

BOND RESOLUTION

A BOND RESOLUTION OF THE BOARD OF COMMISSIONERS OF EFFINGHAM COUNTY TO REGULATE AND PROVIDE FOR THE ISSUANCE OF THE EFFINGHAM COUNTY GENERAL OBLIGATION SALES TAX BOND, SERIES 2022, IN THE PRINCIPAL AMOUNT OF \$14,679,000 (THE “**BOND**”), TO PROVIDE MONEY FOR CERTAIN COUNTY-WIDE CAPITAL OUTLAY PROJECTS FOR EFFINGHAM COUNTY AND COSTS ASSOCIATED WITH ISSUANCE OF THE BOND, AS AUTHORIZED BY A VOTE OF THE QUALIFIED VOTERS OF EFFINGHAM COUNTY IN AN ELECTION HELD ON NOVEMBER 2, 2021, PURSUANT TO AND IN CONFORMITY WITH THE CONSTITUTION AND STATUTES OF THE STATE OF GEORGIA; TO REGULATE AND PROVIDE FOR THE FORM OF THE BOND; TO PROVIDE FOR THE PLEDGE OF SALES AND USE TAX PROCEEDS TO THE PAYMENT OF THE BOND; TO PROVIDE FOR THE ASSESSMENT AND COLLECTION OF A DIRECT ANNUAL TAX SUFFICIENT IN AMOUNT TO PAY THE PRINCIPAL OF AND INTEREST ON THE BOND; AND FOR OTHER PURPOSES.

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PREAMBLE

1. At an election duly called and held on November 2, 2021 (the “**Election**”) in Effingham County, Georgia (the “**County**”) by the Board of Elections and Registration of Effingham County, as election superintendent (the “**Election Superintendent**”), and the Board of Commissioners of Effingham County (the “**Board of Commissioners**”), the governing body of the County, a political subdivision of the State of Georgia, after notice thereof had been given to the qualified voters of the County for the time and in the manner required by law, a majority of the qualified voters of the County voting in the Election voted in favor of the following question:

1% SPLOST ELECTION

Shall a special one percent sales and use tax be reimposed in the special district of Effingham County for a period of time not to exceed six years and for the raising of an estimated amount of \$80,000,000.00 for the purpose of funding (1) public buildings capital outlay projects, recreation capital outlay projects, roads, streets, and bridges capital outlay projects, vehicles and equipment capital outlay projects, drainage capital outlay projects, technology capital outlay projects and water and sewer capital outlay projects for **Effingham County**; (2) water and sewer capital outlay projects, streets and lanes capital outlay projects, public safety capital outlay projects and public safety vehicles, recreation capital outlay projects, and technology capital outlay projects for the **City of Guyton**; (3) water and sewer capital outlay projects, fire capital outlay projects, police capital outlay projects, streets and drainage capital outlay projects, recreation capital outlay projects, and public buildings capital outlay projects for the **City of Rincon**; and (4) water and sewer capital outlay projects, parks and recreation capital outlay projects roads, public safety capital outlay projects, streets and drainage capital outlay projects and city buildings capital outlay projects for the **City of Springfield**?

If reimposition of the tax is approved by the voters, such vote shall also constitute approval of the issuance of general obligation debt of Effingham County, Georgia in the principal amount of \$16,000,000.00 for the purposes of funding all or a portion of any of the County-Wide Projects.”

2. In accordance with law, the Election Superintendent canvassed the returns, declared the results of the Election to be 2,572 “Yes” votes and 1,288 “No” votes, and certified the results to the Secretary of State of the State of Georgia and to the Commissioner of the Department of Revenue of the State of Georgia, declaring the results of the Election.

3. The results of the Election provide authorization to the County to reimpose a special county one percent sales and use tax (the “**Special Sales Tax**”) in Effingham County beginning July 1, 2022. The Special Sales Tax shall be collected for a period of time not to exceed six (6) years and for the raising of an estimated amount of \$80,000,000. The results of the

Election also provide authorization to the County to issue general obligation debt of the County in the principal amount not to exceed \$16,000,000 to fund a portion of the County-Wide Projects of the County (the “**Projects**”) as further described in the Contract hereinafter defined.

4. Article IX, Section III, Paragraph I of the Constitution of the State of Georgia provides, in pertinent part, that any county, municipality, or other political subdivision of the State of Georgia may contract for any period not exceeding 50 years with each other or with any public agency, public corporation, or public authority for joint services, for the provision of services, or for the joint or separate use of facilities or equipment, for such activities, services or facilities which the county, municipality, or public authority is authorized by law to undertake or provide.

5. The cities of Rincon, Springfield, and Guyton each a qualified municipality located within the County (collectively, the “**Municipalities**”) have entered into an intergovernmental contract with the County, dated as of August 17, 2021 (the “**Contract**”), as authorized by Article IX, Section III, Paragraph I of the Constitution of the State of Georgia. Pursuant to the provisions of the Contract, prior to the call of the Election, as required by the Official Code of Georgia Annotated (“**O.C.G.A.**”) § 48-8-111(a)(1)(D), the County and the Municipalities have provided for the division of the revenues produced by the Special Sales Tax in order that the County and the Municipalities may finance the capital outlay projects approved by the voters voting in the Election. In accordance with the Contract, the County will receive 74.41% of the proceeds of the Special Sales Tax (excluding the proceeds used for the County-Wide Projects, as defined in the Contract), the City of Rincon will receive 16.91%, the City of Springfield will receive 5.46%, and the City of Guyton will receive 3.22%.

6. The general obligation debt of the County authorized in the Election constitutes a pledge of the full faith, credit, and taxing power of the County, and any liability on such debt which is not satisfied from the proceeds of the Special Sales Tax shall be satisfied from the general funds of the County or from a direct annual *ad valorem* tax levied in an amount sufficient to pay principal, premium, if any, and interest on such general obligation debt.

7. The Board of Commissioners and the Election Superintendent have complied with all applicable provisions of Part 1 of Article 3 of Chapter 8 of Title 48 of O.C.G.A., which specifically provides for the imposition of a Special Sales Tax for the purposes approved by the voters voting in the Election, and the Board of Commissioners and the Election Superintendent have complied with all applicable provisions of the Georgia Election Code in conducting and consolidating the returns of the Election. On January 18, 2022, the Board of Commissioners adopted a resolution, under the provisions of O.C.G.A. § 36-82-2, or any other provisions of law which may be deemed applicable, declaring the results of the Election, which declared the results to be in favor of the question set forth in paragraph 1 of this preamble and constituted approval of the issuance of general obligation debt in a principal amount not to exceed \$16,000,000.

8. Although the qualified voters voting in the Election authorized the issuance of general obligation debt in a principal amount not to exceed \$16,000,000, the Board of Commissioners has determined that it is in the County’s best interest to issue \$14,679,000 of such authorized debt at this time, reserving to itself the right to issue the remaining amount of authorized debt at such time as it may so determine.

NOW, THEREFORE, in order to issue and deliver the general obligation debt of the County authorized to be issued by the qualified voters of the County voting in the Election, to adopt the form for the debt and to authorize the execution of the same, to provide for the assessment and collection of a direct annual tax sufficient to pay the principal of and interest on the debt, and to pledge the proceeds to be received by the County from the Special Sales Tax to the payment of the debt, and for other purposes, BE IT RESOLVED by the Board of Commissioners of Effingham County, in public meeting properly and lawfully called and assembled, and it hereby is resolved by authority of the same, that:

ARTICLE I

DEFINITIONS; RULES OF CONSTRUCTION

Section 101. Definitions. In addition to the words and terms elsewhere defined in this Resolution, the following words and terms used herein shall have the following meanings:

“**Authentication Agent**” means the County Clerk of Effingham County, or such bank or trust company so designated by the Board of Commissioners.

“**Board of Commissioners**” means the Board of Commissioners of Effingham County, Georgia, the governing body of the County, and any successor or successors in office to the present Board of Commissioners.

