

INTERGOVERNMENTAL CONTRACT

by and between

OCONEE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

and

OCONEE COUNTY, GEORGIA

Dated as of May 1, 2020

Relating to the
\$7,790,000
Oconee County Industrial Development Authority
Taxable Refunding Revenue Bond
(Economic Development Projects),
Series 2020

The rights and interest of Oconee County Industrial Development Authority (the "Authority") in the revenues and receipts derived from this Intergovernmental Contract have been assigned and pledged under a Bond Resolution, adopted by the Authority on April 2, 2020.

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EXHIBIT A – 2012 Projects

INTERGOVERNMENTAL CONTRACT

THIS INTERGOVERNMENTAL CONTRACT (this “Contract”) is entered into as of May 1, 2020, by and between the **OCONEE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY** (the “Authority”), a public body corporate and politic, and **OCONEE COUNTY, GEORGIA** (the “County”), a political subdivision of the State of Georgia.

WITNESSETH:

WHEREAS, the Authority was created for the purpose of promoting and expanding for the public good and welfare, industry and trade within Oconee County, Georgia (the “County”) and reducing unemployment to the greatest extent possible; and

WHEREAS, the Amendment grants the Authority the power and authority to borrow money for any of its corporate purposes and to issue its revenue bonds in order to finance any undertaking within the scope of its power; and the procedure for validation, issuance and delivery of such revenue bonds shall be in all respects in accordance with the Revenue Bond Law (O.C.G.A. Section 36-80-60 *et seq.*), as if said obligations had been originally authorized to be issued thereunder; and

WHEREAS, under the Amendment and the Revenue Bond Law (O.C.G.A. § 36-82-60 *et seq.*, as amended), the Authority has the power (a) to issue revenue bonds and use the proceeds for the purpose of paying all or part of the cost of any project (as authorized by the Amendment and the Revenue Bond Law) which promotes and expands for public good and welfare industry and trade within the County and reduces unemployment to the greatest extent possible; (b) to make and execute contracts and other instruments necessary to exercise the powers of the Authority; (c) to issue revenue bonds for the purpose of paying, in whole or in part, the cost of any undertaking or to refund any previously issued revenue bonds issued for the purpose of paying, in whole or in part, the cost of any undertaking; and

WHEREAS, Article IX, Section III, Paragraph I(a) of the Constitution of the State of Georgia authorizes, among other things, any county, municipality or other political subdivision of the State to contract, for a period not exceeding fifty years, with another county, municipality or political subdivision or with any other public agency, public corporation or public authority for joint services, for the provision of services, or for the provision or separate use of facilities or equipment, provided that such contract deals with activities, services or facilities which the contracting parties are authorized by law to undertake or to provide; and

WHEREAS, the Amendment provides that the Authority may contract with political subdivisions of the State of Georgia; and

WHEREAS, the County is a political subdivision of the State of Georgia, legally created and validly existing under the laws of the State of Georgia; and

WHEREAS, in accordance with Official Code of Georgia Annotated, Section 48-5-220(20), the County may levy and collect an annual tax to provide financial assistance to the

Authority for the purpose of developing trade, commerce, industry, and employment opportunities; provided, however, that the tax for such purpose shall not exceed one mill per dollar upon the assessed value of taxable property in the County; and

WHEREAS, the County and the Authority are governmental bodies as described in the Revenue Bond Law, and are authorized to undertake projects described therein which include the purchase of land and the construction thereon of facilities for lease to industries, so as to relieve abnormal unemployment conditions; and

WHEREAS, the Authority has previously issued its Revenue Bonds (Economic Development Projects), Series 2012, in the original aggregate principal amount of \$10,380,000 for the purposes of (i) providing funds to finance the acquisition, construction and equipping of certain economic development projects located in the County, as more fully described in Exhibit A to this Contract (the “2012 Projects”), and (ii) paying the costs of issuing the Series 2020 Bond; and

WHEREAS, the Series 2012 Bonds are currently outstanding in the aggregate principal amount of \$7,790,000; and

WHEREAS, in connection with the issuance of the Series 2012 Bonds, the Authority and the County entered into an Intergovernmental Contract, dated as of March 1, 2012 (the “2012 Contract”), pursuant to which the Authority agreed to issue the Series 2012 Bonds to acquire, construct and equip the 2012 Projects, and the County, in consideration of the Authority’s doing so, agrees to pay to the Authority amounts sufficient to pay the principal of, premium, if any, and interest on the Series 2012 Bonds and to levy an ad valorem property tax (if necessary), on the assessed value of all property located within the County subject to such tax, at such rate or rates, limited to one mill per dollar (or such greater amount as may hereafter be authorized by applicable law), in order to pay the principal of, premium, if any, and interest on the Series 2012 Bonds; and

