

STATE OF GEORGIA

COUNTY OF CLAYTON

RESOLUTION NO. 2007- 188

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF CLAYTON COUNTY, GEORGIA AUTHORIZING THE ISSUANCE AND SALE OF TAX ALLOCATION BONDS (ELLENWOOD PROJECT), SERIES 2007, IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$15,000,000 (THE "SERIES 2007 BONDS"), TO PAY, OR TO BE APPLIED OR CONTRIBUTED TOWARD, THE PAYMENT OF REDEVELOPMENT COSTS ASSOCIATED WITH THE PROJECTS IDENTIFIED ON SCHEDULES 1 AND 2 HERETO (THE "2007 PROJECTS"); TO AUTHORIZE PAYING EXPENSES INCIDENT TO ACCOMPLISHING THE FOREGOING; TO AUTHORIZE AND APPROVE AMENDMENTS TO THE INITIAL RESOLUTION ADOPTED TO ESTABLISH THE ELLENWOOD TAD BY MODIFYING AND EXTENDING THE EXPECTED EXPIRATION DATE; PROVIDING A CORRECTIVE DESCRIPTION OF CERTAIN DEVELOPMENT PARCELS, REMOVING CERTAIN CONDITIONS ON USE OF GENERAL FUNDS DERIVED WITHIN THE ELLENWOOD TAD, AND ADOPTING CERTAIN PROCEDURES TO BE APPLIED IN DETERMINING LOST REVENUES; TO AUTHORIZE THE EXECUTION OF AN INDENTURE OF TRUST; APPROVING THE USE AND DISTRIBUTION OF A PRELIMINARY LIMITED OFFERING MEMORANDUM AND FINAL LIMITED OFFERING MEMORANDUM; AND FOR CERTAIN OTHER PURPOSES, ALL IN CONNECTION WITH THE ISSUANCE AND SALE OF THE FOREGOING DESCRIBED SERIES 2007 BONDS.

WHEREAS, Clayton County, Georgia (the "County") is authorized pursuant to the Constitution of the State of Georgia and the various statutes of the State of Georgia, including specifically the Redevelopment Powers Law (O.C.G.A. Section 36-44-1 *et seq.*), as amended, (the "Redevelopment Powers Law"), to issue its tax allocation bonds in order to finance certain Redevelopment Costs, as defined in the Redevelopment Powers Law; and

WHEREAS, in order to encourage the development of an economically and socially depressed area in the County, the Board of Commissioners of Clayton County (the "Board of Commissioners") by Resolution 2003-161 adopted December 16, 2003 (the "Initial Resolution"), as amended by Resolution 2007-111 adopted on July 17, 2007

(as amended, the "TAD Resolution"), among other matters (i) adopted the Ellenwood Town Center Redevelopment Plan (the "Redevelopment Plan"), (ii) created the Tax Allocation District Number One - Ellenwood Town Center (the "Ellenwood TAD"), (iii) designated itself as the Redevelopment Agent to implement the Redevelopment Plan, and (iv) authorized the pledge of certain positive ad valorem tax allocation increments derived from ad valorem property taxes and a portion of general fund revenues derived from local option sales taxes collected from certain designated parcels within the Ellenwood TAD (the "Development Parcels") for payment of or as security for the payment of tax allocation bonds; and

WHEREAS, the County wishes to amend the Initial Resolution to (i) modify and extend the expected expiration date of the Ellenwood TAD to be the date which is twenty-five years from the date of the adoption of this Resolution; (ii) provide a corrective description of the Development Parcels, which are identified on Exhibit A attached hereto; (iii) amend the conditions on the use of general fund revenues derived from the Ellenwood TAD and (iv) provide a procedure for determining LOST Revenue (as defined herein); and

WHEREAS, pursuant to Section 11 of the Initial Resolution the County found and declared that the ad valorem increment pledged therein was insufficient to pay the principal and interest on the "tax allocation bonds" anticipated therein, and, resolved to pledge, as an additional source of payment and security, the portion of the general fund revenues derived from the Development Parcels attributable to local option sales taxes, provided that such taxes are not included in the calculation of the millage rate reduction required under Georgia law; and

WHEREAS, the County has determined to amend and restate Section 11 of the Initial Resolution to provide for the use of the LOST Procedures and to eliminate the qualification on the use of such revenues based on their inclusion in the calculation of the millage rate reduction; and

WHEREAS, current information systems maintained by the Georgia Department of Revenue are unable to provide accurate information regarding local option sales taxes derived from the Development Parcels within the Ellenwood TAD; and

WHEREAS, the County has determined to adopt a methodology to account for general fund revenues derived from the Development Parcels within the Ellenwood TAD by reference and adjustment to gross sales information which is reported by businesses in Clayton County on their annual business license tax return ("LOST Revenues") as further described on Exhibit "B" hereto ("LOST Procedures"); and