“**Bond**” means the EFFINGHAM COUNTY GENERAL OBLIGATION SALES TAX BOND, SERIES 2022, authorized to be issued in the principal amount of \$14,679,000 in accordance with the provisions of this Resolution.

“**Bond Counsel**” means an attorney at law or a firm of attorneys designated by the Board of Commissioners, of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on bonds issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States of America.

“**Bond Date**” means the date of issuance and delivery of the Bond or such other date as the Board of Commissioners shall approve.

“**Bondholder**” or “**Holder**” means the registered owner of the Bond.

“**Bond Registrar**” means the County Clerk of Effingham County, or such bank or trust company so designated by the Board of Commissioners.

“**Bond Year**” means each one-year period that begins on June 2 of one year and ends on June 1 in the next ensuing year.

“**Business Day**” means any day other than (a) a day on which banking institutions in New York, New York, or the city in which the Paying Agent has its designated offices are authorized to close or (b) a day on which the New York Stock Exchange is closed.

“**Code**” means the Internal Revenue Code of 1986, as amended.

“**Construction Fund**” means the EFFINGHAM COUNTY GENERAL OBLIGATION SALES TAX BOND, SERIES 2022 CONSTRUCTION FUND, authorized to be created by Section 401(b) of this Resolution.

“**Construction Fund Custodian**” means Truist Bank, or such other bank or trust company so designated by the Board of Commissioners.

“**Contract**” means the intergovernmental contract entered into by the County and the Municipalities effective August 17, 2021, as further described in paragraph 5 of the preamble of this Resolution.

“**Costs of Issuance**” means the reasonable and necessary costs and expenses incurred by the County with respect to this Resolution and any transaction or event contemplated by this Resolution, including fees and expenses of accountants, attorneys, and placement agents, and advertising, recording, validation, and printing expenses, and all other costs and expenses incurred in connection with the issuance of the Bond.

“**County**” means Effingham County, a political subdivision of the State.

“**Debt Service**” means the principal of and interest due on the Bond.

“**Debt Service Account**” means the EFFINGHAM COUNTY DEBT SERVICE ACCOUNT, authorized to be created pursuant to Section 501(b) of this Resolution.

“**Debt Service Account Custodian**” means Truist Bank, or such other bank or trust company so designated by the Board of Commissioners.

“**Debt Service Requirement**” means the amount required in a Bond Year to pay Debt Service on the Bond as the same becomes due and payable.

“**Election**” means the election held in the County on November 2, 2021, regarding the imposition of the Special Sales Tax, as more fully described in paragraph 1 of the Preamble to this Resolution.

“**Federal Tax Certificate**” means a certificate executed by the appropriate officer of the County, dated the date of issuance and delivery of the Bond, to the effect that on the basis of facts and estimates set forth therein (A) it is not expected that the proceeds of the Bond will be used in a manner that would cause the Bond to be an “arbitrage bond” within the meaning of § 148 of the Code and applicable regulations thereunder, and (B) to the best knowledge and belief of said officer, such expectations are reasonable.

“**Interest Payment Date**” shall have the meaning given such term in Section 203 (a) of this Resolution.

“**Municipalities**” means the City of Guyton, Georgia, City of Rincon, Georgia, and the City of Springfield, Georgia, each a municipal corporation of the State and a qualified municipality located in the County.

“**O.C.G.A.**” means Official Code of Georgia Annotated, as amended.

“**Outstanding Bond**” means the Bond which has been executed and delivered pursuant to this Resolution except:

- (a) when the Bond has been cancelled because of payment;

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

(c) the Bond in lieu of which another Bond has been executed and delivered under Section 206 of this Resolution.

“Paying Agent” means the County Clerk of Effingham County, or such bank or trust company so designated by the Board of Commissioners.

“Project Superintendent” means the person or persons so designated in writing by the Chairman of the Board of Commissioners.

“Projects” means the county-wide capital outlay projects to be undertaken by the County as approved in the Election and more particularly described in the Contract, as set forth in the preamble to this Resolution.

“Record Date” shall have the meaning given such term in Section 203(e) of this Resolution.

“Resolution” means this bond resolution, including any supplements or amendments hereto.

“Sales Tax Proceeds Account” means the EFFINGHAM COUNTY SALES AND USE TAX PROCEEDS ACCOUNT authorized to be created by Section 501(b) of this Resolution.

“Sales Tax Proceeds Account Custodian” means Truist Bank, or such other bank or trust company so designated by the Board of Commissioners.

“Special Sales Tax” means the special county one percent sales and use tax, approved by the voters in the Election, to be reimposed in Effingham County on July 1, 2022, in accordance with Part 1 of Article 3 of Chapter 8 of Title 48 of the Official Code of Georgia Annotated.

“State” means the State of Georgia.

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

(a) “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.

(b) any pronoun used herein shall be deemed to cover all genders;

(c) all references herein to particular Articles or Sections are references to Articles or Sections of this Resolution; and

(d) the titles preceding each Section of 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 I]

ARTICLE II

AUTHORIZATION, TERMS, AND FORM OF BOND

Section 201. Authorization and Designation of the Bond. A general obligation sales tax bond designated EFFINGHAM COUNTY GENERAL OBLIGATION SALES TAX BOND, SERIES 2022, in the principal amount of \$14,679,000 (the “**Bond**”) is hereby authorized to be issued for the purposes stated in the call of the Election, pursuant to the Constitution of Georgia, the general laws of the State, the aforesaid Election and vote, and this Resolution, and all the covenants, agreements, and provisions of this Resolution shall be for the benefit and security of the owner of the Bond. The Bond shall be sold to Regions Capital Advantage, Inc., for a purchase price of 100% of the principal amount of the Bond.

Section 202. General Obligation. The Bond shall constitute debt of the County within the meaning of Article IX, Section V, Paragraph I of the Constitution of Georgia. Payment of the Bond shall constitute a pledge of the full faith and credit of the County, and any liability on such debt which is not satisfied from the proceeds of the Special Sales Tax shall be satisfied from the general fund of the County and a direct annual *ad valorem* tax levied in an amount sufficient to pay Debt Service on the Bond.

Section 203. Maturity, Interest Rate, Payment Dates, Date, Redemption Provisions, and Other Particulars of the Bond.

(a) The Bond shall bear interest at the rate of 2.55% per annum, calculated on the basis of a 360-day year of twelve 30-day months, payable on June 1 and December 1 (each an “**Interest Payment Date**”) in each year, beginning December 1, 2022, and shall mature and be paid on June 1, 2028, subject to scheduled mandatory redemption prior to maturity in part 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:

<u>Date</u>	<u>Principal Amount Maturing</u>
June 1, 2023	\$2,308,000
June 1, 2024	2,352,000
June 1, 2025	2,411,000
June 1, 2026	2,473,000
June 1, 2027	2,535,000
June 1, 2028	2,600,000

In the event a default shall occur in the payment of principal or interest on any Interest Payment Date, and such default is not cured by the County within 30 days from the Interest Payment Date, to the extent permitted by applicable law, the Bond shall bear interest from the date of such default at the rate of 5.0%.

(b) Beginning on June 1, 2025, the principal of the Bond is subject to prepayment at any time, either in whole or in part, at the option of the County, at a prepayment price of 100% of the principal amount to be prepaid, plus accrued interest to the prepayment date. At least 30 days before any date upon which any such prepayment or redemption is to be made, a notice of intention so to prepay or redeem, designating the prepayment or redemption date and the amount

of the Bond to be prepaid or redeemed, signed by the County Clerk, shall be mailed, postage prepaid, to the registered owner of the Bond to be prepaid or redeemed at the address of such registered owner as the same shall appear upon the books of registration.

