

TAX AND NON-ARBITRAGE CERTIFICATE

The undersigned DOES HEREBY CERTIFY that he is the duly elected, qualified and acting Chairman of the Board of Commissioners of Oconee County (the “Board”), the body charged with contracting debts and managing the affairs of Oconee County, Georgia, a political subdivision of the State of Georgia (the “Issuer”), and that he has all the corporate authority necessary to execute this Certificate on behalf of the Issuer.

THE UNDERSIGNED DOES HEREBY FURTHER CERTIFY for and on behalf of the Issuer as follows:

1. General.

1.1 The undersigned is familiar with the Oconee County, Georgia General Obligation Bonds, Series 2021, in the original aggregate principal amount of \$12,500,000 (the “Series 2021 Bonds”), being issued and sold by the Issuer pursuant to a resolution of the Board adopted on August 3, 2021 (the “Resolution”).

1.2 The Series 2021 Bonds are being issued for the purpose of providing funds to pay all or a portion of the costs of (i) financing the acquisition, construction and equipping of administration facilities for the Issuer (the “Projects”) and (ii) paying the cost of issuing the Series 2021 Bonds. The Series 2021 Bonds were authorized to be issued pursuant to an election in the Issuer held on November 3, 2020 (the “Election”), called under a resolution adopted by the Board on July 28, 2020.

1.3 The undersigned has examined a completed copy of the Information Return for Tax Exempt Governmental Bond Issues (IRS Form 8038-G) of even date herewith filed pursuant to Section 149(e) of the Internal Revenue Code of 1986, as amended (the “Code”) on behalf of the Issuer with the Internal Revenue Service Center, Ogden, Utah 84201, and, to the best of my knowledge, all information therein is true and correct as of the date of this Certificate.

1.4 The Series 2021 Bonds are direct and general obligations of the Issuer. The principal of and interest on the Series 2021 Bonds are payable from an ad valorem tax, unlimited as to rate or amount, levied upon all taxable property within Oconee County subject to taxation for bond purposes. The Series 2021 Bonds are also payable from a separate account in which are placed the proceeds received by the Issuer from a special purpose one percent sales and use tax of limited duration (the “Sales and Use Tax”).

1.5 The Sales and Use Tax will be collected within the Issuer for the purpose, among others, of providing funds to pay or to be applied toward the principal of and interest on the Series 2021 Bonds, the cost of the Projects and other capital projects approved pursuant to the Election (together with the Projects, the “County SPLOST Projects”). The Sales and Use Tax will commence upon the expiration of the existing sales tax (expected to be October 1, 2021) and will

expire upon the end of the 24th calendar quarter following the imposition of the Sales and Use Tax. 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, the Issuer has agreed to pay or cause to be paid to Regions Bank, Atlanta, Georgia, as sales tax custodian (the “Sales Tax Custodian”) all net proceeds to which the Issuer is entitled from the imposition of the Sales and Use Tax. All Sales and Use Tax moneys paid to the Sales Tax Custodian shall be held by the Sales Tax Custodian in escrow in a special trust fund 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 Issuer 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.”

1.6 Sales and Use Tax proceeds received by the Sales Tax Custodian in any year shall be deposited into the General Account. The Issuer may transfer the funds held in the General Account to the Debt Service Account each bond year to pay principal and interest on the Series 2021 Bonds coming due in that bond year or use the funds held in the General Account to pay the costs of the County SPLOST Projects not paid with the proceeds of the Series 2021 Bonds.

2. Sources and Uses of Funds and Allocation of Bond Proceeds.

2.1 The total sources and uses of the proceeds of the Series 2021 Bonds are set forth in Exhibit A attached hereto.

3. Overissuance and Excess Proceeds Tests.

3.1 Reasonably expected “proceeds” of the Series 2021 Bonds mean the sum of (a) the “sale proceeds” of the Series 2021 Bonds (defined in Treasury Regulation § 1.148-1(b) as any amounts actually or constructively received from the sale of the Series 2021 Bonds, including amounts used to pay post-issuance accrued interest), plus (b) any “investment proceeds” of the Series 2021 Bonds (as defined in Treasury Regulation § 1.148-1(b)), plus (c) any “transferred proceeds” of the Series 2021 Bonds (as defined in Treasury Regulation § 1.148-9).

