INTERGOVERNMENTAL SALES TAX AGREEMENT

This **INTERGOVERNMENTAL SALES TAX AGREEMENT** (this "Contract"), made and entered into as of August 17, 2010, by and among Cherokee County, Georgia (the "County"), a political subdivision of the State of Georgia, and the City of Ball Ground ("Ball Ground"), the City of Canton ("Canton"), Holly Springs, Georgia ("Holly Springs"), the City of Mountain Park ("Mountain Park"), the City of Nelson ("Nelson"), the City of Waleska ("Waleska"), and the City of Woodstock, Georgia ("Woodstock"), each a municipal corporation duly created and existing under the laws of the State of Georgia;

W I T N E S S E T H:

WHEREAS, the County and Ball Ground, Canton, Holly Springs, Mountain Park, Nelson, Waleska, and Woodstock (each a "City" and collectively the "Cities") deem it to be in the best interest of the special district of Cherokee County created by Section 48-8-110.1(a) of the Official Code of Georgia Annotated (the "Special District") to improve public services in the Special District by carrying out the hereinafter described capital outlay projects, and the most feasible plan for providing funds to pay the costs of such capital outlay projects is to reimpose a special one percent sales and use tax (the "Sales Tax"), upon the termination of the special one percent sales and use tax presently in effect, pursuant to Part 1 of Article 3 of Chapter 8 of Title 48 of the Official Code of Georgia Annotated (the "Sales Tax Law"); and

WHEREAS, the Sales Tax Law allows the proceeds of the Sales Tax to be distributed pursuant to the terms of a contract entered into pursuant to Article IX, Section III, Paragraph I of the Constitution of the State of Georgia between the County and one or more "qualified municipalities" (as defined in the Sales Tax Law) located within the Special District containing a combined total of no less than 50 percent of the aggregate municipal population located within the Special District; and

WHEREAS, the County and the Cities desire to enter into this Contract to meet the provisions of Section 48-8-115(b) (1) of the Official Code of Georgia Annotated;

NOW, THEREFORE, for and in consideration of the respective representations and agreements hereinafter contained and in furtherance of the mutual public purposes hereby sought to be achieved, the County and the Cities do hereby agree as follows:

Section 1. **Representations of the County**. The County makes the following representations as the basis for the undertakings on its part herein contained:

(a) The County delivered or mailed on July 13, 2010 a written notice to the mayors of the Cities, of a meeting that was held at the County's offices on August 3, 2010, at which the governing authorities of the County and of such municipalities met to discuss the possible projects for inclusion in the Sales Tax, including municipally owned or operated projects.

(b) The County is permitted by Article IX, Section III, Paragraph I of the Constitution of the State of Georgia to contract for any period not exceeding fifty years with the Cities for joint services, for the provision of services, or for the joint or separate use of facilities or equipment.

(c) The County has the power to enter into this Contract and to perform all obligations contained herein, and has, by proper action, duly authorized the execution and delivery of this Contract.

Section 2. **Representations of each City.** Each City makes the following representations as the basis for the undertakings on its part herein contained:

(a) It is a "qualified municipality" within the meaning of the Sales Tax Law.

(b) The Cities contain a combined total of no less than 50 percent of the aggregate municipal population located within the Special District.

(c) It is permitted by Article IX, Section III, Paragraph I of the Constitution of the State of Georgia to contract for any period not exceeding fifty years with the County for joint services, for the provision of services, or for the joint or separate use of facilities or equipment.

(d) It has the power to enter into this Contract and to perform all obligations contained herein, and has, by proper action, been duly authorized to execute and deliver this Contract.

Section 3. **Term**. The term of this Contract shall commence with the execution and delivery hereof and shall extend until the termination of the Sales Tax or the failure of the Sales Tax to achieve voter approval.

