond shall become mutilated or be destroyed, stolen or lost, the Bank shall deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of any such mutilated Bond or in lieu of and in substitution for any such Bond destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Bank in connection therewith; and, in the case of a Bond destroyed, stolen or lost, upon filing by the owner with the Bank of evidence satisfactory to the Bank that such Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Bank of an appropriate bond of indemnity in form, substance and amount as may be required by law and as is otherwise satisfactory to the Bank. All Bonds so surrendered to the Bank shall be canceled by it and evidence of such cancellation shall be given to the Issuer. If the mutilated, destroyed, stolen or lost Bond has already matured or been called for redemption in accordance with its terms it shall not be necessary to issue a new Bond prior to payment, provided that the owner shall first provide the Bank with a bond of indemnity as set forth above.

ARTICLE FIVE

THE BANK

Section 5.01.Duties of Bank.

The Bank undertakes to perform the duties set forth herein, each of which is ministerial and non-fiduciary in nature. No implied duties or obligations shall be read into this Agreement against the Bank. The Bank hereby agrees to use the funds deposited with it for payment of the principal of, redemption premium (if any) and interest on the Bonds to pay the same as it shall become due and further agrees to establish and maintain such accounts and funds as may be required for the Bank to function as Paying Agent.

Section 5.02.Reliance on Documents, Etc.

(a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions expressed therein, on certificates or opinions furnished to the Bank by the Issuer.



(b) The Bank shall not be liable for any error of judgment made in good faith. The Bank shall not be liable for other than its negligence or willful misconduct in connection with any act or omission hereunder.

(c) No provision of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers.

(d) The Bank may rely, or be protected in acting or refraining from acting, upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Bank need not examine the ownership of any Bond, but shall be protected in acting upon receipt of Bonds containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Registered Owner or agent of the Registered Owner.

(e) The Bank may consult with counsel with respect to any question relating to its duties or responsibilities hereunder, and the written advice or opinion of counsel may be relied upon in good faith.

(f) The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys appointed by it with due care.

Section 5.03. Recitals of Issuer.

The recitals contained in the Bonds shall be taken as the statements of the Issuer, and the Bank assumes no responsibility for their correctness.

Section 5.04. May Own Bonds; Other Transactions.

The Bank, in its individual or any other capacity, may become the owner or pledgee of Bonds with the same rights it would have if it were not the Paying Agent and Registrar for the Bonds. The Bank may engage in or be interested in any financial or other transaction with the Issuer, any Bond owner or any other Person.

Section 5.05. Money Held by Bank.

Money held by the Bank hereunder need not be segregated from other funds. The Bank shall have no duties with respect to investment of funds deposited with it and shall be under no obligation to pay interest on any money received by it hereunder. Any money deposited with or otherwise held by the Bank for the payment of the principal, redemption premium (if any) or interest on any Bond and remaining unclaimed, by the Registered Owner (or by the Issuer (which claim by the Issuer shall be made in writing) after maturity and prior to escheatment) will be escheated pursuant to the applicable state law. If funds are returned to the Issuer, the Issuer and the Bank agree that the Registered Owner of such Bond shall thereafter look only to the Issuer for payment thereof, and that all liability of the Bank with respect to such moneys shall thereupon cease.

Section 5.06. Interpleader.

The Issuer and the Bank agree that the Bank may seek adjudication of any adverse claim, demand, or controversy over its person as well as funds on deposit, in a court of competent jurisdiction. The Issuer and the Bank further agree that the Bank has the right to file an action in interpleader in any court of competent jurisdiction to determine the rights of any person claiming any interest herein.

ARTICLE SIX

MISCELLANEOUS PROVISIONS

Section 6.01. Amendment.

This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

Section 6.02. Assignment

This Agreement may not be assigned by either party without the prior written consent of the other party.

Section 6.03. Notices.

Any request, demand, authorization, direction, notice, consent, waiver or other document provided or permitted hereby to be given or furnished to the Issuer or the Bank shall be mailed, faxed, sent pdf or delivered to the Issuer or the Bank, respectively, at the address shown below, or such other address as may have been given by one party to the other by fifteen (15) days written notice:

| | |
|---|---|
| If to the Issuer: | Georgia Ports Authority<br>P.O. Box 2406<br>Savannah, Georgia 31402<br>Attention: Chief Financial Officer |
| If to the Bank: | U.S. Bank National Association<br>1349 W Peachtree Street, NW, Suite 1050<br>Atlanta, Georgia 30309<br>Attention: Felicia Powell |



Section 6.04. Effect of Headings.

The Article and Section headings herein are for convenience of reference only and shall not affect the construction hereof.

Section 6.05. Successors and Assigns.

All covenants and agreements herein by the Issuer and the Bank shall bind their successors and assigns, whether so expressed or not.

Section 6.06. Severability.

If any provision of this Agreement shall be determined to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

Section 6.07. Benefits of Agreement.

This Agreement is intended to be for the benefit of or to be enforceable by only the Issuer and the Bank, and no third party shall be entitled to claim that it is a third party beneficiary hereof.

Section 6.08. Entire Agreement.

This Agreement shall constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent and Registrar.

Section 6.09. Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

Section 6.10. Term and Termination.

This Agreement shall be effective from and after its date and until the Bank resigns; provided, however, that no such termination shall be effective until a successor has been appointed and has accepted the duties of the Bank hereunder.

The Bank may resign at any time by giving written notice thereof to the Issuer. If the Bank shall resign, or become incapable of acting, the Issuer shall promptly appoint a successor Paying Agent and Registrar. If an instrument of acceptance by a successor Paying Agent and Registrar shall not have been delivered to the Bank within thirty 30 days after the Bank gives notice of resignation, the Bank may petition any court of competent jurisdiction at the expense of the Issuer for the appointment of a successor Paying Agent and Registrar. In the event of resignation of the Bank as Paying Agent and Registrar, upon the written request of the Issuer and upon payment of all amounts owing to the Bank hereunder the Bank shall deliver to the Issuer or its designee all funds in the Account and unauthenticated Bonds and a copy of the Register. The provisions of Section 2.02 and Section 5.07 hereof shall survive and remain in full force and effect following the termination of this Agreement.

Section 6.11. Governing Law.

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

Section 6.12. Documents to be delivered to Bank.

At the time of the Bank's appointment as Paying Agent and Registrar, the Issuer shall deliver to the Bank the following documents: (a) a specimen Bond; (b) a copy of the opinion of bond counsel provided to the Issuer in connection with the issuance of the Bonds; and (c) such other information that the Bank may reasonably request.

Section 6.13. Patriot Act Compliance.

To assist local, state, federal government, and international authorities fight the funding of terrorism and unlawful money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. For a non-individual person entity such as a business, a charity, a trust, or other legal entity, the Bank will require documentation to verify the non-individual person's formation and existence as a legal entity. The Bank also may require to see financial statements, licenses, identification, and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

IN WITNESS WHEREOF, the Issuer and the Bank have caused this Agreement to be executed in their respective names by their duly authorized representatives, in two counterparts, each of which shall be deemed an original.

GEORGIA PORTS AUTHORITY,
Issuer

By: ______________________________
Chairperson

U.S. BANK NATIONAL ASSOCIATION,
as Paying Agent and Registrar

By: ______________________________
Authorized Representative



SECRETARY AND TREASURER'S CERTIFICATE

I, the undersigned Secretary and Treasurer of the Georgia Ports Authority (the "Authority"), keeper of the records and seal thereof, hereby certify that the foregoing is a true and correct copy of a resolution adopted by the Georgia Ports Authority in public meeting assembled on October 19, 2021, the original of which resolution has been entered in the official records of the Authority under my supervision and is in my official possession, custody and control.

I further certify that the meeting was held in conformity with the requirements of Title 50, Chapter 14 of the Official Code of Georgia Annotated.

(SEAL)

By: ______________________________
SECRETARY AND TREASURER
GEORGIA PORTS AUTHORITY

GEORGIA PORTS AUTHORITY

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SECOND SUPPLEMENTAL BOND RESOLUTION

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Adopted August 3, 2022

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PROVIDING FOR THE ISSUANCE OF

GEORGIA PORTS AUTHORITY
REVENUE BONDS, SERIES 2022
IN THE AGGREGATE PRINCIPAL AMOUNT
OF
$755,615,000

**SECOND SUPPLEMENTAL BOND RESOLUTION**

THIS SECOND SUPPLEMENTAL BOND RESOLUTION OF THE GEORGIA PORTS AUTHORITY (THE "**AUTHORITY**" OR THE "**ISSUER**") IS ADOPTED THIS AUGUST 3, 2022, FOR THE PURPOSE OF PROVIDING THE FINAL TERMS FOR THE ISSUANCE OF THE GEORGIA PORTS AUTHORITY REVENUE BONDS, SERIES 2022.

**PREAMBLE**

1. The Governing Body of the Issuer adopted a Master Bond Resolution on July 26, 2021 (the "**Master Resolution**") providing for the issuance of revenue bonds of the Authority in the aggregate principal amount not to exceed $525,000,000. The Master Resolution was supplemented and amended by a First Supplemental Bond Resolution on October 19, 2021 (the "**First Supplemental Resolution**"), which authorized the issuance of the GEORGIA PORTS AUTHORITY REVENUE BONDS, SERIES 2021 (the "**Series 2021 Bonds**"), which were issued and delivered by the Authority on November 4, 2021 in the aggregate principal amount of $427,040,000.

2. On April 5, 2022, the Governing Body of the Issuer adopted an Intent and Reimbursement Resolution (the "**Reimbursement Resolution**") which requested that the Georgia State Financing and Investment Commission (the "**Commission**") approve the offer, sale and issuance of one or more series of revenue bonds, to be issued on a parity basis with the Series 2021 Bonds, in an aggregate principal amount not to exceed $850,000,000 (the "**Series 2022 Bonds**") for the purpose of providing funds to further expand and improve current facilities of the Authority, and to undertake additional projects and expend funds on the planning, design, construction, acquisition, and development of certain property on, or adjacent to, existing or planned Authority terminal facilities in order to increase container handling capacities to meet the current demand and expected continued growth in demand for the services provided by the Authority, as more specifically described the Reimbursement Resolution (collectively, the "**2022 Projects**").

