

RESOLUTION OF THE BOARD OF COMMISSIONERS OF NEWTON COUNTY, GEORGIA TO APPROVE A REPRESENTATION LETTER IN CONNECTION WITH JPMORGAN CHASE BANK'S EXTENSION OF A LETTER OF CREDIT TO THE JOINT DEVELOPMENT AUTHORITY OF JASPER COUNTY, MORGAN COUNTY, NEWTON COUNTY, AND WALTON COUNTY

WHEREAS, the Joint Development Authority of Jasper County, Morgan County, Newton County and Walton County (the "Issuer") has heretofore issued its Taxable Adjustable Mode Revenue Bonds (Industrial Park Project), Series 1999, originally issued in the aggregate principal amount of \$9,000,000 and currently outstanding in the aggregate principal amount of \$3,200,000 (the "Bonds"), pursuant to an Amended and Restated Indenture of Trust dated as of January 1, 2009, as amended by a First Supplemental Indenture of Trust dated as of November 1, 2011 (the "Indenture"), between the Issuer and U.S. Bank National Association, as trustee (the "Trustee"); and

WHEREAS, the Issuer and Newton County, Georgia (the "County"), have previously entered into an Intergovernmental Contract dated as of October 1, 2000, as amended by that certain Amendment to Intergovernmental Contract, dated as of January 30, 2009, and that certain Second Amendment to Intergovernmental Contract, dated as of November 18, 2011, relating to the Bonds; and

WHEREAS, in order to provide security for the payment when due of the principal of, and interest and premium on, the Bonds, JPMorgan Chase Bank, N.A. (the "Bank") issued its irrevocable letter of credit naming the Trustee as beneficiary (the "Letter of Credit"), pursuant to the terms of a Reimbursement Agreement dated as of November 18, 2011 (the "Agreement"), between the Issuer and the Bank; and


WHEREAS, the Letter of Credit has a stated expiration date of November 18, 2016, and, at the request of the Issuer, the Bank has agreed to extend the term of the Letter of Credit to December 1, 2020; and

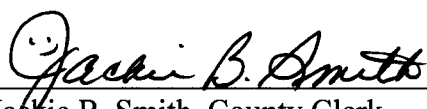
WHEREAS, to formalize the extension, the Bank requests the County approve and execute an updated Representation Letter;

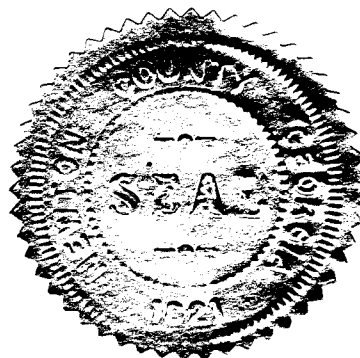
NOW THEREFORE BE IT RESOLVED by Newton County, Georgia that the draft of the updated Representation Letter, attached hereto and incorporated herein by reference, is approved in form subject to final approval by legal counsel. Upon review and approval of the final documents by legal counsel, including verification that the material terms contained in the attached drafts have not changed, the Chairman and Secretary are authorized to execute said document.

SO RESOLVED this 6th day of September, 2016.

NEWTON COUNTY, GEORGIA

By: 
William K. Ellis, Chairman

Attest: 
Jackie B. Smith, County Clerk



REPRESENTATION LETTER

This **REPRESENTATION LETTER** is dated September 7, 2016, and is executed by **NEWTON**

COUNTY, GEORGIA (the “**County**”) in favor and for the benefit of **JPMORGAN CHASE BANK, N.A.** (the “**Bank**”).

WITNESSETH:

WHEREAS, the Joint Development Authority of Jasper County, Morgan County, Newton County and Walton County (the “**Issuer**”) has heretofore issued its Taxable Adjustable Mode Revenue Bonds (Industrial Park Project), Series 1999 originally issued in the aggregate principal amount of \$9,000,000 and currently outstanding in the aggregate principal amount of \$3,200,000 (the “**Bonds**”); and

WHEREAS, in order to provide security for the payment when due of the principal of and accrued interest on, or the purchase price of, the Bonds, the Bank issued its irrevocable letter of credit naming the Trustee as beneficiary (the “**Letter of Credit**”), pursuant to the terms of a Reimbursement Agreement dated as of November 18, 2011 (the “**Original Agreement**”), between the Issuer and the Bank; and

WHEREAS, Letter of Credit No. CTCS-291744 has a stated expiration date of November 18, 2016, and, at the request of the Issuer, the Bank has agreed to extend the term of the Letter of Credit to December 1, 2020 pursuant to the terms of the Original Agreement as amended by a First Amendment to Reimbursement Agreement dated as of September 6, 2016 (the “**Amendment**”); and

WHEREAS, in conjunction with and as a condition to the extension of the Letter of Credit, the Bank has requested that the County execute this Representation Letter; and

WHEREAS, capitalized terms used, but not defined herein, shall have the meanings assigned to them in the Original Agreement as amended by the Amendment (the “**Agreement**”);

NOW, THEREFORE, in order to induce the Bank to provide for the extension of the Letter of Credit, the County hereby represents, warrants and covenants to the Bank as follows:

(a) The County is a political subdivision duly created and organized under the Constitution and laws of the State.