Notice of prepayment having been given in the manner and under the terms and conditions hereinabove provided, the Bond shall, on the prepayment date designated in such notice, become and be due and payable to the extent of the principal amount to be prepaid and interest on such amount shall, after the giving of such notice, cease to accrue from and after the date fixed for prepayment unless default shall be made in prepayment. Any such prepayment in part shall not affect, prior to the payment of the entire principal balance, the amount or payment date of any interest payment date, but shall be applied against the principal portion of the installments last due, which may shorten the final maturity of the Bond.

(c) The Bond as originally issued shall be dated its date of issuance and delivery (the “**Bond Date**”) and shall be lettered and numbered R-1.

(d) Except as provided in this Section, the Bond shall bear interest from the Interest Payment Date next preceding the date of authentication of the Bond to which interest on the Bond has been paid, unless (i) such date of authentication is an Interest Payment Date to which interest has been paid, in which case from such Interest Payment Date, (ii) such date of authentication of the Bond is after the Record Date with respect to an Interest Payment Date and prior to such Interest Payment Date, in which case from such Interest Payment Date, or (iii) no interest has been paid on the Bond, in which case from the Bond Date.

(e) The person in whose name the Bond is registered at the close of business on any Record Date with respect to any Interest Payment Date shall be entitled to receive the interest payable on such Interest Payment Date notwithstanding any registration of transfer or exchange subsequent to such Record Date and prior to such Interest Payment Date. The term “**Record Date**” as used in this Section with respect to any Interest Payment Date shall mean the 15th day of the calendar month next preceding such Interest Payment Date; provided, however, that if and to the extent a default shall occur in the payment of interest due on such Interest Payment Date, such past due interest shall be paid to the persons in whose name the Bond is registered on a subsequent date of record established by notice given by mail by the Bond Registrar to the holder of the Bond not less than 30 days preceding such subsequent date of record.

(f) The Debt Service on the Bond shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. The final payment of principal of the Bond shall be payable without the requirement of presentation or surrender of the Bond, except that upon the written request of the County made concurrently with or reasonably promptly after payment or redemption in full of the Bond, the registered owner of the Bond shall surrender the Bond for cancellation, reasonably promptly after any such request, to the County. The principal of, and premium, if any, on the Bond payable by mandatory redemption and the interest on the Bond shall be paid by check or draft mailed by the Paying Agent by first class mail to the owner of the Bond at such owner’s address as it appears on the bond register kept by the Bond Registrar (or by wire transfer to the registered owner of the Bond at a wire transfer address which said registered owner has provided to the Paying Agent not less than five business days prior to an Interest Payment Date, or other applicable payment date, which wire instructions shall remain in effect until the Paying Agent is notified to the contrary).

(g) The Bond, as originally issued, shall be issued as a fully-registered, single-instrument bond without coupons in the principal amount of \$14,679,000.

Section 204. Execution of Bond. The Bond will be executed with the manual signature or the engraved, imprinted, stamped or otherwise reproduced facsimile signature of the Chairman of the Board of Commissioners and the seal of the County will be impressed, imprinted, or otherwise reproduced and attested by the manual or facsimile signature of the Clerk of the County.

In case any officer whose facsimile signature shall appear on the Bond shall cease to be such officer before delivery of the Bond, such signature, nevertheless, shall be valid and sufficient for all purposes the same as if such officer had remained in office until delivery, and the Bond, nevertheless, may be issued and delivered as though the person whose signature appears on the Bond had not ceased to be such officer. Any of the Bond may be executed and sealed on behalf of the County by the facsimile signatures of such officers who may, at the time of the execution of the Bond, hold the proper offices of the County although on the date of the Bond or on the date of any lawful proceedings taken in connection therewith such persons may not have held such offices.

Section 205. Authentication of Bond. The Bond shall bear thereon a certificate of authentication substantially in the form hereinafter prescribed, executed by the Authentication Agent with a manually executed signature. Only such Bond as shall bear thereon such certificate of authentication shall be entitled to any right or benefit under this Resolution and no Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Authentication Agent and such certificate of the Authentication Agent shall be conclusive evidence that the Bond so authenticated has been duly authenticated, registered, and delivered under this Resolution and that the owner thereof is entitled to the benefits of this Resolution. At such time as the Authentication Agent is a financial institution, the certificate of authentication on any Bond shall be deemed to have been executed by such Authentication Agent if signed manually by an authorized officer of the Authentication Agent or its authorized representative, but it shall not be necessary that the same officer or authorized representative sign the certificate of authentication on all the Bond.

Section 206. Mutilated, Lost, Stolen, or Destroyed Bond. If the Bond is mutilated, lost, stolen, or destroyed, the County will execute and deliver a new Bond of like tenor as that mutilated, lost, stolen, or destroyed, provided that, in the case of any such mutilated Bond, such Bond is first surrendered to the Paying Agent and, in the case of any such lost, stolen, or destroyed Bond, there is first furnished evidence of such loss, theft, or destruction satisfactory to the Bond Registrar, together with indemnity satisfactory to the County; provided that if the Holder of such destroyed, lost, or stolen Bond is, or is a nominee for, the initial purchaser of the Bond or has a minimum net worth of at least \$25,000,000, such person's own unsecured agreement of indemnity shall be deemed to be satisfactory. No service charge shall be made for any such transaction, but a charge may be made to cover any actual expense incurred. In the event any Bond shall have matured or become due, in lieu of issuing a duplicate Bond, the Paying Agent may pay such Bond without surrender thereof.

Section 207. Persons Treated as Owners of Bond. The County and its agents, including the Paying Agent and Bond Registrar, may deem and treat the registered owner of any Bond as the absolute owner of such Bond for the purpose of receiving payment of the principal

thereof and the interest thereon and for all other purposes whatsoever. All such payments of principal and interest made to any such owner or upon such owner's order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the County nor any such agent shall be affected by any notice to the contrary.

Section 208. Validation Certificate. A validation certificate of the Clerk of Superior Court of Effingham County, State of Georgia, bearing the manual signature or the engraved, imprinted, stamped or otherwise reproduced facsimile signature of such Clerk and the impressed, imprinted, or otherwise reproduced seal of said court will be endorsed on the Bond and will be essential to its validity.

Section 209. Registration; Transfer and Exchange of Bond. The Bond shall be registered as to both principal and interest on registration books to be kept for that purpose by the Bond Registrar and Paying Agent. The Paying Agent will be the Bond Registrar for the Bond and will keep proper registration, exchange and transfer records in which it shall register the name and address of the owner of the Bond. The Bond Registrar is hereby designated as Authentication Agent for purposes of authenticating any Bond issued hereunder or issued in exchange or in replacement for Bond previously issued. The Bond may be transferred only on the bond register of the Bond Registrar with respect to the Bond. No transfer of any Bond shall be permitted except upon presentation and surrender of such Bond at the office of the Bond Registrar with a written assignment signed by the registered owner of such Bond in person or by a duly authorized attorney in form and with guaranty of signature satisfactory to the Bond Registrar.

Upon surrender for registration of transfer of any Bond at the office of the Bond Registrar, the County shall execute and the Authentication Agent shall authenticate and deliver to the transferee or transferees a new Bond or Bond for a like principal amount and maturity. Bond may be exchanged at the designated office of the Bond Registrar for a like principal amount of Bond of authorized denominations and of like maturity. The execution by the County of any Bond in any authorized denomination shall constitute full and due authorization of such denomination and the Bond Registrar shall thereby be authorized to authenticate and deliver such Bond. No charge shall be made to any Bondholder for the privilege of registration of transfer or exchange, but any Bondholder requesting any such registration of transfer or exchange shall pay any tax or other governmental charge required to be paid with respect thereto.

The Bond Registrar shall not be required to issue, transfer or exchange any Bond until the certificate of validation on any replacement bond shall have been properly executed by the Clerk of the Superior Court of Effingham County. Upon the written request of the Bond Registrar or the County specifying that a Bond is being issued in exchange for or for transfer of registration of one of the Bond as originally issued and delivered or one of the Bond previously issued in exchange therefor, the Clerk of the Superior Court of Effingham County is instructed to execute the certificate of validation endorsed on such Bond.

