

RESOLUTION
AUTHORIZING, AMONG OTHER THINGS,
THE ISSUANCE AND SALE OF A TAX ANTICIPATION NOTE
IN THE AMOUNT OF \$450,000

WHEREAS, the City of Clarkston, Georgia (the “Issuer”) is a municipal corporation of the State of Georgia, duly created and existing under and by virtue of the Constitution and laws of the State of Georgia; and

WHEREAS, the Mayor and City Council of the City of Clarkston, Georgia (the “Governing Body”) has determined that it is in the best interest of the Issuer to borrow money to pay current expenses for calendar year 2015 in anticipation of the receipt of taxes levied or to be levied for 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 \$450,000 (the “Note”) to pay the current expenses of the Issuer;

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) the principal amount of the Note and any other outstanding temporary loans do not exceed 75% of the total gross income from taxes collected by the Issuer in calendar year 2014 for the General Fund; (b) the principal amount of the Note, together with other contracts, notes, warrants or obligations of the Issuer for current expenses payable from the General Fund, do not exceed the total anticipated tax revenues of the Issuer for the General Fund for calendar year 2015; (c) no temporary loan or other contract, note, warrant or other obligation for current expenses incurred in calendar year 2014 or any prior calendar year remains unpaid as of the date hereof; and (d) a need exists for the Issuer to borrow \$450,000 to pay current expenses of the Issuer in calendar year 2015 prior to the receipt of sufficient revenues from taxes levied or to be levied for the General Fund for 2015.

Section 2. Authorization of Note; Terms and Execution. There is hereby authorized to be issued a tax anticipation note of the Issuer in the principal amount of \$450,000 which shall be designated “City of Clarkston, Georgia Tax Anticipation Note, 2015” (the “Note”). The Note shall be dated as of the date of delivery thereof to the purchaser; shall bear interest at the rate of interest set forth therein and shall be issued in registered form. Both principal and interest shall be payable in lawful money of the United States of America by wire transfer to the person who is the registered owner on December 15, 2015 without the presentation or surrender of the Note, except that upon written request of the Issuer made concurrently with or reasonably promptly

after payment in full of the Note, the registered owner thereof shall surrender the Note for cancellation, reasonably promptly after any such request, to the Issuer, and shall be payable as to principal and interest. The Note shall mature and together with accrued interest shall be payable on December 31, 2015. The Note shall be executed by the Mayor and shall be attested to by the Clerk, and the seal shall be impressed 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 obligation 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.

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

Section 4. Tax Revenues Used to Repay Note. 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 2015 for the General Fund and other funds available for such purpose. The indebtedness evidenced by the Note is a general obligation of the Issuer, and the full faith and credit of the Issuer have been and hereby are irrevocably pledged to secure the payment of the principal of and interest on this Note.

Section 5. Authentication of Note. The Note as originally issued and each Note issued in connection with a registration of transfer shall have endorsed thereon a certificate of authentication substantially in the form set forth in the Note. The Note shall not be deemed to be validly issued hereunder unless it contains such certificate of authentication.

Section 6. 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. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent of the sum or sums so paid.

Section 7. Tax Covenants and Representations. The Note is being issued by the Issuer for the governmental purpose of providing funds for the current expenses of the Issuer for the year 2015, 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 holder 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.

(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.

(d) It will cause to be completed and filed with the Internal Revenue Service the information required by Section 149(e) of the Code (Treasury Form 8038-G) simultaneously with the issuance of the Note.

Section 8. General Authority. From and after the date of adoption of this Resolution, any member of the Governing Body and the officers 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. All actions of the Governing Body, officers or agents of the Issuer taken in connection therewith prior to the date hereof are hereby ratified and confirmed.

Section 9. Sale of Note. The sale of the Note to Branch Banking and Trust Company is hereby approved.

Section 10. Tax Levy for Payment of Note. For the purpose of providing funds for the payment of the principal of and interest on the Note, there shall be and hereby is assessed and levied and there shall hereafter be collected a direct tax upon all real and personal property now or hereafter subject to taxation within the Issuer, the net proceeds of which will be in a sufficient amount to produce such sums as are required to pay the principal and interest thereon. Said sums are irrevocably pledged and appropriated to the payment of the principal and interest, when due on the Note, and the provisions to meet the requirements of this Resolution shall hereafter be made in due time and manner so that the Note, including both principal and interest, shall be fully paid at maturity.

Section 11. Bank Qualification. The Issuer hereby designates the Note as a “qualified tax-exempt obligation” within the meaning of Section 265(b)(3) of the Code.

Section 12. Contract. The provisions, terms, and conditions of this Resolution will constitute a contract by and between the Issuer and the holder of the Note. After the issuance of the Note, this Resolution shall not be repealed or amended in any respect which will adversely affect the rights and interest of the holder of the Note.

