

SPLOST VII AGREEMENT

Lowndes County, Georgia

This Agreement, made and entered into effective July 24, 2012, by and between Lowndes County, Georgia (the "County") and the City of Valdosta, Georgia ("Valdosta"), the City of Hahira, Georgia ("Hahira"), the City of Remerton, Georgia ("Remerton"), the City of Dasher, Georgia ("Dasher") and the City of Lake Park, Georgia ("Lake Park") (collectively the "Municipalities"),

WITNESSETH

WHEREAS, O.C.G.A. § 48-8-110 *et seq.* (the "Act"), authorizes the levy of a one percent County Special Purpose Local Option Sales Tax (the "SPLOST" or the "tax") for the purpose of financing capital outlay projects for the use and benefit of the County and qualified municipalities within the County; and

WHEREAS, the County and Municipalities met to discuss possible projects for inclusion in the SPLOST referendum on the 11th day of June, 2012 in conformance with the requirements of O.C.G.A. § 48-8-111(a); and

WHEREAS, the County and the Municipalities have negotiated a division of the Special Purpose Local Option Sales Tax proceeds as authorized by the Act,

NOW, THEREFORE, in consideration of the mutual promises and understanding made in this Agreement, and for other good and valuable consideration, the County and the Municipalities consent and agree as follows:

Section 1. Representations and Mutual Covenants

A. The County makes the following representations and warranties which may be specifically relied upon by all parties as a basis for entering this Agreement:

- (i) The County is a political subdivision duly created and organized under the constitution of the State of Georgia;
- (ii) The governing authority of the County is duly authorized to execute, deliver and perform this Agreement;
- (iii) This Agreement is a valid, binding, and enforceable obligation of the County; and
- (iv) The County will take all actions necessary to call an election to be held in all voting precincts in the County on the 6th day of November, 2012 for the purpose of submitting to the voters of the County for their approval, the question of whether or not a SPLOST shall be reimposed on all sales and uses within the special district of Lowndes County for a period of six years, commencing on the first day of January, 2014 to raise an estimated \$150,000,000 to be used for funding the projects specified in Exhibit A attached hereto.

B. Each of the Municipalities makes the following representations and warranties which may be specifically relied upon by all parties as a basis for entering this Agreement:

- (i) Each Municipality is a municipal corporation duly created and organized under the Laws of the State of Georgia;
- (ii) The governing authority of each Municipality is duly authorized to execute, deliver and perform this Agreement;
- (iii) This Agreement is a valid, binding, and enforceable obligation of each Municipality;
- (iv) Each Municipality is a qualified municipality as defined in O.C.G.A. § 48-8-110(4); and
- (v) Each Municipality is located entirely within the geographic boundaries of the special tax district created in the County.

- C. It is the intention of the County and Municipalities to comply in all respects with O.C.G.A. § 48-8-110 *et seq.* and all provisions of this Agreement shall be construed in light of O.C.G.A. § 48-8-110 *et seq.*
- D. The County and Municipalities agree to promptly proceed with the acquisition, construction, equipping and installation of the projects specified in Exhibit A of this Agreement. The projects specified in Exhibit A shall be funded from proceeds of the tax authorized by O.C.G.A. § 48-8-110, *et seq.*
- E. The County and Municipalities agree to maintain thorough and accurate records concerning receipt of SPLOST proceeds and expenditures for each project undertaken by the respective county or municipality as required to fulfill the terms of this Agreement.

Section 2. Conditions Precedent

- A. The obligations of the County and Municipalities pursuant to this Agreement are conditioned upon the adoption of a resolution of the County calling for the reimposition of the SPLOST in accordance with the provisions of O.C.G.A. § 48-8-111(a).
- B. This Agreement is further conditioned upon the approval of the proposed reimposition of the SPLOST by the voters of the County in a referendum to be held in accordance with the provisions of O.C.G.A. § 48-8-111(b) through (e).
- C. This Agreement is further conditioned upon the collecting of the SPLOST revenues by the State Department of Revenue and transferring same to the County.

