

RESOLUTION NO. B 13-535

RESOLUTION AUTHORIZING THE CITY OF STOCKBRIDGE, GEORGIA ("CITY") TO ADOPT A CAPITAL IMPROVEMENT PROJECT LIST TO BE FUNDED THROUGH THE IMPLEMENTATION OF A ONE PERCENT (1%) SPLOST AS PERMITTED BY GEORGIA LAW, AS SET FORTH IN O.C.G.A. § 43-8-110 ET SEQ.; AUTHORIZING THE MAYOR AND CLERK OF THE CITY OF STOCKBRIDGE TO EXECUTE THE INTERGOVERNMENTAL AGREEMENT CONCERNING THE DISTRIBUTION OF THE SPLOST PROCEEDS PURSUANT TO O.C.G.A. § 48-8-115(D)(1); AND TO AUTHORIZE THE MAYOR AND CLERK TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH HENRY COUNTY PURSUANT TO ARTICLE 9, SECTION 3, PARAGRAPH 1 OF THE CONSTITUTION OF GEORGIA OF 1983; AND FOR OTHER PURPOSES SET FORTH HEREIN.

WHEREAS, the City's Representative has participated in a number of public hearings that were conducted by a committee appointed by the Board of Commissioners of Henry County to obtain public input from the public in the formation of a capital improvement project list for Henry County and for each respective City thereof; and

WHEREAS, the Mayor and Council have conducted public hearings concerning the formation and adoption of the capital improvement project list for the City; and

WHEREAS, the Mayor and Council have reviewed and considered a proposed intergovernmental agreement between Henry County and the City concerning the division and use of the SPLOST funds pursuant to the laws of the State of Georgia;

NOW, THEREFORE, UPON MOTION BEING DUTY MADE AND SECONDED, THE FOLLOWING RESOLUTIONS WERE ADOPTED:

1. **Adoption of General Capital Improvement List.** Be it resolved that the Mayor and Council of the City of Stockbridge do hereby adopt Exhibit 1 as the City's General Capital Improvement Project List for Henry County SPLOST IV;
2. **Adoption of Capital Improvement Project Plan.** Do hereby adopt Exhibit 2 as the itemized Capital Improvement Project Plan for the City of Stockbridge;
3. **Approval of Intergovernmental Agreement.** Do hereby approve the Intergovernmental Agreement attached hereto, marked Exhibit 3 and made a part hereof;

4. **Approval of Execution.** Do hereby authorize the Mayor and Clerk of the City of Stockbridge to execute said Intergovernmental Agreement and to deliver the same to Henry County;
5. **Additional Action.** The Mayor and Clerk are hereby authorized to take any additional actions that may be needed in order to implement the above stated resolutions.
6. **Severability.** To the extent any portion of this Resolution is declared to be invalid, unenforceable or non-binding, that shall not affect the remaining portions of this Resolution.
7. **Repeal of Conflicting Provisions.** All City resolutions are hereby repealed to the extent they are inconsistent with this Resolution.
8. **Effective Date.** This Resolution shall take effect immediately.

THIS RESOLUTION adopted this 25 day of July 2013.

THE CITY OF STOCKBRIDGE, GEORGIA

BY: Mark A. Alarcon

Mark Alarcon, Mayor

Attest:

Rhonda Blackmon (SEAL)
Rhonda Blackmon, City Clerk

Kimberly Barnett



EXHIBIT "1"

ADOPTED SPLOST IV LIST – CITY OF STOCKBRIDGE

**** REGIONAL PROJECTS ****

\$1,500,000 Design and/or construction of regional road projects

**** WATER DEPARTMENT ****

\$8,250,000 land acquisition for water provision, major equipment acquisition and installation, major equipment inventory mechanisms, buildings, and facilities

**** SEWAGE DEPARTMENT ****

\$3,750,000 Sewerage construction, major equipment acquisition and installation, and facilities

**** PUBLIC WORKS ****

\$7,000,000 Public works land acquisition, buildings, facilities, roads, streets, bridges, sidewalks

**** PARKS AND RECREATION ****

\$2,000,000 Recreation facilities and major equipment

**** PUBLIC SAFETY ****

\$4,180,000 Public safety major equipment, buildings, facilities, and vehicles

**** GRAND TOTAL ****

\$26,680,000

EXHIBIT "2"

CITY OF STOCKBRIDGE

If the 2013 SPLOST Referendum is approved by the voters of Henry County, the City of Stockbridge anticipates it will expend the funds as detailed below. Expenditures for any of the projects described below may also include the repayment of public debt or other obligations of the City of Stockbridge incurred for or associated with such project.

