

A BOND RESOLUTION AUTHORIZING THE ISSUANCE OF \$26,400,000 IN AGGREGATE PRINCIPAL AMOUNT OF WALKER COUNTY, GEORGIA GENERAL OBLIGATION BONDS, SERIES 2013; ADOPTING A FORM FOR THE BONDS; AUTHORIZING THE EXECUTION OF THE BONDS; ESTABLISHING THE DATE, DENOMINATIONS, AND RATE OR RATES OF INTEREST FOR THE BONDS; LEVYING AN ANNUAL AD VALOREM TAX ON THE TAXABLE PROPERTY WITHIN WALKER COUNTY, GEORGIA SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS AS THE SAME BECOME DUE; AUTHORIZING THE SALE OF THE BONDS; DESIGNATING A PAYING AGENT AND BOND REGISTRAR FOR THE BONDS; AND FOR OTHER RELATED PURPOSES.

WHEREAS, on September 9, 2013, the Commissioner of Walker County (the "Commissioner") adopted, at a meeting duly called and held, a resolution (the "Referendum Resolution") entitled:

A REFERENDUM RESOLUTION TO REIMPOSE A SPECIAL ONE PERCENT SALES AND USE TAX, SUBJECT TO REFERENDUM APPROVAL; TO REGULATE AND PROVIDE FOR THE CALLING OF AN ELECTION AND TO CALL AN ELECTION TO DETERMINE THE REIMPOSITION OR NON-REIMPOSITION OF THE SALES AND USE TAX; TO SPECIFY THE PURPOSES FOR WHICH THE PROCEEDS OF THE SALES AND USE TAX ARE TO BE USED AND MAY BE EXPENDED; TO SPECIFY THE ESTIMATED COST OF THE PROJECTS THAT WILL BE FUNDED FROM THE PROCEEDS OF THE SALES AND USE TAX; TO SPECIFY THE MAXIMUM PERIOD OF TIME THE SALES AND USE TAX WILL BE REIMPOSED; TO AUTHORIZE THE ISSUANCE OF \$26,400,000 IN AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION DEBT OF WALKER COUNTY, GEORGIA AND \$2,300,000 IN AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION DEBT OF THE CITY OF LAFAYETTE, GEORGIA IN CONJUNCTION WITH THE REIMPOSITION OF THE SALES AND USE TAX; TO SPECIFY THE PURPOSES FOR WHICH THE DEBT OF EACH BODY IS TO BE ISSUED, THE MAXIMUM INTEREST RATE OR RATES THAT SUCH DEBT IS TO BEAR, AND THE AMOUNT OF PRINCIPAL TO BE PAID IN EACH YEAR DURING THE LIFE OF SUCH DEBT; TO PROVIDE FOR THE LEVY AND COLLECTION OF AD VALOREM TAXES TO SERVICE THE DEBT OF WALKER COUNTY, GEORGIA, TO THE EXTENT THE PROCEEDS

