

## CUSTODIAL AGREEMENT

THIS CUSTODIAL AGREEMENT (the “Custodial Agreement”), dated as of August 1, 2021, by and between OCONEE COUNTY, a political subdivision of the State of Georgia (the “County”), and REGIONS BANK, Atlanta, Georgia (the “Sales Tax Custodian”);

### WITNESSETH:

WHEREAS, at an election duly called and held in the County on the 3<sup>rd</sup> day of November, 2020 (the “Election”), after notice thereof had been given of the time of the election in the manner required by law, a majority of the registered voters of the County voting in said election voted in favor of the issuance of general obligation debt of the County in the principal amount of \$12,500,000 (the “Debt”) for the purposes of providing funds for (a) paying a portion of the costs of the acquisition, construction and equipping of a library and administrative facilities; (b) paying capitalized interest on the Debt; and (c) paying the costs of issuing the Debt; and the imposition of a special purpose one percent sales and use tax (the “Sales and Use Tax”) in the County for a period of time not to exceed 24 calendar quarters and for the raising of an estimated amount of \$64,648,250 for the following capital outlay projects, pursuant to an Intergovernmental Contract, dated July 7, 2020, between the County, the Town of Bishop, the Town of Bogart, the Town of North High Shoals, and the Municipality of Watkinsville, which qualified municipalities comprise more than 50% of the municipal population of the special district: (a) funding the following capital outlay projects for the County: (1) Recreational facilities, (2) Water and sewer facilities, (3) Roads, streets and bridges, (4) Farmland protection, (5) Fire station and rescue facilities and equipment, (6) Historic and scenic facilities, (7) Library and administrative facilities, (8) General County facilities, (9) Broadband facilities, (10) Recreational and park facilities, (11) Courthouse facilities (the “County Projects”), and (12) Law enforcement vehicles; (b) funding the following capital outlay projects for the Town of Bishop: (1) Roads, streets, bridges and sidewalks; (c) funding the following capital outlay projects for the Town of Bogart: (1) Roads, streets, bridges and sidewalk facilities, (2) Fire department equipment, (3) Sewer facilities, (4) General city facilities, (5) Park facilities, and (6) Broadband facilities; (d) funding the following capital outlay projects for the Town of North High Shoals: (1) Park facilities, (2) Roads, streets, bridges, sidewalks and traffic control facilities, (3) Community building, (4) Fire station equipment, and (5) Greenway facilities; and (e) funding the following capital outlay projects for the Municipality of Watkinsville: (1) Public safety facilities and equipment, (2) Recreational, park and greenspace facilities, (3) Roads, streets, bridges, drainage and sidewalks, and (4) Multi-purpose city facilities, signage and equipment; and

WHEREAS, at said election, the imposition of the Sales and Use Tax on all sales and uses in the County was authorized to be imposed pursuant to the provisions of Article 3 of Chapter 8 of Title 48 of the Official Code of Georgia Annotated (the “Sales Tax Act”); and

WHEREAS, the County has issued a portion of the Debt authorized to be issued pursuant to the Election in the form of \$12,500,000 in aggregate principal amount Oconee

County, Georgia General Obligation Bonds, Series 2021 (the “Series 2021 Bonds”) in order to pay the costs of financing the administrative building (the “Project”); and

WHEREAS, the Series 2021 Bonds may to the extent available be payable from the proceeds received by the County from the imposition of Sales and Use Tax, which Sales and Use Tax was authorized to be levied in Oconee County at the Election heretofore described: and

NOW, THEREFORE, for and in consideration of the premises above-stated and the mutual covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto DO HEREBY AGREE as follows:

Section 1. In order to provide for the segregation of the moneys collected from the Sales and Use Tax and to provide for the use of such proceeds to pay principal of and interest on the Series 2021 Bonds, as the same become due and payable, and to apply toward the cost of funding the County Projects, the County hereby agrees to pay or cause to be paid to the Sales Tax Custodian all net proceeds to which the County is entitled from the imposition of the Sales and Use Tax.

Section 2. All moneys paid to the Sales Tax Custodian pursuant to the provisions of Section 1 above (the “Sales Tax Proceeds”) shall be held by the Sales Tax Custodian in a special segregated account which shall be designated “Oconee County Sales and Use Tax Fund” (the “Sales Tax Fund”), which fund shall be separate and apart from all other funds of the County and of the Sales Tax Custodian. Within the Sales Tax Fund the Sales Tax Custodian shall establish two accounts: the “Debt Service Account” and the “General Account”. The Sales and Use Tax proceeds shall be applied by the Sales Tax Custodian solely as provided in this Custodial Agreement.