Project	Estimated Cost
Roads, Bridges, Sidewalks and Transportation Facilities	\$7,030,000.00
Public Safety Facilities and Equipment	\$3,650,000.00
Public Works Facilities and Equipment	\$14,000,000.00
Parks and Recreation Facilities and Equipment	\$2,000,000.00
Total	\$26,680,000.00

EXHIBIT "3"

A G R E E M E N T

THIS AGREEMENT is made and entered into on this _____ day of _____, 2013, and is by and among:

HENRY COUNTY, GEORGIA,

by and through the Board of Commissioners of Henry County, a political subdivision of the State of Georgia (hereinafter referred to as the “**County**”), and the cities of:

HAMPTON, LOCUST GROVE,

McDONOUGH, and STOCKBRIDGE,

by and through the Mayor and Council of each municipality, each being an incorporated municipality within the State of Georgia, each being located entirely within the geographical boundaries of Henry County, and each being a “qualified municipality” within the meaning of Section 48-8-110 of the Official Code of Georgia Annotated, (hereinafter collectively referred to as the “**Municipalities**” or “**each Municipality**”).

W I T N E S S E T H:

WHEREAS, the County is a political subdivision of the State of Georgia, existing and operating under the laws and Constitution of the State of Georgia with full authority and responsibility, among other things, to: provide libraries, arts and sciences, and other educational programs and facilities, construct, maintain, regulate and control the roads, streets and bridges, establish recreation systems and facilities, provide for the construction of judicial and administration buildings, provide for protection of its citizens through jails, police and emergency services programs, and meet public health needs by providing water and sewerage facilities, storm water facilities, hospitals, animal control, and garbage and solid waste collection and disposal; and

WHEREAS, the County desires that all the citizens of Henry County, whether they live in the incorporated or unincorporated areas of the County, be provided certain capital improvements and services to improve the standard of living and to assure to each of its citizens a high quality of life, to include the capital outlay which are described in Exhibit "A"; and

WHEREAS, the Municipalities are incorporated municipalities located wholly within the geographical boundaries of the County and collectively represent all citizens living within the municipalities of Henry County; and

WHEREAS, the governing authority of each Municipality, charged to act in the best interest of the Municipality and to determine the service needs of the citizens within its established municipal boundaries, has examined the needs of the citizens within its incorporated limits and has determined that it is in the best interest of the citizens within its service area to provide certain capital improvements and services to the citizens located within its municipal service area, to include the capital outlay projects listed on Exhibits "B", "C", "D" & "E" hereto attached, which services and capital outlay projects the Municipalities, respectively, are authorized by law to provide; and

WHEREAS, pursuant to Article IX, Section III, Paragraph I of the Constitution of Georgia of 1983, the County and the Municipalities are authorized to contract with one another for a period not exceeding 50 years for joint services, for the provision of services, or for the joint or separate use of facilities or equipment, provided that such contracts must deal with activities, services, or facilities which the contracting parties are authorized by law to undertake or provide; and

WHEREAS, the execution, delivery and performance of this Agreement by the County and the Municipalities has been authorized by resolutions or ordinances duly adopted by the respective governing body of the County and each Municipality; and

WHEREAS, in order to improve the services provided for their respective citizens, the County and the Municipalities deem it appropriate to enter into an agreement to undertake various capital outlay projects, determined by the governing authority of each respective Municipality and the County to be most needed within their respective areas of control, to continue the high standards for services offered and the quality of life enjoyed by the citizens within the County and the Municipalities; and

WHEREAS, the County and the Municipalities desire to form an agreement among themselves pursuant to Article IX, Section III, Paragraph I of the Constitution of Georgia of 1983, wherein each Municipality will act on behalf of the County to determine the most needed projects within their incorporated areas of the County and to commission and complete (to the extent that funds are made available) the proposed projects within their respective municipal areas, for and in consideration of which the County will pay to each Municipality, from the Special Purpose Local Option Sales Tax (hereinafter referred to as “SPLOST”), an amount as hereinafter set forth; and

WHEREAS, the projects to be financed by the SPLOST include projects for the use and benefit of the citizens of the entire County, including projects to be owned and operated by the Municipalities; and

WHEREAS, the County and the Municipalities desire to clarify the responsibilities of the County and the Municipalities, respectively, with respect to the issuance of the Bonds, the expenditure of the proceeds thereof and certain other matters with respect thereto; and

WHEREAS, the County does desire to fund the various capital improvement projects within the unincorporated and incorporated sections of the County through the implementation of a one percent (1%) SPLOST as permitted by Georgia law as set out in O.C.G.A. § 48-8-110 *et seq*; and

WHEREAS, O.C.G.A. § 48-8-111(a)(2) allows for collection of SPLOST for a maximum of six (6) years where the County and any or all of the qualified municipalities within the County enter into an Intergovernmental Agreement, and whereby the County and Municipalities elect to levy the aforementioned SPLOST for the full six (6) year term; and

