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September 9, 2014

Mayor Steve Hutchison  
City of Hampton  
P.O. Box 400  
Hampton, Georgia 30228

Mayor Robert Price  
City of Locust Grove  
P.O. Box 900  
Locust Grove, Georgia 30248

Mayor Billy Copeland  
City of McDonough  
136 Keys Ferry Street  
McDonough, Georgia 30253

Mayor Tim L. Thompson  
City of Stockbridge  
4640 N Henry Boulevard  
Stockbridge, Georgia 30281

Re: Amendment to SPLOST IV Agreement

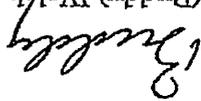
Dear Mayors:

Henry County is requesting that the Cities adopt the enclosed Resolution and execute the enclosed Amendment to the Cities and the County's existing SPLOST IV Agreement.

Because the July 27, 2013 Intergovernmental Agreement among the Cities and the County requires that each of the Cities and the County participate in bonds in the same proportion that they have agreed to share the SPLOST proceeds, and the bonding needs of the parties are not in that proportion (and Hampton desires not to participate in the bonds), it is necessary that all of the Cities and the County enter into a First Amendment to Agreement. This amendment will allow the Cities and the County to participate in each issuance of SPLOST debt/bonds at the level that participant desires (or not at all). The amendment provides that each participant will share in the debt service, costs of issuance, and any rebate obligations in the same proportion that it shares in the proceeds of the debt. The final provision of the amendment calls for a true-up of costs of issuance if there are several debt issuances, so that if, for example, the costs of issuance on the first issue are proportionately heavier than on a second issuance (the second issue having benefited from costs borne by the first issue), the participant's SPLOST accounts would be adjusted so that each participant bears the proportion of the total costs of issuance that their share of the total debt bears to the total debt. Each of these provisions is substantially identical to those included in the similar amendment that was made to the intergovernmental contract concerning SPLOST III and its debt.

After you have had a chance to review the enclosed documents, if you have any questions, please call.

A. I. (Buddy) Welch, Jr.



With kindest regards,

AJWjv/sd  
Enclosures  
cc: Tommy Ingram  
Tim Young  
Frederick Gardner  
Michael Harris

RESOLUTION OF THE MAYOR AND COUNCIL PROVIDING FOR, AMONG OTHER THINGS, DESIGNATING CERTAIN CAPITAL PROJECTS; THE REQUEST FOR ISSUANCE OF BONDS BY HENRY COUNTY, GEORGIA TO FUND SUCH PROJECTS; THE ESTABLISHMENT OF PARAMETERS FOR SUCH BONDS; THE APPROVAL OF A FIRST AMENDMENT TO AN INTERGOVERNMENTAL AGREEMENT; AND FOR OTHER MATTERS

**WHEREAS**, Part 1 of Article 3 of Chapter 8 of Title 48 of the Official Code of Georgia Annotated, as amended (the "Sales Tax Act"), authorizes the imposition of a one percent sales and use tax (the "Sales and Use Tax") for the purpose, *inter alia*, of financing certain capital outlay projects; and

**WHEREAS**, Henry County, Georgia (the "County") had previously collected such a Sales and Use Tax (the "Previous Tax") and such Previous Tax was due to expire on March 31, 2014; and

**WHEREAS**, the Board of Commissioners of the County (the "Board") determined that it was in the best interests of the citizens of the County that the Sales and Use Tax be reimposed upon the termination of the Previous Tax; and

**WHEREAS**, pursuant to Article IX, Section III, Paragraph I of the Constitution of Georgia of 1983, the County and the Cities of Hampton, Locust Grove, McDonough and Stockbridge, constituting all incorporated municipalities within the County (collectively, the "Cities"), entered into an Agreement dated July 29, 2014 (the "Intergovernmental Contract") with regard to the use and distribution of the proceeds of the Sales and Use Tax; and

**WHEREAS**, the Intergovernmental Contract provides that the proceeds of the Sales and Use Tax, upon reimposition by approval by a majority of the voters voting in the Election described below, would be used to pay the costs of certain capital outlay projects to be owned or operated or both by the County or by the Cities (collectively, the "Projects"); and

**WHEREAS**, on August 29, 2013, the Board adopted, at a meeting duly called and held, resolution No. 13-204 (the "Referendum Resolution") calling an election to be held on November 6, 2013 (the "Election") in all the precincts in the County for the purpose of submitting to the voters of the County the question of whether or not to reimpose the Sales and Use Tax within the special district of Henry County, created by Section 48-8-110.1(a) of the Official Code of Georgia Annotated, upon the expiration of the Previous Tax; and

