INTERGOVERNMENTAL CONTRACT

by and between

OCONEE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

and

OCONEE COUNTY, GEORGIA

Dated as of March 1, 2016

Relating to the \$4,285,000 Oconee County Industrial Development Authority Revenue Bond (Oconee County Economic Development Project), Series 2016

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 February 8, 2016.

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INTERGOVERNMENTAL CONTRACT

THIS INTERGOVERNMENTAL CONTRACT (this "Contract") is entered into as of March 1, 2016, 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 Oconee County Industrial Development Authority (the "Authority") is a public body corporate and politic duly created and existing pursuant to an amendment to the Constitution of the State of Georgia (1962 Ga. Laws, p. 871, et seq.), as amended by a resolution of the General Assembly (1977 Ga. Laws, p. 1582) and continued by an act of the General Assembly (1987 Ga. Laws, p. 3562, et seq.), as thereafter amended (the "Amendment"); and

WHEREAS, the Revenue Bond Law (O.C.G.A. § 36-82-60 et seq., as amended) provides that in addition to the other powers which it may have, any governmental body shall have the power under the Revenue Bond Law to issue revenue bonds to finance in whole or in part, the cost of the acquisition, construction, reconstruction, improvement, betterment, or extension of any "undertaking" (as defined in the Revenue Bond Law); and

WHEREAS, under the Revenue Bond Law, the term "governmental body" is defined to include counties and local authorities having corporate powers which have been created by general, local or special act of the General Assembly, and the term "undertaking" is defined to include (i) causeways, bridges and other crossings and (ii) highways and parkways; and

WHEREAS, under the Amendment and the Revenue Bond Law, the Authority is a "governmental body" and 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 "undertaking" (as defined in the Revenue Bond Law) by the governmental body which includes (i) causeways, bridges and other crossings and (ii) highways and parkways; and (b) to make and execute contracts and other instruments necessary to exercise the powers of the Authority; and

WHEREAS, under Article IX, Section II, Paragraph III(a)(4) of the Constitution of the State of Georgia, Oconee County, Georgia (the "County") has the power to provide the following services: street and road construction and maintenance, including curbs, sidewalks, street lights and devises to control the flow of traffic on streets and roads constructed by counties, and under the Revenue Bond Law, the County has the power to issue revenue bonds and use the proceeds for the purpose of paying all or part of the cost of any "undertaking" (as defined in the Revenue Bond Law) which includes (i) causeways, bridges and other crossings and (ii) highways and parkways; 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 (50) 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 Authority proposes to issue its Revenue Bond (Oconee County Economic Development Project), Series 2016, in principal amount of \$4,285,000 (the "Series 2016 Bond") for the purposes of (i) providing funds to finance the acquisition, construction, reconstruction, improvement, betterment, or extension of certain economic development road projects to be sold to the County upon completion (the "Project"), and (ii) paying the costs of issuing the Series 2016 Bond; and

WHEREAS, the Authority and the County have made a finding of fact that the Project in the public interest and are projects in furtherance of the Authority's purpose and mission under the Amendment and the Revenue Bond Law; and

WHEREAS, the Series 2016 Bond will be issued pursuant to the Amendment, the Revenue Bond Law, and a resolution of the Authority adopted on February 8, 2016 (the "Bond Resolution"); and

WHEREAS, the Series 2016 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 2016 Bond to provide funds to finance the Project and will agree to sell the Project to the County, 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 as may be necessary to make the payments to the Authority for its services as called for pursuant to this Contract in amounts sufficient to pay the principal of, redemption premium and interest on the Series 2016 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," "hereinfore," "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 2016 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 2016 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 2016 Bond and (ii) the execution, delivery and performance of this Contract. The Bond Resolution, the Series 2016 Bond and this Contract are valid, binding and enforceable obligations of the Authority.
- (b) The Authority has determined that the Project is a project 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 2016 Bond, (ii) financing of the Project, 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 2016 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 2016 Bond, pledging the Contract Payments and this Contract to the payment of the Series 2016 Bond, or financing the Project, (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 2016 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) The County has determined that the Project is 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 2016 Bond, (ii) financing of the Project 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) financing the Project, (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.