WHEREAS, the County and Municipalities met to discuss possible projects for inclusion in the SPLOST referendum on the _____ day of _____, 2013 (the “Referendum”) in conformance with the requirements of O.C.G.A. § 48-8-111, after the County provided written notice of such meeting to the Mayors of the Municipalities at least ten days prior to the date of the meeting; and

WHEREAS, the County and Municipalities have negotiated a division of the SPLOST proceeds as authorized by O.C.G.A. § 48-8-110 *et seq*; and

WHEREAS, the Agreement has been entered into in accordance with O.C.G.A. § 48-8-115(b)(1); and

WHEREAS, each party acknowledges that the completion of each project of the County and Municipalities is important to the overall goal of improving the services provided to the citizens of Henry County, Georgia; and

WHEREAS, each party further acknowledges that its participation in and adherence to the terms of this Agreement are crucial to the completion of the Henry County and Municipalities of Henry County Capital Improvement Projects.

NOW, THEREFORE, in consideration of the mutual covenants and promises hereinafter contained, and for Ten (\$10.00) Dollars and that other good and valuable consideration set out herein, given each other the receipt and sufficiency of which is hereby acknowledged, IT IS AGREED AS FOLLOWS:

1.

RECITALS

The foregoing recitals, each being true, are made a part of this Agreement by reference.

2.

TERM

The term of this Agreement shall commence upon the last date that this Agreement has been executed and delivered by each of the parties and shall terminate upon the expenditure by the County, whether said expenditure is by the County directly or on behalf of the County by one of the above-named Municipalities, of the last dollar of money collected of the Special Purpose Local Option Sales Tax after the expiration of the Special Purpose Local Option Sales Tax or upon the completion of all projects referenced in Exhibits "A" through "E" hereto attached, whichever comes later. Notwithstanding the foregoing, this Agreement shall not take effect until the conditions precedent set forth in Paragraph 8 of this Agreement shall have been satisfied. In no event shall the Term of this Agreement exceed fifty years.

3.

DEFINITIONS

The following definitions shall apply in the interpretation and enforcement of this Agreement unless otherwise specifically stated:

(a) **"Bonds"** means the Henry County, Georgia General Obligation Sales Tax Bonds to be issued by the County pursuant to Paragraph 16 hereof for the purpose of financing all or a portion of the cost of the Projects and which will be payable first from the proceeds of the Special Purpose Local Option Sales Tax.

(b) **“Construction Fund”** means that certain Construction Fund established by the County pursuant to the Bond Resolution into which the net proceeds of the Bonds will be deposited, within which there is also established a separate account for the County and for each Municipality.

(c) **“Construction Fund Account”** means each separate account in the Construction Fund established for each of the County and each Municipality, respectively.

(d) **“Construction Fund Custodian”** means the commercial bank or trust company having the power to administer trusts in Georgia designated by the County to be the custodian of the Construction Fund.

(e) **“Percentage Share”** means the percentage share for the County and each Municipality established pursuant to Paragraph 18 of the this Agreement and as determined by the respective total amounts set forth on Exhibits “A” through “E.”

(f) **“Sales Tax Fund”** means the fund to be established pursuant to the terms of this Agreement for the purpose of financing the projects described in Exhibits “A” through “E” to this Agreement. All monies obtained from the imposition of a Special Purpose Local Option Sales Tax as described in this Agreement shall be deposited in said fund, and the funds to be received by each Municipality in accordance with Paragraph 18 hereof shall be transferred from such fund to the respective Municipalities as set forth in Paragraph 18 hereof.

(g) **“Special Purpose Local Option Sales Tax or SPLOST”** means a one percent (1%) sales tax to be re-imposed through the Referendum pursuant to the provisions of O.C.G.A. § 48-8-110 *et seq.* for the purpose of funding the Projects described in Exhibits “A” through “E” attached hereto.

(h) “Sponsoring Local Government Entity” means each of the parties to this Agreement shall serve as a Sponsoring Local Government Entity for one or more of the projects as described in Exhibits “A” through “E” attached hereto, which together comprise and shall be known as the Henry County and Municipalities of Henry County Capital Improvement Projects, (hereinafter, “Projects”). The Projects which the County and each Municipality shall sponsor are set forth in Paragraph 4 below.

4.

PROJECTS

The County and each Municipality shall undertake and make a bona fide effort to complete within the term of this Agreement, with the proceeds of the SPLOST, the following capital project or projects designed to improve the services offered to the residents of Henry County and to each Municipality, except as otherwise provided in this Agreement:

(a) The County shall undertake and complete the Projects throughout Henry County as shown in the Henry County Project List which is attached hereto as Exhibit “A” and incorporated herein by reference thereto.