Section 3. Effective Date and Term of the Tax

The SPLOST, subject to approval in an election to be held on November 6, 2012, shall continue for a period of six calendar years with collections beginning on January 1, 2014.

Section 4. Effective Date and Term of This Agreement

This Agreement shall commence upon the date of its execution and shall terminate upon the later of :

- (i) The official declaration of the failure of the election described in this Agreement;
- (ii) The expenditure by the County and all the Municipalities of the last dollar of money collected from the Special Purpose Local Option Sales Tax after the expiration of the Special Purpose Local Option Sales Tax; or
- (iii) The completion of all projects described in Exhibit A.

Section 5. County SPLOST Fund; Separate Accounts; No Commingling

- A. A special fund or account shall be created by the County and designated as the 2012 Lowndes County Special Purpose Local Option Sales Tax Fund ("SPLOST Fund"). The County shall select a local bank which shall act as a depository and custodian of the SPLOST Fund upon such terms and conditions as may be acceptable to the County.
- B. Each Municipality shall create a 2012 Special Purpose Local Option Sales Tax Fund. Each Municipality shall select a local bank which shall act a depository and custodian of the SPLOST proceeds received by each Municipality upon such terms and conditions as may be acceptable to the Municipality.
- C. All SPLOST proceeds shall be maintained by the County and each Municipality in the separate accounts or funds established pursuant to this Section. Except as provided in Section 6, SPLOST proceeds shall not be commingled with other funds of the County or Municipalities and shall be used exclusively for the purposes specified in the Resolution of the County calling for reimposition of the tax and in this Agreement. No funds other than SPLOST proceeds shall be placed in such funds or accounts.

Section 6. Procedure for Disbursement of SPLOST Proceeds

- A. Upon receipt by the County of SPLOST proceeds collected by the State Department of Revenue, the County shall immediately deposit said proceeds in the SPLOST Fund. The monies in the SPLOST Fund shall be held and applied to the cost of acquiring, constructing, and installing the County capital outlay projects listed in Exhibit A and as provided in Paragraph B of this Section.
- B. The County, following deposit of the SPLOST proceeds in the SPLOST Fund, shall within 10 business days disburse the SPLOST proceeds due to each Municipality according to the schedule in Exhibit A. The proceeds shall be deposited in the separate funds established by each Municipality in accordance with Section 5 of this Agreement.

Section 7. Projects

All capital outlay projects, to be funded in whole or in part from SPLOST proceeds, are listed in Exhibit A which is attached hereto and made part of this Agreement.

Section 8. Project Funding

Projects shall be funded and constructed in accordance with the schedule found in Exhibit A of this Agreement. The priority of county projects shall be determined by the County. The priority of municipal projects shall be determined by the Municipalities. Except as provided in Paragraph B and Paragraph C of Section 9 of this Agreement, any change to the schedule found in Exhibit A must be agreed to in writing by all parties to this Agreement.

Section 9. Completion of Projects

- A. The County and Municipalities acknowledge that the costs shown for each project described in Exhibit A are estimated amounts. The County and Municipalities shall maintain a record of each and every project for which the proceeds of the tax are used.

- B. If a county project has been satisfactorily completed at a cost less than the estimated cost listed for that project in Exhibit A, the County may apply the remaining unexpended funds to any other county project included in Exhibit A.
- C. If a municipal project has been satisfactorily completed at a cost less than the estimated cost listed for that project in Exhibit A, the Municipality may apply the remaining unexpended funds to any other project included for that Municipality in Exhibit A.
- D. The County and Municipalities agree that each approved SPLOST project associated with this Agreement shall be completed or substantially completed within five years of the termination of the SPLOST. Any SPLOST proceeds held by a County or Municipality at the end of the five year period shall, for the purposes of this Agreement, be deemed excess funds and disposed of as provided under O.C.G.A. § 48-8-121(g)(2).
- E. Proceeds of the tax exceeding One Hundred Fifty Million Dollars (\$150,000,000) shall be allocated and distributed to the County and Municipalities based upon the percentages in Exhibit A. The County and the Municipalities may apply such proceeds to project costs as authorized by the Act.