**WHEREAS**, the ballots prepared for the election provided that if the reimposition of the Sales and Use Tax were approved by the voters of the County in such referendum, such vote would also constitute approval of the issuance of general obligation debt of the County in the aggregate principal amount of up to \$100,000,000 (the "Debt"); and

**WHEREAS**, at the Election, after notice thereof had been given of the time of the Election in the manner required by law, a majority of the registered voters of the County voting in said Election voted in favor of (a) the reimposition of the Sales and Use Tax for a period of time not to exceed twenty-four (24) calendar quarters to raise approximately \$190,000,000 for the purpose of paying the costs of the Projects, and (b) the issuance of the general obligation debt of the County in an aggregate principal amount of up to \$100,000,000 to finance all or a portion of the Projects; and

**WHEREAS**, on December 3, 2013, the Board adopted, at a meeting duly called and held, a resolution declaring the results of the Election to be in favor of the reimposition of the Sales and Use Tax and the issuance of the Debt; and

**WHEREAS**, the County plans to issue a portion of the authorized Debt in the form of its General Obligation Bonds (the "First Series Bonds") for the purposes aforesaid, to pay costs of the Projects and to pay costs associated with the issuance of the First Series Bonds, reserving the right to issue in further portions of the Debt not previously issued; and

**WHEREAS**, the Mayor and Council desires to request and consent to the issuance of the First Series Bonds by the County, subject to the parameters established herein, pursuant to the provisions of the Intergovernmental Contract, for the purpose of funding all or a portion of the projects designated by the County and the participating Cities; and

**WHEREAS**, in connection with the issuance of the First Series Bonds, the City desires to approve the execution, delivery and performance of a First Amendment to Agreement with the County and the other Cities (the "First Amendment") to amend and clarify its obligations under the Intergovernmental Contract.

**NOW, THEREFORE, THE MAYOR AND COUNCIL HEREBY RESOLVE**, as follows:

Section 1. Designation of Projects. The Mayor and Council hereby designates the Projects more particularly described on Exhibit "A" hereto (the "City Bond Projects") for funding through the issuance of the First Series Bonds.

Section 2. Terms of the First Series Bonds. The Mayor and Council hereby requests and consents to the issuance by the County of the First Series Bonds provided that (i) such First Series Bonds shall bear interest at the then-market interest rate or rates for such bonds and not to exceed the 5% per annum authorized by the Referendum Resolution, (ii) the principal shall be payable annually in 2016 through 2020, and annual debt service for such bonds years shall be approximately level in each year, and (iii) the principal amount of the First Series Bonds shall be the amount required to provide the amount shown on Exhibit "A" as the total cost of the City Bond Projects to be financed, plus the similar amounts requested by the County and each of the other Cities, plus costs of issuance. The aggregate principal amount of First Series Bonds to be issued, the dated date for such First Series Bonds, the actual principal amount payable or maturing in each year, the actual interest rate or rates on the First Series Bonds, the optional and mandatory redemption provisions for such First Series Bonds, together with all other terms of the

First Series Bonds shall be determined by the County and set forth in a Supplemental Bond Resolution to be adopted by the County prior to the issuance of the First Series Bonds.

Section 3. Applicability of Intergovernmental Contract. The City hereby confirms that it will abide by all of its obligations and agreements contained within the Intergovernmental Contract as they relate to the First Series Bonds, including without limitation, its obligation to reimburse the County for a portion of debt service paid on the First Series Bonds to the extent collections from the Sales and Use Tax are insufficient therefor.

Section 4. First Amendment. The execution, delivery and performance of the First Amendment is hereby authorized. The First Amendment shall be in substantially the form attached hereto as Exhibit "B" with such changes, insertions or omissions as may be approved by the Mayor of the City, and the execution and delivery by the Mayor as hereby authorized shall be conclusive evidence of the approval of any such changes, insertions or omissions.

Section 5. General Authority. From and after the execution and delivery of the First Amendment, the proper officers, directors, members, agents and employees of the City are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of said documents as executed and are further authorized to take any and all further actions and to execute and deliver any and all other documents and certificates as may be necessary or desirable in connection with the issuance of the First Series Bonds.

Section 6. Actions Approved and Confirmed. All acts and doings of the officers, directors, members, agents and employees of the City which are in conformity with the purposes and intents of this Resolution and in the furtherance of the issuance of the First Series Bonds and the execution, delivery and performance of the agreements authorized by this Resolution are, in all respects, approved and confirmed.