(b) The City of Hampton shall undertake and complete the capital improvement projects throughout those incorporated areas of the City of Hampton, Henry County, Georgia, as shown in the City of Hampton List which is attached hereto as Exhibit “B” and incorporated herein by reference thereto.

(c) The City of Locust Grove shall undertake and complete the capital improvement projects throughout those incorporated areas of the City of Locust Grove, Henry County, Georgia, as shown in the City of Locust Grove Project List which is attached hereto as Exhibit “C” and incorporated herein by reference thereto.

(d) The City of McDonough shall undertake and complete the capital improvement projects throughout these incorporated areas of the City of McDonough, Henry County, Georgia as shown in the City of McDonough Project List which is attached hereto as Exhibit "D" and incorporated herein by reference thereto.

(e) The City of Stockbridge shall undertake and complete the capital improvement projects throughout these incorporated areas of the City of Stockbridge, Henry County, Georgia, as shown in the City of Stockbridge Project List which is attached hereto as Exhibit "E" and incorporated herein by reference thereto.

Each party acknowledges that the dollar amounts of sales tax receipts shown for the projects listed on the County's and each Municipality's respective Exhibit are estimated amounts to be spent on each Project. Said amounts are purely estimates based on the best information available at the time this Agreement is entered into and do not take into account estimated increases in costs over the term of the SPLOST. In the event that a particular listed Project has been satisfactorily completed at a cost below the amount listed for said Project on that party's Exhibit, that party may apply the remaining unexpended amount from that completed Project to another of said party's listed Projects. Said Projects to be selected at said party's discretion.

If a party to this Agreement should determine that a Project listed should be altered or should be reduced in size, the party may apply excess funds resulting from such change to a Project listed to improve the size or the capacity of the Project.

If a Project is determined not to be a Project authorized under O.C.G.A. § 48-8-110, *et seq*, or if the Sponsoring Local Government Authority is unable to obtain all necessary permits and approvals as required by State or federal agencies, or other funding required for such Project cannot be obtained, the party affected may apply the unexpended funds to another Project or

Projects listed on such affected party's Project List that has not been completed. Said Projects shall be selected by the affected party's discretion.

If any area presently comprising a portion of the corporate limits of a respective municipality lying within Henry County should change, due to annexation or deannexation of any area, said affected Municipality or the County, as the case may be, covenants that it will continue and complete the proposed Projects that fall within the annexed or deannexed areas.

5.

CONSTRUCTION OF PROJECTS

The Sponsoring Local Government Entities shall proceed with the acquisition, construction and installation of the Projects in an efficient and economical manner, at a reasonable cost, substantially in accordance with the plans and specifications approved by the applicable governing body of the entity that has jurisdiction over the same and in conformity with all applicable laws, ordinances, rules, and regulations of any governmental authority having jurisdiction of the same. O.C.G.A. § 48-8-115(b)(1)(E). All projects shall be funded from proceeds of the Special Purpose Local Option Sales Tax, or from such other funds as are available to the local government undertaking such project, except as otherwise agreed in this Agreement.

The Sponsoring Local Government Entity may, at its discretion, require as a condition precedent to the letting of any contract for the acquisition, construction, or installation of any Project, the contractor or the other party to post and give payment and a performance bond, such bond to be the usual and customary bond of a reliable insurance or casualty company authorized to do business in the State of Georgia guaranteeing to the parties hereto that the particular contract of such contractor or other party will be performed as set forth therein and indemnifying

the parties against any loss or damage by virtue of the failure by such contractor or other party so to perform.

In the letting of contracts to acquire, construct, or install the Projects, no Sponsoring Local Government Entity shall pledge as collateral, commit as collateral, or otherwise place as collateral any monies in the Sales Tax Fund.

6.

FUNDING

It is the intent of each Sponsoring Local Government Entity to construct the Projects and provide the services listed in Exhibits "A" through "E" attached hereto. However, each Sponsoring Local Government Entity reserves the right to fund and construct said Projects and provide such services in the order that the responsible Sponsoring Local Government Entity deems most in the public interest. All parties to this Agreement recognize that escalating labor and material costs, as well as fluctuations in the larger state and national economy are factors generally beyond the control of the individual Sponsoring Local Government Entity, and that all Projects may not be fully funded.

7.

REPRESENTATIONS AND WARRANTIES

Each party hereto makes the following representations and warranties which are specifically relied upon by all of the other parties as a basis for entering into this Agreement:

(a) Each Sponsoring Local Government Entity has the legal authority to enter into this Agreement under the laws of the State of Georgia and the United States of America.