3. The Reimbursement Resolution further authorized (i) the recommendation to the Commission of the same senior managing underwriter and the same members of the syndicate of underwriters for the Series 2021 Bonds (collectively, the "**Authority Underwriting Team**") for the issuance and sale of the Series 2022 Bonds, (ii) the selection of Public Resources Advisory Group ("**PRAG**") to serve as the Authority's financial advisor for the Series 2022 Bonds, (iii) the filing for validation of the Series 2022 Bonds, (iv) the preparation, use and distribution of the Preliminary Official Statement, and (v) any ancillary and necessary actions with respect to the issuance of the Series 2022 Bonds.

4. On April 11, 2022, the Commission authorized the issuance of the Series 2022 Bonds in the aggregate principal amount not to exceed $850,000,000, pursuant to the terms and conditions set forth in the Reimbursement Resolution. The Commission further authorized the selection of PRAG to serve as financial advisor to the Authority and the Authority's request to use the same senior managing underwriter and underwriting syndicate that were selected for the Series 2021 Bonds for a negotiated sale of the Series 2022 Bonds.

5. In accordance with the Act and the Revenue Bond Law, the Series 2022 Bonds were validated by the Superior Court of Chatham County, Georgia on May 10, 2022, Civil Action No. SPCV22-00460WA.

6. In accordance with the provisions of this Second Supplemental Bond Resolution, it is necessary and proper for the Issuer to (i) authorize the final terms for the issuance and delivery of the Series 2022 Bonds, (ii) provide for the redemption of the Series 2022 Bonds prior to their maturity thereof, (iii) designate the Registrar and Paying Agent for the Series 2022 Bonds, and (iv) provide for the application of the proceeds of the Series 2022 Bonds.

7. Section 1202 of the Master Resolution provides for the issuance of Additional Bonds (as defined in the Master Resolution) for the purpose of refunding any issue or issues of outstanding bonds or financing, in whole or in part, additions, extensions and improvements to the Port Facilities ranking as to lien on the Pledged Revenues on a parity with the Series 2021 Bonds, provided certain conditions are met by the Issuer. In order to meet the requirements of the Master Resolution, the Issuer hereby certifies that it is in compliance with Section 1202(a) and 1202(b) of the Master Resolution. Furthermore, PRAG, in its capacity as a Qualified Independent Consultant for the Authority, will certify to the Authority that the requirements of Section 1202(c) of the Master Resolution are being met and have been complied with by the Issuer, prior to the issuance of the Series 2022 Bonds.

8. To facilitate the marketing and sale of the Series 2022 Bonds, the Issuer has authorized the preparation, use, and distribution of a Preliminary Official Statement, the form of which has been presented to the Governing Body of the Issuer and is on file with the Secretary-Treasurer of the Issuer (the "**Preliminary Official Statement**"), which on July 22, 2022, was "deemed final" by the Executive Director of the Authority for purposes of Rule 15c2-12 under the Securities Exchange Act. It now is necessary and proper for the Issuer to ratify the distribution of the Preliminary Official Statement and to authorize the execution and delivery of an Official Statement in final form, to be dated as of the date hereof (the "**Official Statement**").

9. It is proposed that the Issuer authorize and approve the execution and delivery of a continuing disclosure agreement, in the form attached to the Preliminary Official Statement relating to the Series 2022 Bonds (the "**Continuing Disclosure Agreement**"). It now is necessary and proper for the Issuer to authorize the execution and delivery of the Continuing Disclosure Agreement.

10. The Series 2022 Bonds are being purchased by BofA Securities, Inc., Academy Securities, Inc., Citigroup Global Markets Inc., J.P. Morgan Securities LLC, Raymond James & Associates, Inc., Siebert Williams Shank & Co., LLC and Wells Fargo Bank, National Association (collectively, the "**Underwriters**") through a negotiated sale. In order to finalize the sale of the Series 2022 Bonds, it now is necessary and proper that the Issuer approve a Bond Purchase Agreement, dated as of the date hereof (the "**Bond Purchase Agreement**"), by and among the Issuer and the Underwriters, in the form submitted to the Issuer at the time of adoption of this Second Supplemental Resolution.



11. Capitalized terms used herein and not defined otherwise shall have the meanings given such terms in the Master Resolution. Hereinafter the Master Resolution, the First Supplemental Resolution and this Second Supplemental Resolution are collectively referred to as the "**Resolution**".

NOW, THEREFORE, BE IT RESOLVED by the Georgia Ports Authority in public meeting properly and lawfully called and assembled, and it is hereby resolved by authority of the same, as follows:

**Section 1. Terms of the Series 2022 Bonds; Redemption Provisions.**

(a) The Series 2022 Bonds shall be issued in the aggregate principal amount of $755,615,000. The Series 2022 Bonds shall bear interest at the rates set out below, payable semi-annually on the first days of January and July in each year, beginning January 1, 2023, and shall mature on July 1 in the years and in the amounts as follows:

| Maturing July 1 | Principal Amount | Interest Rate |
|---|---|---|
| 2023 | $ 7,115,000 | 5.00% |
| 2024 | 2,870,000 | 5.00 |
| 2025 | 9,205,000 | 5.00 |
| 2026 | 13,620,000 | 5.00 |
| 2027 | 14,300,000 | 5.00 |
| 2028 | 15,015,000 | 5.00 |
| 2029 | 15,765,000 | 5.00 |
| 2030 | 16,555,000 | 5.00 |
| 2031 | 17,385,000 | 5.00 |
| 2032 | 18,250,000 | 5.00 |
| 2033 | 19,165,000 | 5.00 |
| 2034 | 20,125,000 | 5.00 |
| 2035 | 21,130,000 | 5.00 |
| 2036 | 22,185,000 | 5.00 |
| 2037 | 23,295,000 | 5.00 |
| 2038 | 24,460,000 | 5.00 |
| 2039 | 25,685,000 | 5.25 |
| 2040 | 27,030,000 | 4.00 |
| 2041 | 28,115,000 | 5.00 |
| 2042 | 29,520,000 | 5.00 |
| 2043 | 30,995,000 | 5.25 |
| 2047* | 59,705,000 | 4.00 |
| 2047* | 80,000,000 | 5.00 |
| 2052* | 100,000,000 | 4.00 |
| 2052* | 114,125,000 | 5.25 |

* Subject to scheduled mandatory redemption.

(b) The Series 2022 Bonds will be dated the date of their issuance and delivery (the "**Bond Date**") and the Series 2022 Bonds as originally issued shall be lettered and numbered from R-1 upward in order of maturity, or in such other manner as may be directed by the Issuer, according to the records maintained by the Bond Registrar. The Series 2022 Bonds are issued in fully registered form in the denomination of $5,000 or any integral multiple thereof.

(c) The Series 2022 Bonds maturing on July 1, 2033, and thereafter may be redeemed prior to their respective maturities at the option of the Issuer, in whole or in part, at any time, beginning July 1, 2032, (if less than all of the Series 2022 Bonds of a maturity are to be redeemed, the actual Series 2022 Bonds of such maturity shall be selected by lot in such manner as may be designated by DTC while the Series 2022 Bonds are held as book-entry bonds and by the Paying Agent if the Series 2022 Bonds are no longer held as book-entry bonds), in such order as may be designated by the Issuer, at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date.

(d) The Series 2022 Bonds maturing on July 1, 2047 bearing interest at the rate of 4.00% per annum, are subject to scheduled mandatory redemption prior to maturity in part *pro rata* among the Bondholders of the mandatory Series 2022 Bonds to be redeemed (rounded to the nearest $5,000 of the principal amount of each Series 2022 Bond) at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of such redemption, in the following principal amounts and on the dates set forth below (the July 1, 2047 amount to be paid at maturity rather than redeemed):

| July 1 | Principal Amount |
|---|---|
| 2044 | $14,060,000 |
| 2045 | 14,620,000 |
| 2046 | 15,210,000 |
| 2047 | 15,815,000 |

The Series 2022 Bonds maturing on July 1, 2047 bearing interest at the rate of 5.00% per annum, are subject to scheduled mandatory redemption prior to maturity in part *pro rata* among the Bondholders of the mandatory Series 2022 Bonds to be redeemed (rounded to the nearest $5,000 of the principal amount of each Series 2022 Bond) at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of such redemption, in the following principal amounts and on the dates set forth below (the July 1, 2047 amount to be paid at maturity rather than redeemed):

| July 1 | Principal Amount |
|---|---|
| 2044 | $18,560,000 |
| 2045 | 19,490,000 |
| 2046 | 20,460,000 |
| 2047 | 21,490,000 |

The Series 2022 Bonds maturing on July 1, 2052 bearing interest at the rate of 4.00% per annum, are subject to scheduled mandatory redemption prior to maturity in part *pro rata* among the Bondholders of the mandatory Series 2022 Bonds to be redeemed (rounded to the nearest $5,000 of the principal amount of each Series 2022 Bond) at a redemption price equal to 100%



of the principal amount thereof plus accrued interest to the date of such redemption, in the following principal amounts and on the dates set forth below (the July 1, 2052 amount to be paid at maturity rather than redeemed):

| July 1 | Principal Amount |
|---|---|
| 2048 | $18,100,000 |
| 2049 | 19,000,000 |
| 2050 | 19,950,000 |
| 2051 | 20,950,000 |
| 2052 | 22,000,000 |

