

INTERGOVERNMENTAL CONTRACT

THIS INTERGOVERNMENTAL CONTRACT, is dated as of February 13, 2024, and is by and among EFFINGHAM COUNTY, GEORGIA, a political subdivision of the State of Georgia (the "County"), and the CITY OF GUYTON ("Guyton"), a municipal corporation of the State of Georgia.

WITNESSETH:

WHEREAS, Part 1 of Article 5A of Chapter 8 of Title 48 of the Official Code of Georgia Annotated ("O.C.G.A.") (the "Act") authorizes the imposition of a one percent transportation sales and use tax (the "Transportation Sales Tax") to fund transportation purposes in the special districts created pursuant to O.C.G.A. § 48-8-261 which correspond with the geographical boundaries of the counties of the State of Georgia; and

WHEREAS, the Act authorizes the imposition of the Transportation Sales Tax and authorizes the distribution of proceeds from the Transportation Sales Tax to the county governing authority and any qualified municipalities in accordance with an intergovernmental agreement entered into for such purpose; and

WHEREAS, O.C.G.A. § 48-8-263 further authorizes the approval and issuance of general obligation debt in conjunction with the imposition of the Transportation Sales Tax, the issuance of such debt shall be issued and validated in accordance with O.C.G.A. § 36-82-1, *et seq.*; and

WHEREAS, Article IX, Section III, Paragraph I of the Constitution of the State provides that, in pertinent part, any county, municipality or other political subdivision of the State may contract for any period not exceeding fifty 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; and

WHEREAS, in accordance with the Act, the Board of Commissioners of Effingham County adopted a resolution on September 19, 2023 to impose, levy and collect a Transportation Sales Tax within the County conditioned upon the approval by a majority of the qualified voters residing within the County voting in a referendum thereon to be held on November 7, 2023, and said resolution was delivered to the Effingham County Board of Elections and Registration, as election superintendent for the County, who issued a call for the referendum as described in said resolution; and

WHEREAS, in accordance with the Act, the County, Guyton and the other qualified municipalities of Effingham County entered into an intergovernmental agreement dated as of August 15, 2023 (the "TSPLOST Contract"), providing for the distribution of the proceeds of the Transportation Sales Tax and setting forth the issuance of general obligation bonds of the County; and

WHEREAS, said referendum was held on November 7, 2023 in accordance with said resolution and call, and the results of the referendum were in favor of the imposition of the Transportation Sales Tax and the issuance of up to \$60,000,000 of general obligation bonds of Effingham County (the “Bonds”); and

WHEREAS, Guyton has requested that the County provide up to \$2,118,000 of the proceeds of the Bonds to fund a portion of the Guyton projects approved in the referendum and Guyton has agreed to enter into this contract to provide for certain payments to be made to the County for payment of the Bonds if the proceeds of the Transportation Sales Tax are insufficient to make such payments on the Bonds; and

WHEREAS, it is now necessary that the County and Guyton set forth their respective legal rights, responsibilities and obligations regarding the proposed issuance of the Bonds and the repayment of the Bonds.

NOW THEREFORE, for and in consideration of the foregoing and for the benefit of the citizens of the County and Guyton and the respective representations, covenants and agreement hereinafter set forth, the parties hereby agree as follows:

Section 1. Transportation Sales Tax Proceeds. It is the intent of the parties that the County and Guyton receive a combination of the proceeds of the Transportation Sales Tax and the proceeds of the Bonds in accordance with the percentages as provided by the TSPLOST Contract. It is projected that the Transportation Sales Tax will raise an estimated amount of \$120,000,000 over five (5) years: 75.41% to be received by the County and 3.53% to be received by Guyton.

Section 2. Issuance of the Bonds. The principal amount of the Bonds to be issued by the County shall not exceed \$60,000,000, and Guyton will receive up to \$2,118,000 of the proceeds of the Bonds (plus any applicable original issue premium or less any original issue discount generated from the bond sale) for its projects. Upon the issuance of the Bonds, Guyton’s *pro rata* percentage of the proceeds it receives from the Bonds will be Guyton’s respective percentage of the principal of and interest due on the Bonds. The County and Guyton shall share proportionately in the costs of issuance of the Bonds, which proportionate share shall be deducted from the proceeds of the Bonds. Guyton’s *pro rata* percentage of the Transportation Sales Tax used to pay principal of and interest on the Bonds will be reduced from its 3.53% share of the Transportation Sales Tax.