(b) Each Sponsoring Local Government Entity has validly adopted a resolution authorizing the Sponsoring Local Government Entity to enter into this Agreement.

(c) Each Sponsoring Local Government Entity warrants that any and all funds received from the performance of this Agreement shall be used solely for the purposes set forth herein.

(d) Each Sponsoring Local Government Entity warrants that it will diligently seek to complete the Projects (Exhibits "A" through "E") for which it has specific responsibility as the Sponsoring Local Government Entity. Each Sponsoring Local Government Entity shall make every reasonable effort to complete the Projects within the time stated in the plans and specifications for the Projects; subject, however, to the provisions of Paragraph 4 which permit application of funds to other Projects on a Sponsoring Local Government Entity's list and the provisions of Paragraph 6 recognizing the possible insufficiency of funds.

(e) The County waives its right to claim priority for expenditure of funds for Level One or Level Two county-wide projects as defined by O.C.G.A. § 48-8-110-(2)(A) and (B), it being the intent of the Agreement that the Municipalities will receive \$ 0.25 and the County will receive \$0.75 of each dollar collected under this SPLOST.

(f) Each Municipality warrants that it is a "qualified municipality" within the meaning of O.C.G.A. § 48-8-110(4).

8.

CONDITIONS PRECEDENT

(a) The execution of this Agreement by each of the parties hereto as authorized by each party's governing body; and

(b) The adoption of a resolution by the Board of Commissioners of the County providing for the Special Purpose Local Option Sales Tax in accordance with the provision of O.C.G.A. § 48-8-111; and

(c) The approval of the implementation of the aforesaid Special Purpose Local Option Sales Tax by the voters of Henry County in a referendum to be held in accordance with O.C.G.A. § 48-8-111.

9.

FUNDING OF PROJECTS

(a) In order to fund the capital outlay projects in Exhibits “A” through “E”, the County shall, subject to referendum approval and the other requirements of O.C.G.A. § 48-8-110, *et seq.*, impose a one percent (1%) Special Purpose Local Option Sales Tax for a period of no more than six (6) years for the Projects pursuant to O.C.G.A. § 48-8-111(a)(2). The County hereby undertakes to adopt a resolution on the earliest practicable date following the execution and delivery of this Agreement by the parties hereto calling for a referendum election to be held throughout the County on November 5, 2013, authorizing the imposition of the Special Purpose Local Option Sales Tax. The County further agrees to use its best efforts to obtain all necessary state and federal approvals required to authorize such referendum election.

(b) In order to expedite the construction of a portion of the Projects, the County agrees to take steps to authorize and issue the Bonds in conjunction with the imposition of the Special Purpose Local Option Sales Tax as permitted by Georgia law and to distribute the proceeds of such Bonds pursuant to the provisions of Paragraph 16 of this Agreement.

10.

SALES TAX FUND

(a) Upon the effective imposition of the SPLOST, the County shall create a special trust fund to be designated as the Henry County 2013 Special Purpose Local Option Sales Tax Fund (hereinafter referred to as the “County Sales Tax Fund”). The County shall select a bank which

shall act as depository and custodian of the County Sales Tax Fund upon such terms and conditions as may be acceptable to the County.

(b) Each Municipality shall create a special fund to be designated as such Municipality's 2013 Special Purpose Local Option Sales Tax Fund, and shall select a bank which shall act as a depository and custodian of the SPLOST proceeds received by such Municipality upon such terms and conditions as may be acceptable to such Municipality.

(c) All SPLOST proceeds shall be maintained by the County and each Municipality in the separate accounts or funds established pursuant to this Section. SPLOST proceeds shall not be commingled with other funds of the County or Municipalities and shall be used exclusively for the purposes detailed in this Agreement. No monies other than proceeds received from the imposition of the SPLOST and interest earned on such proceeds shall be placed in such funds or accounts.

11.

CUSTODIAN OF SALES TAX FUND

All monies and investments held in the respective Sales Tax Funds shall be applied only in accordance with the applicable provisions of law and for the purposes set forth herein and shall not be subject to a lien or attachment by any creditors of the County or of any of the Municipalities. Notwithstanding the foregoing, monies in each of the County's and each Municipality's respective Sales Tax Fund may be pledged to the payment of any special obligation debt of the County or such Municipality issued pursuant to Paragraph 9(b). SPLOST monies shall be invested at the direction of the appropriate fiscal officers of the County in accordance with this Paragraph 11 pending their distribution as provided in Paragraph 18(a). All

earnings on such investments shall be distributed to the County and the Municipalities as provided in Paragraph 18(a).