(b) The County has the power (i) to execute, deliver and perform its obligations under the Contract and (ii) to carry out and consummate all the transactions contemplated on its part by the Contract.

(c) The County has duly authorized (i) the execution, delivery and due performance of the Contract and (ii) the execution, delivery and due performance of any and all other agreements and documents as may be required to be executed, delivered, or performed by the

County in order to carry out, give effect to and consummate the transactions contemplated on its part by the Contract.

(d) The Contract constitutes a valid and legally binding obligation of the County, enforceable in accordance with its terms.

(e) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or, to the knowledge of the County, threatened against or affecting the County (or, to the knowledge of the County, any meritorious basis therefor) (i) attempting to limit, enjoin or otherwise restrict or prevent the County from functioning or contesting or questioning the existence of the County or the titles of the present officers of the County to their offices; or (ii) wherein an unfavorable decision, ruling or finding would adversely affect (A) the financial position of the County, (B) the powers of the County or the validity or enforceability of the Contract or any agreement or instrument to which the County is a party and which is used or contemplated for use in the consummation of the transactions contemplated by the Contract or (C) the transactions contemplated by the Contract.

(f) The execution and delivery by the County of the Contract and the other documents contemplated by the Contract, and the compliance with the provisions thereof, does not conflict with or constitute on the part of the County a violation of, breach of or default under (i) any governing instruments, (ii) any ordinance, mortgage, lease, resolution, note agreement or other agreement or instrument to which the County is a party or by which the County is bound or (iii) any constitutional provision, statute, order, rule or regulation of any court or governmental agency or body having jurisdiction over the County or any of its properties. All consents, approvals, authorizations and orders of governmental or regulatory authorities, if any, that are required to be obtained by the County in connection with the execution and delivery of the Contract, and the consummation of the transactions contemplated on its part by the Contract have been duly obtained and remain in full force and effect.

(g) Pursuant to the terms of the Contract, the County is obligated to pay its proportionate share of any and all amounts owed by the Issuer to the Bank under the Agreement. Such obligations of the County are general obligations and are secured by its full faith, credit and taxing powers.

(h) The audited financial reports of the County dated June 30, 2015, supplied to the Bank, present fairly the financial position of the County for the periods specified therein, and such financial reports and statements have been prepared in conformity with Generally Accepted Accounting Principles applied on a consistent basis, except as may otherwise be stated in the notes thereto.

(i) Since the end of the most recent fiscal year addressed in such audited financial reports, there has been no material adverse change in the general affairs, financial position, results of operations or condition, financial or otherwise, of the County, and the County has not incurred liabilities that would materially affect the ability of the County to discharge its obligations under the Contract to which it is a party, direct or contingent.

(j) So long as any amounts payable under the Agreement remain unpaid, the County covenants and agrees that it will (unless the Bank shall otherwise consent in writing):

(i) keep true books of records and accounts relating to this Agreement in accordance with Generally Accepted Accounting Principles applied on a Consistent Basis, and in which full, true and correct entries will be made of the dealings and transactions of the County;

(ii) permit any officer of the Bank designated by the Bank to inspect books and financial records of the County, at such times as the Bank may reasonably request upon reasonable notice and during ordinary business hours;

(iii) upon the request of the Bank, authorize any officer of the Bank to discuss the financial statements and financial affairs of the County at any time from time to time with their respective financial officers and advisors upon reasonable notice and during ordinary business hours;

(iv) deliver to the Bank forthwith, upon any official of the County obtaining knowledge of an event of default under the Agreement or under the Contract or an event which would constitute such an event default but for the requirement that notice be given or time elapse or both, a certificate signed by an officer of the County specifying the nature and period of existence thereof and what action the County, as the case may be, proposes to take with respect thereto;

(v) within twenty (20) days of the event becoming known to any official of the County, notify the Bank in writing of the occurrence of any of the following events:

(A) any action, suit or proceeding at law or in equity or by or before any governmental instrumentality or other agency that, if adversely determined, might materially impair the ability of the County to perform its obligations under the Contract or might have a materially adverse effect on the operations, properties, assets or condition of the County;

(B) any event or condition that shall constitute an event of default under any other agreement of the County for borrowed money in an amount in excess of \$1,000,000 or any known or potential material change in any other material contractual agreement; or

(C) any event that would materially impair the Issuer's ability to perform under the Agreement or the County's ability to perform under the Contract; and

(vi) deliver to the Bank the following information:

(A) audited financial statements of the County within 180 days of its fiscal year end (such financial statements to include a balance sheet and a statement of revenues, expenses and change in fund balance);

(B) any information delivered to the national information repositories pursuant to an undertaking required by SEC Rule 15c2-12;

and (C) notice of any downgrade or withdrawal of a rating of the County;

(D) any other information reasonably requested by the Bank.