The Series 2022 Bonds maturing on July 1, 2052 bearing interest at the rate of 5.25% per annum, are subject to scheduled mandatory redemption prior to maturity in part *pro rata* among the Bondholders of the mandatory Series 2022 Bonds to be redeemed (rounded to the nearest $5,000 of the principal amount of each Series 2022 Bond) at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of such redemption, in the following principal amounts and on the dates set forth below (the July 1, 2052 amount to be paid at maturity rather than redeemed):

| July 1 | Principal Amount |
|---|---|
| 2048 | $20,910,000 |
| 2049 | 21,830,000 |
| 2050 | 22,785,000 |
| 2051 | 23,780,000 |
| 2052 | 24,820,000 |

(e) The *pro rata* redemption provided for in Section 2(d) and this Section 2(e) shall be made by redeeming from each Bondholder of the maturity to be redeemed that principal amount which bears the same proportion to the principal amount of such stated maturity registered in the name of such Bondholder as the total principal amount of such stated maturity to be redeemed on any date of scheduled mandatory redemption bears to the aggregate principal amount of such stated maturity Outstanding prior to redemption. If the Paying Agent cannot make a strict *pro rata* redemption among the Bondholders of a stated maturity, the Paying Agent will redeem more or less than a *pro rata* portion from one or more Bondholders of such stated maturity in such manner as the Paying Agent deems fair and reasonable. As long as the Series 2022 Bonds are held as book-entry bonds, such selection for redemption shall be made in accordance with the operational arrangements of DTC. In connection with any such redemption prior to maturity, the Paying Agent will make appropriate entries in the Bond Register to reflect a portion of any Series 2022 Bond so redeemed and the amount of the principal remaining outstanding. The Paying Agent's notation in the Bond Register shall be conclusive as to the principal amount of any Outstanding Series 2022 Bond at any time.

(f) Notice of any optional redemption of Series 2022 Bonds pursuant to this Section shall be given by the Issuer to the Bond Registrar and Paying Agent at least 35 days prior to the date fixed for redemption. The Bond Registrar shall give notice of redemption pursuant to this Section at least one time not less than 30 days nor more than 60 days prior to the date fixed for redemption to the Bondholder of each of the Series 2022 Bonds being called for redemption by first class mail (electronically while the Series 2022 Bonds are held as book-entry bonds) at the address shown on the register of the Bond Registrar. Said notice may be a conditional notice under such terms as specified in the notice and shall contain the complete official name of the Series 2022 Bonds being redeemed, CUSIP number, certificate numbers, amounts called of each certificate (for partial calls), redemption date, redemption price, the Paying Agent's name and address (with contact person and phone number), date of issue of the Series 2022 Bonds, interest rate, and maturity date. Said notice also shall be given not less than 30 days nor more than 60 days prior to the date fixed for redemption, to the Electronic Municipal Market Access system ("**EMMA**") operated by the Municipal Securities Rulemaking Board or such other securities depository registered with the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, which disseminate redemption notices. No transfer or exchange of any Series 2022 Bond so called for redemption shall be allowed. If any Bondholder of any Series 2022 Bond being redeemed pursuant to the provisions of this Article shall fail to present for redemption any such Series 2022 Bond within 60 days after the date fixed for redemption, a second notice of the redemption of such Series 2022 Bond shall be given to said Owner at the address of said Owner as shown on the bond register of the Bond Registrar within 90 days after the date fixed for redemption. The failure of the Bond Registrar to give such notice shall not affect the validity of the proceedings for the redemption of any Series 2022 Bond as to which no such failure occurred. Any notice mailed or delivered as provided in this Section shall be presumed conclusively to have been duly given, whether or not the Bondholder receives the notice.

**Section 2. Book-Entry Bonds.**

As provided by Section 613 of the Master Resolution, the Series 2022 Bonds shall be issued in book-entry only form, as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee), or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity, in the aggregate principal amount of such maturity, and will be deposited with DTC as the Depository.

**Section 3. Form of the Series 2022 Bonds.**

The Series 2022 Bonds and the certificate of validation and certificate of authentication to be endorsed thereon will be in substantially the form set forth in Exhibit A attached hereto and made a part hereof.

**Section 4. Application of Bond Proceeds.**

The proceeds from the sale of the Series 2022 Bonds, together with other funds of the Issuer, if any, shall be applied as follows:

(a) all costs and expenses in connection with the issuance and sale of the Series 2022 Bonds, including, without limitation, fees and expenses of engineers, accountants, attorneys, underwriters, financial advisors, and financial fees and expenses, advertising, recording, validation and printing expenses, and all other expenses incurred in connection with the issuance of the Series 2022 Bonds, shall be paid by the Issuer to



those persons who shall be entitled to receive the same, or an amount sufficient to pay all or a portion of the same may be deposited in the 2022 Construction Fund from which such costs of issuance for the Series 2022 Bonds may be paid; and

(b) the balance of the proceeds of the Series 2022 Bonds shall be deposited into the 2022 Construction Fund as described in Section 6 for use in payment of the costs of the 2022 Projects.

**Section 5. No Debt Service Reserve Requirement.**

There is no Debt Service Reserve Requirement for the Series 2022 Bonds and no deposits will be made to the Debt Service Reserve Account for the Series 2022 Bonds.

**Section 6. Construction Fund.**

(a) In accordance with Section 701 of the Master Resolution, a construction fund is hereby authorized to be created prior to or concurrently with the issuance and delivery of the Series 2022 Bonds, said fund to be designated the GEORGIA PORT AUTHORITY REVENUE BONDS CONSTRUCTION FUND 2022 (the "**2022 Construction Fund**"). The 2022 Construction Fund shall be maintained by the Issuer until completion of the 2022 Projects. There shall be deposited to the credit of the 2022 Construction Fund proceeds of the sale of the Series 2022 Bonds as set forth in Section 4 of this Second Supplemental Resolution. Such money as deposited in the 2022 Construction Fund shall be held and withdrawn only in accordance with the provisions and restrictions set forth in the Master Resolution, and the Issuer will not cause or permit to be paid therefrom any sums except in accordance herewith; provided, however, that any money in the 2022 Construction Fund not needed at the time for the payment of current obligations during the course of the acquisition and construction of the 2022 Projects, may be invested and reinvested by the Issuer, in such investments as are set forth in Section 1002 of the Master Resolution. Any such investments shall mature not later than such times as shall be necessary to provide money when needed for the 2022 Projects from payments to be made from the 2022 Construction Fund, and shall be held for the account of the 2022 Construction Fund until maturity or until sold, and at maturity or upon such sale, the proceeds received therefrom, including accrued interest and premium, if any, shall be immediately deposited in the 2022 Construction Fund and shall be disposed of in the manner and for the purposes hereinafter provided.

(b) All payments from the Construction Fund shall be made by the Chief Financial Officer, or such other officer of the Issuer properly authorized to sign on its behalf, but before such officer shall make payments from the Construction Fund, there shall be filed in the records of the Issuer a requisition and certificate certifying: (i) each amount to be paid and the name of the person, firm or corporation to whom payment thereof is due; (ii) that an obligation in the stated amount has been incurred by the Issuer, that the same is a proper charge against the Construction Fund and has not been paid, and stating that the bill, invoice or statement of account for such obligation, or a copy thereof, is on file in the office of the Chief Financial Officer; (iii) that the Issuer has no notice of any vendor's, mechanic's or other liens or rights to liens, chattel mortgages or conditional sales contracts which should be satisfied or discharged before such payment is made; (iv) that such requisition contains no item representing payment on account or any retained percentages which the Issuer is, at the date of such certificate, entitled to retain; and (v) that insofar as such obligation was incurred for work, material, supplies or equipment in connection with the 2022 Projects, such work actually was performed, or such material, supplies or equipment actually was installed in or about the construction or delivered at the site of the work for that purpose.

**Section 7. <u>Lien on 2022 Construction Fund for Series 2022 Bondholders</u>**.

All money in and securities held for the 2022 Construction Fund shall be subject to a lien and charge in favor of the Bondholders of the Series 2022 Bonds and shall be held for the security of such Bondholders until paid out as provided in the Resolution.

**Section 8. <u>Construction of 2022 Projects</u>.**

The Issuer will proceed with the acquisition, construction and equipping of the 2022 Projects substantially in accordance with the plans and specifications on file with the Authority.

**Section 9. <u>Designation of Registrar and Paying Agent; Authorization of Paying Agent/Registrar Agreement</u>**.

U.S. Bank National Association is hereby designated as Registrar and Paying Agent for the Series 2022 Bonds and is requested to execute the certificate of authentication for the Series 2022 Bonds. The Governing Body hereby authorizes and approves the execution and delivery of the Paying Agent/Registrar Agreement, to be dated the date of issuance and delivery of the Series 2022, by and between the Issuer and U.S. Bank National Association in substantially the form set forth in <u>Exhibit B</u> attached hereto and made a part hereof.

**Section 10. <u>Bond Purchase Agreement</u>.**

The sale of the Series 2022 Bonds to the Underwriters is hereby ratified and approved. The Executive Director of the Issuer is authorized to execute on behalf of the Issuer the Bond Purchase Agreement with the Underwriters for the Series 2022 Bonds, dated the date hereof, in the form submitted to the Issuer at the time of adoption of this Second Supplemental Resolution.

**Section 11. <u>Authorization of Final Official Statement and Continuing Disclosure Certificate</u>**.

(a) The Issuer has caused to be distributed a Preliminary Official Statement with respect to the Series 2022 Bonds and the execution and delivery of the Official Statement is authorized and approved hereby. The Chairperson is authorized hereby to execute and deliver the Official Statement for and on behalf of the Issuer, in substantially the form of the Preliminary Official Statement, subject to such changes, insertions or omissions as may be approved by the Chairperson, and the execution of the Official Statement by the Chairperson as authorized hereby shall be conclusive evidence of any such approval. The distribution of the Official Statement for and on behalf of the Issuer is authorized and approved hereby.