No monies shall be deposited or remain on deposit with any depository or custodian of the Sales Tax Fund in excess of the amount guaranteed at such time by the Federal Deposit Insurance Corporation, or any other federal agency, unless such bank or banks shall have pledged with the County or any Municipality, as the case may be, as collateral security for the monies deposited, direct and general obligations of the United States of America or obligations of other entities which are fully guaranteed as to principal and interest by the United States of America.

12.

AUTHORIZED FUND DISBURSEMENTS

Withdrawals from the Sales Tax Funds may be made for the purpose of paying the appropriate Sponsoring Local Government Entity's general obligation debt authorized by Paragraph 9(b) hereof or paying the cost of acquiring, constructing, or installing the Projects and the expenses incident thereto and without intending hereby to limit or restrict or to extend any proper definition of such cost and expenses as now provided by law, said costs shall include but not limited to:

(a) The cost of premiums on insurance and bonds, including performance and payment bonds, if any, in connection with the Projects until the completion date of such Projects;

(b) Payments including debt service on obligations issued to advance funds for the Projects;

(c) The fees and expenses for validating and selling bonds issued for the purpose of funding the Projects;

(d) The fees and expenses of architects and engineers for surveys and estimates, preparation of plans, specifications and recommendations and supervising acquisition, construction and installation of the Projects, as well as for the performance of all other duties of such architects and engineers in relation to the Projects;

(e) The expenses of administration of such acquisition, construction and installation, telephone, telegraph, office, legal and audit expenses, and all expenses incident to the financing of the Projects, and all other expenses preliminary to the acquisition, construction and installation of the Projects;

(f) The taxes and other governmental charges (if any) lawfully levied or assessed upon the Projects prior to the completion date of such Projects;

(g) The cost of acquiring by purchase any lands, machinery and equipment and any easements, rights, or damages incident to or arising as a consequence of the acquisition, construction and installation of the Projects, including but not limited to any finance fees, bank costs, closing costs or legal fees;

(h) The cost for labor, amounts payable to contractors, builders and materialmen in connection with the acquisition, construction and installation of the Projects; and

(i) Such other fees, costs, expenses and charges of whatever nature incidental and pertaining to the acquisition, construction and installation of the Projects.

13.

ACCOUNTING

The County and each Municipality, in conjunction with representatives of the custodian of the Sales Tax Fund, shall keep, as required by law, an accounting of all funds received and disbursed by each entity. A schedule shall be included in each annual audit in conformity with the requirements set forth in O.C.G.A. § 48-8-121(a)(2). No Sponsoring Local Government Entity shall be responsible for the accounting or handling of SPLOST funds of another.

14.

AUDITS

During the period of this Agreement, all funds deposited in the County Sales Tax Fund shall be audited by an independent certified public accounting firm at such time or times as the official audit of all the County funds is made. Each of the parties hereto agrees to cooperate with such independent certified public accounting firm in any such audit by providing any and all necessary information. Each Municipality shall provide the County annually with an audit of the use by such Municipality of its portion of the Special Purpose Local Option Sales Tax proceeds which shows for each Project the original estimated cost, the current estimated cost if it is not the original estimated cost, amounts expended in prior years, and amounts expended in the current year pursuant to O.C.G.A. § 48-8-121(a)(2).

15.

CERTIFICATE OF COMPLETION

Within thirty (30) days after the acquisition, construction or installation of any of the Projects is completed, the Sponsoring Local Governmental Entity shall file with the County a Certificate of Completion signed by the mayor or his or her designee of the respective Municipality, setting forth the date on which the Project was completed.

16.

THE BONDS

(a) **Issuance of the Bonds.** If the imposition of the SPLOST is approved by the voters, the County agrees to use its best efforts to cause the Bonds to be validated and thereafter issued and delivered as early as reasonably practicable.

(b) **Expenditure of Proceeds of the Bonds.** The net proceeds of the Bonds remaining after the payment of costs of issuance of the Bonds and other administrative costs, if any, incurred by the County in connection with the issuance of the Bonds shall be deposited into the Construction Fund and credited to the various accounts therein in accordance with the County's and each Municipality's Percentage Share. With respect to the County's and each Municipality's Percentage Share of the net proceeds of the Bonds, the County and each Municipality represent, warrant and agree with one another as follows:

(1) The County or such Municipality agrees that the proceeds of the Bonds deposited into such entity's account within the Construction Fund will be expended within three years of the date that the Bonds are actually issued; that the County or such Municipality, as applicable, expects to enter into binding obligations to third parties with respect to its portion of the Bond Projects aggregating not less than five percent of the amount deposited to its Construction Fund Account within six months from the date that the Bonds are actually issued, and that work on the County's or such Municipality's portion of the Bond Projects will proceed with due diligence to completion;

(2) All of the facilities financed or refinanced by the Bonds is property which is or is to be owned or leased by a governmental entity, and no use will be made (directly or indirectly) of the proceeds of the Bonds or of the facilities financed or refinanced thereby

which would cause any of the Bonds to be a private activity bond within the meaning of Section 141(a) of the Code, including, without limitation, any sale, lease, management or similar use of property acquired with the proceeds of the Bonds to or by any person other than a governmental unit (other than as a member of the general public).

