
CONTINUING DISCLOSURE UNDERTAKING

Dated February 8, 2022

By

OCONEE COUNTY, GEORGIA

relating to

\$16,000,000
OCONEE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
TAXABLE REVENUE BONDS
(ECONOMIC DEVELOPMENT PROJECT)
SERIES 2022

CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking dated February 8, 2022 (the “**Continuing Disclosure Undertaking**”), is executed and delivered by the **OCONEE COUNTY, GEORGIA** (the “**County**”).

RECITALS

1. This Continuing Disclosure Undertaking is executed and delivered by the County in connection with the issuance by the Oconee County Industrial Development Authority (the “**Authority**”) of \$16,000,000 original principal amount of Taxable Revenue Bonds (Economic Development Project), Series 2022 (the “**Series 2022 Bonds**”), pursuant to a Trust Indenture dated as of February 8, 2022 (the “**Indenture**”) between the County and Regions Bank, Atlanta, Georgia.

2. The County is entering into this Continuing Disclosure Undertaking for the benefit of the Beneficial Owners of the Series 2022 Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission (the “**Rule**”). The County is the only “**obligated person**” (as defined by the Rule) with responsibility for continuing disclosure hereunder.

In consideration of the covenants and agreements herein, the County covenants and agrees as follows:

Section 1. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Continuing Disclosure Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“**Annual Report**” means any Annual Report filed by the County pursuant to, and as described in, **Section 2** of this Continuing Disclosure Undertaking.

“**Beneficial Owner**” means any registered owner of any Series 2022 Bonds and any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2022 Bonds (including persons holding Series 2022 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 2022 Bonds for federal income tax purposes.

“**EMMA**” means the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by the MSRB, which can be accessed at www.emma.msrb.org.

“**Financial Obligation**” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) in this definition; *provided however*, the term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“**Fiscal Year**” means the 12-month period beginning on July 1 and ending on June 30 or any other 12-month period selected by the County as the Fiscal Year of the County for financial reporting purposes.

“Material Events” means any of the events listed in **Section 3(a)** of this Continuing Disclosure Undertaking.

“MSRB” means the Municipal Securities Rulemaking Board, or any successor repository designated as such by the Securities and Exchange Commission in accordance with the Rule.

“Official Statement” means the Official Statement dated January 28, 2022 used in connection with the offering and sale of the Series 2022 Bonds.

“Participating Underwriter” means Stifel, Nicolaus & Company, Incorporated, as the underwriter of the Series 2022 Bonds required to comply with the Rule in connection with offering of the Series 2022 Bonds.

“Rule” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“Semi-Annual Report” means document or set of documents, in the form of **Exhibit B** attached hereto.

“Semi-Annual Report Date” means the date which is not later than each December 31 and June 30, commencing June 30, 2022.

“Semi-Annual Reporting Period” means the period from (a) June 1 through November 30 and (b) December 1 through May 31 of each year.

Section 2. Provision of Annual Reports and Semi-Annual Reports.

- (a) The County shall, not later than 270 days after the end of the County’s Fiscal Year, commencing with the Fiscal Year ending June 30, 2022, provide to the MSRB, through EMMA, the following financial information and operating data (the **“Annual Report”**):
 - (1) The audited financial statements of the County for the prior Fiscal Year, prepared in accordance with accounting principles described in the notes to the financial statements included in Appendix A of the final Official Statement relating to the Series 2022 Bonds. If audited financial statements are not available by the time the Annual Report is required to be filed pursuant to this Section, the Annual Report shall contain unaudited financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report promptly after they become available.
 - (2) Information relating to the County and its operations set forth in the tables under the following sections in the final Official Statement: **“COUNTY AD VALOREM TAXATION – Historical Property Tax Data”** and **“ – Ten Largest Taxpayers.”**
 - (3) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the County is an “obligated person” (as defined by the Rule), which have been filed with the MSRB and are available through EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it

must be available from the MSRB on EMMA. The County shall clearly identify each such other document so included by reference.

