

August 19, 2024

VIA EMAIL TRANSMISSION

Mr. Mark Barnes, Finance Director
Effingham County
601 N. Laurel Street
Springfield, Georgia 31329

RE: First Installment Period Arbitrage Rebate Compliance

\$35,000,000
Effingham County, Georgia
General Obligation Transportation Sales Tax Bond
Series 2021

\$14,679,000
Effingham County, Georgia
General Obligation Sales Tax Bond
Series 2022

\$60,000,000
Effingham County, Georgia
General Obligation Transportation Sales Tax Bonds
Series 2024

Dear Mark,

Bingham Arbitrage Rebate Services, Inc. is pleased to submit this fee quote for arbitrage rebate services on the above referenced tax-exempt issues. This fee quote describes the proposed scope of services and fees associated with the required arbitrage rebate calculation for the issues.

NATURE AND SCOPE OF SERVICES

The U. S. Congress has long considered the use of tax-exempt bond proceeds to invest in higher yielding taxable obligations to be abusive. In enacting Section 148 of the Internal Revenue Code of 1986 (the "Tax Code"), Congress adopted an approach to controlling the abuse. Section 148(a) generally prohibits the investment of tax-exempt bond proceeds in taxable obligations with a yield materially higher than the bond yield. Section 148(f) requires the "rebate" to the United States Treasury of any allowable arbitrage profits. There are, of course, certain specific exceptions to both the yield restriction and the rebate requirements.

Within 45 – 60 days following the next ensuing computation date for the Bonds or on such other day as we may mutually agree, Bingham will prepare and provide the following:

1. A written report (the "Report") setting forth a calculation of any arbitrage rebate and yield reduction payments and any related interest or penalties due to the United States Treasury with respect to the Bonds in compliance with Section 148 of the Internal Revenue Code of 1986 (the "Tax Code"); and
2. Form 8038-T for filing with the Internal Revenue Service ("IRS"), if the Report indicates that amounts are owed to the United States Treasury.

The Reports and the Form 8038-T's (if required) will cover the period from:

- Series 2021 – April 1, 2021 through April 1, 2026,
- Series 2022 – June 16, 2022 through June 16, 2027, and
- Series 2024 – April 16, 2024 through June 16, 2029.

In the preparation of the Reports and, if required, the Form 8038-T's, Bingham will among other things determine the amount of the gross proceeds of the Bonds (including the investment proceeds) and the dates and amounts of the expenditures of such gross proceeds and assess whether such gross proceeds may qualify for the spending and other exceptions to the rebate and yield restriction requirements of Section 148 of the Tax Code.

Please note that you will have the ultimate responsibility for obtaining the signature of an authorized representative of the Issuer on the Form 8038-T and ensuring it is filed with the Internal Revenue Service by the date specified in the Report, along with the required payment

PERIOD OF THE ENGAGEMENT

We expect to begin the preparation of your Report and Form 8038-T (if required) upon receipt of a signed copy of this proposal and all of the documents and information requested.

Our services will conclude upon our delivery to you of the Report and Form 8038-T (if required) in a form suitable for execution by your authorized representative and filing with the IRS. You are responsible for reviewing the accuracy of Form 8038-T and any accompanying schedules and statements prior to filing.

Bingham will conduct a comprehensive review of the above-referenced Issues. The analysis will consist of the items listed below for the issues:

- Review of Non-Arbitrage and Federal Tax Certificate, Federal Form 8038-G, and other pertinent closing documents.
- Determination of funds subject to spending exception, arbitrage rebate calculation and/or yield reduction calculation.
- Calculation of bond yield, if applicable.
- Calculation of arbitrage rebate liability due, in compliance with Section 148(f) of the Internal Revenue Code of 1986, and preparation of Federal Tax Form 8038-T if payment is due.
- Provision of written report to your office describing the calculation method used, assumptions, and conclusions.