Section 7. Severability of Invalid Provisions. If any one or more of the covenants, agreements or provisions herein contained shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements and provisions and shall in no way affect the validity of any of the other covenants, agreements and provisions hereof or of the First Series Bonds.

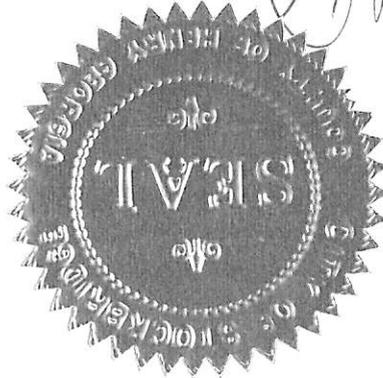
Section 8. Repealing Clause. All resolutions or parts thereof of the City in conflict with the provisions herein contained or contained in the Resolution are, to the extent of such conflict, hereby superseded and repealed.

(Execution on Following Page)

Adopted and approved by the Mayor and Council this 15 day of October, 2014.

CITY OF STOCKBRIDGE

By: [Signature]  
Mayor



Attest: [Signature]  
By: [Signature]  
City Clerk

(SEAL)

\$6,000,000

Such of the City's projects authorized by the Election as Mayor and Council shall determine.

CITY BOND PROJECTS

EXHIBIT "A"

EXHIBIT "B"

FIRST AMENDMENT

FIRST AMENDMENT TO AGREEMENT

THIS FIRST AMENDMENT TO AGREEMENT (this "Amendment"), dated \_\_\_\_\_, 2014, among HENRY COUNTY, GEORGIA, by and through the Board of Commissioners of Henry County, a political subdivision of the State of Georgia (the "County"), and the cities of HAMPTON, LOCUST GROVE, McDONOUGH and STOCKBRIDGE, by and through the mayor and council of each such municipality, each being an incorporated municipality within the State of Georgia (each a "Municipality" and collectively, the "Municipalities").

WITNESSETH:

WHEREAS, the County and Municipalities are parties to that certain Agreement dated as of July 29, 2013 (the "Original Agreement"), with regard to the imposition within the jurisdictional limits of Henry County, Georgia, of a special purpose local option sales tax (the "SPLOST") and the construction of various projects within the County and Municipalities (the "Projects"); and

WHEREAS, the Original Agreement provides for the issuance of Bonds repayable from the SPLOST (the "Bonds") in order to finance SPLOST projects of the County and the respective Municipalities; and

WHEREAS, the Bonds may be issued in several series to finance different projects of the County and the Municipalities, and the County or particular Municipalities may not have their respective Projects financed in any or all series of Bonds, thus the percentage of participation of the County or particular Municipalities in a series of Bonds may not equal their "Percentage Share" of the SPLOST as defined in the Original Agreement; and

WHEREAS, the County and the Municipalities desire to enter into this Amendment in order to clarify certain provisions of the Original Agreement.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the County and Municipalities do hereby agree as follows:

1. The following new definition is hereby added to Section 3 of the Original Agreement:

- (a) "Debt Share" means, with respect to any party hereto, that percentage calculated by dividing (i) the proceeds of any issue of Bonds to be used for the Projects of such party by (ii) the total proceeds of such issue of Bonds, all as more

particularly set forth in a resolution of the County authorizing the issuance of that issuance of Bonds.

2. Section 16(a) is amended by adding the following sentence: "Each party hereto will designate to the County the amount that it desires to include in any proposed issuance of the Bonds for its Projects." Subsections 16(b), 16(d), and 16(e) of the Original Agreement are hereby amended by deleting the term "Percentage Share" in each place it occurs within such subsections and replacing such term with the term "Participant Debt Share."

3. Subsection 16(d)(3) of the Original Agreement is further amended by deleting such subsection in its entirety and inserting in lieu thereof the following:

"Each Municipality shall pay to the County on demand all rebatable arbitrage payable by the County pursuant to Section 148(f) of the Internal Revenue Code of 1986 and regulations thereto, as amended (the "Code"), with respect to that portion of the proceeds of any issue of Bonds made available to and allocable to such Municipality."

4. The following provisions shall apply notwithstanding anything in the Original Agreement or this Amendment to the contrary.

