

STATE OF GEORGIA
COUNTY OF FAYETTE

**INTERGOVERNMENTAL AGREEMENT FOR
DISTRIBUTION OF S.P.L.O.S.T. PROCEEDS**

This Agreement, entered into this 28 day of July, 2005, by and between Fayette County, a political subdivision of the State of Georgia acting by and through its duly elected Board of Commissioners and, hereinafter referred to as "County", and the City of Fayetteville, a political subdivision of the State of Georgia acting by and through its Mayor and Council and, hereinafter referred to as "City" referred to jointly as "Parties", to provide for the distribution of proceeds collected by the County as a result of the imposition of a special purpose local option sales tax, hereinafter referred to as "S.P.L.O.S.T.", to the City.

WHEREAS, on November 2, 2004, the majority of the qualified voters in Fayette County cast their ballots in favor of imposing a Special Purpose Local Option Sales Tax, S.P.L.O.S.T., for road, street, and bridge purposes in the unincorporated areas of the County as well as the municipalities hereof; and

WHEREAS, the County in accordance with O.C.G.A. § 48-8-115, shall be the recipient of all proceeds collected as a result of the imposition of this S.P.L.O.S.T.; and

WHEREAS, the municipalities of Fayette County shall share in the proceeds of the S.P.L.O.S.T.

NOW, THEREFORE, in consideration of the promises and conditions as hereinafter provided, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

ARTICLE 1 - GENERAL PROVISIONS

Paragraph 1.0. Upon receipt of S.P.L.O.S.T. proceeds from the State Revenue Commissioner, the County shall designate thirty percent (30%) of said funds for distribution to the various municipalities of Fayette County and unincorporated County in amounts which are proportionate to the population of each City or Town as of the 2000 census.

Paragraph 1.1. Of said thirty percent (30%) of S.P.L.O.S.T. proceeds designated for distribution among the municipalities and the unincorporated County in accordance with Paragraph 1.0, 12.22% shall be distributed by County to City at the same-frequency as the County receives the SPLOST revenue from the state.

Paragraph 1.2. Upon receipt of said funds, City shall cause them to be placed in an account dedicated exclusively to holding the City's designated share of the proceeds of the S.P.L.O.S.T., (said account hereinafter referred to as "S.P.L.O.S.T. Account") and shall never cause or permit comingling of these funds with any funds from any other source.

Paragraph 1.3. City shall expend funds from the S.P.L.O.S.T. Account exclusively for the road, street, and bridge purposes specified by City for consideration by the voters of Fayette County on November 2, 2004. Said purposes being set forth in Exhibit "A" attached hereto and hereby incorporated herein.

Paragraph 1.4. Should all purposes set forth in Exhibit "A" be accomplished, all proceeds of the S.P.L.O.S.T. which are payable to City after said accomplishment shall be retained by County and thereafter expended solely to accomplish the road, street, and bridge purposes of unincorporated County specified by County for consideration by the voters of Fayette County on November 2, 2004 and/or the road, street, and bridge purposes of the other municipalities within the County which were specified for consideration by the voters of Fayette County on November

2, 2004.

ARTICLE 2 - ACCOUNTING AND RECORDS

Paragraph 2.0. City shall cause the S.P.L.O.S.T. Account to undergo an annual audit which shall include the production of a schedule for each project listed in Exhibit "A". Said schedule shall set forth the original estimated cost of completion for each project listed in Exhibit "A", the current estimated cost of completion for each project listed in Exhibit "A", the sum of S.P.L.O.S.T. funds expended for each project in Exhibit "A" in the current year, a total sum of S.P.L.O.S.T. funds expended in all years prior to the current year for each project listed in Exhibit "A", and an estimation of percentage complete of each project in Exhibit "A". The auditor shall verify and test expenditures from the S.P.L.O.S.T. Account to assure that the schedule is an accurate representation of the facts portrayed therein as compared to the financial statements. The final audit report shall also include an opinion or disclaimer of the auditor that the schedule is fairly presented in all material aspects in relation to the financial statements taken as a whole.