(b) In order to assist the initial purchasers of the Series 2022 Bonds in complying with their obligations under Securities and Exchange Commission Act Rule 15c2-12, as amended (the "**Rule**"), with respect to the Series 2022 Bonds, pursuant to the Continuing Disclosure Agreement, the Issuer agrees to undertake all responsibility for compliance with the continuing disclosure requirements contained in the Rule, and hereby approves and authorizes the Chairperson of the Issuer, the Executive Director or the Chief Financial Officer to execute and deliver the Continuing Disclosure Agreement.

**Section 12. <u>General Authorization</u>**.

The proper officers and agents of the Issuer are hereby authorized, empowered, and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Master Resolution, as supplemented and amended by the First Supplemental Resolution and this Second Supplemental Resolution, and are further authorized to take any and all further actions and execute and deliver any and all other documents as may be necessary in the issuance of the Series 2022 Bonds. All actions heretofore taken and all documents heretofore executed in connection with the issuance of the Series 2022 Bonds are ratified and approved.

**Section 13. <u>Reaffirmation of Master Resolution</u>.**

Except as supplemented by the provisions of the First Supplemental Resolution and this Second Supplemental Resolution, the Master Resolution is reaffirmed hereby and shall continue in full force and effect, and the terms and provisions shall be applicable to the Series 2022 Bonds.

[SIGNATURES TO FOLLOW]

ADOPTED this 3rd day of August, 2022.

GEORGIA PORTS AUTHORITY

By: ______________________
Chairperson

(S E A L)

ATTEST:

By: ______________________
Secretary and Treasurer

[SIGNATURE PAGE TO SECOND SUPPLEMENTAL BOND RESOLUTION]



Exhibit A

[FORM OF SERIES 2022 BONDS]

*Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.*

No. R-___

UNITED STATES OF AMERICA
STATE OF GEORGIA

GEORGIA PORTS AUTHORITY (GEORGIA)
REVENUE BOND, SERIES 2022

| | | |
|---|---|---|
| Maturity Date: | July 1, 20__ | CUSIP:__________ |
| Interest Rate: | ___% | |
| Principal Amount: | $___________ | |
| Bond Date: | [Date of Issuance] | |
| Registered Owner: | Cede & Co. | |

The Georgia Ports Authority (hereinafter called the "Issuer"), a body corporate and politic, and an instrumentality of the State of Georgia (the "State"), for value received, hereby promises to pay to the Registered Owner identified above, or to registered assigns or legal representatives, but solely from the revenues hereinafter mentioned, on the Maturity Date identified above (or earlier as hereinafter provided), the Principal Amount identified above, upon presentation and surrender hereof at the designated office of U.S. Bank National Association, or its successors, as Registrar and Paying Agent (the "Registrar" and "Paying Agent"), and to pay, solely from such special revenues, interest on the Principal Amount from the Dated Date, or from the most recent interest payment date to which interest has been paid, at the Interest Rate per annum identified above, until payment of the Principal Amount, or until provision for the payment thereof has been duly provided for, such interest being payable semiannually on the first day of January and the first day of July each year, commencing on January 1, 2023. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months and will be paid by check or draft mailed to the Registered Owner hereof at his address as it appears on the registration books of the Issuer maintained by the Registrar at the close of business on the fifteenth day (whether or not a Business Day) of the month next preceding the interest payment date (the "Record Date"), irrespective of any transfer or exchange of this Bond subsequent to the Record Date and prior to such interest payment date, unless the Issuer shall be in default in payment of interest due on such interest payment date. In the event of any such default, such defaulted interest shall be payable to the person in whose name such Bond is registered at the close of business on a special record date (which date shall also be the date for the payment of such defaulted interest) as established by notice by deposit in the U.S. mails, postage prepaid, by the Issuer to the Registered Owners of Bonds not less than fifteen days preceding such special record date. Such notice shall be mailed to the persons in whose names the Bonds are registered at the close of business on the fifth day (whether or not a Business Day) preceding the date of mailing.

This Bond and the interest hereon is payable solely from and secured by a lien upon and pledge of certain revenues derived by the Issuer from the operation of the Port Facilities, pursuant to the terms and subject to the conditions described in a resolution adopted by the Issuer on July 26, 2021, as supplemented and amended on October 19, 2021 and on August 3, 2022 (collectively, the "Resolution"), and certain other funds and investment earnings thereon, all in the manner and to the extent provided in the Resolution and as more particularly described below. Reference is hereby made to the Resolution for the provisions, among others, relating to the terms, lien and security of the Bonds, the custody and application of the proceeds of the Bonds, the rights and remedies of the Registered Owners of the Bonds, the extent of and limitations on the Issuer's rights, duties and obligations, and the provisions permitting the issuance or incurrence of additional parity indebtedness (including Additional Bonds), to all of which provisions the Registered Owner hereof for himself and his successors in interest assents by acceptance of this Bond. All terms used herein in capitalized form, unless otherwise defined herein, shall have the meanings ascribed thereto in the Resolution.

THE ISSUER HAS ESTABLISHED A BOOK ENTRY SYSTEM OF REGISTRATION FOR THIS BOND. EXCEPT AS SPECIFICALLY PROVIDED OTHERWISE IN THE HEREINAFTER DEFINED RESOLUTION, CEDE & CO., AS NOMINEE OF THE DEPOSITORY TRUST COMPANY, WILL BE THE REGISTERED OWNER AND WILL HOLD THIS BOND ON BEHALF OF EACH BENEFICIAL OWNER HEREOF. BY ACCEPTANCE OF A CONFIRMATION OF PURCHASE, DELIVERY OR TRANSFER, EACH BENEFICIAL OWNER OF THIS BOND SHALL BE DEEMED TO HAVE AGREED TO SUCH ARRANGEMENT. CEDE & CO., AS REGISTERED OWNER OF THIS BOND, WILL BE TREATED AS THE OWNER OF THIS BOND FOR ALL PURPOSES.

THIS BOND SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OF THE STATE OF GEORGIA OR A PLEDGE OF THE FAITH AND CREDIT THEREOF, AND THE BONDS ARE PAYABLE SOLELY FROM THE REVENUES AND THE FUNDS DESCRIBED IN THE RESOLUTION. NO OWNER OF ANY BOND HAS THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER OF THE STATE OF GEORGIA TO PAY THE BONDS OR THE INTEREST THEREON, AND THE ISSUANCE OF THE BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OF GEORGIA TO LEVY OR PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR FROM EARNINGS, AND THE ISSUANCE OF THE BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OF GEORGIA TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. NEITHER THE STATE NOR THE ISSUER SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THE BONDS EXCEPT FROM THE REVENUES AND FUNDS PROVIDED BY THE RESOLUTION.



It further is agreed between the Issuer and the Registered Owner of this Bond that this Bond and the indebtedness evidenced hereby shall not constitute a lien upon the Port Facilities, or any part thereof, or any other tangible personal property of or in the possession of the Issuer, but shall constitute a lien only on the Pledged Revenues and certain other funds and investment earnings thereon, all in the manner and to the extent provided in the Resolution. Neither the Chairperson, the Secretary and Treasurer, officers or officials of the Issuer, nor any person executing the Bonds shall be liable personally on the Bonds by reason of their issuance.

Under the terms of the Resolution, the Issuer may issue, under certain terms and conditions, Additional Bonds on a parity as to lien on the Pledged Revenues of the Port Facilities with the Bonds.

This Bond is one of an authorized issue of Bonds known as the GEORGIA PORTS AUTHORITY REVENUE BONDS, SERIES 2022, in the aggregate principal amount of $755,615,000 (the "Series 2022 Bonds"), of like tenor and effect, except as to number, maturity and interest rate, issued to finance the cost of the acquisition, construction and equipping of additions, extensions and improvements to the Port Facilities, pursuant to the authority of and in full compliance with the Constitution and laws of the State of Georgia. This Bond also is subject to the terms and conditions of the Resolution.

The Series 2022 Bonds maturing on July 1, 2033, and thereafter may be redeemed prior to their respective maturities at the option of the Issuer, in whole or in part, at any time, beginning July 1, 2032, (if less than all of the Series 2022 Bonds of a maturity are to be redeemed, the actual Series 2022 Bonds of such maturity shall be selected by lot in such manner as may be designated by DTC while the Series 2022 Bonds are held as book-entry bonds and by the Paying Agent if the Series 2022 Bonds are no longer held as book-entry bonds), in such order as may be designated by the Issuer, at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date.

The Series 2022 Bonds maturing on July 1, 2047 bearing interest at the rate of 4.00% per annum, are subject to scheduled mandatory redemption prior to maturity in part *pro rata* among the Bondholders of the mandatory Series 2022 Bonds to be redeemed (rounded to the nearest $5,000 of the principal amount of each Series 2022 Bond) at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of such redemption, in the following principal amounts and on the dates set forth below (the July 1, 2047 amount to be paid at maturity rather than redeemed):

| July 1 | Principal Amount |
|---|---|
| 2044 | $14,060,000 |
| 2045 | 14,620,000 |
| 2046 | 15,210,000 |
| 2047 | 15,815,000 |

The Series 2022 Bonds maturing on July 1, 2047 bearing interest at the rate of 5.00% per annum, are subject to scheduled mandatory redemption prior to maturity in part *pro rata* among the Bondholders of the mandatory Series 2022 Bonds to be redeemed (rounded to the nearest

$5,000 of the principal amount of each Series 2022 Bond) at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of such redemption, in the following principal amounts and on the dates set forth below (the July 1, 2047 amount to be paid at maturity rather than redeemed):

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The Series 2022 Bonds maturing on July 1, 2052 bearing interest at the rate of 4.00% per annum, are subject to scheduled mandatory redemption prior to maturity in part *pro rata* among the Bondholders of the mandatory Series 2022 Bonds to be redeemed (rounded to the nearest $5,000 of the principal amount of each Series 2022 Bond) at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of such redemption, in the following principal amounts and on the dates set forth below (the July 1, 2052 amount to be paid at maturity rather than redeemed):

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The Series 2022 Bonds maturing on July 1, 2052 bearing interest at the rate of 5.25% per annum, are subject to scheduled mandatory redemption prior to maturity in part *pro rata* among the Bondholders of the mandatory Series 2022 Bonds to be redeemed (rounded to the nearest $5,000 of the principal amount of each Series 2022 Bond) at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of such redemption, in the following principal amounts and on the dates set forth below (the July 1, 2052 amount to be paid at maturity rather than redeemed):

| July 1 | Principal Amount |
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| 2048 | $20,910,000 |
| 2049 | 21,830,000 |
| 2050 | 22,785,000 |
| 2051 | 23,780,000 |
| 2052 | 24,820,000 |

Notice of such redemption shall be given in the manner required by the Resolution.