WHEREAS, because of present market conditions it is advisable, feasible and in the best interest of the Authority and the County that all of the Series 2012 Bonds, maturing in the years 2021 and 2023 through 2034, inclusive (the “Refunded Bonds”), be refunded be refunded and called for redemption, in order to effect a savings in the debt service requirements on the County’s outstanding bonded indebtedness, and the Authority and the County have determined, after their own independent study and investigation, that it is in the best interest of the Authority and the County to refund the Refunded Bonds; and

WHEREAS, the Authority authorized the issuance of the Oconee County Industrial Development Authority Taxable Refunding Revenue Bond (Economic Development Projects), Series 2020 (the “Series 2020 Bond”), in the original principal amount of \$7,790,000, dated as of its date of issuance and delivery, for the purpose of refunding the Refunded Bonds; and

WHEREAS, the Series 2020 Bond will be issued pursuant to the Amendment, the Revenue Bond Law, and a resolution of the Authority adopted on April 2, 2020 (the “Bond Resolution”); and

WHEREAS, the Series 2020 Bond shall contain such terms and provisions as provided in the Bond Resolution; and

WHEREAS, the Authority and the County propose to enter into this Contract, pursuant to which the Authority will agree to issue the Series 2020 Bond to provide funds to refund the Refunded Bonds, and the County, in consideration of the Authority's doing so, will agree to pay to the Authority from its general fund or from the proceeds of a tax levied on all taxable property located within the boundaries of the County, at such rate or rates, limited to one mill per dollar (or such greater amount as may hereafter be authorized by applicable law), in order to pay the principal of, premium, if any, and interest on the Series 2020 Bond.

NOW, THEREFORE, in consideration of the premises and undertakings as hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1.

DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1. Definitions

In addition to the words and terms elsewhere defined in this Contract and the Bond Resolution, the following words and terms as used in this Contract shall have the following meanings unless the context or use indicates another or different meaning or intent and such definitions shall be equally applicable to both the singular and plural forms of the words and terms herein defined:

“State” shall mean the State of Georgia.

“Term” shall have the meaning specified in Section 4.1 hereof.

Section 1.2. Rules of Construction.

The definitions referred to in Section 1.1 shall be equally applicable to both the singular and the plural forms of the terms therein defined and shall cover all genders. “Herein,” “hereby,” “hereunder,” “hereof,” “hereinbefore,” “hereinafter,” “this Contract” and other equivalent words refer to this Contract and not solely to the particular portion thereof in which any such word is used. All references herein to particular Articles or Sections are references to Articles or Sections of this Contract unless otherwise specified.

[END OF ARTICLE I]

ARTICLE 2.

REPRESENTATIONS, WARRANTIES AND AGREEMENTS

Section 2.1. Representations, Warranties and Agreements of the Authority.

The Authority makes the following representations, warranties and agreements as the basis for the undertakings on its part herein contained:

(a) The Authority is a public body corporate and politic duly created, organized and existing under the Constitution and laws of the State, including the Amendment, and, unless otherwise required by law, shall maintain its corporate existence so long as the Series 2020 Bond is outstanding. Under the provisions of the Amendment, the Authority is authorized to (i) adopt the Bond Resolution, (ii) issue, execute, deliver and perform its obligations under the Series 2020 Bond, and (iii) execute, deliver and perform its obligations under this Contract. The Bond Resolution has been duly adopted and has not been modified or repealed. The Authority has duly authorized (i) the issuance, execution, delivery and performance of the Series 2020 Bond and (ii) the execution, delivery and performance of this Contract. The Bond Resolution, the Series 2020 Bond and this Contract are valid, binding and enforceable obligations of the Authority.

(b) In connection with the issuance of the Series 2012 Bonds, the Authority has determined that the 2012 Projects are projects in furtherance of the Authority's purpose and mission under the Amendment.

(c) No approval or other action by any governmental authority or agency or other person is required in connection with the (i) issuance of the Series 2020 Bond, (ii) refunding the Refunded Bonds, or (iii) execution, delivery and performance of this Contract by the Authority, except as shall have been obtained as of the date hereof; provided, however, no representation is given with respect to any "blue sky" laws.

(d) The adoption of the Bond Resolution, the issuance of the Series 2020 Bond and the authorization, execution, delivery and performance by the Authority of this Contract do not violate the Amendment, the Authority's bylaws, any resolutions or ordinances of the County, or the laws or Constitution of the State and do not constitute a breach of or a default under any existing court order, administrative regulation, or other legal decree, or any agreement, indenture, mortgage, lease, note or other instrument to which it is a party or by which it is bound.

(e) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or, to the knowledge of the Authority, threatened against or affecting the Authority (or, to the knowledge of the Authority, any meritorious basis therefor) (i) attempting to limit, enjoin or otherwise restrict or prevent the Authority from issuing the Series 2020 Bond, pledging the Contract Payments and this Contract to the payment of the Series 2020 Bond, or refunding the Refunded Bonds, (ii) contesting or questioning the existence of the Authority or the titles of the present officers of the Authority to their offices or (iii) wherein an unfavorable

decision, ruling or finding would (A) adversely affect the enforceability of the Series 2020 Bond, the Bond Resolution or this Contract or (B) materially adversely affect the transactions contemplated by this Contract.