- (4) In each case, the Annual Report may be filed as a single document or as separate documents comprising a package, and may cross-reference other information as provided in this Section. If the County's Fiscal Year changes, it shall give notice of such change in the same manner as for a Material Event under **Section 3** of this Continuing Disclosure Undertaking.
- (b) If the County fails to file the Annual Report by the date specified in subsection (a) for providing the Annual Report to the MSRB, the County in a timely manner shall file a notice substantially in the form attached hereto as **Exhibit A** with the MSRB, which notice shall be given by the County in accordance with **Section 3** hereof.
- (c) The County shall file the Semi-Annual Report with the MSRB no later than each Semi-Annual Report Date. If the County fails to file a Semi-Annual Report with the MSRB by a Semi-Annual Report Date, the County in a timely manner shall file a notice in substantially the form attached hereto as **Exhibit A** with the MSRB, which notice shall be given by the County in accordance with **Section 3** hereof.
- (d) In addition to the foregoing requirements of this Section, the County agrees to provide copies of the most recent Annual Report and/or Semi-Annual Report to any requesting Bondowner or prospective Bondowner, but only after the same have been delivered to the MSRB.

Section 3. Reporting of Material Events. No later than 10 Business Days after the occurrence of any of the following events, the County shall give, or cause to be given notice of the occurrence of any of the following events with respect to the Series 2022 Bonds ("**Material Events**"):

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- (7) modifications to rights of security holders, if material;
- (8) bond calls, if material, and, whether or not material, tender offers;
- (9) defeasances;
- (10) release, substitution or sale of property securing repayment of the securities, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the obligated person;
- (13) the consummation of a merger, consolidation, or acquisition involving the obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, or the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

- (14) the appointment of a successor or additional trustee, whether or not material, or the change of name of a trustee, if material;
- (15) incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

For purposes of the Material Events identified above, the term “security” or “securities” means the Bond or Bonds, respectively, and “obligated person” means the County.

Section 4. Termination of Reporting Obligation. The County’s obligations under this Continuing Disclosure Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2022 Bonds. If the County’s obligations under this Continuing Disclosure Undertaking or the Indenture are assumed in full by some other entity, such person shall be responsible for compliance with this Continuing Disclosure Undertaking in the same manner as if it were the County, and the County shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Series 2022 Bonds, the County shall give notice of such termination or substitution in the same manner as for a Material Event under **Section 3**.

Section 5. Designated Agents. The County may, from time to time, appoint or engage a third party (a “**Dissemination Agent**”) to assist it in carrying out its obligations under this Continuing Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Annual Report or the Semi-Annual Report) prepared by the County pursuant to this Continuing Disclosure Undertaking.

Section 6. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Undertaking, the County may amend this Continuing Disclosure Undertaking and any provision of this Continuing Disclosure Undertaking may be waived, provided that Bond Counsel or other counsel experienced in federal securities law matters provides the County with its written opinion that the undertaking of the County contained herein, as so amended or after giving effect to such waiver, is in compliance with the Rule and all current amendments thereto and interpretations thereof that are applicable to this Continuing Disclosure Undertaking.

In the event of any amendment or waiver of a provision of this Continuing Disclosure Undertaking, (a) notice of such change shall be given in the same manner as for a Material Event under **Section 3** and (b) the County shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the County.

Section 7. Additional Information. Nothing in this Continuing Disclosure Undertaking shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report, Semi-Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Continuing Disclosure Undertaking. If the County chooses to include any information in any Annual Report, Semi-Annual Report or notice of

occurrence of a Material Event, in addition to that which is specifically required by this Continuing Disclosure Undertaking, the County shall have no obligation under this Continuing Disclosure Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 8. Default. Any failure by the parties to perform in accordance with this Continuing Disclosure Undertaking shall not constitute an Event of Default under the Indenture, and the rights and remedies provided by the Indenture upon the occurrence of an Event of Default shall not apply to any such failure. If any of the parties fail to comply with this Continuing Disclosure Undertaking, any Participating Underwriter or any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause such party to comply with its obligations hereunder.