[END OF ARTICLE II]

ARTICLE 3.

ISSUANCE OF SERIES 2016 BOND; APPLICATION OF BOND PROCEEDS; CONSTRUCTION

Section 3.1. Agreement to Issue the Series 2016 Bond.

In order to provide funds, as provided in the Bond Resolution to finance the Project and pay the costs incident thereto, the Authority, in accordance with the Amendment, will issue the Series 2016 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 Maturities.

The Series 2016 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 2016 Bond will be paid to the person or persons and in the manner stated in the Series 2016 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 2016 Bond shall be discharged in accordance therewith.

Section 3.3. Obligations Relating to the Series 2016 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 2016 Bond, the proceeds received therefrom shall be applied in the manner set forth in Section 3.2 of the Bond Resolution.

Section 3.5. Completion of Project.

The Authority shall acquire and construct the Project or cause the Project to be acquired and constructed. The County, as the sole and exclusive agent of the Authority, will provide for the acquisition, construction, reconstruction, improvement, betterment, or extension of the Project, and the County hereby agrees to undertake and complete the Project on behalf of the Authority with due diligence. Payment therefor shall be made from the Project Fund in accordance with the provisions of Section 3.6 hereof.

Section 3.6. Disbursements from the Project Fund.

The moneys credited to the Project Fund from the sale of the Series 2016 Bond shall be used and applied only for the purpose of paying the cost of the Project. All payments from the Project Fund shall be made upon the terms and conditions set forth in the Bond Resolution. The County shall prepare the requisitions and certificates required by the Bond Resolution, a form of such requisition being attached as Exhibit B to the Bond Resolution.

Section 3.7. Establishment of Completion Date.

At such time as the Project is completed (the "Completion Date"), the County shall notify the Project Fund Depository and the Authority by a certificate executed by an authorized representative of the County. Such certificate shall establish the Completion Date and shall state that, except for any amounts retained by the County for any costs of the Project not then due and payable or the liability for payment of which is being contested or disputed in good faith by the County (i) the Project has been completed and all the costs of the Project have been paid and (ii) all other facilities necessary in connection with the Project have been acquired, constructed and installed and all labor, services, materials and supplies used therefor have been paid. Notwithstanding the foregoing, such certificate may state that it is given without prejudice to any rights against third parties which exist at the date thereof or which may subsequently come into being.

Section 3.8. Completion of Project if Project Fund Insufficient.

In the event moneys in the Project Fund available for payment of the costs of the Project are not sufficient to pay the costs of the Project in full, the County shall use its best efforts to cause the Project to be completed and the County shall pay that portion of the cost of the Project in excess of the moneys available therefor in the Project Fund.

Section 3.9. Investment of Moneys.

Any moneys held as a part of the Project Fund or 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 PROJECT; CONTRACT PAYMENT PROVISIONS

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

This Contract shall become effective as of March 1, 2016 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) November 1, 2025, or if at said time and on said date the Series 2016 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 2016 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. The Authority agrees to construct and sell to the County; and the County hereby agrees to purchase from the Authority, the Project for the Contract Payments set forth in Section 4.2 hereof and in accordance with the provisions of this Contract. The sale and transfer will occur upon the Completion Date, as provided in Section 5.1 hereof; provided, however, that this Contract shall remain in force and effect, including without limitation the provisions for the payment by the County of the amounts due hereunder.

Section 4.2. Contract Payments.