(f) The Authority is not in violation of the Amendment, its bylaws, any resolutions or ordinances of the County or the laws or Constitution of the State and is not in default under any existing court order, administrative regulation, or other legal decree, or any agreement, indenture, mortgage, lease, note or other instrument to which it is a party or by which it is bound.

(g) The Authority has not made, done, executed or suffered, and warrants that it will not make, do, execute or suffer any act or thing whereby the County's interest in the Project will or may be, impaired or encumbered in any manner except as permitted herein and the Bond Resolution and except for acts or things done or permitted by the County.

(h) Except as herein and in the Bond Resolution provided, the Authority will not encumber any part of its interest in the Contract Payments or its rights under this Contract. The pledge made of the Contract Payments constitutes a first and prior pledge of and lien on said Contract Payments and said pledge shall at no time be impaired by the Authority and the Contract Payments shall not otherwise be pledged.

Section 2.2. Representations, Warranties and Agreements of the County.

The County makes the following representations, warranties and agreements as the basis for the undertaking on its part herein contained:

(a) The County is a political subdivision duly created under the Constitution and laws of the State. Under the Constitution and laws of the State, the County is authorized to execute, deliver and perform its obligations under this Contract. The County has duly authorized the execution, delivery and performance of this Contract. This Contract is a valid, binding and enforceable obligation of the County.

(b) In connection with the issuance of the Series 2012 Bonds, the County determined that the 2012 Projects are in the public interest.

(c) No approval or other action by any governmental authority or agency or other person is required in connection with the (i) issuance of the Series 2020 Bond, (ii) refunding the Refunded Bonds or (iii) execution, delivery and performance of this Contract by the County, except as shall have been obtained as of the date hereof.

(d) The authorization, execution, delivery and performance by the County of this Contract do not violate the laws or Constitution of the State and do not constitute a breach of or a default under any existing resolution or ordinance, court order, administrative regulation, or other legal decree, or any agreement, indenture, mortgage, lease, note or other instrument to which it is a party or by which it is bound.

(e) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or, to the knowledge of the County, threatened against or affecting the County (or, to the knowledge of the County, any meritorious basis therefor) (i) attempting to limit, enjoin or otherwise restrict or prevent the County from (A) collecting ad valorem taxes and using it to make the Contract Payments or (B) refunding the Refunded Bonds, (ii) contesting or questioning the existence of the County or the titles of the present officers of the County to their offices or (iii) wherein an unfavorable decision, ruling or finding would (A) adversely affect the enforceability of this Contract or (B) materially adversely affect (1) the financial condition or results of operations of the County or (2) the transactions contemplated by this Contract.

(f) The County is not in violation of the laws or the Constitution of the State and is not in default under any existing resolution or ordinance, court order, administrative regulation, or other legal decree, or any agreement, indenture, mortgage, lease, note or other instrument to which it is a party or by which it is bound.

(g) The County represents that as of the date hereof, other than the 2012 Contract, there will not be in force and effect any other contract or agreement which obligates the County to levy the one mill ad valorem tax authorized by Official Code of Georgia Annotated, Section 48-5-220(20), to provided revenues to fulfill the County's obligations under such contract or agreement.

[END OF ARTICLE II]

ARTICLE 3.

ISSUANCE OF SERIES 2020 BOND; APPLICATION OF BOND PROCEEDS

Section 3.1. Agreement to Issue the Series 2020 Bond.

In order to provide funds, as provided in the Bond Resolution to refund the Refunded Bonds and pay the costs incident thereto, the Authority, in accordance with the Amendment, will issue the Series 2020 Bond, and all of the covenants, agreements and provisions hereof shall, to the extent provided herein and in the Bond Resolution, be for the benefit and security of the Bondowner. The Authority has delivered a certified copy of the Bond Resolution to the County.

Section 3.2. Date, Denomination, and Maturity.

The Series 2020 Bond will be issued in fully registered form and will mature and be paid pursuant to the provisions of Article II of the Bond Resolution. Interest on the Series 2020 Bond will be paid to the person or persons and in the manner stated in the Series 2020 Bond and in the Bond Resolution, until the obligation of the Authority with respect to the payment of the principal of and interest on the Series 2020 Bond shall be discharged in accordance therewith.

Section 3.3. Obligations Relating to the Series 2020 Bond.

The County agrees to perform all such obligations as are contemplated by the Bond Resolution to be performed by the County.

Section 3.4. Application of Bond Proceeds.

At and upon the delivery of and payment for the Series 2020 Bond, the proceeds received therefrom shall be applied in the manner set forth in Section 3.1 of the Bond Resolution.

Section 3.5. Investment of Moneys.

Any moneys held as a part of the Sinking Fund shall be invested or reinvested as directed by the County in accordance with Articles III and V of the Bond Resolution.

