

INTERGOVERNMENTAL SALES TAX AGREEMENT

This **INTERGOVERNMENTAL SALES TAX AGREEMENT** (this “Contract”), made and entered into as of _____, 2026, by and among Augusta, Georgia (the “Consolidated Government”), a political subdivision of the State of Georgia and a consolidated city-county government pursuant to the laws of the State of Georgia, and the City of Blythe, Georgia (“Blythe”) and the City of Hephzibah (“Hephzibah”), each a municipal corporation duly created and existing under the laws of the State of Georgia;

WITNESSETH:

WHEREAS, the Consolidated Government and Blythe and Hephzibah (each a “City” and collectively the “Cities”) deem it to be in the best interest of the special district of Richmond County (which includes the geographic areas within the Consolidated Government and the Cities) created by Section 48-8-110.1(a) of the Official Code of Georgia Annotated (the “Special District”) to improve public services in the Special District by carrying out the hereinafter described capital outlay projects, and the most feasible plan for providing funds to pay the costs of such capital outlay projects is to reimpose a special one percent sales and use tax (the “Sales Tax”), upon the termination of the special one percent sales and use tax presently in effect, pursuant to Part 1 of Article 3 of Chapter 8 of Title 48 of the Official Code of Georgia Annotated (the “Sales Tax Law”); and

WHEREAS, the Sales Tax Law allows the proceeds of the Sales Tax to be distributed pursuant to the terms of a contract entered into pursuant to Article IX, Section III, Paragraph I of the Constitution of the State of Georgia between the Consolidated Government and one or more “qualified municipalities” (as defined in the Sales Tax Law) located within the Special District containing a combined total of no less than 50 percent of the aggregate municipal population located within the Special District; and

WHEREAS, the Consolidated Government and the Cities desire to enter into this Contract to meet the provisions of Section 48-8-115(b)(1) of the Official Code of Georgia Annotated;

NOW, THEREFORE, for and in consideration of the respective representations and agreements hereinafter contained and in furtherance of the mutual public purposes hereby sought to be achieved, the Consolidated Government and the Cities do hereby agree as follows:

Section 1. Representations of the Consolidated Government. The Consolidated Government makes the following representations as the basis for the undertakings on its part herein contained:

(a) The Consolidated Government delivered or mailed on or about _____, 2025 a written notice to the chief elected official of each City, of a meeting that was held on May 8, 2025, at which the governing authorities of the Consolidated Government and of such Cities met to discuss the possible projects for inclusion in the Sales Tax, including municipally owned or operated projects.

(b) The Consolidated Government is permitted by Article IX, Section III, Paragraph I of the Constitution of the State of Georgia to contract for any period not exceeding fifty years with the Cities for joint services, for the provision of services, or for the joint or separate use of facilities or equipment.

(c) The Consolidated Government has the power to enter into this Contract and to perform all obligations contained herein, and has, by proper action, duly authorized the execution and delivery of this Contract.

Section 2. Representations of each City. Each City makes the following representations as the basis for the undertakings on its part herein contained:

(a) It is a “qualified municipality” within the meaning of the Sales Tax Law.

(b) The Cities contain a combined total of no less than 50 percent of the aggregate municipal population located within the Special District.

(c) It is permitted by Article IX, Section III, Paragraph I of the Constitution of the State of Georgia to contract for any period not exceeding fifty years with the Consolidated Government for joint services, for the provision of services, or for the joint or separate use of facilities or equipment.

(d) It has the power to enter into this Contract and to perform all obligations contained herein, and has, by proper action, been duly authorized to execute and deliver this Contract.

Section 3. Term. The term of this Contract shall commence with the execution and delivery hereof and shall extend until the termination of the Sales Tax or the failure of the Sales Tax to achieve voter approval.

Section 4. Referendum; Capital Outlay Projects. The Consolidated Government shall call a referendum to be held in all voting precincts in the Special District on May 19, 2026 on whether to reimpose the Sales Tax for the raising of not more than \$_____ to fund the following capital outlay projects in the following estimated amounts:

(a) Projects, which are estimated to cost \$_____, to be owned or operated or both by the Consolidated Government or by one or more local authorities within the Special District pursuant to intergovernmental contracts with the Consolidated Government, as follows:

(b) Projects, which are estimated to cost \$_____, to be owned or operated or both by Blythe, as follows:

(c) Projects, which are estimated to cost \$_____, to be owned or operated or both by Hephzibah, as follows:

The capital outlay projects specified in this Section 4 hereof are listed by category and particular projects within each category are specified on Exhibit A attached hereto. Each capital outlay project is intended to be fully funded by the Consolidated Government, Blythe, or Hephzibah with respect to each of their respective capital outlay projects. Weather, availability of contractors, availability of labor, materials, and equipment, and many other factors may affect each capital outlay project individually. While each capital outlay project will receive its respective allocation of Sales Tax proceeds as needed for completion, each project will proceed and be fully funded on an as needed and ready basis.