Section 3. Accounts for Payment of the Bonds. The County will create and establish two special accounts which shall be designated as the “TSPLOST Proceeds Account” and the “Debt Service Account.” Upon the issuance and delivery of the Bonds, and in accordance with the Act, no part of the net proceeds of the Transportation Sales Tax received in any year shall be used for any purpose until all debt service requirements of the Bonds for that year have first been satisfied. The County will deposit all proceeds of the Transportation Sales Tax into the TSPLOST Proceeds Account, and upon the issuance of the Bonds, the County will transfer into the Debt Service Account proceeds of the Transportation Sales Tax until all debt

service requirements of the Bonds for that Bond Year (as defined in the bond resolution providing for the issuance of the Bonds) have been satisfied.

Section 4. Security for Payment of the Bonds; Tax Levy to Make Payments.

(a) The Bonds shall be a general obligation debt of the County. In accordance with the Act, the Bonds will be secured by and first payable from the proceeds of the Transportation Sales Tax.

(b) If in any Bond Year (as defined in the bond resolution providing for the issuance of the Bonds), the proceeds of the Transportation Sales Tax are insufficient to satisfy the debt service requirements on the Bonds, and upon written notification by the County of such deficiency at least 30 days prior to a payment date on the Bonds, Guyton agrees to (i) remit payments to the County of amounts sufficient to pay its *pro rata* share of the principal of and interest due on the Bonds (the “**Contract Payments**”) at least 15 days prior to such payment date on the Bonds, and (ii) levy, to the extent necessary, an *ad valorem* tax on all taxable property located within the limits of Guyton subject to taxation for such purposes, at such rate or rates as may be necessary to produce revenues to pay such Contract Payments.

(c) The obligations of Guyton to make payments required in this Contract in the manner herein specified and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional, regardless of any contingencies whatever and notwithstanding any circumstances or occurrences that may arise or take place hereafter, and shall not be subject to diminution by set-off, counterclaim, abatement, or otherwise. The City will exercise its powers of taxation to the extent necessary to pay the amounts required to be paid hereunder and will make available and use for the payment of its obligations incurred hereunder all such taxes levied and collected for that purpose together with funds received from any other source. The City, in order to make such funds available for such purpose in each fiscal year, will in its general revenue, appropriation, and budgetary measures whereby its tax funds or revenues and the allocation thereof are controlled or provided for in each fiscal year during the term of this Contract, include sums sufficient to satisfy the payments required to be made under this Contract, whether or not any other sums are included in such measure, until all payments required to be made hereby shall have been made in full. The obligations of the City to make the payments provided for pursuant to the terms of this Contract shall constitute a general obligation of the City and a pledge of the full faith and credit of the City to provide the funds required to fulfill such obligation.

Section 5. Validation of the Bonds. The Bonds have been validated in accordance with the laws of the State of Georgia.

Section 6. Tax Covenants. Guyton agrees that (i) it will not expend the proceeds of the Bonds nor take any other action which would cause the interest on the Bonds to be included in the gross income of the owner thereof for federal income tax purposes; (ii) it will not make, or permit, any use of the proceeds from the issue and sale of the Bonds which would cause the Bonds to be classified as an “arbitrage bond” within the meaning of § 148(a) of the Code and any Treasury Regulations promulgated thereunder as such provisions may apply to obligations issued

as of the date of issuance of the Bonds; and (iii) it will comply with, and take such action and make such payments as may be permitted or required by § 148(f) of the Code, to ensure that the Bonds do not constitute "arbitrage bonds" within the meaning of § 148(a) of the Code; provided that any such payments shall be made by Guyton.

IN WITNESS WHEREOF, Effingham County and the City of Guyton have caused their duly authorized officers to hereunto set their hands and affix their respective corporate seals, the day and year first above written.

EFFINGHAM COUNTY, GEORGIA

(S E A L)

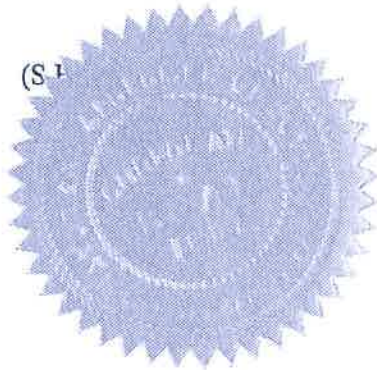
By: _____
Chairman
Board of Commissioners of Effingham County

Attest: _____
County Clerk

CITY OF GUYTON, GEORGIA

By: _____
Mayor

Attest: _____
City Clerk



Agreement approved as to form by City Attorney

By: _____
Benjamin M. Perkins
City Attorney for the City of Guyton, Georgia