[END OF ARTICLE III]

ARTICLE 4.

EFFECTIVE DATE OF THIS CONTRACT; DURATION OF TERM; SALE OF 2012 PROJECTS; CONTRACT PAYMENT PROVISIONS

Section 4.1. Effective Date of this Contract; Duration of Term; Sale of Project.

This Contract shall become effective as of May 1, 2020 and the interests created by this Contract shall then begin, and, subject to the other provisions of this Contract, shall expire on the later of (a) March 1, 2034, or if at said time and on said date the Series 2020 Bond have not been paid in full as to principal and interest then on such date as such payment shall have been made or (b) the date the Series 2020 Bond have been paid in full, but in no event in excess of fifty (50) years from the date hereof. Notwithstanding the foregoing, the provisions of Sections 8.1 and 8.2 hereof shall expire fifty (50) years from the date hereof.

Section 4.2. Contract Payments.

On or prior to each March 1 and September 1 of each year (each a "Contract Payment Date"), commencing September 1, 2020, the County shall make the Contract Payments with respect to the Series 2020 Bond to the Authority as set forth on Schedule 1 attached hereto. Notwithstanding anything in the Bond Resolution or herein to the contrary, if such date is on or prior to March 1, the County shall pay an amount sufficient to enable the Authority to pay in full the principal and interest on the Series 2020 Bond coming due on March 1, and if such date is on or prior to September 1, the County shall pay an amount sufficient to enable the Authority to pay in full the interest on the Bond coming due on September 1, and such Contract Payments shall continue and recontinue until provision has been made for the payment in full of the Series 2020 Bond as to principal and interest. The County shall also pay any late charges due under the terms of the Series 2020 Bond. The Contract Payments provided for herein shall be made by payment directly to the Sinking Fund Custodian for deposit into the Sinking Fund.

Section 4.3. Optional Prepayment of Series 2020 Bond.

The principal amount of the Series 2020 Bond may not be prepaid prior to maturity.

Section 4.4. Budget and Tax Levy to Pay Contract Payments.

(a) The obligations of the County to make the Contract Payments when due under Section 4.2 hereof, and to perform its other obligations hereunder, are absolute and unconditional general obligations of the County as herein provided, and the County hereby pledges its full faith and credit and taxing power to such payment and performance, subject to the millage limitation discussed below. In the event the amount of funds lawfully available to the County is not sufficient to pay the Contract Payments when due in any year, the County shall levy an ad valorem tax, on all property located within the limits of the County subject to taxation for such purposes, as now existent and as same may hereafter be extended, at such rate or rates as may be necessary to produce in each calendar year revenues which shall be sufficient to fulfill the County's obligations hereunder, provided, however, that such tax shall not exceed one mill per

dollar upon the assessed value of taxable property in the County in accordance with the Official Code of Georgia Annotated, Section 48-5-220(20) (or such greater amount as may hereafter be authorized by applicable law), from which revenues there shall be appropriated, sums sufficient to pay in full when due the obligations herein contracted to be paid by the County including specifically the obligation to make the Contract Payments as provided herein. The County hereby creates a lien on any and all revenues realized by it pursuant to the provisions of this subparagraph to enable it to make the Contract Payments required pursuant to Section 4.2(a) hereof and such lien is superior to any that can hereafter be made; provided, however, the County may create a lien on a parity with the lien created herein in connection with the issuance of Additional Bonds.

(b) The County further covenants and agrees that in order to make funds available for such purpose, it will, in its general revenue, appropriation and budgetary measures whereby its tax funds or revenues and the allocation thereof are controlled or provided for, include sums sufficient to satisfy any such Contract Payments that may be required to be made, whether or not any other sums are included in such measure, until all payments so required to be made shall have been made in full. The obligation of the County to make the Contract Payments shall constitute a general obligation of the County, and nothing herein contained, shall be construed as limiting the right of the County to make the payments called for by this Contract out of any funds lawfully available to it for such purposes, from whatever source derived (including general funds).

(c) In the event for any reason any such provision or appropriation is not made as provided in the preceding subsection (b), then the fiscal officers of the County are hereby authorized and directed to set up as an appropriation on their accounts in the appropriate fiscal year the amounts required to pay the obligations which may be due from the general funds of the County. The amount of such appropriation shall be due and payable and shall be expended for the purpose of paying any such obligations, and such appropriation shall have the same legal status as if the County had included the amount of the appropriation in its general revenue, appropriation and budgetary measures, and the fiscal officers of the County shall make such Contract Payments to the Sinking Fund Custodian for deposit to the Sinking Fund if for any reason the payment of such obligations shall not otherwise have been made.

Section 4.5. Obligations of County Hereunder Absolute and Unconditional.