The inclusion of the foregoing provisions shall constitute (i) a continuing request from the County to the Clerk of Superior Court of Effingham County to execute the certificate of validation on any replacement Bond issued, and (ii) the appointment of the Bond Registrar as agent of the County to do any and all things necessary to effect any exchange or transfer.

Section 210. Destruction of Canceled Bond. If the Bond is paid or purchased, either at or before maturity, it shall be canceled and delivered to the Bond Registrar when such payment is made. The Bond so canceled shall be destroyed upon its delivery to the Bond Registrar and record of such destruction shall be furnished to the County and preserved in the permanent records of the County.

Section 211. Form of Bond. The Bond and the certificate of validation and certificate of authentication to be endorsed thereon will be in substantially the following terms and form, with such variations, omissions, substitutions, and insertions as may be required, in accordance with this Resolution, to complete properly the Bond and as may be approved by the officer or officers executing the Bond by manual or facsimile signature, which approval shall be conclusively evidenced by such execution:

[FORM OF BOND]

THIS BOND AND THE INSTRUMENTS HEREINAFTER DESCRIBED ARE SUBJECT TO A PURCHASE LETTER AND MAY NOT BE SOLD, TRANSFERRED, ASSIGNED, OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO THE TERMS OF SUCH PURCHASE LETTER.

This Bond shall not be transferred if such transfer would void the exemption contained in Securities and Exchange Commission Rule 15c2-12(d)(1)(i), from the continuing disclosure requirements of Securities and Exchange Commission Rule 15c2-12(b)(5) or any similar rules or statutes in effect at the time of such transfer.

No. R-1

UNITED STATES OF AMERICA

STATE OF GEORGIA

EFFINGHAM COUNTY (GEORGIA)

GENERAL OBLIGATION SALES TAX BOND, SERIES 2022

Maturity Date: June 1, 2028
Principal Amount: \$14,679,000
Interest Rate: 2.55%
Bond Date: [Date of Issuance and Delivery]
Registered Owner: Regions Capital Advantage, Inc.

Effingham County (the "County"), a political subdivision of the State of Georgia, acting by and through its governing body, the Board of Commissioners of Effingham County, for value received hereby promises to pay or cause to be paid to the registered owner named above or to the payee's registered assigns the principal amount specified above, on the maturity date specified above, without the requirement of presentation and surrender of this Bond at the office of the County Clerk of Effingham County, as Paying Agent and Bond Registrar, in lawful money of the United States of America, and to pay to the registered owner hereof, interest on such principal sum by check or draft mailed by first class mail (or by wire transfer to the registered owner of this Bond at a wire transfer address which said registered owner has provided to the Paying Agent not less than five business days prior to an Interest Payment Date (hereinafter

defined) which wire instructions shall remain in effect until the Paying Agent is notified to the contrary), to such owner at such owner’s address as it shall appear on the bond register kept by the Bond Registrar, at the interest rate per annum specified above (calculated on the basis of a 360-day year of twelve 30-day months), payable on June 1 and December 1 of each year (each a “Interest Payment Date”), beginning December 1, 2022, from the Interest Payment Date next preceding the date of authentication of this Bond to which interest on this Bond has been paid, unless (i) such date of authentication is an Interest Payment Date to which interest has been paid, in which case from such Interest Payment Date, (ii) such date of authentication is after the Record Date (hereinafter defined) with respect to an Interest Payment Date and prior to such Interest Payment Date, in which case from such Interest Payment Date, or (iii) no interest has been paid on this Bond, in which case from the Bond Date set forth above, until payment is made of such principal sum in full.

The interest so payable on any such Interest Payment Date will be paid to the person in whose name this Bond is registered at the close of business on the 15th day of the calendar month preceding such Interest Payment Date (the “Record Date”); provided, however, that if and to the extent a default shall occur in the payment of interest due on said Interest Payment Date, such past due interest shall be paid to the persons in whose name this outstanding Bond is registered on a subsequent date of record established by notice given by mail by the Paying Agent to the holder of this Bond not less than 30 days preceding such subsequent date of record. Both the principal of and interest on this Bond are payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Bond is the duly authorized bond designated EFFINGHAM COUNTY GENERAL OBLIGATION SALES TAX BOND, SERIES 2022, in the principal amount of \$14,679,000 (this “Bond”), issued to provide funds needed to pay the costs, in whole or in part, of certain capital outlay projects for the County and costs associated with issuance of this Bond.

This Bond is subject to scheduled mandatory redemption prior to maturity in part 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:

<u>Date</u>	<u>Principal Amount Maturing</u>
June 1, 2023	\$2,308,000
June 1, 2024	2,352,000
June 1, 2025	2,411,000
June 1, 2026	2,473,000
June 1, 2027	2,535,000
June 1, 2028	2,600,000

In the event a default shall occur in the payment of principal or interest on any Interest Payment Date, and such default is not cured by the County within 30 days from the Interest Payment Date, to the extent permitted by applicable law, the Bond shall bear interest from the date of such default at the rate of 5.0%.

Beginning on June 1, 2025, the principal of this Bond is subject to prepayment at any time, either in whole or in part, at the option of the County, at a prepayment price of 100% of the principal amount to be prepaid, plus accrued interest to the prepayment date. At least 30 days before any date upon which any such prepayment or redemption is to be made, a notice of intention so to prepay or redeem, designating the prepayment or redemption date and the amount of this Bond to be prepaid or redeemed, signed by the County Clerk, shall be mailed, postage prepaid, to the registered owner of this Bond to be prepaid or redeemed at the address of such registered owner as the same shall appear upon the books of registration. Any such prepayment in part shall not affect, prior to the payment of the entire principal balance, the amount or payment date of any interest payment date, but shall be applied against the principal portion of the installments last due, which may shorten the final maturity of this Bond.

This Bond is issued under and pursuant to authority of the Constitution and laws of the State of Georgia, which issuance was duly authorized by the qualified voters of Effingham County voting in an election held for that purpose on November 2, 2021, and by a bond resolution adopted by the Board of Commissioners of Effingham County on June 7, 2022 (the "Resolution").

At the election held on November 2, 2021, a majority of the qualified voters of Effingham County authorized the raising of an estimated \$80,000,000 from a special county one percent sales and use tax (the "Special Sales Tax") for the purpose of funding certain capital outlay projects of the County and the qualified municipalities located within the County, and authorized the County to issue general obligation debt in the principal amount no to exceed \$16,000,000 to finance certain county-wide capital outlay projects. The expenditure of Special Sales Tax proceeds for the capital outlay projects approved by the voters but not funded with proceeds of this Bond shall be made directly from proceeds of such Special Sales Tax as proceeds are available therefor. No part of the direct net proceeds from the Special Sales Tax received in any year shall be used for any of said capital outlay projects of the County until the principal and interest requirement of this Bond has first been satisfied for that year from a separate account in which are to be placed the proceeds received from the Special Sales Tax.

The general obligation indebtedness evidenced by this Bond is secured by and first payable from the Special Sales Tax, which tax will begin being collected on July 1, 2022, for a period of time not to exceed six years and for the raising of an estimated \$80,000,000, and is payable from a separate account in which are to be placed the proceeds received by the County from the Special Sales Tax. Such general obligation debt, however, constitutes a pledge of the full faith, credit, and taxing power of the County. Any liability on such debt which is not satisfied from the proceeds of the Special Sales Tax shall be satisfied from the general fund of the County or from a direct annual *ad valorem* tax authorized to be levied, without limitation as to rate or amount, upon all taxable property within the County which is subject to taxation for general obligation bond purposes in an amount sufficient to pay the principal of and interest on this Bond.