The registration of this Bond may be transferred upon the registration books upon delivery to the designated office of the Registrar accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Registrar, duly executed by the owner of this Bond or by the attorney-in-fact or legal representative of the



owner, containing written instructions as to the details of transfer of this Bond, along with the social security number or federal employer identification number of such transferee. In all cases of a transfer of a Bond, the Registrar shall at the earliest practical time in accordance with the provisions of the Resolution enter the transfer of ownership in the registration books and (unless uncertificated registration shall be requested and the Issuer has a registration system that will accommodate uncertificated registration) shall deliver in the name of the new transferee or transferees a new fully registered Bond or Bonds of the same maturity and of authorized denomination or denominations, for the same aggregate principal amount and payable from the same source of funds. Neither the Issuer nor the Registrar shall be required to register the transfer of any Bond during the period commencing on the fifteenth day of the month immediately preceding an interest payment date on the Bonds and ending on such interest payment date, or, in the case of any proposed redemption of Bonds, after such Bonds or any portion thereof have been selected for redemption. The Issuer and the Registrar may charge the owner of such Bond for the registration of every such transfer of a Bond an amount sufficient to reimburse them for any tax, fee or any other governmental charge required (other than by the Issuer) to be paid with respect to the registration of such transfer, and may require that such amounts be paid before any such new Bond shall be delivered.

If the date for payment of the principal of, premium, if any, or interest on this Bond is not a Business Day, then the date for such payment shall be the next succeeding Business Day, and payment on such day shall have the same force and effect as if made on the nominal date of payment.

It hereby is certified and recited that all acts, conditions and things required to exist, to happen, and to be performed precedent to and in the issuance of this Bond exist, have happened and have been performed in regular and due form and time as required by the laws and Constitution of the State of Georgia applicable hereto, and that the issuance of the Bonds of this Series does not violate any constitutional or statutory limitation or provision.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the Certificate of Authentication endorsed hereon shall have been signed by the Registrar.

This Bond is issued with the intent that the laws of the State of Georgia shall govern its construction.

IN WITNESS WHEREOF, the Georgia Ports Authority has issued this Bond and has caused the same to be signed by the Chairperson and attested to and countersigned by the Secretary and Treasurer, either manually or with their facsimile signatures, and its corporate seal or a facsimile thereof to be affixed, impressed, imprinted, lithographed or reproduced hereon, all as of the ______ day of _____________, 2022.

GEORGIA PORTS AUTHORITY

(S E A L)

By: ________________________________
Chairperson

ATTEST:

By: ________________________________
Secretary and Treasurer



STATE OF GEORGIA )
) VALIDATION CERTIFICATE
CHATHAM COUNTY )

I, the undersigned Clerk of the Superior Court of Chatham County, State of Georgia, keeper of the records and seal thereof, hereby certify that this Bond was validated and confirmed by judgment of the Superior Court of Chatham County, Georgia, on May 10, 2022.

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

(S E A L)

________________________________
CLERK, SUPERIOR COURT
CHATHAM COUNTY, GEORGIA

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds designated in and executed under the provisions of the within mentioned Resolution.

Date of Authentication: __________, 2022

U.S. BANK NATIONAL ASSOCIATION,
As Authentication Agent

By: ________________________________
Authorized Officer

ASSIGNMENT

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

_____________________________________________

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

__________________________________

_________________________________________________________________

(Please print or typewrite name and address, including postal zip code of transferee.)

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

___________________________________

Assignor

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

Date: __________, 20__

Signature Guaranteed:

____________________________________

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

[END OF BOND FORM]



Exhibit B

PAYING AGENT/ REGISTRAR AGREEMENT

THIS PAYING AGENT/ REGISTRAR AGREEMENT (this "Agreement"), is entered into as of __________, 2022 by and between Georgia Ports Authority (the "Issuer"), and U.S. Bank National Association ("Bank"), as Paying Agent and Registrar.

RECITALS

WHEREAS the Issuer has duly authorized and provided for the issuance of its GEORGIA PORTS AUTHORITY REVENUE BONDS, SERIES 2022 (the "Bonds") in an aggregate principal amount of $755,615,000 to be issued as fully registered bonds without coupons, in accordance with the provisions of a Master Bond Resolution adopted by the Governing Body of the Issuer on July 26, 2021, as supplemented and amended by a First Supplemental Bond Resolution adopted on October 19, 2021 and a Second Supplemental Bond Resolution adopted on August 3, 2022 (collectively, the Resolution"); and

WHEREAS, capitalized terms used herein and not otherwise defined shall have the meanings given such terms in the Resolution; and

WHEREAS the Issuer will ensure all things necessary to make the Bonds the valid obligations of the Issuer, in accordance with their terms, will be done upon the issuance and delivery thereof; and

WHEREAS the Issuer and the Bank wish to provide the terms under which Bank will act as Paying Agent to pay the principal, redemption premium (if any) and interest on the Bonds, in accordance with the terms thereof, and under which the Bank will act as Registrar for the Bonds; and

WHEREAS the Bank has agreed to serve in such capacities for and on behalf of the Issuer and has full power and authority to perform and serve as Paying Agent and Registrar for the Bonds; and

WHEREAS the Issuer has duly authorized the execution and delivery of this Agreement; and all things necessary to make this Agreement a valid agreement have been done.

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE ONE

DEFINITIONS

Section 1.01. Definitions.

For all purposes of this Agreement except as otherwise expressly provided or unless the context otherwise requires:

"Bank" means U.S. Bank National Association, a national banking association organized and existing under the laws of the United States of America.

"Bond Register" means the book or books of registration kept by the Bank in which are maintained the names and addresses and principal amounts registered to each Registered Owner.

"Fiscal Year" means the fiscal year of the Issuer ending on June 30 of each year.

"Issuer" means Georgia Ports Authority.

"Paying Agent" means the Bank when it is performing the function of paying agent for the Bonds.

"Person" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision of a government or any entity whatsoever.

"Registered Owner" means a Person in whose name a Bond is registered in the Bond Register.

"Registrar" means the Bank when it is performing the function of registrar for the Bonds.

"Stated Maturity" when used with respect to any Bond means the date specified in the Bond as the date on which the principal of such Bond is due and payable.

ARTICLE TWO

APPOINTMENT OF BANK AS
PAYING AGENT AND REGISTRAR

Section 2.01. Appointment and Acceptance.

The Issuer hereby appoints the Bank to act as Paying Agent with respect to the Bonds, to pay to the Registered Owners in accordance with the terms and provisions of this Agreement the principal of, redemption premium (if any), and interest on all or any of the Bonds.

The Issuer hereby appoints the Bank as Registrar with respect to the Bonds. As Registrar, the Bank shall keep and maintain for and on behalf of the Issuer, books and records as to the ownership of the Bonds and with respect to the transfer and exchange thereof as provided.



The Bank hereby accepts its appointment, and agrees to act as Paying Agent and Registrar.

Section 2.02. Compensation.

As compensation for the Bank's services as Paying Agent and Registrar, the Issuer hereby agrees to pay the Bank the fees and amounts as set forth in a separate agreement between the Issuer and the Bank. For the first year of this Agreement, and thereafter, the fees and amounts set forth in the Bank's current fee schedule then in effect for services as Paying Agent/Registrar for municipalities, which shall be supplied by the Bank to the Issuer on or before 90 days prior to the close of the Fiscal Year of the Issuer, and, if there are any changes, shall be effective upon the first day of the following Fiscal Year.

In addition, the Issuer agrees to reimburse the Bank, upon its request, for all reasonable out-of-pocket expenses, disbursements, and advances, including without limitation the reasonable fees, expenses, and disbursements of its agents and attorneys, incurred or made by the Bank in connection with entering into and performing its duties under this Agreement or in connection with investigating and defending itself against any claim or liability hereunder ("Extraordinary Fees"). The Bank shall promptly notify the Issuer of any such Extraordinary Fees and such payment shall be made by the Issuer after such notice and approval by the Issuer.

ARTICLE THREE

PAYING AGENT

Section 3.01. Duties of Paying Agent.

As Paying Agent, the Bank, provided sufficient collected funds have been deposited for such purpose by or on behalf of the Issuer in the account designated by the Bank hereunder (the "Account"), shall pay on behalf of the Issuer the principal of, redemption premium, if any, and interest on each Bond in accordance with the provisions of such Bond. The Bank has no obligation to draw upon any account or pursuant to any letter of credit, insurance policy or other agreement or take any other action to assist the Issuer to comply with its obligations except to the extent expressly set forth in this Agreement.

Section 3.02. Payment Dates.

The Issuer hereby instructs the Bank to pay the principal of, redemption premium (if any) and interest on the Bonds on the dates specified in each Bond, from the Account to the extent such amounts are on deposit in the Account.

The Bank shall not be required to pay interest on any funds of the Issuer for any period during which such funds are held by the Bank awaiting the presentation of the Bonds for payment.

Section 3.03 Receipt of Funds.

The Issuer hereby agrees to deposit in the Account sufficient funds to make principal of, redemption premium (if any) and interest payments as follows: (1) payment by check must be received by the Paying Agent at least 5 Business Days prior to payment date and (2) payment by wire must be received by the Paying Agent not later than one Business Day prior to payment date. For purposes of this Agreement, a "Business Day" is any day other than a Saturday, Sunday, or federally recognized holiday on which the Paying Agent is open to the public for all banking purposes.