The obligations of the County to make the payments required in Section 4.2 hereof and to perform and observe any and all of the other covenants and agreements on its part contained herein shall be absolute and unconditional irrespective of any defense or any rights of set off, recoupment, or counterclaim it may otherwise have against the Authority. Until such time as all amounts owing hereunder have been paid or provision for the payment thereof shall have been made in accordance with the Bond Resolution and hereof, the County (a) will not suspend, abate, reduce, abrogate, diminish, postpone, modify or discontinue the Contract Payments provided for herein, (b) will perform and observe all of its other agreements contained in this Contract, and (c) will not terminate the Term of this Contract or its obligations hereunder for any contingency, act of God, event, or cause whatsoever, including, without limiting the generality of the foregoing, failure of title in and to the 2012 Projects or any part thereof, any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the 2012 Projects, the taking by eminent domain of title to

or the use of all or any part of the 2012 Projects, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State or any political subdivision of either, any declaration or finding that any of the Series 2012 Bonds are unenforceable or invalid, the invalidity of any provision of this Contract, or any failure of the Authority to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Contract, or the Bond Resolution. Nothing contained in this Section shall be construed to release the Authority from the performance of any of the agreements on its part contained herein or in the Bond Resolution; and if the Authority should fail to perform any such agreement, the County may institute such action against the Authority as the County may deem necessary to compel performance or recover its damages for nonperformance as long as such action shall not do violence to or adversely affect the agreements on the part of the County contained in this Contract and to make the Contract Payments specified herein. The County may, however, at its own cost and expense and in its own name, prosecute or defend any action or proceeding or take any other action involving third persons which the County deems reasonably necessary in order to insure the acquisition, construction and equipping of the 2012 Projects or to secure or protect its rights hereunder, and in such event the Authority hereby agrees to cooperate to the extent required.

Section 4.6. Enforcement of Obligations.

The obligation of the County to make Contract Payments under this Article may be enforced by (a) the Authority, (b) the owner of the Series 2020 Bond, in accordance with the applicable provisions of the Bond Resolution and independently of the Authority or (c) such receiver or receivers as may be appointed pursuant to the Bond Resolution or applicable law. The covenants and agreements hereunder, including specifically the obligation to make the Contract Payments, shall be enforceable by specific performance; it being acknowledged and agreed by the Authority and the County that no other remedy at law is adequate to protect the interests of the parties hereto.

[END OF ARTICLE IV]

ARTICLE 5.

SPECIAL COVENANTS OF THE COUNTY AND AUTHORITY

Section 5.1. Operation of the 2012 Projects and Operating Expenses.

Subject to Section 5.3 below, the 2012A Projects (as defined in the 2012 Contract and described in Exhibit A attached hereto) shall be leased to one or more persons, firms or corporations. The lessee of the 2012A Project shall be required to pay all costs of operating and maintaining the 2012A Project.

The Authority hereby appoints the County as its sole and exclusive agent during the Term hereof to operate the 2012B Projects (as defined in the 2012 Contract and described in Exhibit A attached hereto). The County shall operate and maintain such 2012B Projects or cause such 2012B Projects to be operated and maintained economically, efficiently and in accordance with good business practices and in compliance with the terms of the laws, regulations and ordinances of any federal, state, county or municipal government having jurisdiction over the operation of such facilities. All compensation, salaries, fees and wages paid or caused to be paid by the County shall be reasonable, and no more persons will be employed to operate such 2011B Projects than are necessary. The County shall at all times maintain such 2011B Projects or cause such 2011B Projects to be maintained in good condition and repair and shall promptly repair, replace or restore any damage to such 2011B Projects or cause the proceeds from insurance from such damage or destruction to be applied in accordance with the terms hereof.

Neither the Authority nor the County shall receive any revenues from the operation of the 2012 Projects.

Section 5.2. Insurance.

The County shall cause to be bonded its employees or agents handling funds of the 2011B Projects in amounts adequate for its protection, and it shall procure and maintain or cause to be maintained other types of insurance of the kinds and in the amounts normally carried by private companies or other agencies engaged in the operation of similar properties so long as any Series 2012 Bonds are outstanding. Such insurance shall include, but is not limited to, the following: (a) fire and extended coverage insurance; (b) public liability insurance; (c) vehicular insurance; (d) workers compensation insurance; and (e) floodplain insurance. Such insurance shall be maintained with a responsible insurance company or companies authorized and qualified to do business under the laws of the State of Georgia. Such insurance may provide reasonable and customary deductibles. In the event that the County determines that such insurance is not available at a cost which is reasonable, the County may self-insure against such claims and risks, or the County, in its discretion, may provide for any combination of the foregoing.

Section 5.3. Liens; Easements; Leases; Sale of Assets.

The County and the Authority shall not create or suffer to be created, any lien, security interest or charge on the 2012 Projects, or any part thereof, and they shall pay, or cause to be discharged, or they shall make adequate provisions to satisfy and discharge, within 60 days after the same shall accrue, all lawful claims and demands for labor, materials, supplies or other

objects, which, if unpaid, might by law become a lien upon the 2012 Projects, or any part thereof; provided, however, that nothing contained in this Section shall require the County or the Authority to pay, or cause to be discharged, or make provision for, any such lien, security interest or charge, so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings.

