

A RESOLUTION OF THE NEWTON COUNTY BOARD OF COMMISSIONERS PROVIDING FOR THE ISSUANCE AND SALE OF A TAX ANTICIPATION NOTE IN PRINCIPAL AMOUNT OF \$3,000,000 AND FOR OTHER RELATED PURPOSES:

WHEREAS, the Newton County (the "Issuer") is a duly created and validly existing political subdivision of the State of Georgia under the Constitution and laws of the State of Georgia; and

WHEREAS, the Newton County Board of Commissioners, the governing body of the Issuer charged with contracting debts and managing the affairs of the Issuer (the "Governing Body"), has determined that it is in the best interest of the Issuer to pay current expenses for calendar year 2016 in anticipation of the receipt of taxes levied or to be levied for the Issuer's General Fund (the "General Fund"); and

WHEREAS, the Issuer is authorized by Article IX, Section V, Paragraph V of the Constitution of the State of Georgia and Section 36-80-2 of the Official Code of Georgia Annotated, to borrow money to pay current expenses during any calendar year and to evidence such borrowing by issuing tax anticipation notes in anticipation of the receipt of taxes levied or to be levied for the General Fund for expenses payable in such calendar year; and

WHEREAS, the Issuer proposes to issue a tax anticipation note in the principal amount of \$3,000,000 (the "Note") to pay the current expenses of the Issuer.

WHEREAS, the Issuer proposes to authorize the sale of the Note to United Bank (the "Purchaser") for the purchase price of 100% of par.

NOW, THEREFORE, BE IT RESOLVED by the Governing Body of the Issuer and it is hereby resolved by authority of the same, as follows:

Section 1. Findings. The Governing Body hereby finds and determines as follows: (a) there are no other temporary loans or other contracts, notes, warrants or obligations for current expenses which have been issued by the Issuer in calendar year 2016; (b) the principal amount of the Note does not exceed 75% of the total gross income from taxes collected by the Issuer in calendar year 2015 for the General Fund; (c) the principal amount of the Note, together with other contracts, notes, warrants or obligations of the Issuer for current expenses in calendar year 2016 for the General Fund, do not exceed the total anticipated tax revenues of the Issuer for the General Fund for calendar year 2016; (d) no temporary loan or other contract, note, warrant or other obligation for current expenses incurred in calendar year 2015 or any prior calendar year remains unpaid as of the date hereof; and (e) a need exists for the Issuer to borrow \$3,000,000 to pay current expenses of the Issuer in calendar year 2016 prior to the receipt of sufficient revenues from taxes levied or to be levied for the General Fund for 2016.

Section 2. Authorization of Note. The issuance of the Note in the principal amount of \$3,000,000 is hereby authorized. The Note shall be designated "Newton County Tax

Anticipation Note, Series 2016.” The Purchaser has agreed to purchase the Note by making advances to the Issuer up to but not exceeding \$3,000,000 in accordance with the terms hereof. The Note shall be dated as of its date of issuance. The Purchaser is hereby authorized to make notation of all advances made on the Note on the Schedule of Advances attached to the Note. Although the principal face amount of the Note is \$3,000,000, the principal amount outstanding thereunder shall be the total of all such advances, less any prepayments. No advances will be made after December 12, 2016, and the principal amount of the Note shall then be fixed. Each advance under the Note shall bear interest at the rate of 0.94% per annum, computed on the basis of a 360-day year comprised of twelve 30-day months from the date of such advance. The interest and the principal of the Note shall be paid on December 30, 2016 to the person who is the registered owner on December 15, 2016. All payments of interest and principal shall be paid in lawful money of the United States of America. The Note shall be issued in the form of a fully registered note and shall be numbered R-1 upward. The Note shall be executed by the manual or facsimile signature of the Chairman of the Governing Body and by the manual or facsimile signature of the Clerk of the Governing Body, and the corporate seal of the Issuer shall be impressed or imprinted thereon. In case any officer whose signature shall be affixed to the Note or who shall have sealed the Note shall cease to be such officer before the Note so signed and sealed shall have been actually delivered, the Note, nevertheless, shall be a valid Note of the Issuer and may be delivered as such notwithstanding the fact that such officer or officers may have ceased to be such officer or officers of the Issuer when the Note shall be actually delivered.