BINGHAM'S PROCESS

We will first test the issue for an exception to the requirements of Section 148 of the Internal Revenue Code. To meet one of the IRS' exceptions, the following rules must apply:

Small Issuer Exception	<p>Issues less than \$5,000,000 in tax-exempt debt in one calendar year. Legislative changes increased the exception as follows:</p> <ul style="list-style-type: none"> • Up to \$15,000,000, with at least \$10 million of the \$15 million used to finance public schools for bonds issued after December 31, 2001.
Six Month Exception	<p>Proceeds spent within Six Months of Closing 100%</p> <p>Under certain conditions, the Six-Month Exception can be extended to one year for governmental or 501(c)(3) bonds.</p>

<p>Eighteen Month Exception</p>	<p>Proceeds spent:</p> <p>within Six Months of Closing 15%</p> <p>within Twelve Months of Closing 60%</p> <p>within Eighteen Months of Closing 100%</p> <ul style="list-style-type: none"> • Issues delivered after June 30, 1993 • A 5% retainage is allowed at eighteen months as long as the proceeds are fully expended by thirty months.
<p>Two Year Construction Exception</p>	<p>Proceeds spent:</p> <p>within Six Months of Closing 10%</p> <p>within Twelve Months of Closing 45%</p> <p>within Eighteen Months of Closing 75%</p> <p>within Twenty-Four Months of Closing 100%</p> <ul style="list-style-type: none"> • A 5% retainage is allowed at twenty-four months as long as the proceeds are fully expended by thirty-six months.

If an exception is missed, the arbitrage rebate calculation is required. If an issue is secured by a Debt Service Reserve Fund or holds an Escrow Fund, those funds will require the arbitrage rebate calculation for the life of the issues.

CLIENT RESPONSIBILITIES

For Bingham to provide you with the highest level of service, we must rely on you to provide, in a timely manner, the transcript of the financing documents and closing certificates for the Bonds, including the tax or arbitrage certificate and the IRS Form 8038, 8038-G or 8038-GC, any amendments to or modifications of such documents and certificates and the information regarding the investment and expenditure of the gross proceeds of the Bonds that we may request. You may have to obtain, or arrange for Bingham to obtain, such information from your bond counsel, the trustee for the Bonds or other professionals.

For the Reports, we will need all the Truist Bank statement history from:

- Series 2021 – April 1, 2021 through current date,
- Series 2022 – June 16, 2022 through current date, and
- Series 2024 – April 16, 2024 through current date.

For future statements, please ask the bank to set Bingham up for online access. The documentation and information requested for the arbitrage rebate calculations should cover the entire history of the Bonds. Any investment changes that occurred during our review period would be considered necessary.

We will not audit or otherwise independently verify the correctness of the information you provide. However, we may ask you to clarify any of the information.

EVALUATION DATES:

Series 2021 - April 1, with the first installment period ending no later than April 1, 2026. Bingham will provide an up-to-date report as of the April 1, 2024 evaluation date and each April 1 thereafter through the first installment date, April 1, 2026, or once gross proceeds are spent in full whichever occurs first.

EVALUATION DATES (continued):

Series 2022 – June 16, with the first installment period ending no later than June 16, 2027. Bingham will provide an up-to-date report as of the June 16, 2024 evaluation date and each June 16 thereafter through the first installment date June 16, 2027, or once gross proceeds are spent in full whichever occurs first.

Series 2024 – April 16, with the first installment period ending no later than April 16, 2029. Bingham will provide annual reports beginning with the April 16, 2025 evaluation date and each April 16 thereafter through the first installment date, April 16, 2029, or once gross proceeds are spent in full whichever occurs first.

FEES

Factors which determine our fees include the size and complexity of an issue, the number of funds in the calculation, the type of calculation required, the number of years involved, whether there are any commingled funds, and if Investment Agreements are a factor for the issue. Every issue is structured differently and our fees vary on a case-by-case basis.

For the issues, Scenario A or Scenario B will apply, not both.

Scenario A: Arbitrage Rebate Exception Report Services	Fees per Issue
Small Issuer Exception	N/A
Six-Month Exception	\$800
Eighteen-Month Spending Exception ¹	\$650 per semi-annual period
Two-Year Spending Exception ¹	\$650 per semi-annual period

¹ The fee stops once gross proceeds are spent in full.

OR

Scenario B: Arbitrage Rebate Calculation Services	Par Value < \$30MM Fees ²	Par Value > \$30MM Fees per Issue ²
Years 1 - 2	\$1,200 per year	\$1,350 per year
Years 3 - 5	\$750 per year	\$800 per year
Total Base Fee (only if all 5 years have investment activity)	\$4,650	\$5,100

² The fee stops once gross proceeds are spent in full; however, if there is a Debt Service Reserve, compliance reporting is required for the life of the debt.