The County and the Authority may grant or cause to be granted, whether to themselves or otherwise, easements, licenses, rights-of-way (temporary or perpetual and including the dedication of public highways) and other rights or privileges in the nature of easements with respect to any property included in the 2012 Projects, or the County may cause to be released existing easements, licenses, rights-of-way and other rights or privileges in the nature of easements, held with respect to any property included in the 2012 Projects with or without consideration. In connection with any such grant, the County agrees that it shall execute and deliver any instrument necessary or appropriate to confirm and grant or release any such easement, license, right-of-way or other right or privilege or assent.

The Authority or the County may sell, lease or give away all or a portion of the 2012 Projects as provided in the 2012 Contract.

Section 5.4. Indemnification.

The County agrees that the Authority (including any person at any time serving as a commissioner, an agent or an employee of the Authority) shall not be liable for, and agrees to indemnify and hold the Authority (including any person at any time serving as an officer or member of the Authority) harmless (including attorneys' fees) from: (i) any liability for any loss or damage to property or any injury to, or death of, any person that may be occasioned by any cause whatsoever pertaining to the 2012 Projects, (ii) any liabilities, losses or damages, or claims therefor, arising out of the failure, or claimed failure, of the County to comply with its covenants contained in this Contract, (iii) the work done on the 2012 Projects or the operation of the 2012 Projects during the term of this Contract or at any other time, (iv) any willful act or act of negligence of the County or any of its agents, contractors, servants or employees in connection with the use, operation or occupancy of the 2012 Projects, (v) any violation of law, ordinance or regulation affecting the 2012 Projects or any part thereof or the ownership, occupancy or use thereof (including, without limitation, CERCLA, the Hazardous Materials Transportation Amendment, The Resource Conservation and Recovery Amendment, the Toxic Substances Control Amendment, the Clean Water Amendment or any so called "Super Fund" or "Super Lien" legislation), (vi) any condition of the 2012 Projects, or (vii) any accident, injury or damage whatsoever caused to any person, firm or corporation, in or about the 2012 Projects. In addition, the County agrees to indemnify and hold the Authority (including any person at any time serving as a member, an agent or an employee of the Authority) harmless to the fullest extent permitted by law from any losses, costs, charges, expenses, judgments and liabilities incurred by it in connection with any action, suit or proceeding instituted or threatened in connection with the transactions contemplated by this Contract or the Series 2012 Bonds. If any such claim is asserted, the Authority or any individual indemnified herein, as the case may be, will give prompt written notice to the County, and the County will promptly assume the defense thereof, including the employment of counsel and payment of all expenses of such defense, with full power to litigate, compromise or settle the same in its sole discretion; provided that the Authority

shall have the right to approve in writing all counsel engaged by the County to conduct such defense, which approval shall not be unreasonably withheld.

[END OF ARTICLE V]

ARTICLE 6.

SPECIAL COVENANTS AND AGREEMENTS

Section 6.1. Inspection of the 2012B Project.

The County agrees that the Authority, the Bondholder and their duly authorized agents who are acceptable to the County shall have the right at reasonable times during business hours, subject to the County's usual safety and security requirements to examine and inspect the 2012B Projects without interference or prejudice to the County's operations.

Section 6.2. Further Assurances and Corrective Instruments, Recordings and Filings.

The Authority and the County agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required to facilitate the performance of this Contract.

Section 6.3. Limitations on Future Debt.

Except as herein provided and as provided in the Bond Resolution, the County will not create or suffer to create any lien on the Contract, the Contract Payments or the moneys derived from the one mill levy prescribed by Official Code of Georgia Annotated, Section 48-5-220(20).

[END OF ARTICLE VI]

ARTICLE 7.

EVENTS OF DEFAULT AND REMEDIES

Section 7.1. Events of Default Defined.

The following shall be “events of default” under this Contract and the term “event of default” shall mean, whenever used in this Contract, any one of the following events:

(a) Failure by the County to pay when due any amount required to be paid under Section 4.2 hereof;

(b) The County shall fail to perform any of the other agreements, conditions, covenants or terms herein required to be performed by the County and such default shall continue for a period of 30 days after written notice has been given to the County by the Authority, the Paying Agent or the Bondholder specifying such default and requesting that it be remedied, or within a greater number of days if such remedy has been undertaken and is being diligently pursued and more than 30 days is required for its completion; provided, however, that if, by reason of force majeure, the County is unable, in whole or in part, to perform the obligations on its part herein undertaken (other than the obligations relating to the payments to be made under Section 4.2 hereof), the County shall not be deemed in default during the continuance of such inability to perform. The term force majeure shall mean, without limitation, acts of God; strikes; work stoppages or similar disturbances; acts of public enemies; orders of any kind of the government of the United States of America or of the State or any of their departments, agencies or officials, or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquakes, fire; hurricanes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; breakage or accident to machinery or equipment; partial or entire failure of utilities, or any other cause or event not reasonably within the control of the County. The County will use its best efforts, however, to remedy, with all reasonable dispatch, the cause or causes preventing the County from carrying out such obligation; provided, that the settlement of strikes, work stoppages and similar disturbances shall be entirely within the discretion of the County and the County shall not be required to make settlement of such disturbances by acceding to the demands of the opposing party or parties when such course is, in the judgment of the County, unfavorable to the County; and

(c) An Event of Default shall have occurred under the Bond Resolution.