Section 13. 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 by the Governing Body of the Issuer on June ____, 2015.

CITY OF CLARKSTON, GEORGIA

(SEAL)

By: _____
Mayor

Attest:

Clerk

UNITED STATES OF AMERICA

STATE OF GEORGIA

CITY OF CLARKSTON, GEORGIA
TAX ANTICIPATION NOTE,
2015

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Date of Issue</u>
December 31, 2015	\$450,000	June __, 2015

Principal Amount: \$450,000

KNOW ALL MEN BY THESE PRESENTS: CITY OF CLARKSTON, GEORGIA, a municipal corporation of the State of Georgia (the “Issuer”), for value received, hereby promises to pay to Branch Banking and Trust Company or its successors or assigns (the “Bank”), (a) the sum of \$450,000 and (b) interest on each such advance at the rate of 1.23% per annum (calculated on the basis of a 360-day year comprised of twelve 30-day months), in immediately available funds, on the Maturity Date set forth above.

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 authorized by a resolution (the “Resolution”) duly adopted by the Mayor and City Council of the City of Clarkston, Georgia (the “Governing Body”) of the Issuer on June __, 2015 (the “Note Resolution”), 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 making a temporary loan to pay current expenses of the Issuer in calendar year 2015.

This Note is issued in anticipation of the receipt of taxes levied or to be levied for the General Fund in calendar year 2015. 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 2014 and does not exceed, together with other contracts, notes, warrants and obligations of the Issuer for calendar year 2015 payable from the General Fund, the total anticipated revenues from taxes of the Issuer for the General Fund for calendar year 2015. No temporary loan or other contract, note, warrant or other obligation for current expenses incurred in calendar year 2014 or any prior calendar year remains unpaid.

This Note is not subject to prepayment prior to maturity.

The Issuer hereby waives demand, protest, notice of demand, protest and nonpayment and any other notice, required by law relative hereto.

The Issuer represents and warrants to the Bank that:

(a) The Issuer is a municipal corporation duly created and existing under the laws of the State of Georgia with the power and authority to execute this Note.

(b) The proceeds of the loan evidenced by this Note will be used for the operations of the Issuer.

(c) The execution and delivery of, and the performance of the obligations and agreements of the Issuer set forth or referred to in this Note have been duly authorized by all necessary proceedings.

(d) There is no action, suit or proceeding pending or, to the best knowledge of the Issuer, threatened against or affecting the Issuer before any court, governmental department, commission, board or other federal, state, Issuer, municipal or other instrumentality, agency or authority which might adversely affect the power or authority of the Issuer or the ability of the Issuer to perform its obligations set forth or referred to in this Note.

(e) All authorizations, consents, approvals and findings of governmental bodies or agencies required of the Issuer in connection with the (i) execution and delivery of this Note, (ii) adoption of the Note Resolution and (iii) consummation of the transactions contemplated by this Note and the Note Resolution have been obtained and are in full force and effect. The Note Resolution has not been modified or rescinded and is in full force and effect.

(f) The execution and delivery of, and the performance of the obligations and agreements set forth or referred to in this Note, will not conflict with or constitute a violation or a default under any constitutional provision, statute, indenture, mortgage, lease, resolution, or other agreement or instrument, to which the Issuer is a party or by which it is bound, or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Issuer or its activities or properties.

(h) The adoption of the Note Resolution occurred at meetings held after due and reasonable public notice given in accordance with the Issuer's procedures and the provisions of law, which was open to the public and at which a quorum was present and acting throughout, and said actions appear of public record in the minute books of the Issuer.

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.

All capitalized terms used but not defined herein shall have the meanings assigned to them in the Resolution.

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

CITY OF CLARKSTON, GEORGIA

(SEAL)

By: _____
Mayor

Attest:

Clerk

CERTIFICATE OF AUTHENTICATION

This is the Note described in the within mentioned authorizing resolution of the Mayor and City Council of the City of Clarkston, Georgia adopted on June ____, 2015, and is hereby authenticated.

CITY OF CLARKSTON, GEORGIA

By: _____
Mayor

Date of Authentication: June ____, 2015

* * * * *

CLERK'S CERTIFICATE

The undersigned does hereby certify that the foregoing pages of typewritten matter constitute a true and correct copy of a resolution pertaining to the City of Clarkston, Georgia Tax Anticipation Note, 2015 in the principal amount of \$450,000, which resolution was duly adopted at a meeting of the governing body (the "Governing Body") of the City of Clarkston, Georgia which was duly called and assembled on June ____, 2015, which was open to the public, and at which a quorum was present and acting throughout and that the original of said resolution appears of record in the minute book of the Governing Body which is in my custody and control, and that said resolution has not been amended, repealed, revoked or rescinded as of the date hereof.

Given under my hand and the seal of the Governing Body, this _____ day of June, 2015.

(SEAL)

Clerk