(k) So long as any amounts payable under the Agreement remain unpaid, the County covenants and agrees that it will not (unless the Bank shall otherwise consent in writing) enter into any future contracts or obligations of any kind or nature which are payable from or enjoy a lien on the one mill pledged pursuant to the Contract to the payment of the County's obligations with respect to the Bonds and the Agreement unless the County's pledge of its taxing power of one mill, calculated based on the certified assessed valuation from the most recent year available, would produce an amount that is at least equal to 1.40 times the sum of such payments and any such future payments. The County agrees that any financial covenant, whether existing or so negotiated with any other creditor during the term of the Agreement, and which relates to obligations which are payable from or enjoy a lien on the one mill pledged pursuant to the Contract for the payment of the County's obligations with respect to the Bonds and the Agreement, shall also be deemed incorporated into this Representation Letter, with survivability, and shall be governed by all such rights and remedies.

(l) To the best of its knowledge but without independent investigation, the County hereby represents that: (i) it is in compliance with all applicable provisions of all laws, rules, and regulations of any jurisdiction applicable to the County or any of its subsidiaries or affiliates from time to time concerning or relating to bribery or corruption (the "Anti-Corruption Laws") and applicable Sanctions in all material respects; (ii) none of the County, any of its officers or employees, or any agent of the County that will act in any capacity in connection with or benefit from the transaction evidenced by the Bonds, is a Sanctioned Person; and (iii) no borrowing, use of proceeds or other transaction evidenced by the Bonds will, to the knowledge of the County, violate any Anti-Corruption Law or applicable Sanctions.


(m) The County expects and intends that the County and its officers, employees and agents will comply with Anti-Corruption Laws and applicable Sanctions.

IN WITNESS WHEREOF, the County has caused this Representation Letter to be executed by its duly authorized officers, as of the day and year first above written.

NEWTON COUNTY, GEORGIA

By: 
William K. Ellis, Chairman

Attest:

By: 
Jackie B. Smith, Clerk

Incumbency Certificate of Newton County

I, William K. Ellis, DO HEREBY CERTIFY, as follows:

1. I am the duly elected, qualified and acting Chairman of Newton County, Georgia
2. The County is a political subdivision of the State of Georgia.
3. The Board of Commissioners is presently composed of six (6) members. The names of the present members of the Board of Commissioners and the dates of the expiration of their respective terms of office are as follows:

<u>Name</u>	<u>Term Expiration Date</u>
William K. Ellis, Chairman	December 31, 2016
John Douglas	December 31, 2016
Lanier Sims	December 31, 2018
Nancy P. Schulz	December 31, 2018
J.C. Henderson	December 31, 2018
Levie Maddox	December 31, 2016

4. The below-named person has been duly elected and this day holds the office of Chairman of the Board of Commissioners and the signature below is his genuine signature.

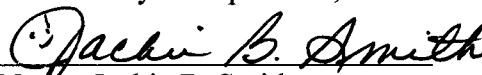
Name

William K. Ellis

Signature



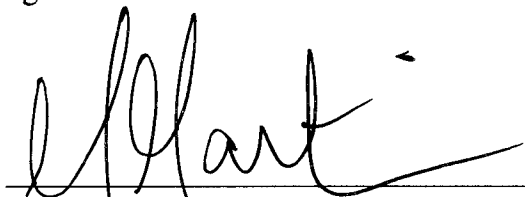
Witness my hand and the seal of the County, this 7th day of September, 2016.



Name: Jackie B. Smith
Clerk, Board of Commissioners of Newton County,
Georgia

[SEAL]

I HEREBY CERTIFY that the signature of the Clerk of the Board of Commissioners of Newton County, Georgia above subscribed is true and genuine.



Name: Megan N. Martin
Counsel for Newton County, Georgia

Letter of Credit Extension Talking Points for County Attorneys

- In October 2000, the Joint Development Authority issued \$9 million in bonds to acquire 1,528 acres which is now known as Stanton Springs
- By intergovernmental contracts dated October 1, 2000, Jasper, Morgan, Newton and Walton Counties agreed to make debt service payments on the bonds and pledge their full faith and credit as security
- Bonds:
 - o Original amount: \$9,000,000
 - o Current balance: \$3,200,000
 - o Interest rate: variable, current is 0.51%
 - o Maturity: December 1, 2020
 - o Payments: Counties make quarterly payments based on their percentage share of the debt (Jasper 10%, Morgan 15%, Newton 37.5%, Walton 37.5%)
- The bond is required to be supported by a letter of credit
- The existing JPMorgan Chase Bank, N.A. letter of credit was issued on November 18, 2011 and expires on November 18, 2016
- JPMorgan agreed to extend the letter through December 1, 2020
- The only substantive changes are:
 - o an increase in the facility fee rate from 0.8% to 1.1% which is estimated to increase the annual carry cost by \$3,500, and
 - o a reduced cost of issuance (not to exceed \$27,000.00)
- Extension of the letter of credit requires that the Counties execute the following:
 - o Incumbency Certificate showing the commission members' names and date of term expiration
 - o Letter of Representation
 - o Resolution approving Letter of Representation