Section 7.2. Remedies on Default.

(a) If an event of default referred to in Section 7.1(a) hereof occurs and is continuing, then the Bondowner may take whatever action at law or in equity may appear necessary or desirable to collect said amounts payable by the County under Section 4.2 hereof. No remedy conferred upon or reserved to the Bondowner in this subsection (a) is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Contract or now or hereafter existing at law or in equity or by statute, subject to the provisions of the Bond

Resolution.

(b) If an event of default referred to in Section 7.1(b) hereof occurs and is continuing, then the Paying Agent or the Bondowner, by written notice to the County, may take whatever action at law or in equity may appear necessary or desirable to enforce the performance and observance of the obligation, agreement or covenant of the County then in default under this Contract, whether for specific performance of any covenant or agreement contained herein or therein or in aid of the execution of any power herein granted. No remedy conferred upon or reserved to the Bondowner in this subsection (b) is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Contract and now or hereafter existing at law or in equity or by statute, subject to the provisions of the Bond Resolution.

No delay or omission to exercise any right or power accruing upon any event of default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Bondowner to exercise any respective remedy reserved to them in this Article VII, it shall not be necessary to give any notice, other than any notice required herein.

Any amounts collected pursuant to action taken under subsection (a) of this Section 7.2 shall be applied in accordance with the Bond Resolution to the extent the provisions of the Bond Resolution relate to such amounts.

Section 7.3. No Waiver of Breach.

In the event any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 7.4. County Authorized to Cure Default of Authority.

With regard to any default on the part of the Authority under this Contract or under the Bond Resolution, the Authority hereby vests the County, with full power, for the account of the Authority, to perform any obligation in remedy of such default in the name and stead of the Authority with full power to do any and all things and acts to the same extent that the Authority could do and perform any such acts.

Section 7.5. Failure to Enforce Agreement Not a Waiver.

The failure of the Authority or the Bondowner to enforce any agreement, condition, covenant or term by reason of any default or breach by the County shall not be deemed to void or affect the right to enforce the same agreement, condition, covenant or term on the occasion of any subsequent default or breach.

[END OF ARTICLE VII]

ARTICLE 8.

MISCELLANEOUS

Section 8.1. Agreement to Pay Attorneys' Fees and Expenses.

If a party should default under any of the provisions of this Contract and either or both the nondefaulting party or the Bondholder should employ attorneys or incur other expenses for the enforcement of performance or observance of any obligation or agreement on the part of the County or the Authority herein contained, the defaulting party agrees that it shall on demand therefor pay to the nondefaulting party and the Bondholder the reasonable fee of such attorneys and such other reasonable expenses so incurred by the nondefaulting party and the Bondholder.

Section 8.2. Reporting Requirements.

The County shall furnish to the Bondholder the following information or reports:

- (a) Within 270 days from the end of each fiscal year the audited financial statements of the County;
- (b) Within 30 days from the date of adoption, the operating budgets for the current fiscal year approved by the Board of Commissioners; and
- (c) Such other information as may be reasonably requested by the registered owner of the Series 2020 Bond.

Section 8.3. Notices.

All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by registered or certified mail, return receipt requested, postage prepaid and addressed as follows:

If to the Authority: Oconee County Industrial Development Authority
23 North Main Street
Watkinsville, Georgia 30677
Attention: Chairman
Facsimile: (706) 310-0003

with a copy to:

Daniel C. Haygood, Esq.
Two South Main Street, Suite C
Watkinsville, Georgia 30677
Facsimile: (706) 310-0003

If to the County: Oconee County, Georgia
23 North Main Street
Watkinsville, Georgia 30677
Attention: Chairman

Facsimile: (706) 769-0705

with a copy to:

Daniel C. Haygood, Esq.
Two South Main Street, Suite C
Watkinsville, Georgia 30677
Facsimile: (706) 310-0003

Any party, by notice given hereunder, may designate different addresses to which subsequent notices, certificates or other communications will be sent.

Section 8.4. Binding Effect; Third-Party Beneficiaries.

This Contract shall inure to the benefit of and shall be binding upon the Authority, the County and their respective successors and assigns, subject, however, to the limitations contained in this Contract. The Bondholder is a third-party beneficiary of this Contract, and may enforce the terms and provisions hereof. There are no other third-party beneficiaries.