This Bond is issued with the intent that the laws of the State of Georgia shall govern its construction, and, in the case of default, the owner hereof shall be entitled to the remedies provided all applicable laws.

This Bond shall not be entitled to any benefit under the Resolution or be valid or become obligatory for any purpose until this Bond shall have been authenticated by the execution by the Authentication Agent of the certificate of authentication hereon.

The person in whose name this Bond is registered shall be deemed and regarded as the absolute owner hereof for all purposes, and payment of or on account of either principal or interest made to such registered owner shall be valid and effectual to satisfy and discharge the liability upon this Bond to the extent of the sum or sums so paid.

This Bond is being issued in fully-registered form as a single instrument bond. This Bond, upon the surrender thereof at the office of the Bond Registrar with a written instrument of transfer satisfactory to the Bond Registrar executed by the owner or the owner's attorney duly authorized in writing, may be exchanged, at the option of the owner, for an equal principal amount of Bond of the same maturity and interest rate of any other authorized denomination. No service charge shall be made for any such exchange or registration of transfer, but the Bond Registrar may require payment of such charges as shall be sufficient to cover any tax or other governmental charge, if any, which may be payable in connection therewith.

This Bond is registrable as transferred by the owner hereof in person or by such owner's attorney duly authorized in writing at the office of the Bond Registrar, all subject to the terms and conditions of the Resolution.

It is certified and recited that all acts, conditions, and things required by the Constitution or statutes of the State of Georgia to exist, happen, or be performed precedent to and in the issuance of this Bond, do exist, have happened, and have been performed in due and legal time, form, and manner as required by law, that provision has been made for the collection of a direct annual tax sufficient in amount to pay the principal of and interest on this Bond in accordance with its terms and that the total indebtedness of the County, including this Bond, does not exceed any limitation prescribed by said Constitution or statutes.

IN WITNESS WHEREOF, Effingham County, in the State of Georgia, acting by and through its governing body, the Board of Commissioners of Effingham County, has caused this Bond to be executed by the manual or facsimile signature of the Chairman of the Board of Commissioners and its corporate seal to be hereunto impressed or reproduced and attested by the manual or facsimile signature of the Clerk of the Board of Commissioners, as of the day first above written.

EFFINGHAM COUNTY, GEORGIA

(S E A L)

By: _____ (FORM)
Chairman
Board of Commissioners

Attest: _____ (FORM)
County Clerk

CERTIFICATE OF AUTHENTICATION

This Bond is the one of the Bond described in the within-mentioned Resolution.

Date of Authentication: [Date of Issuance and Delivery]

(S E A L)

By: _____ (FORM)
County Clerk of Effingham County

* * * * *

STATE OF GEORGIA)
)
EFFINGHAM COUNTY)

VALIDATION CERTIFICATE

I, the undersigned Clerk of Superior Court of Effingham 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 Effingham County, Georgia, on March 28, 2022.

IN WITNESS WHEREOF, I hereunto have set my hand and impressed the seal of the Superior Court of Effingham County.

(S E A L)

_____ (FORM)
Clerk of Superior Court
Effingham County, Georgia

CERTIFICATE OF REGISTRATION

This Bond shall be registered in the name of the owner as to both principal and interest on books to be kept for that purpose by the County Clerk of Effingham County, as Bond Registrar, and the Bond Registrar shall make proper notation in the registration blank below that this Bond is so registered, after which the Bond Registrar shall pay all principal and interest installments as the same shall mature hereon only to the Registered Owner, with the final payment of principal and interest to be made only upon surrender of this Bond for cancellation, and no transfer hereof shall then be valid unless made on the Bond Registrar's books by authority of the Registered Owner or said owner's attorney duly authorized in writing and similarly noted in the registration blank below. The Bond Registrar shall not be required to register this Bond during the period of fifteen days next preceding any interest payment date hereof.

(No writing shall be entered on this Bond except by the above designated Bond Registrar.)

<u>Date of Registration</u>	<u>Name and Address of Registered Owner</u>	<u>Signature of Bond Registrar</u>
_____	Regions Capital Advantage, Inc. 1900 5 th Avenue North, Suite 2400 Birmingham, Alabama 35203	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

[END OF BOND FORM]

[END OF ARTICLE II]

ARTICLE III

APPLICATION OF PROCEEDS OF THE BOND

Section 301. Application of Proceeds of the Bond. Concurrently with the delivery of the Bond to the initial purchaser or purchasers thereof, the County shall apply the proceeds derived from the sale of the Bond as follows:

(a) All Costs of Issuance shall be paid at closing directly to those persons who shall be entitled to the same, or a portion of the proceeds estimated to be sufficient to pay all or a portion of the Costs of Issuance (i) may be deposited in a Costs of Issuance Account to be disbursed in accordance with Section 302 hereof or (ii) may be deposited in the Construction Fund to be disbursed in accordance with Section 403 hereof. At such time as all Costs of Issuance have been paid, any money remaining in a Costs of Issuance Account or in the Construction Fund shall be transferred to the Construction Fund or remain in the Construction Fund, as the case may be.

(b) All costs of the Projects incurred by the County prior to the issuance of the Bond which may be reimbursed from Bond proceeds in compliance with Treasury Regulations § 1.150.2 shall be reimbursed to the County.

(c) The balance of the proceeds from the sale of the Bond shall be deposited in the Construction Fund.

Section 302. Costs of Issuance Account.

(a) A special account is hereby authorized to be established, in the discretion of the County, with a custodian to be designated by the Board of Commissioners, prior to the issuance and delivery of the Bond, said account to be designated the EFFINGHAM COUNTY GENERAL OBLIGATION SALES TAX BOND, SERIES 2022 COSTS OF ISSUANCE ACCOUNT (the “**Costs of Issuance Account**”). If established, said account shall be held separate and apart from all other deposits or funds of the County, and money, if any, deposited into a Costs of Issuance Account upon the issuance of the Bond shall be disbursed to pay, or reimburse the County for, all or a portion of the Costs of Issuance.

(b) Disbursements from the Costs of Issuance Account shall not require the hereinafter described requisition and certificate but shall require an invoice for such payment; however, the County shall keep and maintain adequate records pertaining to the Costs of Issuance Account and all disbursements therefrom.

(c) Money on deposit in the Costs of Issuance Account may be invested, pending disbursement or use, in accordance with Section 602(a).

[END OF ARTICLE III]

ARTICLE IV

ACQUISITION, CONSTRUCTION, AND EQUIPPING OF THE PROJECTS; CONSTRUCTION FUND

Section 401. Acquisition, Construction, and Equipping of Projects; Construction Fund.

(a) The County will proceed with the acquisition, construction, and equipping of the Projects substantially in accordance with the plans, specifications, and recommendations prepared therefor and on file with the County, as the same shall be supplemented, modified or revised consistent with the intent of this Resolution.

(b) A construction fund is hereby authorized to be established prior to or concurrently with the issuance and delivery of the Bond, said fund to be designated the EFFINGHAM COUNTY GENERAL OBLIGATION SALES TAX BOND, SERIES 2022 CONSTRUCTION FUND (the “**Construction Fund**”). The Construction Fund shall be maintained by the County until completion of the Projects with the Construction Fund Custodian. Proceeds from the sale of the Bond as set forth in Section 301(c) of this Resolution and any other funds received by grant, donation or otherwise to finance the Projects, shall be deposited to the credit of the Construction Fund. Such money as is deposited in the Construction Fund shall be held by the Construction Fund Custodian and withdrawn only in accordance with the provisions and restrictions set forth in this Resolution, and the County will not cause or permit to be paid therefrom any sums except in accordance herewith; provided, however, that any money in the Construction Fund not needed at the time for the payment of the current obligations during the course of the acquisition, construction, and equipping of the Projects may be invested and reinvested by the County in such investments as are set forth in Section 602(a) of this Resolution. Any such investments shall mature not later than such times as shall be necessary to provide money when needed for payments to be made from the Construction Fund, and shall be held by said Custodian for the account of the 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 by said Custodian in the Construction Fund and shall be disposed of in the manner and for the purposes hereinafter provided.