3.2 There are no transferred proceeds of the Series 2021 Bonds.

3.3 The reasonably expected proceeds of the Series 2021 Bonds (a) will not exceed by more than a minor portion the amount necessary to accomplish the governmental purposes of the issue and (b) are not in excess of the amount of sale proceeds allocated to expenditures for the governmental purposes of the issue.

4. Disbursements of Funds and Schedule of Expenditures; Yield.

4.1 The proceeds of the sale of the Series 2021 Bonds shall be applied as follows:

(a) \$14,866,589.85 will be deposited into the Oconee County Construction Fund, Series 2021 (the “Construction Fund”) to be established by the Issuer in connection with the acquisition, construction and equipping of the Projects;

(b) \$297,550.00 will be deposited into a Cost of Issuance Fund to pay the costs of issuing the Series 2021 Bonds.

4.2 That portion of the moneys used to pay costs of issuance of the Series 2021 Bonds, together with any investment earnings thereon, is expected to be expended for the payment of costs of issuance of the Series 2021 Bonds within 30 days after the date of this Certificate. If such moneys are not expended within 30 days, the Issuer will not invest those moneys at a yield higher than the yield on the Series 2021 Bonds.

4.3 The Issuer intends that the moneys on deposit in the Construction Fund and the investment earnings thereon qualify for the three-year temporary period in Treasury Regulation § 1.148-2(e)(2). As of the date of this Certificate, the Issuer has incurred, or reasonably expects to incur within six months of the date of this Certificate, a substantial binding obligation to a third party or parties which is not subject to contingencies within the Issuer’s, or a related party’s, control to expend at least 5% of such moneys on the acquisition, construction, installation and equipping of the Projects.

Work on the acquisition, construction and equipping of the Projects and the allocation of the moneys on deposit in the Construction Fund to expenditures therefor are reasonably expected to proceed with due diligence to completion. The Issuer reasonably expects that at least 85% of the moneys on deposit in the Construction Fund will be allocated to expenditures for the Projects within three years from the date of this Certificate.

4.4 Any moneys remaining in the Construction Fund following the completion of the acquisition, construction and equipping of the Projects and the payment of all costs in connection therewith will be used to pay the next occurring principal payments due on the Series 2021 Bonds. Prior to such application or use, such moneys shall be invested at a yield (computed in accordance with Treasury Regulation § 1.148-5) not in excess of the yield on the Series 2021 Bonds (computed in accordance with Treasury Regulation § 1.148-4).

4.5 No portion of the cost of the acquisition, construction and equipping of the Projects includes reimbursement to the Issuer for any costs of the acquisition, construction, installation or equipping of any portion of the Projects paid or incurred by the Issuer prior to the date hereof. No portion of the proceeds of the Series 2021 Bonds will be applied to replace any funds of the Issuer that the Issuer had committed or intended to use to finance the Projects.

4.6 Stifel Nicolaus & Company, Incorporated, as underwriter (the “Underwriter”), has calculated the yield on the Series 2021 Bonds to be 0.9359%. For purposes of this Certificate, the “yield” is, and shall be, calculated in the manner set forth in the Code and in accordance with Treasury Regulation § 1.148-4(b). Generally, the “yield” on a fixed yield issue means the discount rate which, when used in computing the present value of all unconditionally payable payments of principal, interest, and fees for a “qualified guarantee” (as defined in Treasury

Regulation § 1.148-4(f)), and amounts reasonably expected to be paid as fees for qualified guarantees, produces an amount equal to the present value, using the same discount rate, of the aggregate issue price of such obligation as of the issue date. In the case of the Series 2021 Bonds, the “issue price” of the Series 2021 Bonds is defined in the same manner as such term is defined under Sections 1273 and 1274 of the Code. The issue price and yield of the Series 2021 Bonds is based on the certificates of the Underwriter, copies of which are attached hereto as Exhibits B and C.