ARTICLE FOUR

REGISTRAR

Section 4.01. Initial Delivery of Bonds.

The Bonds will be registered and delivered to the purchaser(s) designated by the Issuer initially as one Bond for each maturity, however, if said purchaser(s) delivers a written request to the Bank, not later than five business days prior to the date of initial delivery, the Bank will deliver, on the date of initial delivery, Bonds of authorized denominations, registered in accordance with the instructions in such written request.

Section 4.02. Duties of Registrar.

The Bank shall provide for the proper registration of transfer, exchange and replacement of the Bonds. Every Bond surrendered for transfer or exchange shall be duly endorsed, or be accompanied by a written instrument of transfer, the signature on which has been guaranteed by an eligible guarantor institution, in form acceptable to the Bank, duly executed by the Registered Owner thereof or such Registered Owner's agent. The Registrar may request any supporting documentation it deems necessary or appropriate to effect a re-registration.

Section 4.03. Unauthenticated Bonds.

The Issuer shall provide to the Bank on a continuing basis, an adequate inventory of unauthenticated Bonds to facilitate transfers. The Bank agrees it will maintain such unauthenticated Bonds in safekeeping.

Section 4.04. Form of Bond Register.

The Bank as Registrar will maintain its records as Registrar in accordance with the Bank's general practices and procedures in effect from time to time.



Section 4.06. Cancelled Bonds.

All Bonds surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Bank, shall be promptly cancelled by it and, if surrendered to the Issuer, shall be delivered to the Bank and, if not already cancelled, shall be promptly cancelled by the Bank. The Issuer may at any time deliver to the Bank for cancellation any Bonds previously authenticated and delivered which the Issuer may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly cancelled by the Bank. All cancelled Bonds held by the Bank for its retention period then in effect shall thereafter be destroyed and evidence of such destruction furnished to the Issuer upon its written request.

Section 4.07. Mutilated, Lost, Stolen or Destroyed Bonds.

In case any Bond shall become mutilated or be destroyed, stolen or lost, the Bank shall deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of any such mutilated Bond or in lieu of and in substitution for any such Bond destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Bank in connection therewith, and, in the case of a Bond destroyed, stolen or lost, upon filing by the owner with the Bank of evidence satisfactory to the Bank that such Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Bank of an appropriate bond of indemnity in form, substance and amount as may be required by law and as is otherwise satisfactory to the Bank. All Bonds so surrendered to the Bank shall be canceled by it and evidence of such cancellation shall be given to the Issuer. If the mutilated, destroyed, stolen or lost Bond already has matured or been called for redemption in accordance with its terms it shall not be necessary to issue a new Bond prior to payment, provided that the owner shall first provide the Bank with a bond of indemnity as set forth above.

ARTICLE FIVE

THE BANK

Section 5.01.Duties of Bank.

The Bank undertakes to perform the duties set forth herein, each of which is ministerial and non-fiduciary in nature. No implied duties or obligations shall be read into this Agreement against the Bank. The Bank hereby agrees to use the funds deposited with it for payment of the principal of, redemption premium (if any), and interest on the Bonds to pay the same as it shall become due, and further agrees to establish and maintain such accounts and funds as may be required for the Bank to function as Paying Agent.

Section 5.02.Reliance on Documents, Etc.

(a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions expressed therein, and on certificates or opinions furnished to the Bank by the Issuer.

(b) The Bank shall not be liable for any error of judgment made in good faith. The Bank shall not be liable for other than its negligence or willful misconduct in connection with any act or omission hereunder.

(c) No provision of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers.

(d) The Bank may rely, or be protected in acting or refraining from acting, upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Bank need not examine the ownership of any Bond, but shall be protected in acting upon receipt of Bonds containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Registered Owner or agent of the Registered Owner.

(e) The Bank may consult with counsel with respect to any question relating to its duties or responsibilities hereunder, and the written advice or opinion of counsel may be relied upon in good faith.

(f) The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys appointed by it with due care.

Section 5.03. Recitals of Issuer.

The recitals contained in the Bonds shall be taken as the statements of the Issuer, and the Bank assumes no responsibility for their correctness.

Section 5.04. May Own Bonds; Other Transactions.

The Bank, in its individual or any other capacity, may become the owner or pledgee of Bonds with the same rights it would have if it were not the Paying Agent and Registrar for the Bonds. The Bank may engage in or be interested in any financial or other transaction with the Issuer, any Bond owner or any other Person.

Section 5.05. Money Held by Bank.

Money held by the Bank hereunder need not be segregated from other funds. The Bank shall have no duties with respect to investment of funds deposited with it and shall be under no obligation to pay interest on any money received by it hereunder. Any money deposited with or otherwise held by the Bank for the payment of the principal, redemption premium (if any), or interest on any Bond and remaining unclaimed by the Registered Owner (or by the Issuer (which claim by the Issuer shall be made in writing) after maturity and prior to escheatment) will be escheated pursuant to the applicable state law. If funds are returned to the Issuer, the Issuer and the Bank agree that the Registered Owner of such Bond shall thereafter look only to the Issuer for payment thereof, and that all liability of the Bank with respect to such moneys shall thereupon cease.



Section 5.06. Interpleader.

The Issuer and the Bank agree that the Bank may seek adjudication of any adverse claim, demand, or controversy over its person as well as funds on deposit, in a court of competent jurisdiction. The Issuer and the Bank further agree that the Bank has the right to file an action in interpleader in any court of competent jurisdiction to determine the rights of any person claiming any interest herein.

ARTICLE SIX

MISCELLANEOUS PROVISIONS

Section 6.01. Amendment.

This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

Section 6.02. Assignment

This Agreement may not be assigned by either party without the prior written consent of the other party.

Section 6.03. Notices.

Any request, demand, authorization, direction, notice, consent, waiver or other document provided or permitted hereby to be given or furnished to the Issuer or the Bank shall be mailed, faxed, sent pdf or delivered to the Issuer or the Bank, respectively, at the address shown below, or such other address as may have been given by one party to the other by fifteen (15) days written notice:

If to the Issuer: Georgia Ports Authority
P.O. Box 2406
Savannah, Georgia 31402
Attention: Chief Financial Officer

If to the Bank: U.S. Bank National Association
1349 W Peachtree Street, NW, Suite 1050
Atlanta, Georgia 30309
Attention: Felicia Powell

Section 6.04. Effect of Headings.

The Article and Section headings herein are for convenience of reference only and shall not affect the construction hereof.

Section 6.05. Successors and Assigns.

All covenants and agreements herein by the Issuer and the Bank shall bind their successors and assigns, whether so expressed or not.

Section 6.06. Severability.

If any provision of this Agreement shall be determined to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

Section 6.07. Benefits of Agreement.

This Agreement is intended to be for the benefit of or to be enforceable by only the Issuer and the Bank, and no third party shall be entitled to claim that it is a third party beneficiary hereof.

Section 6.08. Entire Agreement.

This Agreement shall constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent and Registrar.

Section 6.09. Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

Section 6.10. Term and Termination.

This Agreement shall be effective from and after its date and until the Bank resigns; provided, however, that no such termination shall be effective until a successor has been appointed and has accepted the duties of the Bank hereunder.

The Bank may resign at any time by giving written notice thereof to the Issuer. If the Bank shall resign, or become incapable of acting, the Issuer promptly shall appoint a successor Paying Agent and Registrar. If an instrument of acceptance by a successor Paying Agent and Registrar shall not have been delivered to the Bank within thirty 30 days after the Bank gives notice of resignation, the Bank may petition any court of competent jurisdiction at the expense of the Issuer for the appointment of a successor Paying Agent and Registrar. In the event of resignation of the Bank as Paying Agent and Registrar, upon the written request of the Issuer and upon payment of all amounts owing to the Bank hereunder, the Bank shall deliver to the Issuer or its designee all funds in the Account and all unauthenticated Bonds and a copy of the Register.



The provisions of Section 2.02 hereof shall survive and remain in full force and effect following the termination of this Agreement.

Section 6.11. Governing Law.

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

Section 6.12. Documents to be delivered to Bank.

At the time of the Bank's appointment as Paying Agent and Registrar, the Issuer shall deliver to the Bank the following documents: (a) a specimen Bond; (b) a copy of the opinion of bond counsel provided to the Issuer in connection with the issuance of the Bonds; and (c) such other information that the Bank may reasonably request.

Section 6.13. Patriot Act Compliance.

To assist local, state, federal government, and international authorities fight the funding of terrorism and unlawful money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. For a non-individual person entity such as a business, a charity, a trust, or other legal entity, the Bank will require documentation to verify the non-individual person's formation and existence as a legal entity. The Bank also may require to see financial statements, licenses, identification, and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

IN WITNESS WHEREOF, the Issuer and the Bank have caused this Agreement to be executed in their respective names by their duly authorized representatives, in two counterparts, each of which shall be deemed an original.

GEORGIA PORTS AUTHORITY,
Issuer

By: ______________________________
Chairperson

U.S. BANK NATIONAL ASSOCIATION,
as Paying Agent and Registrar

By: ______________________________
Authorized Representative

SECRETARY AND TREASURER'S CERTIFICATE

I, the undersigned Secretary and Treasurer of the Georgia Ports Authority (the "Authority"), keeper of the records and seal thereof, hereby certify that the foregoing is a true and correct copy of a resolution adopted by the Georgia Ports Authority in public meeting assembled on August 3, 2022, the original of which resolution has been entered in the official records of the Authority under my supervision and is in my official possession, custody and control.

I further certify that the meeting was held in conformity with the requirements of Title 50, Chapter 14 of the Official Code of Georgia Annotated.