(c) Investment of Amounts in Construction Fund. Amounts on deposit in the Construction Fund, including each separate Construction Fund Account, will be invested by the Construction Fund Custodian in investments permitted by Georgia Law for bond proceeds in accordance with directions from the County. Each Municipality acknowledges and agrees that the County shall not be liable to or responsible for the performance of any such investment or for any loss occasioned thereby. Each Municipality agrees to provide the County upon request its expected draw-down schedule with respect to its portion of the proceeds of the Bonds.

(d) Expenses Allocable to the Bonds. Each Municipality agrees to pay to the County, on demand, its Percentage Share of the following costs and expenses with respect to the Bonds, but only to the extent such costs and expenses are not paid from the proceeds of the Bonds or from the proceeds derived from the imposition of the SPLOST or from the investment of either of the foregoing:

- (1) Costs of issuance of the Bonds;
- (2) Other administrative costs with respect to the Bonds or the administration of the proceeds thereof, including bond registrar and paying agent fees and expenses, legal and accounting fees, fees of any depository or custodian for the Construction Fund or the Debt Service Fund, or any brokerage fees, commissions or administrative costs with

respect to the investment of funds on deposit in any fund or account established with respect to the Bonds; and

(3) Any rebatable arbitrage payable by the County to the United States with respect to the Bonds pursuant to Section 148(f) of the Internal Revenue Code of 1986, as amended.

(e) **Payment of Debt Service on the Bonds.** As set forth in Paragraph 18 of this Agreement, the principal of and interest on the Bonds will be payable from the first proceeds received in each year as a result of the imposition of the SPLOST. If and to the extent that proceeds of the SPLOST are not sufficient to pay the principal of and interest on the Bonds when due, the County will be required by Georgia Law to make such payment from its other funds. Accordingly, each Municipality hereby agrees to pay to the County, from its general funds and from the levy of ad valorem property tax throughout its corporate limits, its Percentage Share of the principal of and interest on the Bonds paid by the County other than from the proceeds of the imposition of the SPLOST.

(f) **Disposition of Bond-Financed Projects.** If the County or any Municipality receives funds in connection with the disposition of any Project financed by the Bonds or if the County or a Municipality shall fail to apply all of the proceeds of the Bonds allocated to it to one or more Projects, then the amounts received from any such disposition or the amounts not so spent, as the case may be, shall be applied to the redemption of Bonds or otherwise as required to preserve the tax-exempt status of the Bonds, as evidenced by an opinion of nationally-recognized bond counsel to the County.

ARBITRATION

The parties hereby agree to submit any controversy arising under this Agreement to arbitration pursuant to the provisions of O.C.G.A. § 9-9-1, *et seq.*, the Georgia Arbitration Code. Such arbitration shall in all respects be governed by the provisions of the Arbitration Code and the parties hereby agree to comply with and to be governed by the provisions of said Arbitration Code as to any controversy so submitted to arbitration. Prior to submitting any controversy arising under this Agreement to arbitration, written notice setting forth with specificity the nature of the controversy or breach shall be forwarded to each party of this Agreement by certified mail. If the stated controversy or breach is not remedied within thirty (30) days of the receipt of said notice, the aggrieved party shall have the right to submit the stated breach to arbitration as provided above.

18.

APPORTIONMENT OF SALES TAX FUNDS TO PROJECTS AND DISTRIBUTION OF FUNDS

As required by O.C.G.A. 48-8-121, the net proceeds of the Special Purpose Local Option Sales Tax received by the County in any year shall first be used to satisfy the respective debt service requirements on the Bonds for each entity participating therein for such year. Thereafter, all Special Purpose Local Option Sales Tax funds received by the County from the imposition of the Special Purpose Local Option Sales Tax shall be apportioned by the County for the payment of construction costs of the various Projects in the following manner:

(a) twenty five percent (25%) of all Special Purpose Local Option Sales Tax received by the County shall be distributed to the respective Municipalities in the percentages set forth on Exhibit "F" hereto attached and made a part hereof. Said funds shall be spent by the respective

Municipalities on the Projects detailed in Exhibits "B" through "E" attached hereto. Said funds shall be distributed to each Municipality by the County within five (5) business days of receipt of the funds. Any interest earned by the County on the Municipalities' portion of said funds as described in this Paragraph 18(a) shall be distributed to the respective Municipalities based upon the percentages set forth opposite their respective names in Exhibit F.