Section 4. **Capital Outlay Projects**. The County shall call a referendum on whether to reimpose the Sales Tax to fund the following capital outlay projects in the following estimated amounts:

(a) Projects to be owned or operated or both by the County:

(1) Jail Expansion, Law Enforcement and Fire/EMS Training Facilities & Equipment, Advanced Life Support (ALS) Vehicles and Equipment, and Animal Shelter Facilities and Equipment- $25,000,000,
(2) Transportation Facilities, Equipment, Improvements, and Airport Facilities & Expansion- $93,450,000,
(3) Library Facilities- $2,500,000,
(4) Senior Center Facilities- $1,500,000,
(5) Business & Economic Development land acquisition, infrastructure, facilities, debit service, sewer system improvements: - 3,750,000,
(6) Fire & Emergency Services Facilities, Vehicles and Equipment- $7,250,000,
(7) Courthouse Expansion - $1,450,000
(8) Law Enforcement, E911 and County Marshals Facilities, Vehicles and Equipment - $4,400,000;

Total Estimated: $139,300,000

(b) Projects to be owned or operated or both by Ball Ground:

(1) Law Enforcement Facilities, Vehicles and Equipment - $200,000,
(2) Community Center - $100,000,
(3) Park and Recreation Facilities - $100,000,
(4) Transportation Facilities and improvements - $749,500,
(5) Fire Facilities, Vehicles and Equipment - $250,000
(6) City Hall Debt Service - $500,000; and
(7) Water/Sewer System Improvements - $164,500

Total Estimated: $2,064,000

(c) Projects to be owned or operated or both by Canton:

(1) Transportation Facilities and Improvements - $6,000,000,
(2) Park and Recreation Facilities - $4,800,000,
(3) General Government Buildings - $2,300,000,
(4) Fire Facilities and Equipment - $504,000, and
(5) Water, Wastewater Facilities, Equipment and Debit Service - $3,700,000;

Total Estimated: $17,304,000

(d) Projects to be owned or operated or both by Holly Springs:

(1) Transportation Facilities and Improvements - $3,100,000,
(2) Law Enforcement Facilities, Vehicles and Equipment - $1,700,000,
(3) Sewer System Infrastructure, Facilities and Equipment - $750,000,
(4) City Hall Administrative Offices Facilities and Equipment - $755,000
(5) Public Works, Fire, and Fleet Vehicles and Equipment - $410,200;

Total Estimated: $6,715,200

(e) Projects to be owned or operated or both by Mountain Park:

(1) Law Enforcement, Streets, and Drainage - $6,264;

Total Estimated: $6,264

(f) Projects to be owned or operated or both by Nelson:

(1) Law Enforcement and Fire Vehicles and Equipment - $220,000,
(2) Transportation Facilities and Improvements - $250,000, and
(3) Park and Recreation Facilities and Improvements - $250,000;

Total estimated: $720,000

(g) Projects to be owned or operated or both by Waleska:

(1) Water System Facilities & Improvements - $1,000,000;
(2) General Government Buildings, Public Buildings & Improvements - $700,000, and
(3) Fleet Vehicles & Equipment - $60,000.

Total estimated: $1,760,000

(h) Projects to be owned or operated or both by Woodstock:

(1) Public Works Facilities, Transportation Facilities (Streets, Drainage and Sidewalks, etc.), Equipment - $8,920,264,
(2) Parks and Recreation Facilities and Equipment - $4,000,000,
(3) Public Safety (Police and Fire) Facilities and Equipment - $2,700,000,
(4) Water, Wastewater, Stormwater Facilities, Equipment - $2,000,000, and
(5) Debit service for such projects.

Total Estimated: $17,620,264

Section 5. **Distribution of Sales Tax Proceeds**. The County shall apply the proceeds of the Sales Tax to fund the following capital outlay projects in the following order of priority:

(a) First, a sufficient amount shall be set aside in equal monthly deposits to accumulate funds to pay the semiannual interest requirements and annual principal requirements next coming due on not to exceed $25,000,000 in aggregate principal amount of obligations issued to finance the capital outlay project set forth in Section 4(a)(1) hereof;

(b) Second, the following percentages of Sales Tax collections received by the County up to $185,500,000 shall be ratably applied as soon as practicable to the following purposes:

(1) 1.29% shall be paid to Ball Ground to fund the capital outlay projects specified in Section 4(b) hereof ratably,

(2) 10.815% shall be paid to Canton to fund the capital outlay projects specified in Section 4(c) hereof ratably,

(3) 4.197% shall be paid to Holly Springs to fund the capital outlay projects specified in Section 4(d) hereof ratably,

(4) 0.004% shall be paid to Mountain Park to fund the capital outlay projects specified in Section 4(e) hereof ratably,

(5) 0.45% shall be paid to Nelson to fund the capital outlay projects specified in Section 4(f) hereof ratably,

(6) 1.10% shall be paid to Waleska to fund the capital outlay projects specified in Section 4(g) hereof ratably,

(7) 11.013% shall be paid to Woodstock to fund the capital outlay projects specified in Section 4(h) hereof ratably, and

(8) 71.131% shall be applied by the County to fund the capital outlay projects specified in Section 4(a) hereof ratably; and

All capital outlay projects included in this Contract shall be funded from proceeds from the Sales Tax, except as otherwise agreed in this Contract.

Section 6. **Use of Sales Tax Proceeds**. The proceeds received from the Sales Tax shall be used by the County and each City receiving proceeds of the Sales Tax exclusively for the related capital outlay projects specified in Section 4 hereof or to repay obligations that finance such capital outlay projects. Such proceeds shall be kept in separate accounts from other funds of the County and each City receiving proceeds of the Sales Tax and shall not in any manner be commingled with other funds of the County and each City receiving proceeds of the Sales Tax prior to expenditure.

Section 7. **Record-Keeping and Audit Requirements**. The County and each City receiving any proceeds from the Sales Tax shall maintain a record of each and every project for which the proceeds of the Sales Tax are used. A schedule shall be included in each annual audit of each party hereto that shows for each such 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. Each party's auditor shall verify and test expenditures sufficient to provide assurances that the schedule is fairly presented in relation to each party's financial statements. The auditor's report on each party's financial statements shall include an opinion, or disclaimer of opinion, as to whether the schedule is presented fairly in all material respects in relation to the financial statements taken as a whole.

Section 8. **Entire Agreement**. This Contract expresses the entire understanding and all agreements among the parties hereto with respect to the subject matter hereof.

Section 9. **Severability**. If any provision of this Contract shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses, or sections contained in this Contract shall not affect the remaining portions of this Contract or any part hereof.

Section 10. **Counterparts**. This Contract 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 11. **Amendments in Writing**. No waiver, amendment, release, or modification of this Contract shall be established by conduct, custom, or course of dealing, but solely by an instrument in writing only executed by the parties hereto.

Section 12. **Limitation of Rights**. Nothing in this Contract, express or implied, shall give to any person, other than the parties hereto and their successors and assigns hereunder, any benefit or any legal or equitable right, remedy, or claim under this Contract.

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

CHEROKEE COUNTY, GEORGIA

(SEAL)

By: _____
Chairman, Board of Commissioners

Attest:

_____
Clerk, Board of Commissioners

CITY OF BALL GROUND

(SEAL)

By: _____
Mayor

Attest:

_____
City Clerk

CITY OF CANTON

(SEAL)

By: _____
Mayor

Attest:

_____
Clerk of Council

HOLLY SPRINGS, GEORGIA

(SEAL)

By: _____
Mayor

Attest:

_____
City Clerk

(SEAL)

Attest:

Karen Segars
City Clerk

(SEAL)

Attest:

Branay Edwards
City Clerk

(SEAL)

Attest:

Debbie McEuen
City Clerk

(SEAL)

Attest:

Rhonda S. Pezzello
City Clerk

CITY OF MOUNTAIN PARK

By: Jim Stillo Jr.
Mayor

CITY OF NELSON

By: David Geister
Mayor

CITY OF WALESKA

By: Doris Ann Jones
Mayor

CITY OF WOODSTOCK, GEORGIA

By:
Mayor

POTENTIAL SPLOST PROJECTS (Six-Year Program): **SIX-YEAR OPTION.v9** Version: August 17, 2010