Section 9. Beneficiaries. This Continuing Disclosure Undertaking shall inure solely to the benefit of the County, the Participating Underwriter, and Beneficial Owners from time to time of the Series 2022 Bonds, and shall create no rights in any other person or entity.

Section 10. Severability. If any provision in this Continuing Disclosure Undertaking shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 11. Counterparts. This Continuing Disclosure 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.

Section 12. Electronic Transactions. The arrangement described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 13. Governing Law. This Continuing Disclosure Undertaking shall be governed by and construed in accordance with the laws of the State of Georgia.

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IN WITNESS WHEREOF, the County has caused this Continuing Disclosure Undertaking to be executed as of the day and year first above written.

OCONEE COUNTY, GEORGIA

By:  _____
Name: John Daniell
Title: Chairman of the Board of Commissioners

EXHIBIT A

NOTICE OF FAILURE TO FILE [ANNUAL][SEMI-ANNUAL] REPORT

Name of Issuer: Oconee County Industrial Development Authority

Name of Bond Issue: \$16,000,000 Oconee County Industrial Development Authority Taxable Revenue Bonds (Economic Development Project), Series 2022 (the “Series 2022 Bonds”)

Date of Issuance: February 8, 2022

6-Digit CUSIP Number to which this [Annual] [Semi-Annual] Report relates: 67556T DC4; 67556T DD2

NOTICE IS HEREBY GIVEN that Oconee County, Georgia (the “**County**”) has not filed [an Annual][a Semi-Annual] Report with respect to the above-named Series 2022 Bonds as required by the Continuing Disclosure Undertaking dated February 8, 2022, of the County. The County anticipates that the [Annual][Semi-Annual] Report will be filed by _____.]

Dated: _____, _____, _____

OCONEE COUNTY, GEORGIA

By: _____
Name: _____
Title: _____

EXHIBIT B

FORM OF SEMI-ANNUAL REPORT

Name of Issuer: Oconee County Industrial Development Authority

Name of Bond Issue: \$16,000,000 Oconee County Industrial Development Authority Taxable Revenue Bonds (Economic Development Project), Series 2022 (the “Series 2022 Bonds”)

Date of Issuance: February 8, 2022

6-Digit CUSIP Number to which this Semi-Annual Report relates: 67556T DC4; 67556T DD2

This report is prepared and delivered pursuant to the Continuing Disclosure Undertaking of Oconee County, Georgia (the “County”) dated February 8, 2022.

Date of Semi-Annual Report: _____, 20__.
Semi-Annual Reporting Period From June 1 to November 30, 20__
or from December 1 to May 31, 20__

1. **Updates on Costco Project.**

- (a) Date on which building permit issued to Costco: _____
- (b) Date on which certificate of occupancy issued to Costco: _____

2. **Contract Payment Deposits to Revenue Fund.** The following is the amount by month of Contract Payments deposited into the Revenue Fund by the County pursuant to the terms of the Contract since [the date of the Continuing Disclosure Undertaking] [the date of the last Semi-Annual Report]:

Collection Year	Month in which Contract Payments Deposited	Contract Payments Deposits	
2022	February		
	March		
	April		
	May		
	Subtotal		
	June		
	July		
	August		
	September		
	October		
	November		
2023	Total		
	December		
	January		

<u>Collection Year</u>	<u>Month in which Contract Payments Deposited</u>	<u>Contract Payments Deposits</u>
	February	
	March	
	April	
	May	
	Subtotal	
	June	
	July	
	August	
	September	
	October	
	November	
	Total	

(1) County to add Collection Years, Months in which Contract Payments Deposited and Contract Payments Deposits to chart for so long as the Bonds are outstanding.

5. **Series 2022 Bond Redemptions.**

(a) Series 2022 Bond Redemptions:

Amount of Series 2022 Bonds redeemed during the Semi-Annual Reporting Period referred to above:

\$ _____ (____ Term Bond)
 \$ _____ (____ Term Bond)

(b) Cumulative Redemptions of Series 2022 Bonds To-Date:

\$ _____ (____ Term Bond)
 \$ _____ (____ Term Bond)