(b) The balance of said funds to the County for the Projects detailed in Exhibit "A".

(c) Notwithstanding the foregoing, and in accordance with applicable law, in the event that one or more of the Sponsoring Local Government Entities issues general obligation debt as authorized by Paragraph 9(b), no portion of the Sponsoring Local Government Entity's share of the SPLOST received in any year shall be used for the other purposes for which the SPLOST is being imposed until all debt service requirements of the general obligation debt for that year have first been satisfied from the County's or the respective Municipality's Sales Tax Fund.

19.

ALLOCATION OF SALES TAX FUNDS IN EXCESS OF PROJECT ESTIMATES

In the event that one or more of the Municipalities complete all Projects listed, the Municipality shall apply excess SPLOST funds, in its sole discretion, to one or more of the following purposes: (1) to reduce any outstanding indebtedness incurred or guaranteed by the Municipality, (2) to reduce taxes on property situated within the Municipality; (3) to transfer funds to another Municipality who is a party to this Agreement, said funds to be applied to outstanding projects listed for which that Municipality lacks sufficient SPLOST proceeds to complete; or (4) to the County to first to reduce county property taxes or second to reduce indebtedness of the County within the special district. O.C.G.A. § 48-8-121(g)(2). In the event

any of these options is not authorized by O.C.G.A. § 48-8-120 et seq, then such excess funds shall be utilized for such purposes as are authorized by law.

20.

NOTICES

Any notices required to be sent under the provisions of this Agreement shall be sent to the following addresses:

- (a) Henry County - Chairman
Henry County Board of Commissioners
140 Henry Parkway
McDonough, Georgia 30253
- (b) City of Hampton - Office of the Mayor
City of Hampton
17 E. Main St., South
Post Office Box 400
Hampton, Georgia 30228
- (c) City of Locust Grove - Office of the Mayor
City of Locust Grove
3644 Highway 42
Post Office Box 900
Locust Grove, Georgia 30248
- (d) City of McDonough - Office of the Mayor
City of McDonough
136 Keys Ferry Street
McDonough, Georgia 30253
- (e) City of Stockbridge - Office of the Mayor
City of Stockbridge
4545 North Henry Boulevard
Stockbridge, Georgia 30281

All notices shall be sent to the successors in office to any of the persons signing this Agreement. Furthermore, each of the foregoing officials shall have the right to designate in writing one project representative to receive notice in their stead.

21.

In the event any portion of this Agreement shall be declared or adjudged invalid or unconstitutional, it is the intention of the parties hereto that such adjudications shall in no manner affect the other sections, sentences, clauses or phrases of this Agreement which shall remain in full force and effect as if the invalid or unconstitutional section, sentence, clause or phrase were not originally part of this Agreement.

22.

This Agreement is made in accordance with and pursuant to Article IX, Section III, Paragraph I(a) of the Constitution of Georgia of 1983, and Part I of Article 3 of Chapter 8 of Title 48 of the Official Code of Georgia Annotated.

SO AGREED, this _____ day of _____, 2013.

HENRY COUNTY, GEORGIA

By: _____
Tommy Smith, Chairman, Henry County
Board of Commissioners

(SEAL)

Attest:

Shay Mathis, County Clerk

SIGNATURES CONTINUED ON NEXT PAGE

SO AGREED, this _____ day of _____, 2013.

CITY OF HAMPTON

By: _____
Chris Moore, Mayor

(SEAL)

Attest:

Kim Drinkall, City Clerk

SIGNATURES CONTINUED ON NEXT PAGE

SO AGREED, this _____ day of _____, 2013.

CITY OF LOCUST GROVE

By: _____
Robert Price, Mayor

(SEAL)

Attest:

Theresa Breedlove, City Clerk

SIGNATURES CONTINUED ON NEXT PAGE

SO AGREED, this _____ day of _____, 2013.

CITY OF McDONOUGH

By: _____
Billy Copeland, Mayor

(SEAL)

Attest:

Janis Price, City Clerk

SIGNATURES CONTINUED ON NEXT PAGE

SO AGREED, this 25 day of July 2013.

CITY OF STOCKBRIDGE

By: Mark A. Alarcon
Mark Alarcon, Mayor

(SEAL)

Attest:
Rhonda Blackmon
Rhonda Blackmon, City Clerk

Kimberly Barnett
7/26/13



EXHIBIT "F"

The 25.00% allocation set forth in Paragraph 18 of the Agreement is divided into the following percentages:

City	Percentage
City of Hampton	11.64%
City of Locust Grove	8.99%
City of McDonough	36.74%
City of Stockbridge	42.64%
Total	100.00%