	Total	
Level One/Two Projects:		
Jail Expansion/Enhancements	$ 19,000,000	
Fire Training	$ 1,500,000	
Law Enforcement Training	$ 1,500,000	
Animal Shelter Project	$ 1,000,000	
ALS Units (Ambulances)	$ 2,000,000	$ 25,000,000
Other Projects:		
Transportation	$ 93,450,000	
Marshal Vehicles	$ 400,000	
Senior Center - Satellite Loc.	$ 1,500,000	
ED - Land Acquisition/Dev	$ 3,000,000	
Courthouse Expansion	$ 1,450,000	
Sewer System Improvements	$ 750,000	
Library Facilities	$ 2,500,000	
Fire Facilities & Equipment	$ 7,250,000	
Law Enforcement	$ 2,500,000	
E-911	$ 1,500,000	
Additional Cities Distribution	$ 2,836,482	
City Projects (per-capita)	$ 43,353,782	
	$ 185,490,264	Note: Rounding

Distribution to Cities:

Estimated Collections	$ 185,490,264
Less: Jail/Training - ALS Units	$ 25,000,000
	$ 160,490,264
Multiply: Distribution (27.10%)	$ 43,353,782
	$ 117,136,482
Per-Capita Distribution	$ 43,353,782
Add: Additional Distributions	$ 2,836,482
Total Distribution to Cities (28.7%)	**$ 46,190,264**

Estimated Distributions to Cities	
Ball Ground	$ 2,064,000.00
Canton	$ 17,304,000.00
Holly Springs	$ 6,715,200.00
Mountain Park	$ 6,264.00
Nelson	$ 720,000.00
Waleska	$ 1,760,000.00
Woodstock	$ 17,620,800.00
	$ 46,190,264.00

SPLOST PROJECTS:

Transportation Projects:	County SPLOST	Cities SPLOST	Federal/State/ Other Funding	Total	
Engineering	$ 3,600,000	$ -	$ -	$ 3,600,000	Road Construction Engineering
Annual Resurfacing	$ 24,000,000	$ -	$ 5,400,000	$ 29,400,000	$4 Million Annual Resurfacing
R&B Operations	$ 18,000,000	$ -	$ -	$ 18,000,000	In-house Paving & Construction Projects
Bells Ferry Road	$ 10,000,000	$ -	$ 25,000,000	$ 35,000,000	Phased Widening
Bells Ferry @ Kellogg Creek	$ 2,000,000	$ -	$ -	$ 2,000,000	Intersection realignment project
East Cherokee Drive	$ 4,500,000	$ -	$ 500,000	$ 5,000,000	Turn Lanes & Safety Upgrades
Intersection Improvements	$ 3,000,000	$ -	$ -	$ 3,000,000	Countywide Intersection Improvement Projects
Sidewalk Projects	$ 1,000,000	$ -	$ 500,000	$ 1,500,000	New Sidewalks for Connectivity to Existing Sidewalks
E. Cherokee Dr and Old Hwy 5	$ 1,250,000	$ 500,000	$ -	$ 1,750,000	South Holly Springs Area - Holly Springs Parkway
Heard Road/Airport Extension	$ 3,000,000	$ 2,000,000	$ 1,000,000	$ 6,000,000	Bluffs Parkway Extension to Airport
Arnold Mill Road Extension	$ 3,000,000	$ 2,000,000	$ 2,000,000	$ 7,000,000	Woodstock Bypass - Arnold Mill to Woodstock Pkwy
Towne Lake Parkway Reconstruction	$ 4,250,000	$ -	$ -	$ 4,250,000	Pavement Reconstruction & Resurfacing
Bridge Replacements & Upgrades	$ 4,000,000	$ -	$ -	$ 4,000,000	Bridge Safety & Maintenance Improvements
Storm Drainage Improvements	$ 2,500,000	$ -	$ -	$ 2,500,000	Roadway Storm Drainage Improvements
R&B Equipment	$ 1,350,000	$ -	$ -	$ 1,350,000	Machinery/Equipment Purchase & Replacement
R&B Facility	$ 2,000,000	$ -	$ -	$ 2,000,000	Replacement Facility for Roads & Bridges
Airport Runway Expansion	$ 2,000,000	$ -	$ 2,500,000	$ 4,500,000	Expand Airport Runway to 6,125 feet
Bells Ferry LCI Improvements	$ 1,000,000	$ -	$ 1,000,000	$ 2,000,000	Improvements to Bells Ferry Road LCI Corridor
Unpaved Roads	$ 2,000,000	$ -	$ -	$ 2,000,000	$333,333/year (including R/W acquisition)
Contingency	$ 1,000,000	$ -	$ -	$ 1,000,000	Utility Relocations, Right-of-way, Pavement Striping
	$ 93,450,000	$ 4,500,000	$ 37,900,000	$ 135,850,000	
General Projects:					
Animal Shelter Renovation/New	$ 1,000,000	$ -	$ -	$ 1,000,000	
Business & Economic Development	$ 3,750,000	$ 500,000	$ 500,000	$ 4,750,000	Economic Development/Land Acquisition/Sewer
Library Facilities	$ 2,500,000	$ -	$ 2,500,000	$ 5,000,000	Library Facilities
Senior Center Facilities	$ 1,500,000	$ -	$ -	$ 1,500,000	County-wide facilities
Courthouse Expansion	$ 1,450,000	$ -	$ -	$ 1,450,000	
	$ 10,200,000	$ 500,000	$ 3,000,000	$ 13,700,000	