The Purchaser is authorized and directed to make advances under the Note by making payments to the Issuer upon receipt of a written request from the Issuer. Each such advance shall be deemed to constitute the issuance of the Issuer’s debt obligation, which debt shall be evidenced by the Note (the principal amount of which shall be deemed to be increased to the total of all such advances). By its acceptance of the Note, the Purchaser agrees to enter on the Schedule of Advances attached to the Note the information indicated with respect to such advance. By each such written request, the Issuer shall be deemed to have reaffirmed, as of the date thereof, the Tax and Non-Arbitrage Certificate delivered in connection with the issuance of the Note and all of the representations, warranties and covenants contained in this resolution. No advance shall be made under this resolution or the Note unless on the date at the advance all representations, warranties and covenants contained in the Tax and Non-Arbitrage Certificate and this resolution are true and correct.

Section 3. Approval of Form of Note. The Note as initially issued shall be issued in substantially the form attached hereto as Exhibit A with such changes, insertions or omissions as may be approved by the Chairman or Vice Chairman of the Governing Body, and the execution and delivery of the Note shall be conclusive evidence of such approval.

Section 4. Designation of Paying Agent. The Issuer’s Finance Director is hereby designated as Paying Agent, Note Registrar and Authenticating Agent with respect to the Note.

Section 5. Tax Revenues Used to Repay Note; General Obligation. The Issuer agrees to use for payment of the Note and the interest thereon a sufficient portion of the revenues received by the Issuer from taxes levied or to be levied for calendar year 2016 for the

General Fund and other funds available for such purpose. The indebtedness to be evidenced by the Note is a general obligation of the Issuer, and the full faith and credit of the Issuer are hereby pledged to secure the payment of the principal of and interest on the Note.

Section 6. Authentication of Note. The Note as originally issued and all Notes issued in connection with a registration of transfer shall not be valid for any purpose unless and until a certificate of authentication substantially in the form set forth in Exhibit A shall be duly executed by the Note Registrar.

Section 7. Transfer and Exchange of Note. The Note Registrar shall cause to be kept books for the registration of transfer of the Note. The Note may be registered as transferred on the books of registration by the registered owner thereof in person or by his duly authorized attorney, upon surrender thereof, together with a written instrument of transfer executed by the owner or his duly authorized attorney. Upon surrender for registration of transfer of at the principal office of the Note Registrar, the Issuer shall execute, and the Note Registrar shall authenticate and deliver in the name of the transferee, a new Note, numbered consecutively in order of issuance according to the records of the Note Registrar. Such registration of transfer shall be without charge to the owner of the Note, but any tax or other governmental charge, required to be paid with respect to the same shall be paid by the owner of the Note requesting such registration of transfer as a condition precedent to the exercise of such privilege.

Except as provided in Section 9 hereof, the Note may be not be exchanged.

Section 8. Registered Owners. The person in whose name the Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of either principal or interest shall be made only to or upon the order of the registered owner thereof or his duly authorized attorney, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon the Note to the extent of the sum or sums so paid.

Section 9. Mutilated or Destroyed Note. In case the Note shall become mutilated or be destroyed or lost, the Issuer, may cause to be executed, authenticated and delivered a new Note in exchange or substitution for any such Note upon, in the case of a mutilated Note, surrender of such Note, or in the case of destroyed or lost Note, the owner filing with the Issuer, the Paying Agent and the Note Registrar evidence satisfactory to them that such Note was destroyed or lost and providing indemnity satisfactory to them, provided that if the owner of such destroyed or lost Note has a minimum net worth of at least \$25,000,000, such person's own unsecured agreement of indemnity shall be deemed to be satisfactory. If the Note shall have matured, instead of issuing a new Note, the Issuer may pay the same.

Section 10. Redemption. The Note is not subject to redemption or prepayment prior to maturity as is more fully provided in the form thereof.