Section 3. The Sales and Use Tax shall be deposited in the General Account and used for paying costs of the County Projects and the debt service requirements on the Series 2021 Bonds. Any Sales and Use Tax used to pay the debt service requirements on the Series 2021 Bonds in any bond year shall be transferred by the Sales Tax Custodian at the direction of the County from the General Account to the Debt Service Account at least twenty days prior to each of the payment dates set forth in Exhibit A attached hereto, and by this reference thereto made a part hereof. The Sales Tax Custodian shall pay, to the extent that there are moneys available therefor in the Debt Service Account in the Sales Tax Fund, to the Paying Agent for the purpose of providing for payments of principal and interest on the Series 2021 Bonds, the amounts set forth opposite each such payment date as shown on Exhibit A. Such payments shall be made to the Paying Agent by noon on the due date by wire transfer. On the fifteenth day next preceding each payment date, the Sales Tax Custodian shall give the County and the Paying Agent telephonic notice of the amount of money in the Sales Tax Fund and available to pay the principal of and the interest on the Series 2021 Bonds. In the event that there are insufficient moneys to make such payments, the County shall provide the necessary funds to the Paying Agent.

The County and the Sales Tax Custodian agree and acknowledge that when moneys in the Sales Tax Fund prove insufficient on any such payment date, it shall be the sole

responsibility of the County to make available moneys to make the required payments of principal and interest on the Bonds from such other sources as are lawfully available to the County.

All moneys remaining or deposited in the Sales Tax Fund after January 1, 2034 and not needed for payment of the Series 2021 Bonds or to be applied toward the cost of the County Projects shall be paid to the County.

Section 4. Moneys in the Sales Tax Fund, pending their disbursement as provided in Section 3, may be invested or reinvested by the Sales Tax Custodian, at the direction of the County in any investment authorized by the laws of the State of Georgia.

The Sales Tax Custodian may make any or all of such investments through its own bond or trust department. All such investments shall be held by or under the control of the Sales Tax Custodian and shall be deemed at all times to be a part of the Sales Tax Fund and the interest accruing thereon and any profit realized therefrom shall be credited to the Sales Tax Fund and any loss resulting therefrom shall be charged to the Sales Tax Fund. The Sales Tax Custodian is directed to sell and convert to cash a sufficient amount of such investments in the Sales Tax Fund whenever the cash held in the Sales Tax Fund is insufficient to provide for the timely payment of the principal of and interest on the outstanding Debt.

Section 5. The County agrees to pay the Sales Tax Custodian for its services hereunder an amount equal to its normal and customary fees and expenses for services such as those required to be performed under this Custodial Agreement. The Sales Tax Custodian and the County agree that the Sales Tax Custodian shall have no lien upon the Sales Tax Fund for the payment of such fees and expenses, and the Sales Tax Custodian agrees that it shall not exercise any right of set-off or recoupment against the Sales Tax Fund.

Section 6. The Sales Tax Custodian may resign at any time by providing the County with at least sixty days' written notice. The Sales Tax Custodian may be removed by the County at any time upon the County providing at least sixty days written notice to the Sales Tax Custodian. The Sales Tax Custodian agrees that in the event that it shall be removed or that it shall resign, it shall take all actions reasonably requested by the County to transfer moneys in the Sales Tax Fund to the County or to any successor sales tax custodian appointed by the County.

Section 7. The Sales Tax Custodian shall keep records as to all deposits made into the Sales Tax Fund and all disbursements therefrom, along with records of all investments made with respect thereto, and no less frequently than quarterly or otherwise upon reasonable request of the County, the Sales Tax Custodian shall provide the County with copies of such records.

Section 8. All notices or directions required or permitted hereunder shall be sent by first class mail, postage prepaid, as follows:

If to the County: Board of Commissioners of Oconee County  
23 N. Main Street  
Watkinsville, Georgia 30677  
Attention: Finance Director

If to the Sales Tax Custodian: Regions Bank  
1180 West Peachtree Street, Suite 1200  
Atlanta, Georgia 30309  
Attention: Corporate Trust Office

The County and the Sales Tax Custodian may each designate any other or additional address to which any such notice may be sent.