(SEAL) By: ______________________________

SECRETARY AND TREASURER
GEORGIA PORTS AUTHORITY

SECRETARY AND TREASURER'S CERTIFICATE

I, the undersigned Secretary and Treasurer of the Georgia Ports Authority (the "Authority"), keeper of the records and seal thereof, hereby certify that the foregoing is a true and correct copy of a resolution adopted by the Georgia Ports Authority in public meeting assembled on August 3, 2022, the original of which resolution has been entered in the official records of the Authority under my supervision and is in my official possession, custody and control.

I further certify that the meeting was held in conformity with the requirements of Title 50, Chapter 14 of the Official Code of Georgia Annotated.

(SEAL) By: ______________________________

SECRETARY AND TREASURER
GEORGIA PORTS AUTHORITY

APPENDIX D

# FORM OF CONTINUING DISCLOSURE AGREEMENT

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# CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this "Disclosure Agreement") is executed and delivered by the Georgia Ports Authority (the "Authority") in connection with the issuance of $755,615,000 aggregate principal amount of Georgia Ports Authority Revenue Bonds, Series 2022 (the "Bonds"). The Bonds are being issued pursuant to the authority granted by the Georgia Constitution and laws of the State of Georgia and under the provisions of a Master Bond Resolution (the "Master Resolution"), adopted by the Authority on July 26, 2021, as supplemented by a First Supplemental Bond Resolution, adopted by the Authority on October 19, 2021, and by a Second Supplemental Bond Resolution, adopted by the Authority on August 3, 2022 (collectively, the "Bond Resolutions"). The Authority hereby covenants and agrees as follows:

**Section 1. <u>Purpose of the Disclosure Agreement</u>**. This Disclosure Agreement is being executed and delivered by the Authority for the benefit of the Beneficial Owners (as hereinafter defined) of the Bonds and in order to assist the Participating Underwriters (as hereinafter defined) in complying with Rule 15c2-12 (as hereinafter defined).

**Section 2. <u>Definitions</u>**. In addition to the definitions set forth in the Bond Resolutions which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section 2, the following capitalized terms shall have the following meanings:

"Annual Filing" shall mean any annual report provided by the Authority pursuant to Rule 15c2-12 and this Disclosure Agreement.

"Annual Filing Date" shall mean the date set forth in Section 4(a) and Section 4(c) hereof, by which the Annual Filing is to be filed with the MSRB.

"Audited Financial Statements" shall mean the Authority's basic financial statements for the preceding Fiscal Year, which shall be prepared in accordance with generally accepted accounting principles, as in effect from time to time (except for any departures from generally accepted accounting principles that result in the Authority's inability to conform to future changes in generally accepted accounting principles), and which shall be accompanied by an audit report resulting from an audit conducted by (a) the State of Georgia Department of Audits and Accounts or (b) an independent certified public accountant or firm of independent certified public accountants, in conformity with generally accepted auditing standards (except for departures from generally accepted auditing standards disclosed from time to time in the audit report).

"Authority" shall mean the Georgia Ports Authority.

"Beneficial Owner" shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories, or other intermediaries) or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Dissemination Agent" shall mean any Dissemination Agent designated in writing by the Authority and which has filed with the Authority a written acceptance of such designation.

"Effective Date" shall mean the date of original issuance and delivery of the Bonds.

"EMMA" shall mean the Electronic Municipal Market Access system as described in 1934 Act Release No. 59062 and maintained by the MSRB for purposes of Rule 15c2-12.

"Filing" shall mean, as applicable, any Annual Filing or Listed Event Filing or any other notice or report made public under this Disclosure Agreement and made to the MSRB in such form as shall be prescribed by the MSRB. As of the date hereof, all such filings shall be made in accordance with EMMA.

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation does not include municipal securities as to which a final official statement has been otherwise provided to the MSRB consistent with Rule 15c2-12.

"Fiscal Year" shall mean any period of twelve consecutive months adopted by the Authority as its fiscal year for financial reporting purposes and shall initially mean the period beginning on July 1 of each calendar year and ending on June 30 of the next calendar year.

"Listed Events" shall mean any of the events listed in Section 7(a) hereof.

"Listed Event Filing" shall have the meaning specified in Section 7(c) hereof.

"MSRB" shall mean the Municipal Securities Rulemaking Board, or any successor thereto for purposes of Rule 15c2-12. Currently, MSRB's address, phone number, and fax number for purposes of Rule 15c2-12 are:

MSRB
c/o CDINet
1900 Duke Street
Suite 600
Alexandria, VA 22314
Phone: (703) 797-6000
Fax: (703) 683-1930

"Official Statement" shall mean the Official Statement of the Authority dated August 3, 2022 with respect to the Bonds.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with Rule 15c2-12 in connection with the offering of the Bonds.

"Rule 15c2-12" shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"Securities and Exchange Commission" shall mean the United States Securities and Exchange Commission.

"TEU" shall have the meaning specified in Section 5(c) hereof.

"Third Party Beneficiary" shall have the meaning specified in Section 12 hereof.

"Voluntary Filing" shall mean the information provided to the MSRB by the Authority pursuant to Section 6 hereof.

**Section 3. Actions of the Authority**. The Chairperson of the Authority (or his or her authorized designee) shall be the individual person authorized to be responsible for taking all actions described in this Disclosure Agreement.

**Section 4. Provision of Annual Filings**.

(a) Not later than nine (9) months after the end of each Fiscal Year, commencing with the Fiscal Year ending June 30, 2022, the Authority shall provide to the MSRB the Annual Filing which is consistent with the requirements of Section 5 hereof. In each case, the Annual Filing may be submitted as a single document or as separate documents comprising a package, and may cross reference other information as provided in Section 5 hereof. Notwithstanding the foregoing, the Audited Financial Statements of the Authority may be submitted separately from the balance of the Annual Filing when such Audited Financial Statements are available. If the Audited Financial Statements previously have not been submitted separately, or are not submitted as part of the Annual Filing to the MSRB pursuant to this Section 4(a), the Authority shall provide unaudited financial statements to the MSRB with such Annual Filing and file the Audited Financial Statements with the MSRB when they are available to the Authority.

(b) If the Annual Filing is not filed with the MSRB by the Annual Filing Date, the Authority shall in a timely manner send a notice of such failure to the MSRB.

(c) The Authority shall promptly file a notice of any change in its Fiscal Year and the new Annual Filing Date with the MSRB.

**Section 5. Contents of Annual Filings**. Each Annual Filing shall contain or incorporate by reference the following:

(a) the Audited Financial Statements;

(b) if generally accepted accounting principles have changed since the last Annual Filing was submitted pursuant to Section 4(a) hereof and if such changes are material to the Authority, a narrative explanation describing the impact of such changes on the Authority; and

(c) information for the preceding Fiscal Year regarding the following categories of financial information and operating data of the Authority: (i) summary of revenue tonnage by type; (ii) top ten vessel and cargo customers; (iii) value of seaborne trade by geographic region; (iv) vessel arrivals by terminal; (v) twenty-foot equivalent unit ("TEU") totals by terminal (imports and exports); and (vi) cargo statistics (by cargo type and in tons).

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues with respect to which the Authority is an "obligated person" (as defined by Rule15c2-12), which have been submitted to the MSRB or the Securities and Exchange Commission. Any document incorporated by reference must be available to the public on the MSRB's Internet Website or be filed with the Securities and Exchange Commission. The Authority shall clearly identify each such other document so incorporated by reference.

**Section 6. Voluntary Filings**.

(a) The Authority may file information with the MSRB from time to time (a "Voluntary Filing").

(b) Nothing in this Disclosure Agreement shall be deemed to prevent the Authority from disseminating any other information using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Filing, Annual Financial Statement, Voluntary Filing or Listed Event Filing, in addition to that specifically required by this Disclosure Agreement. If the Authority chooses to include any information in any Annual Filing, Annual Financial Statement, Voluntary Filing or Listed Event Filing in addition to that which is specifically required by this Disclosure Agreement, the Authority shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Filing, Annual Financial Statement, Voluntary Filing or Listed Event Filing.

(c) Notwithstanding the foregoing provisions of this Section 6, the Authority is under no obligation to provide any Voluntary Filing.

**Section 7. Reporting of Significant Events.**

(a) The occurrence of any of the following events constitutes a "Listed Event" with respect to the Bonds:

(i) Principal and interest payment delinquencies.

(ii) Non-payment related defaults, if material.

(iii) Unscheduled draws on debt service reserves reflecting financial difficulties.

(iv) Unscheduled draws on credit enhancements reflecting financial difficulties.

(v) Substitution of credit or liquidity providers or their failure to perform.

(vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.

(vii) Modifications to rights of Beneficial Owners, if material.

(viii) Bond calls, if material, and tender offers.

(ix) Defeasances.

(x) Release, substitution, or sale of property securing repayment, if material.

(xi) Rating changes.

(xii) Bankruptcy, insolvency, receivership, or similar event of the Authority.

(xiii) The consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

(xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(xv) Incurrence of a Financial Obligation of the Authority, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Authority, any of which affect security holders, if material; and

(xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Authority, any of which reflect financial difficulties.

(b) For the purposes of the event identified in Section 7(a)(xii) hereof, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Authority in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Authority, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Authority.

(c) The Authority shall in a timely manner and not in excess of ten (10) business days after the occurrence of any Listed Event, file a notice of the occurrence of such Listed Event with the MSRB (each a "Listed Event Filing"). Notice of Listed Events described in subsections (a)(viii) and (ix) above shall be disseminated automatically and need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the Beneficial Owners of affected Bonds pursuant to the Bond Resolutions.

**Section 8. Termination of Reporting Obligation**. The Authority's obligations under this Disclosure Agreement shall terminate as to the Bonds upon the legal defeasance, prior redemption, or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Authority shall give notice of such termination in the same manner as for a Listed Event under Section 7(c) hereof.

**Section 9. Dissemination Agent**. The Authority may, from time to time, appoint a dissemination agent to assist it in carrying out its obligations under this Disclosure Agreement, and the Authority may, from time to time, discharge the dissemination agent, with or without appointing a successor dissemination agent. If at any time there is not a designated dissemination agent, the Authority shall be the dissemination agent.