Section 11. Tax Covenants and Representations. The Note is being issued by the Issuer in compliance with the conditions necessary for the interest income on the Note to be

excludable from gross income for federal income taxation pursuant to the provisions of Section 103(a) of the Internal Revenue Code of 1986, as amended (the "Code"). It is the intention of the Issuer that the interest on the Note be and remain excludable from gross income for federal income tax purposes, and, to that end, the Issuer hereby covenants with the owner of the Note, as follows:

(a) It 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 the interest on the Note under Section 103 of the Code.

(b) It will not directly or indirectly use or permit the use of any proceeds of the Note or any other funds of the Issuer or take or omit to take any action in a way that would cause the Note to be (i) a "private activity bond" within the meaning of Section 141 of the Code, (ii) an obligation which is "federally guaranteed" within the meaning of Section 149 of the Code or (iii) a "hedge bond" within the meaning of Section 149 of the Code. Without limiting the foregoing, the Issuer will not allow 10% or more of the proceeds of the Note to be used in the trade or business of any private business and will not loan 5% or more of the proceeds of the Note to any nongovernmental units.

(c) It will not directly or indirectly use or permit the use of any proceeds of the Note or any other funds of the Issuer or take or omit to take any action that would cause the Note to be an "arbitrage bond" within the meaning of Section 148 of the Code. To that end, the Issuer will comply with all requirements of Section 148 of the Code to the extent applicable to the Note.

Section 12. Approval of Tax Documents. The Chairman or Vice Chairman of the Governing Body is hereby authorized to execute on behalf of the Issuer a Tax and Non-Arbitrage Certificate to assure the owner of the Note and Murray Barnes Finister LLP, Bond Counsel, that the interest on the Note will remain excludable from gross income for federal income tax purposes and that the proceeds of the Note will not be used in a manner which would result in the Note being an "arbitrage bond" within the meaning of Section 148 of the Code. The Chairman of the Governing Body or Vice Chairman of the Governing Body is further authorized to execute on behalf of the Issuer an Internal Revenue Service Form 8038-G "Information Return for Tax-Exempt Governmental Obligations" related to the issuance of the Note.

Section 13. General Authority. From and after the date of adoption of this resolution, any member of the Governing Body and the officers, employees and agents of the Issuer are hereby authorized to do such acts and things, and to execute and deliver all such certificates or agreements as may be necessary or desirable in connection with the issuance of the Note. Without limiting the foregoing, the Vice-Chairman of the Governing Body is authorized to execute any and all documents on behalf of the Chairman of the Governing Body, and the Assistant Clerk of the Governing Body is authorized to execute any and all documents on behalf of the Clerk of the Governing Body. All actions of the Governing Body, officers, employees or agents of the Issuer taken in connection therewith prior to the date hereof are hereby ratified and confirmed.

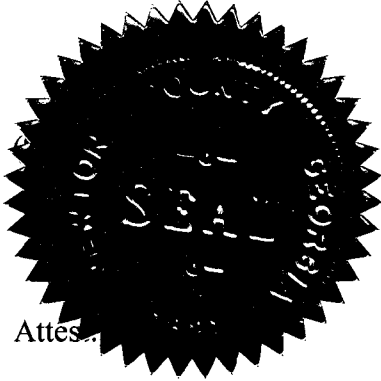
Section 14. Bank Qualification Designation. The Note is hereby designated as a “qualified tax-exempt obligation” within the meaning of Section 265(b)(3) of the Code.

Section 15. Sale of Note. The sale of the Note to the Purchaser for the par amount of \$3,000,000 is hereby approved.

Section 16. Repeal of Conflicting Resolutions; Effective Date. This Resolution shall be in full force and effect immediately upon its adoption, and any and all resolutions or parts of resolutions in conflict with this Resolution shall be, and they are, to the extent of such conflict, hereby repealed.

Adopted and approved by the Governing Body on August 16, 2016.

NEWTON COUNTY BOARD OF
COMMISSIONERS



By: William K. All
Chairman

Attes.