On or prior to each May 1 and November 1 of each year (each a "Contract Payment Date"), commencing November 1, 2016, the County shall make the Contract Payments with respect to the Series 2016 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 November 1, the County shall pay an amount sufficient to enable the Authority to pay in full the principal and interest on the Series 2016 Bond coming due on November 1, and if such date is on or prior to May 1, the County shall pay an amount sufficient to enable the Authority to pay in full the interest on the Bond coming due on May 1, and such Contract Payments shall continue and recontinue until provision has been made for the payment in full of the Series 2016 Bond as to principal and interest. The County shall also pay any late charges due under the terms of the Series 2016 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 2016 Bond and Optional Prepayment of Contract Payments.

- (a) The Series 2016 Bond shall be subject to optional prepayment, in whole or in part, as provided in the Bond Resolution, and the Contract Payments due under Section 4.2 shall be subject to prepayment, both at the option of the County.
- (b) No prepayment of any Contract Payment in accordance with the provisions of the preceding sentence shall relieve the County to any extent from its obligations thereafter to make Contract Payments required by the provisions hereof until the Series 2016 Bond and interest thereon has been paid in full. Upon the prepayment of the Contract Payments

in whole, the amount of such prepayment shall be used to retire the Series 2016 Bond, in the manner provided in, and subject to, the Bond Resolution.

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. 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 taxable 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, 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 hereof and such lien is superior to any that can hereafter be made.
- (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 a pledge of the full faith and credit of the County to provide the funds required to fulfill such obligation; provided, however, nothing herein contained shall be construed as limiting the right of the County to pay the obligations hereunder assumed out of its general funds or from other sources lawfully available to it for such purpose.
- (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 Project, or any part thereof, any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Project, the taking by eminent domain of title to or the use of all or any part of the Project, 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 the Series 2016 Bond is 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 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 2016 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.

OWNERSHIP; AND COVENANTS OF THE COUNTY AND AUTHORITY

Section 5.1. Title to the Project.

Title to the Project shall be held in the name of the Authority and transferred by the Authority to the County upon the Completion Date.

Section 5.2. Operation of the Project.

Upon the Completion Date, the County shall operate and maintain the Project or cause the Project 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 or county 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 the Project than are necessary. The County shall at all times maintain the Project or cause the Project to be maintained in good condition and repair and shall promptly repair, replace or restore any damage to the Project or cause the proceeds from insurance from such damage or destruction to be applied in accordance with the terms hereof.

Section 5.3. Operating Expenses.

The County shall pay or cause to be paid the reasonable and necessary costs of operating, maintaining and repairing the Project, including salaries, wages, employee benefits, the payment of any contractual obligations incurred pertaining to the operation of the Project, cost of materials and supplies, rentals (excluding Contract Payments) of leased property, real or personal, insurance premiums, audit fees, any incidental expenses and such other charges as may properly be made for the purpose of operating, maintaining and repairing the Project in accordance with sound business practice.

Section 5.4. Rights-of-Way.

The Authority and its agents and contractors shall be entitled and have a license to utilize the rights-of-way that the County has obtained for the Project to the extent required for the construction of the Project.

Section 5.5. Sale of Assets.

The Authority or, upon the Completion Date, the County may sell, lease or give away all or a portion of the Project. Prior to such conveyance, the Authority and the County shall obtain an opinion of nationally recognized bond counsel to the effect that such sale or lease will not adversely affect the tax-exempt status of the Series 2016 Bond.

Section 5.6. Use of Proceeds and Specific Tax Covenants.

The Series 2016 Bond is being issued by the Authority in compliance with the conditions necessary for interest income on the Series 2016 Bond to be excluded from gross

income for federal income tax purposes pursuant to the provisions of Section 103(a) of the Code relating to obligations of the State or political subdivisions thereof. It is the intention of the Authority and the County that the interest on the Series 2016 Bond be and remain excludable from gross income for federal income tax purposes, and, to that end, the Authority and the County hereby covenant with the Bondholder as follows:

- (a) That they will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the tax exempt status of interest on the Series 2016 Bond under Section 103 of the Code.
- (b) That they will not directly or indirectly use or permit the use of any of the proceeds of the Series 2016 Bond or take or omit to take any action in a way that would cause the Series 2016 Bond to be (i) a "private activity bond" within the meaning of Section 141 of the Code or (ii) obligations which are "federally guaranteed" within the meaning of Section 149(b) of the Code.
- (c) That they will not directly or indirectly use or permit the use of any proceeds of the Series 2016 Bond or any other funds of the County or the Authority or take or omit to take any action that would cause the Series 2016 Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code. To that end, the County and the Authority will comply with all requirements of Section 148 of the Code and any regulations promulgated thereunder to the extent applicable to the County or the Authority. In the event that at any time the County or the Authority is of the opinion that for purposes of this Section it is necessary to restrict or limit the yield on the investment of any moneys held under the Bond Resolution, the Authority and the County shall take such action as may be necessary to effect the same.

Section 5.7. Arbitrage Covenants.

Neither the County nor the Authority shall, subsequent to the date of the issuance and delivery of the Series 2016 Bond, intentionally use any portions of the proceeds of the Series 2016 Bond to acquire higher yielding investments, or to replace funds which were used directly or indirectly to acquire higher yielding investments, except as may otherwise be permitted by the Code, including, but not limited to, complying with the requirements of Section 148(f) of the Code and the payment of rebate, if any, required to be made by the Authority, and that it will expend the proceeds of the Series 2016 Bond in compliance with the applicable provisions of Section 141 to 149, inclusive, of the Code.

[END OF ARTICLE V]

ARTICLE 6.

SPECIAL COVENANTS AND AGREEMENTS

Section 6.1. No Warranty of Condition or Suitability by the Authority

THE AUTHORITY MAKES NO REPRESENTATION OR WARRANTY WITH RESPECT TO THE CONDITION OR WORKMANSHIP OF ANY PART OF THE PROJECT OR ITS SUITABILITY.

Section 6.2. Inspection of the 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 Project without interference or prejudice to the County's operations.

Section 6.3. 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 6.4. Limitations on Future Debt.

The Authority and the County covenant and agree that, other than the Series 2016 Bond, no other bonds or obligations of any kind or nature will be issued which are payable or enjoy a lien on the payments received under the Contract.

[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; restrain 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 (i) by written notice to the County, may declare the payments to be made under Section 4.2 hereof to be immediately due and payable, and (ii) 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 issued by satisfactory accountants in a format satisfactory to the Bondholder; and
- (b) Notice to the Bondholder immediately upon any material change in financial condition of the County and provide any additional information on the County's financial condition as may be reasonably requested by the Bondholder.

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

cc:

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

cc:

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 2016 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 9.4 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 2016 Bond and covenants and agrees that it shall cooperate with the Authority in validating the Series 2016 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:

OCONEE COUNTY. GEORGIA

(SEAL)

By:

Chairman

-

Attest

•

SCHEDULE 1

SERIES 2016 BOND CONTRACT PAYMENTS

[Attached]

BOND DEBT SERVICE

Oconee County Industrial Development Authority (Georgia) Revenue Bond (Oconee County Economic Development Project), Series 2016

Period Ending	Principal	Coupon	Interest	Debt Service
11/01/2016			68,202.20	68,202.20
11/01/2017	430,000	2.358%	102,443.64	532,443.64
11/01/2018	445,000	2.358%	92,163.41	537,163.41
11/01/2019	455,000	2.358%	81,524.58	536,524.58
11/01/2020	465,000	2.358%	70,840.22	535,840.22
11/01/2021	475,000	2.358%	59,529.68	534,529.68
11/01/2022	485,000	2.358%	48,173.61	533,173.61
11/01/2023	500,000	2.358%	36,578.48	536,578.48
11/01/2024	510,000	2.358%	24,692.19	534,692.19
11/01/2025	520,000	2.358%	12,431.90	532,431.90
	4,285,000		596,579.91	4,881,579.91