WHEREAS, pursuant to the Redevelopment Powers Law, the County is authorized to finance certain Redevelopment Costs, including without limitation, (i) clearing, grading and otherwise preparing property for redevelopment, (ii) environmental remediation of property, (iii) design, construction and installation of utilities such as water, sewer, storm drainage, electric, gas and telecommunications, (iv) design, construction and installation of streets, sidewalks, bikeways, curbs, gutters

and other public works, (v) design and construction of parking facilities and (vi) any other facilities and improvements located in or otherwise related to the Ellenwood TAD that are eligible to be financed or refinanced as Redevelopment Costs under the Redevelopment Powers Law; and

WHEREAS, the County, as Redevelopment Agent, has identified and approved certain projects or phases of projects listed on Schedule 1 hereto (the "2007 Projects") for financing with the proceeds of tax allocation bonds of the County; and

WHEREAS, it is proposed that the County finance certain Redevelopment Costs associated with the 2007 Projects listed on Schedule 2 hereto (the "TAD Projects") through the issuance of Tax Allocation Bonds (Ellenwood Project), Series 2007 in the aggregate principal amount of not to exceed \$15,000,000 (the "Series 2007 Bonds"); and

WHEREAS, the Series 2007 Bonds will be issued pursuant to an Indenture of Trust (the "Series 2007 Indenture") between the County and The Bank of New York, as Trustee, which secures such bonds with a lien on the "Tax Allocation Increments" (as such term is defined in the Series 2007 Indenture); and

WHEREAS, it is proposed that the County sell the Series 2007 Bonds on a negotiated basis to Wachovia Bank, National Association, as successor in interest to A.G. Edwards & Sons, Inc. and Siebert Brandford Shank (the "Underwriters") pursuant to the terms of a Purchase Contract (the "Purchase Contract") to be presented for approval at a subsequent meeting following the pricing of the Series 2007 Bonds; and

WHEREAS, it is proposed that in order to facilitate the purchase of the Series 2007 Bonds, the County should provide for the use and distribution by the Underwriters of a Preliminary Limited Offering Memorandum (the "Preliminary Limited Offering Memorandum") and a final Limited Offering Memorandum (the "Limited Offering Memorandum").

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF CLAYTON COUNTY, GEORGIA, AND IT IS HEREBY RESOLVED as follows:

Section 1. Authority for Resolution. This Resolution is adopted pursuant to the provisions of the Constitution and the laws of the State of Georgia.

Section 2. Amendment to Section 5 of the Initial Resolution. Section 5 of the Initial Resolution is hereby amended to modify and extend the expected expiration date of the Ellenwood TAD to be the date which is twenty-five years from the date of the adoption of this Resolution (December 31, 2032), or until all redevelopment costs, including financing costs and debt service on tax allocation bonds are paid in full.

Section 3. Amendment of Exhibit A to the Initial Resolution. The Board of Commissioners hereby amends the Initial Resolution to provide a corrective description of the Development Parcels which were identified on Exhibit A to the Initial Resolution to include eight additional parcels [which were inadvertently omitted from exhibits to the

Initial Resolution, but included in the Redevelopment Plan approved by the Initial Resolution]. The complete description of the Development Parcels is attached hereto as Exhibit A.

Section 4. Amendment to Section 11 of the Initial Resolution. Section 11 of the Initial Resolution is hereby deleted in its entirety and substituted with the following:

“Section 11. The Board of Commissioners finds and declares that the ad valorem increment pledged will be insufficient to pay the principal and interest on Tax Allocation Bonds to be issued to finance the redevelopment costs identified in the Redevelopment Plan. Pursuant to O.C.G.A. Sections 36-44-8(3)(F), 36-44-9(f), 36-44-14 and 36-44-20, the property pledged for payment and as security for payment of Tax Allocation Bonds shall also include the portion of general fund revenues derived from the Development Parcels and determined by procedures as defined by the County.”

Section 5. Adoption of LOST Procedures to be used in Determining LOST Revenues. The Board of Commissioners hereby adopts the LOST Procedures identified on Exhibit B hereto as the means by which LOST Revenues are to be determined and paid to the “special fund” established for payment and as security for payment of the Series 2007 Bonds and any “additional bonds” issued for the Ellenwood TAD.