5. Funds and Accounts.

5.1 For as long as the Issuer is receiving proceeds from the Sales and Use Tax, the Issuer will establish the Debt Service Account within the Sales Tax Fund for the payment of the principal of and interest on the Series 2021 Bonds. Upon the expiration of the Sales and Use Tax and the non-reimposition of a new one percent sales and use tax for the purpose of paying the principal of and interest on the Series 2021 Bonds, the Issuer will establish a sinking fund for the payment of the principal of and interest on the Series 2021 Bonds (the “Sinking Fund”). Other than the Debt Service Account of the Sales Tax Fund and the Sinking Fund, no “sinking fund” or “pledged fund” (within the meaning of Treasury Regulation §§ 1.148-1(c)(2) and (3), respectively), debt service fund, redemption fund, reserve fund, replacement fund or any similar fund or account has been or will be created or established under the Resolution or otherwise from which the principal of or interest on the Series 2021 Bonds is reasonably expected to be paid. All moneys to be used to pay the principal of and interest on the Series 2021 Bonds will be deposited into the Debt Service Account or the Sinking Fund. The Debt Service Account and the Sinking Fund are “bona fide debt service funds” within the meaning of Section 148 of the Code and Treasury Regulation § 1.148-1(b) in that:

(a) they are used primarily to achieve a proper matching of revenues with principal and interest payments within each bond year; and

(b) they are to be depleted at least once each bond year, except for a reasonable carryover amount not to exceed the greater of (i) the earnings on the Debt Service Account or the Sinking Fund for the immediately preceding bond year, or (ii) 1/12th of the principal and interest payments on the Series 2021 Bonds for the immediately preceding bond year.

The moneys on deposit in the Debt Service Account or the Sinking Fund will be invested pending their disbursement.

5.2 The moneys on deposit in the Construction Fund will be invested pending their disbursement.

6. Weighted Average Maturity.

6.1 The Underwriter has computed the weighted average maturity of the Series 2021 Bonds (determined by taking into account the issue price of the Series 2021 Bonds) to be 8.1663 years. The weighted average maturity of the Series 2021 Bonds does not exceed the reasonably expected remaining economic life of the facilities financed or refinanced by the Series

2021 Bonds by more than 20%.

6.2 The Issuer has not entered into any agreement obligating it to maintain any amount at a particular level for the benefit of the owner of the Series 2021 Bonds.

7. Pledged and Replacement Funds.

7.1 No “investment property” (as defined in Section 148(b)(2) of the Code), or any other obligation (other than an obligation described in Section 103(a) of the Code or Section 103(a) of the Internal Revenue Code of 1954, as amended, in each case, which is not a “specified private activity bond” within the meaning of Section 57(a)(5)(C) of the Code), is expected to be or will be pledged, directly or indirectly, as security for the payment of principal of or interest on the Series 2021 Bonds, except for amounts on deposit in the Debt Service Account or the Sinking Fund.

7.2 All of the proceeds of the Series 2021 Bonds (including any investment proceeds) are being expended for the purposes set forth in paragraph 1.2 hereof, and no portion of the proceeds of the Series 2021 Bonds is expected to be used to finance or be allocated to working capital expenditures or to create any working capital reserve, directly or indirectly.

7.3 The Series 2021 Bonds will not be outstanding longer than is reasonably necessary for the governmental purposes of the issue, as determined under Treasury Regulation § 1.148-10.

8. Composite Issues.

8.1 There are no other obligations heretofore issued or to be issued by or on behalf of any state, territory or possession of the United States, or any political subdivision of any of the foregoing, or of the District of Columbia, which:

(a) are to be sold less than 15 days prior to or after the date of sale of the Series 2021 Bonds;

(b) are to be sold pursuant to the same plan of financing with the Series 2021 Bonds; and

(c) are reasonably expected to be paid from substantially the same source of funds as the Series 2021 Bonds, determined without regard to guarantees from unrelated parties.