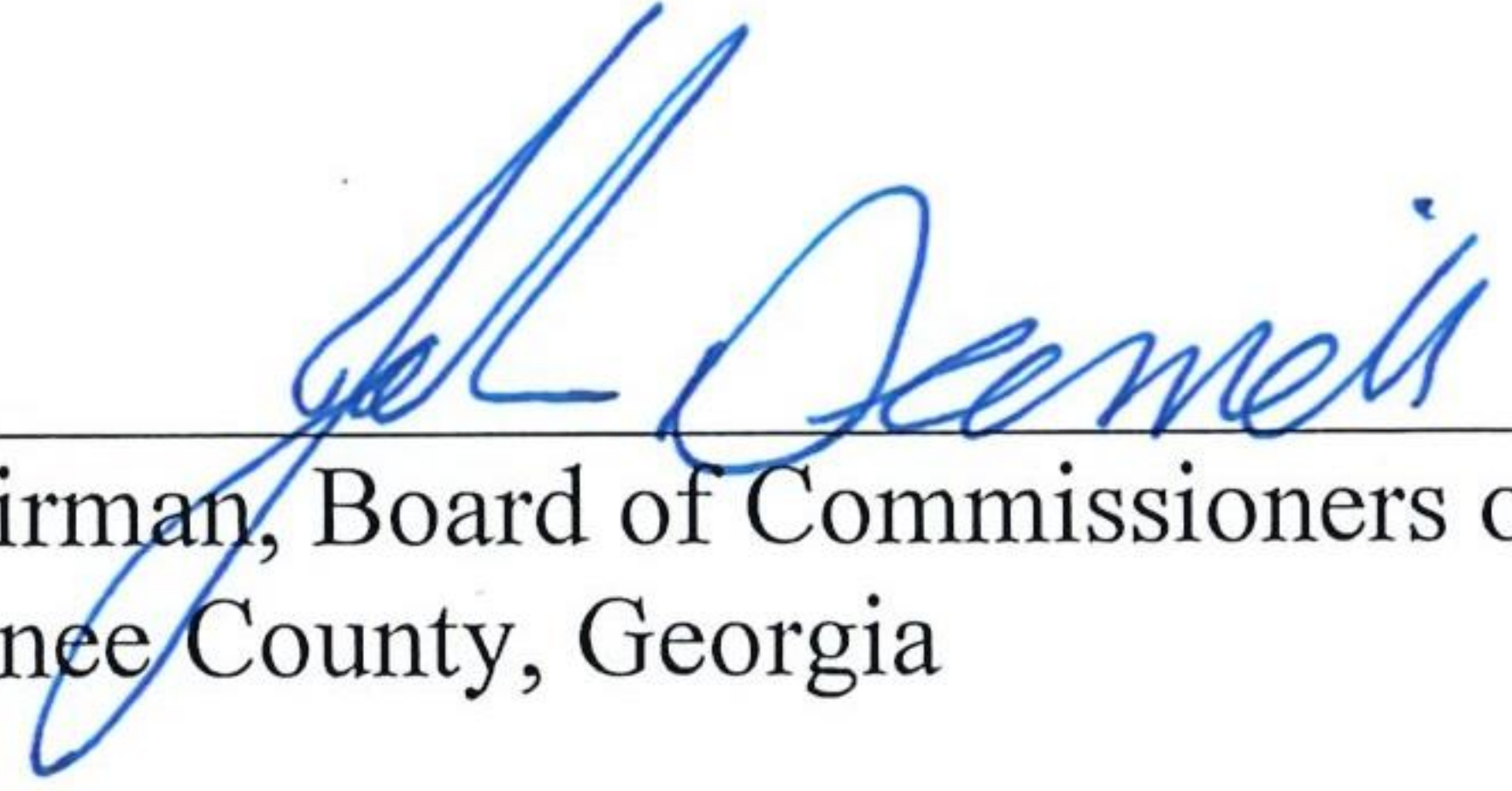
Section 9. This Custodial Agreement may not be amended or supplemented except by written agreement executed by both the County and the Sales Tax Custodian.

Section 10. This Custodial Agreement shall be governed by and construed in accordance with the laws of the State of Georgia.

Section 11. This Custodial Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Custodial Agreement under seal as of the date first above written.