Paragraph 2.1. City shall maintain records for each project in Exhibit "A" which are sufficient to support and accomplish the auditing mandates of Paragraph 2.0 of this Agreement.

Paragraph 2.2. City shall be responsible for all aspects of the accounting and auditing procedures mandated by this Agreement including selection of an appropriate party to perform said services and full payment for rendition of said services.

Paragraph 2.3. City shall be responsible for any costs which accrue as a result of the distribution of S.P.L.O.S.T. funds to City by County. This shall include, but not be limited to, any increased costs incurred by County in achieving the auditing, accounting, and record keeping mandates of applicable law.

Paragraph 2.4. Each year City shall provide County, at City's expense, a copy of the annual audit and all documents produced therefrom. Said provision shall occur within the thirty (30) days subsequent to completion of audit.

ARTICLE 3 - JOINT EFFORTS

Paragraph 3.0. The County and the City agree to use cooperative efforts and good faith in carrying out their duties under this Agreement.

ARTICLE 4 - LIABILITY

Paragraph 4.0. This Agreement shall not be construed as, or deemed to be an agreement for the benefit of any third party or parties, and no third party or parties shall have any right of action hereunder for any cause.

Paragraph 4.1. The County and City agree to release each other from any and all liabilities, claims, judgments, costs or demands arising from damage of whatever nature to the other whether directly or indirectly arising out of the performance of the provisions of this Agreement unless, said damage results from the intentional, reckless, or grossly negligent actions or omissions of the County or City, or an agent/employee of either. In said case, the cost shall be borne by the party whose actions or omissions occasioned said damage.

Paragraph 4.2. City shall indemnify and hold harmless County and all agents thereof from and against any claims, damages, losses or expenses, including attorney's fees arising out of or resulting from the performance of this Agreement unless said claim or damage is attributable to the negligent or wilful act or omission of County.

ARTICLE 5 - ENTIRE AGREEMENT

Paragraph 5.0. This Agreement shall constitute the entire agreement between the County and City with respect to the distribution of S.P.L.O.S.T. proceeds. No modification or addition shall be binding upon the County or City unless evidenced by a writing, created subsequent to the date of this Agreement and signed by both the County and the City.

ARTICLE 6- TERMINATION

Paragraph 6.0. With the exception of the provisions listed below, this Agreement shall terminate upon County's final distribution of S.P.L.O.S.T. funds to City. Article 4 related to liability, shall remain in full force and effect until all proceeds of the S.P.L.O.S.T. have been fully distributed by County and expended by City; and Article 2, related to accounting, auditing, and payment shall remain in full force and effect until the S.P.L.O.S.T. account of City ceases to exist and all expenses associated with the work described in Article 2 are satisfied.

ARTICLE 7 - SEVERABILITY

Paragraph 7.0. In the event that any clause, phrase, or provision of this Agreement is held to be invalid, the remainder of the Agreement shall continue in full force and effect as if said part were never included within these terms.

ARTICLE 8 - GOVERNING LAW

Paragraph 8.0. This Agreement shall be governed in all respects by the laws of the State of Georgia. In all cases of dispute arising out of or as a result of this Agreement, proper venue shall lie in a court of competent jurisdiction in Fayette County.

IN WITNESS WHEREOF, the parties have hereunto set their hands and affixed their
seals this the 28 day of July, 2005.



(Seal)

ATTEST:

Carol Chandler

Deputy Clerk

BOARD OF COMMISSIONERS
FAYETTE COUNTY, GEORGIA

By: Gregory M. Dunn

Gregory M. Dunn, Chairman

MAYOR AND COUNCIL
CITY OF FAYETTEVILLE, GEORGIA

By: Kenneth Steele

Kenneth Steele, Mayor

(Seal)

ATTEST:

Judy Stephens

Deputy Clerk