Jackie Smith
Clerk

EXHIBIT A

FORM OF NOTE

UNITED STATES OF AMERICA

STATE OF GEORGIA

NEWTON COUNTY
TAX ANTICIPATION NOTE,
SERIES 2016

No. R-1

Maturity Date

December 30, 2016

Date of Original Issue

August 24, 2016

Principal Amount: \$3,000,000

Registered Owner: United Bank

KNOW ALL MEN BY THESE PRESENTS: NEWTON COUNTY, GEORGIA, a political subdivision of the State of Georgia (the "Issuer"), for value received, hereby promises to pay (a) the sum of the amounts advanced under this Note in accordance with the provisions of the Resolution (hereinafter defined) as shown on the Schedule of Advances attached hereto, which amounts advanced shall not exceed the principal amount set forth above and (b) interest thereon at the rate of 0.94% per annum (computed on the basis of a 360-day year comprised of twelve 30-day months) from the date of each advance. The interest and the principal of this Note shall be paid on December 30, 2016 to the person who is the registered owner on December 15, 2016. All payments of interest and principal shall be paid in lawful money of the United States of America. Amounts advanced under this Note and repaid may not be advanced again.

Both principal hereof and interest hereon are payable by wire transfer or check by the Issuer's Finance Director, as paying agent, note registrar and authenticating agent (the "Paying Agent") to the registered owner at its principal office in Covington, Georgia. Both principal hereof and interest are payable in lawful money of the United States of America. The Issuer also promises to pay any and all amounts owed by the Issuer as arbitrage rebate pursuant to Section 148 of the Internal Revenue Code of 1986, as amended and any amounts expended by any owner of this Note in connection with the collection of amounts owed hereunder, including, but not limited to attorney fees.

This Note is issued in anticipation of the receipt of taxes levied or to be levied for the Issuer's general fund in calendar year 2016. The principal amount of this Note together with

all other temporary loans, notes, warrants or similar obligations does not exceed 75% of the total revenues from taxes collected for the General Fund by the Issuer in calendar year 2015 and does not exceed, together with other contracts, notes, warrants and obligations of the Issuer for calendar year 2016 payable from the General Fund, the total anticipated revenues from taxes of the Issuer for the General Fund for calendar year 2016. No temporary loan or other contract, note, warrant or other obligation for current expenses incurred in calendar year 2015 or any prior calendar year remains unpaid.

This Note is authorized by a resolution (the "Resolution") duly adopted by the Newton County Board of Commissioners (the "Governing Body") on August 16, 2016 in accordance with Article IX, Section V, Paragraph V of the Constitution of the State of Georgia and Section 36-80-2 of the Official Code of Georgia Annotated, for the purpose of paying current expenses for calendar year 2016 in anticipation of the receipt of taxes levied or to be levied for the Issuer's General Fund. The terms and provisions of the Resolution are by this reference thereto incorporated herein. All capitalized terms used but not defined herein shall have the meanings assigned to them in the Resolution.

There are no other temporary loans or other contracts, notes, warrants or obligations for current expenses which have been issued by the Issuer in calendar year 2016. The principal face amount of this Note does not exceed 75% of the total gross income from taxes collected by the Issuer in calendar year 2015. The aggregate principal amount of this Note, together with other contracts, notes, warrants or obligations of the Issuer for current expenses in calendar year 2016, do not exceed the total anticipated tax revenues of the Issuer for calendar year 2016. No temporary loan or other contract, note, warrant or other obligation for current expenses incurred in calendar year 2015 or any prior calendar year remains unpaid as of the date hereof.

This Note is subject to payment prior to maturity in whole or in part at any time without penalty.

The indebtedness evidenced by this Note is a general obligation of the Issuer, and the full faith, credit and taxing power of the Issuer have been pledged to secure the payment of the principal of and interest on this Note.

This Note may be registered as transferred by the registered owner hereof in person or by the owner's attorney duly authorized in writing, but only in the manner, subject to the limitations specified in the Resolution, and upon surrender and cancellation of this Note. Upon such registration of transfer, a new note will be issued to the transferee in exchange therefor. No service charge shall be made for any registration of transfer, but the Paying Agent may require payment of a sum sufficient to cover any tax or other governmental charge as a condition precedent to the exercise of such privilege.

Except for exchanges of mutilated notes provided in the Resolution, this Note may not be exchanged.