Section 402. Lien on Construction Fund for Bondholder. All proceeds from the sale of the Bond, and any securities in which such proceeds may be invested, which are held in or for the Construction Fund shall be subject to a lien and charge in favor of the Holders of the Bond and shall be held for the security of such Holders until paid out as hereinafter provided.

Section 403. Authorized Construction Fund Disbursements. Withdrawals from the Construction Fund may be made for the purpose of paying the cost of acquiring, constructing, and equipping the Projects, including reimbursing the County for advances from its other funds to accomplish the purposes hereinafter described and including the purchase of such property and equipment as may be useful in connection therewith, and, without intending thereby to limit or to restrict or to extend any proper definition of such cost as contained in the laws of the State relating to expenditure of proceeds of general obligation bonds, shall include:

- (a) The cost of indemnity and fidelity bonds either to secure deposits in the Construction Fund or to insure the faithful completion of any contract pertaining to the Projects;
- (b) Any taxes or other charges lawfully levied or assessed against the Projects;
- (c) Fees and expenses of architects and engineers for engineering studies, surveys and estimates, and the preparation of plans and supervising the acquisition, construction and equipping of the Projects;
- (d) All other items or expenses not elsewhere in this Section specified incident to the Projects;
- (e) Payments made for labor, contractors, builders and materialmen in connection with the Projects and payment for machinery and equipment and for the restoration of property damaged or destroyed in connection therewith and the repayment of advances made to it for the purpose of paying any of the aforementioned costs;
- (f) The cost of acquiring by purchase, and the amount of any award or final judgment in any proceeding to acquire by condemnation, lands and rights-of-way necessary for the Projects and appurtenances in connection therewith, and options and payments thereon, and any easements or rights-of-way or any damages incident to or resulting from the acquisition, construction and equipping of the Projects; and
- (g) Costs of Issuance.

Section 404. Requisition Procedure. All payments from the Construction Fund shall be made upon checks signed by an officer of the County properly authorized to sign in its behalf, but before such officer shall sign any such checks (other than checks issued in payment for the Costs of Issuance, which shall not require the hereinafter described requisition and certificate but shall require an invoice for such payment) there shall be filed with the County:

A requisition and certificate signed by the Project Superintendent 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 County, 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 Project Superintendent;
- (iii) that the Project Superintendent 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 of or any retained percentages (other than any percentages required by the State to be retained) which the County, at the date of such certificate, is entitled to retain; and

(v) that insofar as such obligation was incurred for work, material, supplies or equipment in connection with the 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 405. Other Disbursements from the Construction Fund.

(a) If the United States of America or the State, or any department, agency, or instrumentality of either, agrees to allocate money to be used to defray any part of the cost of acquiring, constructing and equipping the Projects upon the condition that the County appropriate a designated amount of money for said specified purpose or purposes, and the County is required to withdraw any sum so required from the Construction Fund for deposit in a special account, the County shall have the right to withdraw any sum so required from the Construction Fund by appropriate transfer and to deposit the same in a special account for that particular purpose; provided, however, that all payments thereafter made from said special account may be made only in accordance with the requirements set forth in this Article.

(b) Withdrawals for investment purposes only (including authorized deposits with other banks) may be made by the Construction Fund Custodian to comply with written directions from an authorized officer of the County without any requisition other than said direction

Section 406. Other Construction Covenants. The County shall do all things, and take all reasonable and prudent measures necessary to continue construction with due diligence and to expend the money deposited in the Construction Fund as expeditiously as possible in order to assure the completion of the County Projects on the earliest practicable date, and will insure itself against the usual hazards incident to the construction of such a capital project.

Section 407. Insurance During Construction. Any contract relating to construction of the Projects shall provide that:

(a) The contractor shall procure and shall maintain during the life of his contract workers' compensation insurance as required by applicable State law for all of his employees to be engaged in work at the site of the Projects under his contract and, in case of any such work sublet, the contractor shall require the subcontractor similarly to provide workers' compensation insurance for all of the latter's employees to be engaged in such work unless such employees are covered by the protection afforded by the contractor's workers' compensation insurance. In case any class of employees is engaged in hazardous work on the Projects under such contract is not protected under the workers' compensation statute, the contractor shall provide or shall cause such subcontractor to provide adequate employer's liability insurance for the protection of such of his employees as are not otherwise protected.

(b) The contractor shall procure and shall maintain during the life of his contract adequate contractor's public liability insurance, adequate vehicle liability insurance, and adequate contractor's property damage insurance.

(c) The contractor shall either (i) require each of his subcontractors to procure and to maintain during the life of his subcontract subcontractor's public liability and property damage insurance of the type and in the same amounts as specified in the contractor's policy or (ii) insure the activities of his subcontractors in his own policy.

(d) The insurance required under subparagraphs (b) and (c) hereof shall provide adequate protection for the contractor and his subcontractors, respectively, against damage claims which may arise from operations under the contract, whether such operations be by the insured or by anyone directly or indirectly employed by him.

(e) The contractor shall procure and shall maintain during the life of its contract builder's risk insurance (fire and extended coverage) on a 100% completed value basis on the insurable portions of the Projects. The County, the contractor, and subcontractors, as their interests may appear, shall be named as the insured.

(f) The contractor shall furnish the County with certificates showing the type, amount, class of operations covered, effective date, and dates of expiration of all policies. Such certificates shall also provide that the insurance covered by the certificate will not be cancelled or materially altered, except after ten days written notice has been received by the County.

Section 408. Performance and Payment Bonds. The County shall require the contractor to furnish a performance bond in an amount at least equal to 100% of the contract price as security for the faithful performance of his contract and also a payment bond in an amount not less than 100% of the contract price as security for the payment of all persons performing labor on the County Projects under his contract and furnishing materials in connection with his contract.

Section 409. Completion of the Projects. When the acquisition, construction, and equipping of the Projects have been completed, said fact shall be evidenced by a certificate to the County and the Construction Fund Custodian from the Project Superintendent to such effect and specifying the date of completion. Should there be any balance in the Construction Fund which is not needed to defray proper unpaid charges against the Construction Fund, such balance shall be transferred to the Sales Tax Proceeds Account or otherwise applied in accordance with State law.

[END OF ARTICLE IV]

ARTICLE V

SALES TAX RECEIPTS; ASSESSMENT OF *AD VALOREM* TAX; FUNDS PLEDGED TO PAYMENT OF BOND

Section 501. Special Sales Tax Receipts; Payment of Debt Service on the Bond.

(a) For the purpose of providing for the lawful imposition of the Special Sales Tax and to provide the funds necessary for the payment of Debt Service on the Bond on the dates on which such Debt Service shall become due and payable, notice has been given to the Secretary of State and the Commissioner of the Department of Revenue of the results of the Election authorizing the imposition of the Special Sales Tax and collection thereof.

(b) The County is hereby authorized to create and establish, prior to or concurrently with the issuance and delivery of the Bond, two special accounts to be designated the EFFINGHAM COUNTY SALES AND USE TAX PROCEEDS ACCOUNT (the “**Sales Tax Proceeds Account**”), and the EFFINGHAM COUNTY DEBT SERVICE ACCOUNT (the “**Debt Service Account**”). Money in said accounts may be invested and reinvested at the written direction of the County in such investments as are set forth in Section 602(b) of this Resolution. Money in the Sales Tax Proceeds Account and the Debt Service Account shall be held and kept separate and apart from all other funds of the County and shall not in any manner be commingled with other funds of the County. The Debt Service Account will be maintained and held in trust by the County with the Debt Service Account Custodian and the owners of the Bonds shall have a beneficial interest therein.