Section 6. Findings. It is hereby ascertained, determined and declared that:

(a) the financing of the Redevelopment Costs associated with the 2007 Projects is a lawful and valid undertaking pursuant to the Redevelopment Powers Law;

(b) the payments from the Pledged Revenues (as defined in the Series 2007 Indenture) to be received by the Trustee will be fully sufficient to pay the principal of, redemption premium, if any, and interest on the Series 2007 Bonds as the same become due; and

(c) the Series 2007 Bonds will constitute only limited obligations of the County and will be payable solely from the revenues to be assigned and pledged to the payment thereof and will not constitute a debt or a general obligation or a pledge of the faith and credit of the State of Georgia or any political subdivision thereof, including the County, and will not directly or indirectly obligate such County, to levy or to pledge any form of taxation whatever for the payment thereof.

Section 7. Authorization of the Financing of the 2007 Projects. The financing of all or a portion of the TAD Projects associated with the 2007 Projects is hereby authorized.

Section 8. Authorization of Series 2007 Bonds. For the purpose of financing the Redevelopment Costs associated with the 2007 Projects, the issuance of not to exceed \$15,000,000 in aggregate principal amount of tax allocation bonds of the County known

as "Tax Allocation Bonds (Ellenwood Project), Series 2007," is hereby authorized. The Series 2007 Bonds shall be dated, bear interest, be subject to redemption prior to maturity and be payable as set forth in Articles II and III of the Series 2007 Indenture, provided that the Series 2007 Bonds shall mature not later than July 1, 2033, the interest rate on the Series 2007 Bonds shall not exceed 7.5% per annum and the maximum principal and interest due in any year shall not exceed \$1,500,000. The Series 2007 Bonds shall be issued as registered bonds without coupons in denominations authorized under the Series 2007 Indenture, which shall initially be in denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof, with such rights of exchangeability and transfer of registration and shall be in the form and executed and authenticated in the manner provided in the Series 2007 Indenture. The term "Series 2007 Bonds" as used herein shall be deemed to mean and include the Series 2007 Bonds as initially issued and delivered and Series 2007 Bonds issued in exchange therefor or in exchange for Series 2007 Bonds previously issued.

Any Series 2007 Bonds hereafter issued in exchange or for transfer of registration for the Series 2007 Bonds initially issued and delivered pursuant to the Series 2007 Indenture shall be executed in accordance with the provisions of the Series 2007 Indenture and such execution by the Chairman of the Board of Commissioners and the Clerk for the Board of Commissioners, whether present or future, is hereby authorized. A certificate of validation shall be endorsed upon each of such Series 2007 Bonds hereafter issued, and the Clerk of the Superior Court of Clayton County, Georgia, is instructed to execute such certificate of validation upon the written request of the Trustee or the County, specifying that such Series 2007 Bonds are being issued in exchange or for transfer of registration for one of the Series 2007 Bonds issued and delivered to the initial purchaser or purchasers thereof or one of the Series 2007 Bonds previously issued in exchange therefore.

Section 9. Authorization of Series 2007 Indenture. In order to secure the payment of the principal of, redemption premium, if any, and interest on the Series 2007 Bonds herein authorized, and in order to secure the performance and observance of all the agreements and conditions in the Series 2007 Bonds, the execution, delivery and performance of the Series 2007 Indenture relating to the Series 2007 Bonds by and between the County and the Trustee are hereby authorized. The Series 2007 Indenture shall be in substantially the form attached hereto as Exhibit "C," subject to the approval as to form by the County Attorney, and subject to such minor changes, insertions or omissions as may be approved by the Chairman, and the execution of the Series 2007 Indenture by the Chairman and County Clerk as hereby authorized shall be conclusive evidence of any such approval.

Section 10. Authorization of Preliminary Limited Offering Memorandum; Authorization to "Deem Final" Preliminary Limited Offering Memorandum. The use and distribution of the Preliminary Limited Offering Memorandum and a final Limited Offering Memorandum with respect to the Series 2007 Bonds are hereby authorized and approved, and said Preliminary Limited Offering Memorandum and said final Limited Offering Memorandum shall be in substantially the form attached hereto as Exhibit "D," subject to the approval as to form by the County Attorney, and subject to

such minor changes, insertions or omissions as may be approved by the Chairman. The Chairman is hereby authorized to "deem final" the Preliminary Limited Offering Memorandum in accordance with Rule 15c2-12 promulgated under the Securities Exchange Act of 1934. Anything herein to the contrary notwithstanding, the Director of Finance of the County is hereby authorized to "deem final" the Preliminary Limited Offering Memorandum in the event of the absence or incapacity of the Chairman. The execution of such "deemed final certificate" of the Preliminary Limited Offering Memorandum by the Chairman or the Director of Finance of the County and the execution of the final Limited Offering Memorandum by the Chairman or the Director of Finance of the County as hereby authorized shall be conclusive evidence of any such approval.

Section 11. Designation of Trustee, Paying Agent and Bond Registrar. The Bank of New York, is hereby designated Trustee, Paying Agent and Bond Registrar under the Series 2007 Indenture for the Bonds.