Section 8.5. Severability

If any provision of this Contract shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 8.6. Amounts Remaining in Sinking Fund.

It is agreed by the parties hereto that, subject to and in accordance with the terms and conditions of the Bond Resolution certain surplus moneys remaining in the Sinking Fund after payment of the Series 2020 Bond shall belong to and be paid to the County.

Section 8.7. Amendments, Changes and Modifications.

This Contract may be amended without the consent of the Bondholder in order to grant any additional rights, remedies, powers, authority or security that may be lawfully granted to or conferred upon the Bondholder or to make any other change that does not materially adversely affect the Bondholder. All other amendments shall require the consent of the Bondholder in accordance with Section 8.4 of the Bond Resolution. Notwithstanding the foregoing, this Contract shall not be amended if such amendment reduces the Contract Payments.

Section 8.8. Execution Counterparts.

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

Section 8.9. Captions.

The captions and headings in this Contract are for convenience only and in no way define, limit or describe the scope or intent of any provisions of this Contract.

Section 8.10. Law Governing Contract.

This Contract shall be governed by, and construed in accordance with, the laws of the State of Georgia.

Section 8.11. County a Party to Validation.

The County hereby agrees to be a party defendant in the validation proceedings related to the Series 2020 Bond and covenants and agrees that it shall cooperate with the Authority in validating the Series 2020 Bond and in connection therewith, shall execute such certificates, consent to service of process and make sworn answers as may be necessary for the validation proceedings.

[END OF ARTICLE VIII]

IN WITNESS WHEREOF, the Authority and the County have caused this Contract to be executed in their respective corporate names and their respective corporate seals to be hereunto affixed and attested by their duly authorized officers, all as of the date first above written.


(SEAL)



**OCONEE COUNTY INDUSTRIAL
DEVELOPMENT AUTHORITY**

By: 
Chairman

Attest:


Secretary



Attest:

Kathy Kings
Clerk

OCONEE COUNTY, GEORGIA

By: *John Daniels*
Chairman

SCHEDULE 1

SERIES 2020 BOND
CONTRACT PAYMENTS

Bond Debt Service
Oconee County, Georgia
Ref CAT

<u>Period Ending</u>	<u>Principal</u>	<u>Coupon</u>	<u>Interest</u>	<u>Debt Service</u>	<u>Annual Debt Service</u>
9/1/2020			32,458.33	32,458.33	
3/1/2021			48,687.50	48,687.50	81,145.83
9/1/2021			48,687.50	48,687.50	
3/1/2022	70,000	1.250%	48,687.50	118,687.50	167,375.00
9/1/2022			48,250.00	48,250.00	
3/1/2023	600,000	1.250%	48,250.00	648,250.00	696,500.00
9/1/2023			44,500.00	44,500.00	
3/1/2024	610,000	1.250%	44,500.00	654,500.00	699,000.00
9/1/2024			40,687.50	40,687.50	
3/1/2025	615,000	1.250%	40,687.50	655,687.50	696,375.00
9/1/2025			36,843.75	36,843.75	
3/1/2026	620,000	1.250%	36,843.75	656,843.75	693,687.50
9/1/2026			32,968.75	32,968.75	
3/1/2027	630,000	1.250%	32,968.75	662,968.75	695,937.50
9/1/2027			29,031.25	29,031.25	
3/1/2028	640,000	1.250%	29,031.25	669,031.25	698,062.50
9/1/2028			25,031.25	25,031.25	
3/1/2029	645,000	1.250%	25,031.25	670,031.25	695,062.50
9/1/2029			21,000.00	21,000.00	
3/1/2030	655,000	1.250%	21,000.00	676,000.00	697,000.00
9/1/2030			16,906.25	16,906.25	
3/1/2031	665,000	1.250%	16,906.25	681,906.25	698,812.50
9/1/2031			12,750.00	12,750.00	
3/1/2032	670,000	1.250%	12,750.00	682,750.00	695,500.00
9/1/2032			8,562.50	8,562.50	
3/1/2033	680,000	1.250%	8,562.50	688,562.50	697,125.00
9/1/2033			4,312.50	4,312.50	
3/1/2034	690,000	1.250%	4,312.50	694,312.50	698,625.00
	7,790,000		820,208.33	8,610,208.33	8,610,208.33

EXHIBIT A

DESCRIPTION OF 2012 PROJECTS

<u>Series 2011A Projects</u>	<u>Cost Estimate</u>	<u>Title</u>	<u>Description</u>
<i>Land Projects</i>			
Land	\$4,719,018.52	Authority	Acquisition of land to be leased to a corporation in connection with an economic development project.
<u>Series 2011B Projects</u>	<u>Cost Estimate</u>	<u>Title</u>	<u>Description</u>
<i>County Projects</i>			
Roads and Water and Sewer Extensions	\$5,254,981.48	County	Acquisition, construction and installation of roads and water and sewer extensions.