The person in whose name this Note is registered shall be deemed and regarded as the absolute owner hereof for all purposes, and payment of or on account of either principal or interest made to such registered owner shall be valid and effectual to satisfy and discharge the liability upon this Note to the extent of the sum or sums so paid.

If a court of competent jurisdiction determines that any term or provision of this Note is invalid or prohibited by applicable law, the term or provision will be ineffective to the extent required and will be severed from the remaining terms and provisions of this Note without invalidating the remaining terms and provisions.

The rights and privileges of the owner of this Note shall inure to its successors and assigns, and this Note shall be binding upon all successors of the Issuer.

This Note and the Resolution represent the final agreement of the Issuer and the owner of this Note and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements.

This Note may only be amended in writing, and all such amendments shall be approved by the owner of this Note in writing.

This Note shall be governed by the laws of the State of Georgia except to the extent that federal law preempts Georgia law.

It is hereby certified, recited and declared that all acts, conditions and things required by the Constitution and laws of the State of Georgia to be done precedent to or as a condition to the issuance of this Note have been properly done, have happened and have been performed in the manner required by the Constitution and laws of the State of Georgia; that the tax levies in anticipation of which this Note is issued are or will be valid and legal levies; that the Issuer will use a sufficient amount of the proceeds of such tax levies and other available funds for the payment of this Note and the interest hereon; and that this Note, together with all other indebtedness of the Issuer, is within every debt or other limit provided by the Constitution and laws of the State of Georgia.

This Note is entered into on the basis that the interest hereon is not includable in the gross income of the registered owner for federal income tax purposes. For purposes hereof, the following terms are defined as follows: (1) "Taxable Rate" means the rate of interest that must be applied to the principal of this Note so as to preserve the same after tax economic yield with respect to the interest on the Note as the registered owner would have had, had the interest on this Note been excludable from gross income for federal income tax purposes; and (2) "Event of Taxability" means a determination by the Internal Revenue Service or any court of competent jurisdiction or a determination by bond counsel acceptable to the registered owner, that the interest on this Note is includable in gross income for federal income purposes. Upon the occurrence of an Event of Taxability the Issuer shall pay to the Issuer and the registered owner a sum equal to (A) the increase in the interest on this Note when computed at the Taxable Rate, and (B) all interest, penalties and other similar charges payable by the registered owner (or members of its affiliated group) to the Internal Revenue Service as a result of the Event of

Taxability. The provisions of the preceding sentence shall survive the payment in full and satisfaction, cancellation and surrender of this Note.

IN WITNESS WHEREOF, the Issuer acting by and through its Board of Commissioners, has caused this Note to be executed in its corporate name by the manual signature of the Chairman, and attested by the manual signature of the Clerk and the corporate seal of the Issuer to be impressed or imprinted hereon, all as of the date of original issue as shown above.

NEWTON COUNTY, GEORGIA

(SEAL)

By: _____
Chairman

Attest:

Clerk

SCHEDULE OF ADVANCES

<u>Advance No.</u>	<u>Advance Date</u>	<u>Amount of Advance</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
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_____	_____	_____
_____	_____	_____

CERTIFICATE OF AUTHENTICATION

This is the Note described in the within mentioned authorizing resolution of the Newton County Board of Commissioners adopted on August 16, 2016, and is hereby authenticated.

FINANCE DIRECTOR, as Note Registrar

By: _____
Michelle Kelly

Date of Authentication: August 24, 2016

* * * * *

ASSIGNMENT FOR TRANSFER

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers
unto

PLEASE INSERT SOCIAL SECURITY
OR OTHER IDENTIFYING NUMBER
OF ASSIGNEE

the within Note of the Newton County and does hereby constitute and appoint
_____ attorney to transfer the said Note on the books of the Note Registrar,
with full power of substitution in the premise.

Date:

In the presence of: _____

Noteholder

NOTICE: The signature to this Assignment
must correspond with the name as it appears
upon the face of the within bond in every
particular, without alteration or enlargement
or any change whatever.