OCONEE COUNTY, GEORGIA

By:   
Chairman, Board of Commissioners of  
Oconee County, Georgia

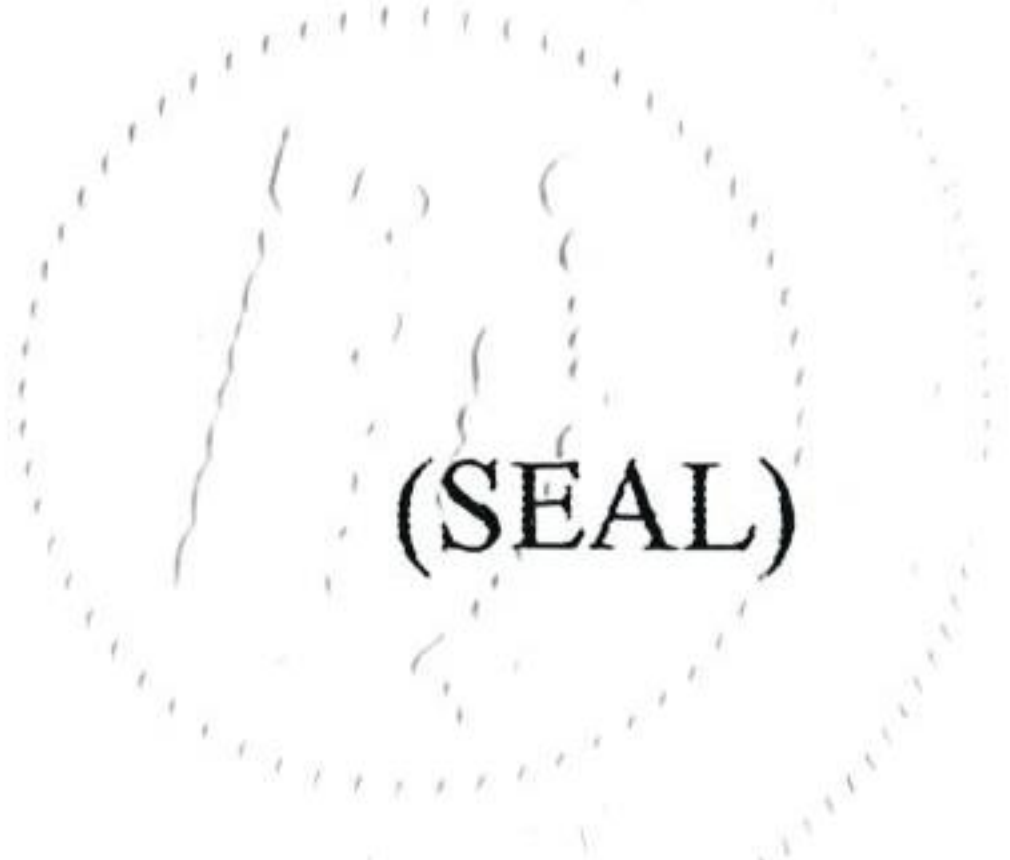
(SEAL)



Attest:

  
Clerk

REGIONS BANK,  
as Sales Tax Custodian



By: \_\_\_\_\_  
Title: Vice President

Attest:

A handwritten signature in blue ink, appearing to read "K. D. Hall", written over a horizontal line.

Title: Vice President

EXHIBIT A  
TO CUSTODIAL AGREEMENT,  
Dated as of August 1, 2021

[Attach debt service schedule for Series 2021 Bonds]

**Bond Debt Service**  
**Oconee County, Georgia**  
**General Obligation Bonds, Series 2021**

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Annual Debt Service</i>
1/1/2022			190,741.67	190,741.67	190,741.67
7/1/2022			243,500.00	243,500.00	
1/1/2023	645,000	3.000%	243,500.00	888,500.00	1,132,000.00
7/1/2023			233,825.00	233,825.00	
1/1/2024	655,000	3.000%	233,825.00	888,825.00	1,122,650.00
7/1/2024			224,000.00	224,000.00	
1/1/2025	665,000	4.000%	224,000.00	889,000.00	1,113,000.00
7/1/2025			210,700.00	210,700.00	
1/1/2026	675,000	4.000%	210,700.00	885,700.00	1,096,400.00
7/1/2026			197,200.00	197,200.00	
1/1/2027	685,000	4.000%	197,200.00	882,200.00	1,079,400.00
7/1/2027			183,500.00	183,500.00	
1/1/2028	695,000	4.000%	183,500.00	878,500.00	1,062,000.00
7/1/2028			169,600.00	169,600.00	
1/1/2029	1,360,000	4.000%	169,600.00	1,529,600.00	1,699,200.00
7/1/2029			142,400.00	142,400.00	
1/1/2030	1,380,000	4.000%	142,400.00	1,522,400.00	1,664,800.00
7/1/2030			114,800.00	114,800.00	
1/1/2031	1,405,000	4.000%	114,800.00	1,519,800.00	1,634,600.00
7/1/2031			86,700.00	86,700.00	
1/1/2032	1,425,000	4.000%	86,700.00	1,511,700.00	1,598,400.00
7/1/2032			58,200.00	58,200.00	
1/1/2033	1,445,000	4.000%	58,200.00	1,503,200.00	1,561,400.00
7/1/2033			29,300.00	29,300.00	
1/1/2034	1,465,000	4.000%	29,300.00	1,494,300.00	1,523,600.00
	12,500,000		3,978,191.67	16,478,191.67	16,478,191.67