County Jail-Training Expansion & ALS Units:

Categories:

New Construction	$	16,050,000	Jail
Animal Shelter Renovation/New	$	1,000,000	Lower Building Useful Life
ALS Units	$	2,000,000	Ambulance units and equipment
Training Facilities Expansion	$	3,000,000	Law enforcement/fire training facilities
Total Construction Cost	$	22,050,000	
Financing (G.O. Bonds)	$	2,000,000	Jail Expansion
Design-Project Management	$	950,000	Jail Expansion
Total Project Cost	$	25,000,000	

	County SPLOST	Cities SPLOST	Federal/State/ Other Funding	Total	
PUBLIC SAFETY					
Fire-Emergency Services:					
Replacement Fire Stations	$ 4,250,000	$ -	$ -	$ 4,250,000	
ALS Units/Equipment	$ 2,000,000	$ -	$ -	$ 2,000,000	Ambulances & Equipment
Training Facilities Expansion	$ 1,500,000	$ -	$ -	$ 1,500,000	Training Facilities Expansion/Enhancement
Ladder Company	$ 1,000,000	$ -	$ -	$ 1,000,000	Additional Ladder Company - Ladder & Equipment
Fire Equipment	$ 2,000,000	$ -	$ -	$ 2,000,000	Fully equipped engines and equipment
	$ 10,750,000	$ -	$ -	$ 10,750,000	
E-911					
CAD-PS Software	$ 1,000,000	$ -	$ -	$ 1,000,000	E-911 CAD System
Communications System	$ 500,000	$ -	$ -	$ 500,000	PS communication system modifications
	$ 1,500,000			$ 1,500,000	
County Marshal					
Animal Control Vehicles	$ 200,000	$ -	$ -	$ 200,000	Animal Control Vehicles/Equipment
Marshal Patrol Vehicles	$ 200,000	$ -	$ -	$ 200,000	Vehicle Replacements
	$ 400,000	$ -	$ -	$ 400,000	
Sheriff:					
Jail Expansion	$ 19,000,000	$ -	$ -	$ 19,000,000	Jail Expansion/Enhancements
Training Facilities Expansion	$ 1,500,000	$ -	$ -	$ 1,250,000	Law Enforcement Training Expansion/Enhancements
Patrol Vehicles	$ 2,500,000	$ -	$ -	$ 2,500,000	Vehicle Replacements
	$ 23,000,000	$ -	$ -	$ 22,750,000	