Section 10. Expenses

The expense of the election shall be paid from County funds.

Section 11. Audits

- A. During the term of this Agreement, the distribution and use of SPLOST proceeds deposited in the SPLOST Fund and each Municipal fund shall be audited annually by an independent certified public accounting firm in accordance with O.C.G.A. § 48-8-121(a)(2). The County and each Municipality receiving SPLOST proceeds shall be responsible for the cost of their respective audits. The County and the Municipalities

agree to cooperate with the independent certified public accounting firm in any audit by providing all necessary information.

- B. Each Municipality shall provide the County a copy of the audit of the distribution and use of the SPLOST proceeds by the Municipality.

Section 12. Notices

All notices, consents, waivers, directions, requests or other instruments or communications provided for under this Agreement shall be deemed properly given when delivered personally or sent by registered or certified United States mail, postage prepaid, as follows:

- a. Hahira
City of Hahira
Attn: Mayor
301 W. Main St.
Hahira, GA 31632
- b. Remerton
City of Remerton
Attn: Mayor
2 Poplar St.
Remerton, GA 31601
- c. Lake Park
City of Lake Park
Attn: Mayor
120 Essa St.
Lake Park, GA 31636
- d. Dasher
City of Dasher
Attn: Mayor
3686 U.S. 41 South
Dasher, GA 31601
- e. Valdosta
City of Valdosta
Attn: Mayor
P.O. Box 1125
Valdosta, GA 31603-1125
- f. County
Lowndes County Board of Commissioners
Attn: Chairman
P.O. Box 1349
Valdosta, GA 31603-1349

Section 13. Entire Agreement

This Agreement, including any attachments or exhibits, constitutes all of the understandings and agreements existing between the County and the Municipalities with respect to distribution and use of the proceeds from the Special Purpose Local Option Sales Tax. Furthermore, this Agreement supersedes all prior agreements, negotiations and communications of whatever type, whether written or oral, between the parties hereto with respect to distribution and use of said SPLOST.

Section 14. Amendments

This Agreement shall not be amended or modified except by agreement in writing executed by the governing authorities of the County and the Municipalities.

Section 15. Governing Law

This Agreement shall be deemed to have been made and shall be construed and enforced in accordance with the laws of the State of Georgia.

Section 16. Severability

Should any phrase, clause, sentence, or paragraph of this Agreement be invalid or unconstitutional, the remainder of the Agreement shall remain in full force and effect as if such invalid or unconstitutional provision were not contained in the Agreement unless the elimination of such provision detrimentally reduces the consideration that any party is to receive under this Agreement or materially affects the operation of this Agreement.

Section 17. Compliance with Law

The County and the Municipalities shall comply with all applicable local, State, and Federal statutes, ordinances, rules and regulations.

Section 18. Consent to Breach

No consent or waiver, express or implied, by any party to this Agreement, to any breach of any covenant, condition or duty of another party shall be construed as a consent to or waiver of any future breach of the same.

Section 19. Counterparts

This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the County and the Municipalities acting through their duly authorized agents have caused this Agreement to be signed, sealed and delivered for final execution by the County on the date indicated herein.

(signatures continued on next page)

LOWNDES COUNTY, GEORGIA

(SEAL)

By: _____
Chairman

Attest: _____
Clerk

(signatures continued on next page)

CITY OF VALDOSTA

(SEAL)

By: _____
Mayor

Attest: _____
Clerk

(signatures continued on next page)

CITY OF HAHIRA

(SEAL)

By: _____
Mayor

Attest: _____
Clerk

(signatures continued on next page)

CITY OF REMERTON

(SEAL)

By: _____
Mayor

Attest: _____
Clerk

(signatures continued on next page)

CITY OF DASHER

(SEAL)

By: _____
Mayor

Attest: _____
Clerk

(signatures continued on next page)

CITY OF LAKE PARK

(SEAL)

By: _____
Mayor

Attest: _____
Clerk