FEES (continued)

Additional Fees That May Apply ³	Fees per Issue
Uncommingling &/ or Transferred Proceeds Fee ⁴	\$350 per year
Excess Yield Calculation (Years 4 – 5) ⁵	\$150 per year
Reviews for interim periods	\$325 (less than 2 hours)
	\$680 (more than 2 hours/ up to 4 hours)
	\$175 per hour (after 4 hours)

³ Additional fees will only be added if applicable.

⁴ If at any time bond proceeds are mixed with non-proceeds, it may be necessary to uncommingle the fund.

⁵ If gross proceeds remain outstanding beyond the Three-Year temporary period, the EYC calculation will apply.

Invoices will be sent along with our reports. Payment is expected within 30 days of the invoice date.

Bingham may withdraw or renegotiate this contract if our involvement is greater than originally anticipated. Examples of Bingham’s increased time commitment include researching or locating missing investment activity, or if bond proceeds are mixed with non-proceeds funds.

EXPIRATION

If Bingham has not received a signed copy of this proposal and all of the documents and investment information requested within 90 days after the date hereof, we will assume you no longer need or want our services. We may withdraw from this engagement without completing or delivering the Report or Form 8038-T to you. Such withdrawal will terminate our engagement.

RECORD RETENTION

Bingham’s policy is to return to you any information you transmit to us in original form or in hard copy as, or when, we complete this engagement. We ask that you pick up the originals or hard copies within 30 days after we notify you of their availability. After 30 days, you agree that we may return your information to you at your last known address via U.S. Mail or 2-day delivery service at your request. Our responsibility for your originals and hard copies ends when you pick them up or we deposit them in the U.S. Mail or with the 2-day delivery service.

Bingham’s current policy is to keep our records related to this engagement in electronic format for six years from the end of this engagement.

USE OF THE INTERNET AND CLOUD SERVICES

To facilitate the provision of our services to you, we may send data over the Internet, store electronic data via computer software applications hosted remotely on the Internet or allow access to data through third party vendors’ secured portals or clouds. Your electronic data may be transmitted or stored using these methods. We may use third party service providers to store or transmit this data. In using these data transmission and storage methods, Bingham employs reasonable measures designed to maintain data security and we require our third-party vendors to do the same.

You acknowledge and agree that Bingham has no control over the unauthorized interception or breach of any communications or data once it has been sent or has been subject to unauthorized access, notwithstanding all reasonable security measures employed by us or our third-party vendors. You consent to our use of these electronic devices and applications and submission of confidential client information to third party service providers during this engagement.

SEVERABILITY

If any term of this engagement letter is to any extent invalid, illegal or unenforceable, such term shall be excluded to the extent that it is invalid, illegal or unenforceable. All other terms shall remain in full force and effect.

ENTIRE AGREEMENT

This engagement letter constitutes the entire agreement between Bingham and you regarding the calculation of any arbitrage rebate and yield reduction payments and any related interest or penalties due to the United States Treasury with respect to the Bonds. You acknowledge that there are no other agreements (either oral or written) with Bingham regarding such matters. No additional terms, or modification or waiver of any previously agreed-upon terms, are valid unless agreed to in writing by both Bingham and you.

FINANCIAL ADVISOR DISCLAIMER

By engaging Bingham to provide the services described in this document, Effingham County acknowledges that Bingham (1) is not recommending actions or providing advice to Effingham County, and (2) does not owe a fiduciary duty to Effingham County, as described by Section 15B of the Securities Exchange Act of 1934. Effingham County should consult with the appropriate transaction professionals for legal and financial advice.

If you agree with these terms, please have an authorized representative sign as indicated below and return electronically to Bingham at your earliest convenience.

Bingham has implemented a “Green Initiative,” and all compliance reports are now sent to your office electronically. However, if you prefer an original hard copy of the installment date report, please let us know. We are happy to place one in the mail upon request.

I hope these fees meet with your approval. Please feel free to call me at (804) 864-9564 if you have any questions. Thank you and I look forward to hearing from you.

Sincerely,



Kim A. Hoyt
President

Bond Issues:

\$35,000,000
Effingham County
General Obligation Transportation Sales Tax Bonds
Series 2021

\$14,679,000
Effingham County (Georgia)
General Obligation Sales Tax Bonds
Series 2022

\$60,000,000
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SIGNATURE PAGE

Signature

Name (printed)

Title

Date