Section 12. Execution of Series 2007 Bonds. The Series 2007 Bonds shall be executed in the manner provided in the Series 2007 Indenture and the same shall be delivered to the Trustee for proper authentication and delivery to the Underwriters with instructions to that effect as provided in the Series 2007 Indenture.

Section 13. Validation of Series 2007 Bonds. The Chairman is hereby authorized and directed to immediately notify the District Attorney of the Clayton Judicial Circuit of the action taken by the County, to request the District Attorney to institute a proceeding to confirm and validate the Series 2007 Bonds and to pass upon the security therefor, and the Chairman and the County Clerk are further authorized to acknowledge service and make answer in such proceeding.

Section 14. Information Reporting Pursuant to Section 149(e) of the Code. Any officer of the County is hereby authorized to sign and file or cause to be filed a completed I.R.S. Form 8038-G, "Information Return for Tax-Exempt Governmental Obligations," as required by Section 149(e) of the Internal Revenue Code of 1986, as amended (the "Code").

Section 15. Non-Arbitrage Certification. Any officer of the County is hereby authorized to execute one or more non-arbitrage certifications with respect to the Series 2007 Bonds or any series thereof in order to comply with Section 148 of the Code, and the applicable Treasury Regulations thereunder.

Section 16. No Personal Liability. No stipulation, obligation or agreement herein contained or contained in the Series 2007 Indenture or the Purchase Contract shall be deemed to be a stipulation, obligation or agreement of any officer, director, agent or employee of the County in his or her individual capacity, and no such officer, director, agent or employee shall be personally liable on the Series 2007 Bonds or be subject to personal liability or accountability by reason of the issuance thereof.

Section 17. General Authority. From and after the execution and delivery of the documents hereinabove authorized, the proper officers, directors, agents and employees of the County 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 the documents as authorized herein and are further authorized to take any and all further actions and execute and deliver any and all other documents and certificates as may be necessary or desirable in connection with the issuance of the Series 2007 Bonds and in conformity with the purposes and intents of this Resolution.

The Chairman and the County Clerk are hereby authorized and directed to prepare and furnish to the purchasers of the Series 2007 Bonds, when the Series 2007 Bonds are issued, certified copies of all the proceedings and records of the County relating to the Series 2007 Bonds, and such other affidavits and certificates as may be required to show the facts relating to the legality and marketability of the Series 2007 Bonds as such facts appear from the books and records in the officers' custody and control or as otherwise known to them; and all such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute representations of the County as to the truth of all statements contained therein.

Section 18. Actions Approved and Confirmed. All acts and doings of the officers of the County which are in conformity with the purposes and intents of this Resolution and in furtherance of the issuance of the Series 2007 Bonds and the execution, delivery and performance of the Series 2007 Indenture, and the approval of the Limited Offering Memorandum, shall be, and the same hereby are, in all respects approved and confirmed.

Section 19. Severability of Invalid Provision. If any one or more of the agreements or provisions herein contained 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 agreements and provisions and shall in no way affect the validity of any of the other agreements and provisions hereof or of the Series 2007 Bonds authorized hereunder.

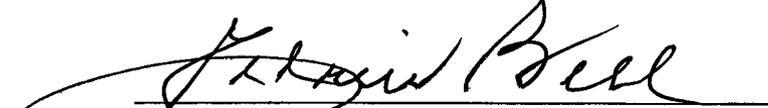
Section 20. Waiver of Performance Audit and Performance Review. The County hereby directs that the Notice to the Public in connection with the validation of the Bonds will contain language giving notice that the County is waiving the performance audit and performance review requirements of O.C.G.A. § 36-82-100, and further, that no performance audit or performance review with respect to the Series 2007 Bonds will be conducted.

Section 21. Repealer. All resolutions and parts of resolutions in conflict with this Resolution are hereby repealed to the extent of such conflict.

Section 22. Effective Date. This Resolution shall take effect immediately upon its adoption.

SO RESOLVED, this 20th day of November, 2007.

CLAYTON COUNTY BOARD OF COMMISSIONERS


ELDRIN BELL, CHAIRMAN

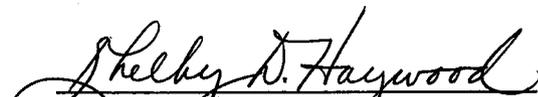
 (Abstained)
MICHAEL EDMONDSON, COMMISSIONER


VIRGINIA BURTON GRAY, COMMISSIONER


WOLE RALPH, COMMISSIONER


SONNA SINGLETON, COMMISSIONER

ATTEST:


SHELBY D. HAYWOOD, CLERK

[Faint handwritten notes and signatures in the bottom right corner]