* * * * *

Newton County Tax Anticipation Note, Series 2016

Distribution List

County

Newton County
1124 Clark Street
Covington, GA 30014

Michelle Kelly
Finance Director
(678) 625-1219
mkelly@co.newton.ga.us

Newton County Board of Commissioners
Suite 204
1113 Usher Street
Covington, GA 30014

Nicole Cross
Chief Accounting Officer
(678) 625-1220
ncross@co.newton.ga.us

County Attorney

Jarrard & Davis, LLP
Suite 200
105 Pilgrim Village Drive
Cumming, GA 30040

Megan Martin
mmartin@jarrard-davis.com

Bond Counsel

Murray Barnes Finister LLP
5 Piedmont Center, Suite 515
3525 Piedmont Road NE
Atlanta, GA 30305

Roger E. Murray
(678) 999-0354
rmurray@murraybarneslaw.com

Harrison Sullivan
(678) 999-0356
hsullivan@murraybarneslaw.com

Financial Advisor

Stifel – Merchant Capital Division
One Buckhead Plaza, Suite 1700
3060 Peachtree Road, NW
Atlanta, GA 30305

Bryan D. Huskey
Director
(404) 504-2768
huskeyb@stifel.com

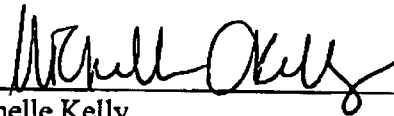
mkelly@co.newton.ga.us
ncross@co.newton.ga.us
mmartin@jarrard-davis.com
huskeyb@stifel.com

rmurray@murraybarneslaw.com
hsullivan@murraybarneslaw.com

CERTIFICATE OF AUTHENTICATION

This is the Note described in the within mentioned authorizing resolution of the Newton County Board of Commissioners adopted on August 16, 2016, and is hereby authenticated.

FINANCE DIRECTOR, as Note Registrar

By: 
Michelle Kelly

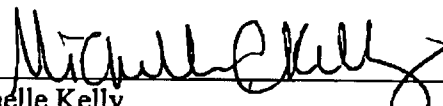
Date of Authentication: August 24, 2016

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CERTIFICATE OF AUTHENTICATION

This is the Note described in the within mentioned authorizing resolution of the Newton County Board of Commissioners adopted on August 16, 2016, and is hereby authenticated.

FINANCE DIRECTOR, as Note Registrar

By: 
Michelle Kelly

Date of Authentication: August 24, 2016

* * * * *

CERTIFICATE DESIGNATING AUTHORIZED REPRESENTATIVES

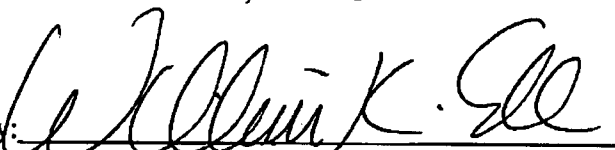
The Newton County, Georgia (the "County") hereby designates **T. Lloyd Kerr**, as an Authorized Representative, and **Michelle Kelly**, as the Alternate Authorized Representative, each of whose signature appears below, and authorizes either of them to take all actions and to do all things as Authorized Representatives required for advances under the County's Tax Anticipation Note, Series 2016 (the "Note") and actions under the resolution adopted by the Board of Commissioners of the County on August 16, 2016 relating to the Note.

SPECIMEN SIGNATURE: 
Authorized Representative

SPECIMEN SIGNATURE: 
Alternate Authorized Representative

WITNESS my hand, this 24th day of August.

NEWTON COUNTY, GEORGIA

By: 
Chairman, Board of Commissioners

CERTIFICATE DESIGNATING AUTHORIZED REPRESENTATIVES

The Newton County, Georgia (the "County") hereby designates **T. Lloyd Kerr**, as an Authorized Representative, and **Michelle Kelly**, as the Alternate Authorized Representative, each of whose signature appears below, and authorizes either of them to take all actions and to do all things as Authorized Representatives required for advances under the County's Tax Anticipation Note, Series 2016 (the "Note") and actions under the resolution adopted by the Board of Commissioners of the County on August 16, 2016 relating to the Note.

SPECIMEN SIGNATURE: 
Authorized Representative

SPECIMEN SIGNATURE: 
Alternate Authorized Representative

WITNESS my hand, this 24th day of August.

NEWTON COUNTY, GEORGIA

By: 
Chairman, Board of Commissioners