9. Private Activity Bond Test.

9.1 No portion of the proceeds of the Series 2021 Bonds or the Projects is to be used, directly or indirectly, in a trade or business carried on by any person other than a governmental unit (other than use as a member of the general public) (a “private business use”), and no portion of the principal or interest on the Series 2021 Bonds is, under the Resolution or

pursuant to any underlying agreement, directly or indirectly (a) secured by any property used or to be used in a private business use or payments in respect of such property, or (b) to be derived from payments (whether or not to the Issuer) in respect of property, or borrowed money, used or to be used for a private business use.

9.2 There is no management contract, cooperative research agreement, output contract or similar agreement with respect to the Projects or any of the products or services provided at the Projects.

9.3 No portion of the proceeds of the Series 2021 Bonds is being used (a) to finance or refinance any “output facility” (within the meaning of Section 141(b)(4) of the Code), (b) to make or to finance loans to persons other than governmental units or (c) directly or indirectly, for the acquisition by a governmental unit of nongovernmental output property (within the meaning of Section 141(d) of the Code).

10. Hedge Bond.

10.1 The Issuer reasonably expects that (a) at least 85% of the “spendable proceeds” of the Series 2021 Bonds will be spent for the governmental purposes for which such Series 2021 Bonds were issued within the three year period beginning the date of issuance of such Series 2021 Bonds, and (b) not more than 50% of the proceeds of the Series 2021 Bonds will be invested in “nonpurpose investments” (as defined in Treasury Regulation § 1.148-1(b)) having a substantially guaranteed yield for four years or more.

10.2 The Series 2021 Bonds are being issued for the significant governmental purposes set forth in paragraph 1.2, and are not being issued to hedge against future increases in interest rates.

11. Rebate to the United States.

11.1 The Issuer hereby covenants and agrees that, at the end of each five-year period beginning on the date of issuance of the Series 2021 Bonds, or on such other date as may be permitted by applicable temporary, proposed or final Treasury Regulations (each such date a “computation date”) it shall compute the Rebatable Arbitrage (as described in paragraph 11.2 of this Certificate) with respect to the Series 2021 Bonds and within 60 days thereafter make installment payments to the United States in an amount equal to 90% of the Rebatable Arbitrage with respect to the Series 2021 Bonds. The final installment (the “Final Rebate”) shall be paid no later than the date 60 days after the final computation date, and shall be in an amount sufficient to pay all of the Rebatable Arbitrage as of the final computation date. If the Series 2021 Bonds are retired within three years after the date of issuance thereof, the final computation date need not occur before the end of eight months after the date of issuance of the Series 2021 Bonds or during the period in which the Issuer reasonably expects that any of the spending exceptions under Treasury Regulation § 1.148-7 will apply to the Series 2021 Bonds.

11.2 The “Rebatable Arbitrage” with respect to the Series 2021 Bonds is an amount equal to the sum of:

(a) the excess of:

(i) the aggregate amount earned from the date of the issuance of the Series 2021 Bonds on all nonpurpose investments in which gross proceeds of the Series 2021 Bonds are invested (other than amounts attributable to the excess described in this clause) over

(ii) the amount that would have been earned if the yield on such nonpurpose investments had been equal to the yield (determined on the basis of the issue price) on the Series 2021 Bonds; plus

(b) any income attributable to the excess described in paragraph 10.2(a) above (whether or not such income exceeds the yield on the Series 2021 Bonds).

The amount of Rebatable Arbitrage shall be computed in accordance with Treasury Regulations §§ 1.148-0 to 1.148-11, as the same may be modified, amended or superseded from time to time with respect to the Series 2021 Bonds.