(c) All proceeds of the Special Sales Tax disbursed to the County by the State of the Georgia Department of Revenue, Sales and Use Tax Division shall be deposited in the Sales Tax Proceeds Account. The proceeds of the Special Sales Tax shall be disbursed from the Sales Tax Proceeds Account in each Bond Year as follows:

(i) First there will be paid from the Sales Tax Proceeds Account to the Debt Service Account all money sufficient to satisfy the Debt Service Requirement on the Bond for the current Bond Year;

(ii) Next there will be paid from the Sales Tax Proceeds Account all proceeds of the Special Sales Tax received in the current Bond Year to pay the County and each of the Municipalities their respective percentage of the Special Sales Tax in accordance with the Contract. Beginning on the first day of the following Bond Year, all Special Sales Tax receipts shall recommence being remitted into the Debt Service Account prior to any proceeds being distributed to the County or the Municipalities.

(d) In accordance with O.C.G.A. § 48-8-121(a)(2) the County and any municipality receiving any proceeds from the Special Sales Tax shall maintain a record of each and every project for which proceeds of the Special Sales Tax are used. A schedule shall be included in each of their respective annual audits which shows the original estimated cost for each of their respective projects, the current estimated cost if it is not the original estimated cost, amounts

expended in prior years, and amounts expended in the current year. The auditor shall verify and test expenditures of the projects in order to express an opinion thereon in accordance with generally accepted governmental auditing standards.

(e) Payment of Debt Service on the Bond shall be made first from the Debt Service Account. Payment of the Bond, however, shall constitute a pledge of the full faith, credit, and taxing power of the County, and any liability on such debt which is not satisfied from the proceeds of the Special Sales Tax shall be satisfied from the general funds of the County or from a direct annual *ad valorem* tax levied in an amount sufficient to pay such Debt Service. Any *ad valorem* tax levied for payment of the Bond shall be deposited in the Debt Service Account.

Section 502. Assessment and Collection of Annual Tax.

(a) As required by Article IX, Section V, Paragraph VI of the Constitution of the State, any political subdivision of the State shall provide, at or before the time of incurring general obligation bonded indebtedness, for the assessment and collection of an annual tax sufficient in amount to pay the Debt Service on said debt. Therefore, in order to provide for the assessment and collection of a continuing direct annual tax to be levied on all the taxable property subject to taxation for general obligation bond purposes located within the boundaries of the County as the same now exist, and within any extensions of said boundaries, sufficient in amount to pay the Debt Service on the Bond as the same shall mature and become due, to the extent such Debt Service is not paid from the Special Sales Tax, the County shall and does hereby resolve that such tax be assessed and collected in the County in the appropriate years, beginning in the year 2022, sufficient in amount to produce the sums required to pay the Debt Service on the Bond coming due on June 1 and December 1 in each of the years set forth in Section 203(a) through June 1, 2028, and that the funds provided by said tax shall be irrevocably pledged to and appropriated for the payment of the principal of and the interest on the Bond. Any such tax levied and collected shall be placed in the Debt Service Account, as a sinking fund, to be used exclusively for paying Debt Service on the Bond or to reimburse the County's general fund for Debt Service on the Bond theretofore paid in anticipation of the receipt of the proceeds of such *ad valorem* tax.

(b) The County shall comply with the provisions of O.C.G.A. § 48-5-32 and all other statutory requirements as may exist from time to time relating to the publication of any reports or notices required prior to establishing millage rates each year for general obligation bond purposes, including payment of Debt Service on the Bond, and shall take such other actions as may be required for the assessment and collection of taxes to provide funds in the years and amounts set forth in this Resolution. The County shall cause a report to be published in a newspaper of general circulation throughout County at least two weeks prior to the establishment of the millage rates for *ad valorem* taxes for general obligation bond purposes during the current calendar year, in accordance with O.C.G.A. § 48-5-32.

Section 503. Funds Pledged for Payment of Bond. All funds provided by the Special Sales Tax and from any amount required from the general fund of the County, including any tax levy as described in Section 502 hereof, are pledged irrevocably to and appropriated for the payment of the Debt Service on the Bond so that the Bond, as to both principal and interest, shall be fully paid as the same becomes due.

Section 504. Depository Agreements with Debt Service Account Custodian. Any depository agreement with any bank or banks acting as Debt Service Account Custodian shall require that the Debt Service Account Custodian shall transfer, or make available, to the Paying Agent for the Bond, not less than five (5) Business Days prior to each Interest Payment Date, such amounts as are necessary to provide for the payment of the Debt Service on the Bond coming due on each Interest Payment Date, as required by the provisions of this Resolution.

[END OF ARTICLE V]

ARTICLE VI

DEFEASANCE; INVESTMENTS; TAX COVENANT; MISCELLANEOUS PROVISIONS

Section 601. Defeasance.

(a) The Bond shall be deemed to have been paid in full and the lien of this Resolution shall be discharged,

(i) after there shall have been irrevocably deposited in an irrevocable trust fund created for that purpose,

(A) sufficient money, and/or

(B) obligations of, or guaranteed as to principal and interest by, the United States of America, or certificates of an ownership interest in the principal or interest of obligations of or guaranteed as to principal and interest by the United States of America, which shall not contain provisions permitting the redemption thereof prior to their stated maturity, the principal of and the interest on which when due, will be sufficient, as confirmed in a verification report prepared by a certified public accountant, without further investment or reinvestment of either the principal amount thereof or the interest earnings thereon (said earnings to be held in trust also), for the payment of the principal of the Bond, plus interest thereon to the due date thereof (whether such due date is by reason of maturity or upon scheduled mandatory redemption as provided herein);

(ii) after there shall have been paid, or satisfactory provision shall have been made for payment, to the Bond Registrar and Paying Agent all fees and expenses due or to become due in connection with the payment of the Bond or there shall be sufficient money deposited with the Bond Registrar and Paying Agent to make said payments, if any; and

(iii) unless the Outstanding Bond is to mature or be redeemed within the next 60 days, the County shall have given the Bond Registrar and Paying Agent irrevocable instructions to give notice, as soon as practicable, to the owners of the Outstanding Bond, by first class mail, postage prepaid, at such owner's last address appearing upon the book of registration, that the deposit required by subsection (a)(i) above has been made with the Bond Registrar and Paying Agent and that the Bond is deemed to have been paid in accordance with this Section.

(b) In addition to the foregoing provisions of this Section, the lien of this Resolution shall only be discharged pursuant to this Section if the County delivers an opinion of Bond Counsel providing that all conditions precedent to the discharge of the lien of this Resolution pursuant to this Section have been satisfied and such deposit and discharge will not adversely affect the exclusion of the interest on the Bond from federal income taxation.

(c) Whenever the Bond shall be deemed to have been paid pursuant to this Section 601, any balance remaining in the Debt Service Account shall be retained by the County and used as permitted by the provisions of Part 1 of Article 5A of Chapter 8 of Title 48.

Section 602. Authorized Investments.

(a) Construction Fund Money. Subject to the provisions of this Resolution, money in the Construction Fund may be invested and reinvested by the Construction Fund Custodian at the direction of the Project Superintendent in any of the following investments allowed by O.C.G.A. § 36-82-7, if and to the extent the same are at the time legal for investment of bond proceeds:

(i) The local government investment pool created in O.C.G.A. § 36-83-8; or

(ii) The following securities and no others:

(A) Bonds or other obligations of the County, or bonds or obligations of the State or other states or of counties, municipal corporations and political subdivisions of the State;

(B) Bonds or other obligations of the United States 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, 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 three 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, 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 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 depository, custodian or trustee for any proceeds of the Bonds; provided, however, that the portion of such certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation, 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, 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 any county or municipal corporation in the State, obligations of the United States 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; and

(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 subparagraph (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.

(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 money so placed to be available for use at the time provided with respect to the investment or reinvestment of such money.