Section 5. Distribution of Sales Tax Proceeds. The Consolidated Government shall apply the proceeds of the Sales Tax to fund the following capital outlay projects in the following order of priority:

(a) First, a sufficient amount shall be set aside to pay the semiannual interest requirements and annual principal requirements next coming due in the current year on not to exceed \$ _____ in aggregate principal amount of obligations issued to finance any one or more of the capital outlay projects specified in subparagraphs (1) through (5) of Section 4(a) hereof;

(b) Second, during calendar years 2027 and 2028, Sales Tax collections shall be disbursed for each such calendar year ratably to the Cities as soon as practicable as follows:

(1) up to \$ _____ of Sales Tax collections shall be disbursed to Blythe for each such calendar year to fund in equal priority any one or more of the capital outlay projects specified in Section 4(b) hereof; and

(2) up to \$ _____ of Sales Tax collections shall be disbursed to Hephzibah for each such calendar year to fund in equal priority any one or more of the capital outlay projects specified in Section 4(c) hereof; and

(c) Third, all remaining Sales Tax collections shall be applied by the Consolidated Government to fund in equal priority those capital outlay projects specified in subparagraphs (1) through (5) of Section 4(a) hereof not otherwise financed by the obligations described in Section 5(a) hereof.

Should a City cease to exist as a legal entity before all funds are distributed under this Contract, such City's share of the funds subsequent to dissolution shall be paid to the Consolidated Government as part of the Consolidated Government's share unless an act of the Georgia General Assembly makes the defunct City part of another successor municipality. If such an act is passed, the defunct City's share shall be paid to the successor municipality in addition to all other funds to which the successor municipality would otherwise be entitled.

The Consolidated Government and the Cities each reserve the independent and exclusive right to modify the priority and schedule of each of its respective capital outlay projects.

All capital outlay projects included in this Contract shall be funded from proceeds from the Sales Tax, except as otherwise agreed in this Contract.

Section 6. Use of Sales Tax Proceeds. The proceeds received from the Sales Tax shall be used by the Consolidated Government and each City receiving proceeds of the Sales Tax exclusively for the capital outlay projects specified in Section 4 hereof or to repay obligations that finance such capital outlay projects. Such proceeds shall be kept in separate accounts from other funds of the Consolidated Government and each City receiving proceeds of the Sales Tax and shall not in any manner be commingled with other funds of the Consolidated Government and each City receiving proceeds of the Sales Tax prior to expenditure.

Section 7. Record-Keeping and Audit Requirements. The Consolidated Government and each City receiving any proceeds from the Sales Tax shall maintain a record of each and every project for which the proceeds of the Sales Tax are used. A schedule shall be included in each annual audit of each party hereto that shows for each such project the original estimated cost, the current estimated cost if it is not the original estimated cost, amounts expended in prior years, and amounts expended in the current year. Each party's auditor shall verify and test expenditures sufficient to provide assurances that the schedule is fairly presented in relation to each party's financial statements. The auditor's report on each party's financial statements shall include an opinion, or disclaimer of opinion, as to whether the schedule is presented fairly in all material respects in relation to the financial statements taken as a whole.

Section 8. Entire Agreement. This Contract expresses the entire understanding and all agreements among the parties hereto with respect to the subject matter hereof.

Section 9. Severability. If any provision of this Contract shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses, or sections contained in this Contract shall not affect the remaining portions of this Contract or any part hereof.

Section 10. Counterparts. This Contract 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 11. Amendments in Writing. No waiver, amendment, release, or modification of this Contract shall be established by conduct, custom, or course of dealing, but solely by an instrument in writing only executed by the parties hereto.

Section 12. Limitation of Rights. Nothing in this Contract, express or implied, shall give to any person, other than the parties hereto and their successors and assigns hereunder, any benefit or any legal or equitable right, remedy, or claim under this Contract.

(Signatures and seals appear on the following page)

IN WITNESS WHEREOF, the Consolidated Government and the Cities have caused this Contract to be executed in their respective corporate names and have caused their respective corporate seals to be hereunto affixed and attested by their duly authorized officers, all as of the day and year first above written.

AUGUSTA, GEORGIA

(SEAL)

By: _____
Garnett L. Johnson
Mayor

Attest:

Lena J. Bonner
Clerk of Commission

CITY OF BLYTHE, GEORGIA

(SEAL)

By: _____
Tom Cobb
Mayor

Attest:

City Clerk

CITY OF HEPHZIBAH

(SEAL)

By: _____
Robert J. Buchwitz
Commission Chairman

Attest:

City Clerk

EXHIBIT A

[Attached]