11.3 Generally, the Rebatable Arbitrage with respect to the Series 2021 Bonds as of any date of computation is the excess of (a) the future value of all nonpurpose receipts with respect to the Series 2021 Bonds; over (b) the future value of all nonpurpose payments with respect to the Series 2021 Bonds computed as required under Treasury Regulation § 1.148-3(c).

11.4 For the purpose of determining the amount of Rebatable Arbitrage under Section 148(f) of the Code, because the rate of interest on the Series 2021 Bonds does not vary during the term of the Series 2021 Bonds, and because the weighted average maturity of the Series 2021 Bonds (as determined in accordance with Section 147(b)(2)(A) of the Code) is at least five years, any amount earned on a bona fide debt service fund (as described in Section 148)(f)(4)(B) of the Code) shall not be taken into account.

11.5 Each payment of the Rebatable Arbitrage required under the provisions of this Certificate shall be (a) filed with the Internal Revenue Service Center, Ogden, Utah 84201, and (b) accompanied by a copy of the IRS Form 8038-T to be filed with respect to the Rebatable Arbitrage which is being paid, except as may otherwise be provided by applicable Treasury Regulations.

11.6 Unless the Issuer shall receive an opinion of nationally recognized bond counsel experienced in matters relating to Section 148 of the Code to the effect that failure to pay any rebate under Section 148(f) of the Code will not adversely affect the exclusion of interest on the Series 2021 Bonds from gross income for federal income tax purposes, the Issuer agrees that it shall file all reports and make all payments required to be made to the United States in accordance with Section 148(f) of the Code and Treasury Regulation §§ 1.148-0 to 1.148-11, or any successor temporary, proposed or final Treasury Regulations thereto.

12. Miscellaneous.

12.1 The Issuer has no present expectation or intention of selling or otherwise disposing of any portion of the Projects or their interest therein prior to the last maturity of the Series 2021 Bonds.

12.2 The Series 2021 Bonds are not and will not be “federally guaranteed” within the meaning of Section 149(b) of the Code.

12.3 No portion of the Series 2021 Bonds is being used, directly or indirectly, in connection with a transaction or a series of transactions that attempts to circumvent the provisions of Section 148 of the Code or the proposed, temporary or final Treasury Regulations applicable thereto (a) enabling the Issuer to exploit the difference between tax exempt and taxable interest rates to gain a material financial advantage and (b) increasing the burden on the market for tax exempt obligations. The Series 2021 Bonds are not being issued sooner and will not remain outstanding longer than is reasonably necessary for the purposes for which the Series 2021 Bonds are issued.

IN WITNESS WHEREOF, this Certificate has been executed on behalf of the Issuer by the undersigned this 10th day of August, 2021.

OCONEE COUNTY, GEORGIA

By: 
Chairman, Board of Commissioners

Appendices, exhibits and schedules:

Exhibit A - Sources and Uses of Funds

Exhibit B - Certificate as to Issue Price

Exhibit C - Certificate as to Yield and Weighted Average Maturity

Exhibit A

SOURCES AND USE OF FUNDS

Estimated Sources of Funds:

Par Amount of Series 2021 Bonds	\$12,500,000.00
Plus: Net Original Issue Premium	<u>2,664,139.85</u>
Total Sources of Funds	\$15,164,139.85

Estimated Applications of Funds:

Deposit to Construction Fund	\$14,886,589.85
Cost of Issuance	<u>297,550.00</u>
Total Applications of Funds	\$15,164,139.85

Exhibit B

CERTIFICATE AS TO ISSUE PRICE

\$12,500,000 OCONEE COUNTY, GEORGIA
GENERAL OBLIGATION BONDS, SERIES 2021

The undersigned, on behalf of Stifel Nicolaus & Company, Incorporated, Atlanta, Georgia (“Stifel”), on behalf of itself, hereby certifies as set forth below, based upon the information available to it, with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

1. ***Sale of the Bonds.*** As of the date of this Certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.

2. ***Defined Terms.***

(a) *Issuer* means the Oconee County, Georgia.