(b) Debt Service Account and Sales Tax Proceeds Account Money. Money in the Debt Service Account and the Sales Tax Proceeds Account may be invested by the County in such investments as are authorized by law at the time the investment is made, including specifically investments pursuant to O.C.G.A. Section 36-80-3 and O.C.G.A. Section 36-83-4, if and to the extent the same are at the time legal for investment of such money.

Pursuant to O.C.G.A. Section 36-80-3, the County may invest and reinvest money subject to its control and jurisdiction in:

1. Obligations of the United States and of its agencies and instrumentalities, or obligations fully insured or guaranteed by the United States government or by one of its agencies.
2. Bonds or certificates of indebtedness of the State of Georgia and of its agencies and instrumentalities.
3. 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 which are of a par value equal to that portion of such certificates of deposit which would be uninsured.

Pursuant to O.C.G.A. Section 36-83-4, the County may invest and reinvest money subject to its control and jurisdiction in:

1. obligations of the State of Georgia or of other states;
2. obligations issued by the United States government;
3. obligations fully insured or guaranteed by the United States government or by one of its agencies;
4. obligations of any corporation of the United States government;
5. prime bankers' acceptances;

6. the local government investment pool established by O.C.G.A. § 36-83-8;
7. repurchase agreements; and
8. obligations of other political subdivisions of the State of Georgia.

Section 603. Authorization for Investments by Depositories. The County, at any time and from time to time, may direct any depository of or custodian for any fund or account created pursuant to the provisions of this Resolution to make specific investments of money on deposit in such fund or account in accordance with Section 602, or may provide any such depository or custodian with general and continuing authorization to invest money in any such fund in accordance with the provisions of Section 602.

Section 604. Designation of Depositories; Successor Fund Custodian or Depository.

(a) The County Clerk of Effingham County is hereby is designated as Bond Registrar, Paying Agent, and Authentication Agent for the Bond.

(b) Truist Bank, is hereby designated as Sales Tax Proceeds Account Custodian, Debt Service Account Custodian, and Construction Fund Custodian.

(c) A bank or trust company may be appointed as successor Bond Registrar, Paying Agent, and Authentication Agent and a successor depository for or custodian of any fund or account described herein may be designated by the County from time to time, provided such successor entity agrees to comply with the provisions of this Resolution.

Section 605. Bank or Trust Company as Bond Registrar, Paying Agent, and Authentication Agent.

(a) During such time as the Bond Registrar, Paying Agent, and Authentication Agent is a bank or trust company, any presentation and surrender of the Bond to the Paying Agent or Bond Registrar as required herein shall be to the designated corporate office of said bank or trust company.

(b) During such time as the Bond Registrar, Paying Agent, and Authentication Agent is a bank or trust company, any corporation into which such entity may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion, or consolidation to which such entity shall be a party, or any corporation to which substantially all the corporate trust business of the entity may be transferred, shall, subject to the terms of this Resolution, be Paying Agent under this Resolution without further act.

Section 606. Resolution Constitutes Contract. The provisions, terms, and conditions of this Resolution shall constitute a contract by and between the County and the owner of the Bond, and, after the issuance of the Bond, this Resolution shall not be repealed or amended in any respect which will adversely affect the rights and interest of the owners of the Bond nor shall the County adopt any ordinance or resolution which in any way adversely affects the rights of such owners so long as any of the Bond or the interest thereon shall remain unpaid.

Section 607. Limitation on Liability. Should the Bond not be presented for payment at final maturity or redemption in full, the Paying Agent shall retain, for the benefit of the owner thereof, a sum of money sufficient to pay the Bond when the same is presented by the owner thereof for payment. All liability of the County to the owner of the Bond and all rights of such owner against the County under the Bond or under this Resolution thereupon shall terminate, and the sole right of such owner shall thereafter be against such funds on deposit with the Paying Agent.

If the Bond shall not be presented for payment within a period of five years following the date when the Bond finally becomes due, the Paying Agent, at the written request of the Board of Commissioners, shall transfer to the County's general fund all funds theretofore held by it for payment of such Bond. The Paying Agent shall thereupon be released and discharged with respect to such Bond, and such Bond, subject to the defense of any applicable statute of limitations, thereafter shall be an obligation of the County.

Section 608. Validation. The Bond was confirmed and validated on March 28, 2022, in the manner provided by law, by the Superior Court of Effingham County, Civil Action No. SU22CV022B.

Section 609. Payments Due on Saturdays, Sundays, and Holidays. In any case where the Interest Payment Date shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions are authorized by law to close in the city where the Paying Agent is located, then payment of such principal or interest need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the Interest Payment Date, and no additional interest shall accrue on the Bond after such Interest Payment Date.

Section 610. Federal Tax Certificate. In order to maintain the exclusion from federal gross income of interest on the Bond, the County covenants to comply with the applicable requirements of the Code. In furtherance of this covenant, for the benefit of the Bondholder, the County agrees to comply with the provisions of a Non-Arbitrage and Federal Tax Certificate to be executed by the County and delivered concurrently with the issuance and delivery of the Bond.

Section 611. Exemption from Disclosure Requirement. The County covenants that the initial and continuing disclosure requirements of Securities and Exchange Commission Rule 15c2-12(b)(5) do not apply to the Bond because the issuance of the Bond to the purchaser thereof complies with the exemption contained in Section 15c2-12(d)(1)(i) of said rule.

Section 612. Advertisement of Bond Election. The County caused to be published the notice of Election, the form of which is a part of its resolution adopted on September 7, 2021, providing for the calling and holding of the Election in Effingham County. The County published no brochure, listing, or other advertisement relating to the Election which is in anyway inconsistent with said resolution of the County.

Section 613. Applicable Provisions of Law. This Resolution shall be governed by and construed in accordance with the laws of the State of Georgia.

Section 614. Captions. The captions or headings in this Resolution are for convenience only and in no way limit or describe the scope or intent of any provisions or sections of this Resolution.

Section 615. Partial Invalidity. If any one or more of the provisions of this Resolution or of any supplemental resolution or of the Bond for any reason shall be held to be illegal or invalid by a court of competent jurisdiction, such illegality or invalidity shall not affect any other provisions hereof or of the Bond unless expressly so held, but this Resolution, such supplemental resolution, and the Bond shall be construed and enforced as if such illegal or invalid provisions had not been contained herein or therein, and, if any provisions hereof conflict with any applicable provisions of the laws of the State, the latter as adopted by the legislature and as interpreted by the courts of the State shall prevail and shall be substituted for any provisions hereof in conflict or not in harmony therewith.

Section 616. General Authorization. The proper officers of the County 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 this 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 Bond.

Section 617. Repealer. Any and all ordinances or resolutions or parts of ordinances or resolutions in conflict with this Resolution shall be and the same hereby are repealed, and this Resolution shall be in full force and effect from and after its adoption.

Section 618. Reporting Obligations. The County covenants to provide the following information to the Bondholder for so long as such Bond is outstanding: (a) audited financial statements of the County within 210 days from the end of each fiscal year; provided that in the event the audited financial statements are not then available, the unaudited financial statements shall be provided and shall be supplemented with the audited financial statements upon their issuance; (b) approved operating budgets of the County with sixty (60) days of the end of the preceding fiscal year; and (c) such other information reasonably requested by the Bondholder.

[END OF ARTICLE VI]

APPROVED AND ADOPTED this June 7, 2022.

EFFINGHAM COUNTY, GEORGIA

By: _____
Chairman
Board of Commissioners

COUNTY CLERK'S CERTIFICATE

The undersigned County Clerk of Effingham County, keeper of the records and seal thereof, certifies that the foregoing is a true and correct copy of a bond resolution approved and adopted by majority vote of the Board of Commissioners of Effingham County in public meeting properly and lawfully held and assembled on June 7, 2022, the original of which bond resolution has been entered in the official records of the Board of Commissioners of Effingham County 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.

(S E A L)

County Clerk
Effingham County