**Section 10. Amendment; Waiver**. Notwithstanding any other provision of this Disclosure Agreement, the Authority may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, if:

(a) such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Authority, or type of business conducted by the Authority;

(b) such amendment or waiver does not materially impair the interests of the Beneficial Owners, as determined either by an unqualified opinion of nationally recognized bond counsel filed with the Authority or by the approving vote of the Beneficial Owners owning more than two-thirds in aggregate principal amount of the Bonds outstanding at the time of such amendment or waiver; and

(c) such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate Rule 15c2-12 if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of Rule 15c2-12, as well as any change in circumstances.

If any provision of Section 5 hereof is amended or waived, the first Annual Filing containing any amended, or omitting any waived, operating data or financial information shall explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided.

If the provisions of Section 5 hereof specifying the accounting principles to be followed in preparing the Authority's financial statements are amended or waived, the Annual Filing for the Fiscal Year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to the Beneficial Owners to enable them to evaluate the ability of the Authority to meet its obligations. To the extent reasonably feasible, the comparison also shall be quantitative. The Authority shall file a notice of the change in the accounting principles in the same manner as for a Listed Event under Section 7(c) hereof on or before the effective date of any such amendment or waiver.

**Section 11. Default**. In the event of a failure of the Authority to comply with any provision of this Disclosure Agreement, any Third-Party Beneficiary may take such actions as may be necessary or appropriate, including seeking mandamus or specific performance by court order, to cause the Authority to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed a "default" or an "event of default" under the Bond Resolutions, and the sole remedy under this Disclosure Agreement in the event of any failure of the Authority to comply with this Disclosure Agreement shall be an action to compel performance. The cost to the Authority of performing its obligations under the provisions hereof shall be paid solely from funds lawfully available for such purpose. Nothing contained in the Bond Resolutions or in this Disclosure Agreement shall obligate the levy of any tax for the Authority's obligations set forth herein.

**Section 12. Beneficiaries**. This Disclosure Agreement shall inure solely to the benefit of the Authority, the Participating Underwriters, and the Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Neither this Disclosure Agreement, nor the performance by the Authority of its obligations hereunder, shall create any third party beneficiary rights, shall be directly enforceable by any third party, or shall constitute a basis for a claim by any person except as expressly provided herein and except as required by law, including, without limitation, Rule 15c2-12; provided, however, the Participating Underwriters and the Beneficial Owners hereby are made third party beneficiaries hereof (collectively, and each respectively, a "Third Party Beneficiary") and shall have the right to enforce the obligations of the parties hereunder pursuant to Section 11 hereof.

**Section 13. Intermediaries; Expenses**. The Dissemination Agent appointed hereunder, if any, is hereby authorized to employ intermediaries to carry out its obligations hereunder. The Dissemination Agent shall be reimbursed immediately for all such expenses and any other reasonable expense incurred hereunder (including, but not limited to, attorney's fees).

**Section 14. Counterparts**. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**Section 15. Governing Law**. This Disclosure Agreement shall be governed by and construed in accordance with the laws of the State of Georgia, excluding choice of law provisions, and applicable federal law.

**Section 16. Severability**. In case any one or more of the provisions of this Disclosure Agreement shall be held for any reason to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Disclosure Agreement, but this Disclosure Agreement shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

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**SIGNATURE PAGE TO CONTINUING DISCLOSURE AGREEMENT**

**FOR**

**$755,615,000 GEORGIA PORTS AUTHORITY REVENUE BONDS, SERIES 2022**

This Continuing Disclosure Agreement is hereby executed and delivered by a duly authorized official of the Authority, to be effective as of the Effective Date.

**GEORGIA PORTS AUTHORITY**

**By:________________________**
**Name: Joel O. Wooten, Jr.**
**Title: Chairperson**

**APPENDIX E**

## FORM OF BOND COUNSEL OPINION

The form of Legal Opinion for the 2022 Bonds included as this Appendix E has been prepared by Gray Pannell & Woodward LLP, Bond Counsel, and is substantially the form to be given by such firm in connection with the delivery of the 2022 Bonds.

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GRAY PANNELL & WOODWARD LLP
Attorneys at Law

323 East Congress Street
Savannah, Georgia 31401
(912) 443-4040

[Date of Closing]

Georgia Ports Authority
Savannah, Georgia

Re: $755,615,000 GEORGIA PORTS AUTHORITY REVENUE BONDS, SERIES 2022

To the Addressee:

We have acted as bond counsel to the Georgia Ports Authority (the "Authority") in connection with the issuance of its GEORGIA PORTS AUTHORITY REVENUE BONDS, SERIES 2022, in the aggregate principal amount of $755,615,000 (the "Series 2022 Bonds"). In such capacity, we have examined such laws, certifications, and other documents as we deem necessary to render this opinion, including the Master Bond Resolution of the Authority adopted on July 26, 2021, as supplemented and amended by a First Supplemental Bond Resolution on October 19, 2021 and a Second Supplemental Bond Resolution on August 3, 2022 (collectively, the "Resolution") authorizing the issuance of the Series 2022 Bonds. As to questions of fact material to our opinion, we have relied upon representations of the Authority contained in the Resolution and in the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

Proceeds from the sale of the Series 2022 Bonds will be used by the Authority to (a) finance various capital improvement projects of the Authority and (b) paying all or a portion of the costs of issuing the Series 2022 Bonds.

Pursuant to the Resolution, payment of the Series 2022 Bonds is secured by a first and prior pledge of and lien on the Pledged Revenues (as defined in the Resolution) derived by the Authority from its operation of the Port Facilities (as defined in the Resolution). Said first and prior pledge of and lien on the Pledged Revenues of the Port Facilities is on a parity with the outstanding GEORGIA PORTS AUTHORITY REVENUE BONDS, SERIES 2021 (the "Series 2021 Bonds"), and any additional revenue bonds of the Authority issued hereafter on a parity basis with the Series 2022 Bonds and the Series 2021 Bonds, in accordance with the terms of the Resolution.

The Series 2022 Bonds shall not be payable from nor a charge upon any funds other than the funds pledged to the payment thereof pursuant to the Resolution. The Series 2022 Bonds will in no way constitute a debt of the State of Georgia or a pledge of the faith and credit thereof, and no owner of the Series 2022 Bonds shall ever have the right to compel the exercise of the taxing power of the State of Georgia to pay the Series 2022 Bonds or the interest thereon.

The legal opinions expressed herein are based upon existing law, are subject to judicial discretion regarding usual equity principles and do not relate to compliance by the Authority, the purchasers of the Series 2022 Bonds, or any other party with any statute, regulation or ruling of the State of Georgia or the United States of America with respect to the sale (other than the initial sale by the Authority) or distribution of the Series 2022 Bonds except as specifically set forth in this opinion.

The Internal Revenue Code of 1986, as amended (the "Code"), sets forth certain requirements which must be met subsequent to the issuance and delivery of the Series 2022 Bonds for interest thereon to be and remain excludable from gross income for purposes of federal income taxation. Noncompliance with such requirements may cause interest on the Series 2022 Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance thereof. The Authority has covenanted in the Resolution to comply with the requirements of the Code in order to maintain the exclusion from federal gross income of interest on the Series 2022 Bonds.

Based on our reliance upon the representations and examinations referred to above, we are of the opinion that as of the date hereof and under existing law:

1. The Authority is a body corporate and politic and an instrumentality of the State of Georgia and had and has the right and lawful authority to authorize and issue the Series 2022 Bonds and to carry out the transactions contemplated by the Resolution.

2. The Resolution has been duly adopted by the Authority. The Resolution constitutes a legal, valid, and binding obligation of the Authority enforceable in accordance with its terms.

3. The Series 2022 Bonds have been properly authorized by and issued pursuant to the Resolution, and have been validated, executed and issued in accordance with the Constitution and laws of the State of Georgia.

4. The Series 2022 Bonds constitute valid, binding and legal special obligations of the Authority payable and secured in accordance with their tenor, and the Authority has covenanted to pay from the Pledged Revenues sums sufficient to pay the principal of, premium, if any, and interest on the Series 2022 Bonds.

5. The payment of the principal of, premium, if any, and interest on the Series 2022 Bonds is secured by a first and prior pledge of and charge or lien on the Pledged Revenues. The Authority has reserved the right to issue additional bonds on a parity with the Series 2022 Bonds and the Series 2021 Bonds as to the lien on the Pledged Revenues.

6. The Series 2022 Bonds have been duly confirmed and validated by judgment of the Superior Court of Chatham County, and no valid appeal may be taken from said judgment of validation.

7. Interest on the Series 2022 Bonds is excludable from gross income for federal income tax purposes and is not an item of preference for purposes of the federal alternative minimum tax. The opinion set forth in the preceding sentence is subject to the condition that the Authority comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2022 Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes.

8. The interest on the Series 2022 Bonds is exempt from present State of Georgia income taxation.

9. Under existing law, registration of the Series 2022 Bonds with the Securities and Exchange Commission is not required under the Securities Act of 1933, as amended, in connection with the offering and sale of the Series 2022 Bonds and the Resolution is not required to be qualified under the Trust Indenture Act of 1939. The Series 2022 Bonds are exempt from the registration provisions of the Georgia Uniform Securities Act of 2008 by virtue of O.C.G.A. § 10-5-10(1) thereof.

The rights of the owners of the Series 2022 Bonds and the enforceability of the Series 2022 Bonds are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

We express no opinion herein regarding the accuracy, adequacy, or completeness of the Official Statement, dated August 3, 2022, relating to the Series 2022 Bonds. Further, we express no opinion regarding tax consequences arising with respect to the Series 2022 Bonds other than as expressly set forth herein.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

GRAY PANNELL & WOODWARD LLP

By: ____________________________________
A Partner

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GEORGIA PORTS

GEORGIA PORTS AUTHORITY • $755,615,000 REVENUE BONDS, SERIES 2022

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