(b) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.


(c) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50% common ownership, directly or indirectly.

(d) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Stifel’s interpretation of any laws, including specifically §§ 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Non-Arbitrage and Federal Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Gray Pannell & Woodward, LLP in connection with rendering its opinion that the interest on the Bonds is excludable from gross income for federal income tax purposes, the preparation of the Internal

Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds. Except as expressly set forth above, the certifications set forth herein may not be relied upon or used by any third party or for any other purpose. Notwithstanding anything set forth herein, the Underwriter is not engaged in the practice of law. Accordingly, the Underwriter makes no representation as to the legal sufficiency of the factual matters set forth herein.

STIFEL NICOLAUS & COMPANY, INCORPORATED

By: 
Zell Jason Barnett
Managing Director

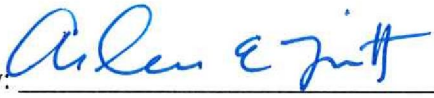
By: _____
Name: Andrew Tritt
Title: Managing Director

Dated: August 10, 2021

Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds. Except as expressly set forth above, the certifications set forth herein may not be relied upon or used by any third party or for any other purpose. Notwithstanding anything set forth herein, the Underwriter is not engaged in the practice of law. Accordingly, the Underwriter makes no representation as to the legal sufficiency of the factual matters set forth herein.

STIFEL NICOLAUS & COMPANY, INCORPORATED

By: _____

By:  _____

Name: Andrew Tritt
Title: Managing Director

Dated: August 10, 2021

Schedule A

BOND PRICING SUMMARY

<u>Maturity (January 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>
2023	\$645,000	3.000%	0.150%
2024	655,000	3.000	0.190
2025	665,000	4.000	0.260
2026	675,000	4.000	0.420
2027	685,000	4.000	0.520
2028	695,000	4.000	0.690
2029	1,360,000	4.000	0.780
2030	1,380,000	4.000	0.910
2031	1,405,000	4.000	0.990
2032	1,425,000	4.000	1.080
2033	1,445,000	4.000	1.150
2034	1,465,000	4.000	1.200

Exhibit C

CERTIFICATE AS TO YIELD
AND WEIGHTED AVERAGE MATURITY

[ATTACHED.]

CERTIFICATE AS TO YIELD
AND WEIGHTED AVERAGE MATURITY

The undersigned officer of Stifel Nicolaus & Company, Incorporated, as the financial advisor (the "Financial Advisor") for the \$12,500,000 Oconee County, Georgia General Obligation Bonds, Series 2021 (the "Series 2021 Bonds"), DOES HEREBY CERTIFY as follows:

1.1 We have been asked by Bond Counsel to calculate the yield of the Series 2021 Bonds using the definition that follows. "Yield" is the discount rate calculated on the basis of a 360-day year consisting of twelve months of thirty days each and assuming semiannual compounding that, when used in computing the present value as of the date hereof of all unconditionally payable payments of principal, interest (including original issue discount), and fees for qualified guarantees on the Series 2021 Bonds, produces an amount equal to the present value, using the same discount rate, of the Issue Price of the Series 2021 Bonds. In accordance with this calculation, the yield on the Series 2021 Bonds is 0.9359%.

1.2 We have been asked by Bond Counsel to calculate the weighted average maturity of the Series 2021 Bonds in the following manner: divide (a) the sum of the products determined by taking the Issue Price of the Series 2021 Bonds times the number of years from the date hereof to the date of such maturity (treating the mandatory redemption of the Series 2021 Bonds as a maturity), by (b) the aggregate issue price of the Series 2021 Bonds. Based on this calculation, the weighted average maturity of the Series 2021 Bonds is 8.1663 years.

1.3 The above representations are factual in nature, and the undersigned makes no representation as to the legal sufficiency of these factual representations for any purpose.

Witness my hand this 10th day of August, 2021.

STIFEL NICOLAUS & COMPANY,
INCORPORATED

By: 
Title: Managing Director