- (a) If the first issuance of Bonds is entirely for projects of Municipalities (the "City Bonds"), then not later than the date of issuance of a subsequent series of Bonds for projects of the County (the "County Bonds") the County will have reimbursed to such Municipalities' accounts in the Construction Fund established for the deposit of proceeds of Bonds (in accordance with each such Municipality's Participant Debt Share) a total amount equal to the "Excess City Cost." For this purpose, the "Excess City Cost" shall mean the amount by which the costs of issuance of the City Bonds (the "Costs of Issuance of the City Bonds") exceed the "City Percentage" of the total amount of Costs of Issuance of the City Bonds and the costs of issuance of the County Bonds. For this purpose, the "City Percentage" means the principal amount of the City Bonds divided by the total of the principal amounts of the City Bonds and the County Bonds.
- (b) If the first issuance of Bonds is entirely for County Bonds, then not later than the date of issuance of a subsequent series of City Bonds, the Municipalities participating in the City Bonds (in accordance with each such Municipality's Participant Bond Share) will have reimbursed to the County's account in the Construction Fund established for the deposit of proceeds of Bonds an amount equal to the "Excess County Cost." For this purpose, the "Excess County Cost" shall mean the amount by which the Costs of Issuance of the County Bonds exceed the "County Percentage" of the total amount of the Costs of Issuance of the County Bonds and the Costs of Issuance of the City Bonds. For this purpose, the "County Percentage" means the principal amount of the County Bonds divided by the total of the principal amounts of the County Bonds and the City Bonds.

5. The Original Agreement, as amended hereby, contains the entire agreement of the parties hereto with respect to the matters addressed thereby, and may not be amended except in writing and signed by all parties. This Amendment may be entered into in multiple counterparts. This Amendment shall be governed by the laws of the State of Georgia.

6. The changes made by this Amendment shall be effective as of the date hereof. Except for the Amendments set forth above, the Original Agreement shall remain unchanged and in full force and effect. The Original Agreement and this Amendment shall be construed together as a single instrument. The Original Agreement, as amended hereby, is hereby ratified and reaffirmed.

[Execution on Following Page]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Amendment as of the date first above written.

**HENRY COUNTY, GEORGIA**

By: \_\_\_\_\_  
Chairman, Henry County  
Board of Commissioners

Attest: \_\_\_\_\_  
County Clerk

SIGNATURES CONTINUED ON FOLLOWING PAGE

SIGNATURES CONTINUED ON FOLLOWING PAGE

Attest: \_\_\_\_\_  
City Clerk

[SEAL]

By: \_\_\_\_\_  
Mayor

CITY OF HAMPTON

SIGNATURES CONTINUED ON FOLLOWING PAGE

Attest: \_\_\_\_\_  
City Clerk

[SEAL]

By: \_\_\_\_\_  
Mayor

CITY OF LOCUST GROVE

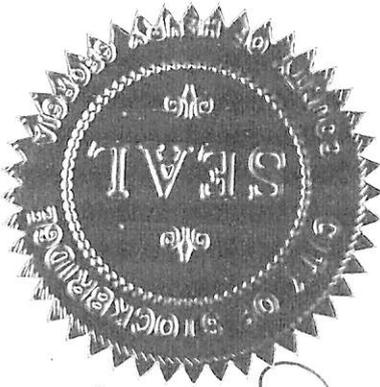
SIGNATURES CONTINUED ON FOLLOWING PAGE

Attest: \_\_\_\_\_  
City Clerk

[SEAL]

By: \_\_\_\_\_  
Mayor

CITY OF McDONOUGH



City Clerk

Attest:

A handwritten signature in cursive script, appearing to read "D. [unclear]", written over a horizontal line.

[SEAL]

Mayor

By:

A handwritten signature in cursive script, written over a horizontal line.

CITY OF STOCKBRIDGE

CLERK'S CERTIFICATE

I, the undersigned Clerk of the City of Stockbridge (the "City") and keeper of the records and seal thereof, DO HEREBY CERTIFY that the foregoing pages of typewritten matter constitute a true and correct copy of the Resolution adopted by the City in a meeting duly called and assembled on the 15 day of October, 2014, which meeting was open to the public and held in accordance with the Open and Public Meetings Laws (O.C.G.A. § 50-14-1 *et seq.*, as amended) and at which a quorum was present and acting throughout, the original of which Resolution has been duly recorded in the Minute Book of the City which is in my custody and control.

October WITNESS my official hand and seal of the City, this 15 day of \_\_\_\_\_, 2014.

(SEAL)



[Signature]  
City Clerk