**OF THE SALES AND USE TAX ARE NOT SUFFICIENT
FOR SUCH PURPOSE; AND FOR OTHER PURPOSES; and**

WHEREAS, the Referendum Resolution called an election to be held in all the precincts in Walker County for the purpose of submitting to the qualified voters of Walker County the question of whether or not a special one percent sales and use tax should be reimposed in the special district of Walker County, upon the termination of the special one percent sales and use tax presently in effect, for a maximum period of time of 24 calendar quarters, for the purposes of providing funds to pay the costs of the hereinafter described capital outlay projects pursuant to a SPLOST Intergovernmental Agreement, dated as of September 6, 2013, among Walker County, Georgia (the "County"), The City of Chickamauga ("Chickamauga"), the City of Fort Oglethorpe, Georgia ("Fort Oglethorpe"), the City of LaFayette, Georgia ("LaFayette"), the City of Lookout Mountain ("Lookout Mountain"), the City of Rossville ("Rossville"), and the Walker County Development Authority (the "Authority"): (a) capital outlay projects to be owned or operated or both by the County: (1) Roads, Bridges, and Pedestrian Improvements, (2) Law Enforcement Vehicles and Equipment, (3) Park and Recreation Facilities, (4) Library Facilities and Equipment, (5) Emergency Facilities, Equipment, and Vehicles, (6) Public Safety Facilities and Equipment, (7) Water and Sewer Facilities and Equipment, and (8) County Office Equipment and Furnishings (collectively the "County Projects"); (b) capital outlay projects to be owned or operated or both by Chickamauga: (1) Public Safety, Utility, and Sanitation Vehicles and Equipment, (2) Water and Sewer Facilities and Equipment, (3) City Hall Improvements and Equipment, (4) Park and Recreation Facilities and Equipment, (5) Library Facilities, Equipment, and Books, (6) Renovations to American Legion Building, and (7) Streets, Bridges, and Sidewalks (collectively the "Chickamauga Projects"); (c) capital outlay projects to be owned or operated or both by Fort Oglethorpe: (1) Public Safety Vehicles and Equipment and (2) Water and Sewer Facilities and Equipment (collectively the "Fort Oglethorpe Projects"); (d) capital outlay projects to be owned or operated or both by LaFayette: (1) Streets, Bridges, and Sidewalks, (2) Renovations to and Equipment for City Hall, (3) Software and Public Safety and Library Equipment, (4) Park and Recreation Facilities and Equipment, and (5) New Train Depot and Trolley; (e) capital outlay projects to be owned or operated or both by Lookout Mountain: (1) Public Works Facilities, Equipment, and Vehicles, (2) Wastewater and Stormwater Facilities and Equipment, (3) Administrative Facilities and Equipment, (4) Public Safety Equipment and Vehicles, (5) Park and Recreation Equipment and Vehicles, (6) Solid Waste Equipment and Vehicles, and (7) Streets, Sidewalks, Green Spaces, and Administrative Buildings (collectively the "Lookout Mountain Projects"); (f) capital outlay projects to be owned or operated or both by Rossville: (1) Public Safety Vehicles and Equipment, (2) Public Works Facilities and Equipment, (3) Historical, Cultural, Park, and Recreation Facilities and Equipment, (4) Wastewater and Stormwater Facilities and Equipment, (5) Streets, Bridges, Sidewalks, and Green Spaces, and (6) Office and Library Equipment and Technology (collectively the "Rossville Projects"); and (g) capital outlay projects to be owned or operated or both by the Authority: New Industrial Park (collectively the "Authority Projects"); and

WHEREAS, the ballots used in the election provided that if the reimposition of the sales and use tax is approved by the voters in the referendum described above, such vote shall also constitute approval of the issuance of general obligation debt (in the form of general obligation bonds, promissory notes, or other instruments, as the Commissioner may approve) of the County in the aggregate principal amount of \$26,400,000 in conjunction with the reimposition of the

sales and use tax, to be payable first from the separate account in which are placed the proceeds received by the County from the sales and use tax and then from the general funds of the County, for the purpose of providing funds to pay the cost of the County Projects, the Chickamauga Projects, the Fort Oglethorpe Projects, the Lookout Mountain Projects, the Rossville Projects, and the Authority Projects; and

WHEREAS, the Referendum Resolution called the election for November 5, 2013, and authorized and directed publication of notice of the election (in the form specified in the Referendum Resolution) in the newspaper in which sheriff's advertisements for Walker County are published for a period of not less than thirty (30) days preceding the date of the election; and

WHEREAS, notice of the election was duly published in the Walker County Messenger, which is the newspaper in which sheriff's advertisements for Walker County are published, as required by law; and

WHEREAS, at the election duly called and held on November 5, 2013, a majority of the qualified voters of Walker County, voting in the election, voted in favor of the reimposition of the sales and use tax, which vote also constituted approval of the issuance of general obligation debt (in the form of general obligation bonds, promissory notes, or other instruments, as the Commissioner may approve) of the County in the aggregate principal amount of \$26,400,000, such general obligation debt to be dated as of the date of delivery or such other date(s) as the Commissioner may approve, to be in such denomination or denominations as the Commissioner may approve, and to bear interest from date at such rate or rates as the Commissioner may approve but not exceeding six percent (6.00%) per annum in any year, all interest to be payable semiannually on January 1 and July 1 in each year, beginning January 1, 2014, and the principal to mature (by scheduled maturity or by mandatory redemption, as the Commissioner may approve) on the dates and in the amounts as follows:

<u>January 1</u> <u>of the Year</u>	<u>Amount</u>	<u>January 1</u> <u>of the Year</u>	<u>Amount</u>
2016	\$4,285,000	2019	\$4,590,000
2017	4,380,000	2020	4,695,000
2018	4,485,000	2021	3,965,000

WHEREAS, on November 14, 2013, the Commissioner adopted, at a meeting duly called and held, a resolution entitled:

**A RESOLUTION OF THE COMMISSIONER OF WALKER
COUNTY DECLARING THE RESULTS OF AN ELECTION
HELD ON NOVEMBER 5, 2013 TO DETERMINE THE
REIMPOSITION OR NON-REIMPOSITION OF A SPECIAL
ONE PERCENT SALES AND USE TAX; AND FOR OTHER
RELATED PURPOSES**

declaring the results of the election to be in favor of the reimposition of the sales and use tax; and

WHEREAS, the County wishes to issue all of such general obligation debt so authorized in the aggregate principal amount of \$26,400,000, in the form of general obligation bonds of the County, and on November 14, 2013, the Commissioner adopted, at a meeting duly called and held, a resolution entitled:

A RESOLUTION OF THE COMMISSIONER OF WALKER COUNTY AUTHORIZING THE COMMENCEMENT OF VALIDATION PROCEEDINGS FOR WALKER COUNTY, GEORGIA GENERAL OBLIGATION BONDS; AND FOR OTHER RELATED PURPOSES; and

WHEREAS, on December 17, 2013, the Superior Court of Walker County held a hearing validating such bonds in the case of STATE OF GEORGIA vs. WALKER COUNTY, GEORGIA, Civil Action File No. 13SUCV0891; and

WHEREAS, the Referendum Resolution provides that the bonds so authorized may be issued in one or more series and on one or more dates of issuance as the Commissioner may approve; and

WHEREAS, the County now wishes to issue all of such bonds so authorized and validated in the aggregate principal amount of \$26,400,000; and

WHEREAS, in order to issue and deliver such bonds, it is necessary to adopt a form for such bonds; to authorize the execution of such bonds; to establish the date, denominations, rate or rates of interest, and redemption provisions for such bonds; to levy an annual ad valorem tax on the taxable property within the County sufficient to pay the principal of and interest on such bonds as the same become due; to authorize the acceptance of an offer to purchase such bonds from, and the sale of such bonds to, Wells Fargo Municipal Capital Strategies, LLC (the "Purchaser"); to retain Piper Jaffray & Co. (the "Placement Agent") to act as the County's exclusive placement agent to arrange a private placement of the Bonds with the Purchaser; and to designate a paying agent and bond registrar for such bonds;

NOW, THEREFORE, BE IT RESOLVED by the Commissioner of Walker County, and it is hereby resolved by authority of the same, as follows:

Section 1. There is hereby authorized to be issued, executed, and delivered \$26,400,000 in original aggregate principal amount of bonds designated “Walker County, Georgia General Obligation Bonds, Series 2013” (the “Bonds”). The Bonds shall be dated as of their date of issuance, shall be issued only as fully registered bonds without coupons in denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof, and shall bear interest from date at the rate per annum of 1.625 percent (computed on the basis of a 360-day year consisting of twelve 30-day months), payable on July 1, 2014 and semiannually thereafter on January 1 and July 1 of each year, and shall mature on January 1, 2021.

The Bonds may not be called for optional redemption. The Bonds shall be subject to mandatory redemption in the amounts and on the dates set forth in Section 2, which dates and amounts correspond to the maturity schedule set forth in the Referendum Resolution.

Section 2. The Bonds are subject to mandatory redemption prior to maturity at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed plus accrued interest to the date of redemption, on January 1 of the years and in the principal amounts set forth below (the actual Bonds to be redeemed to be selected by lot in a manner determined by the Bond Registrar):

<u>Year</u>	<u>Amount</u>
2016	\$4,285,000
2017	4,380,000
2018	4,485,000
2019	4,590,000
2020	4,695,000
2021+	3,965,000

+ Final Maturity

Unless waived by any registered owner of Bonds to be redeemed, official notice of any such redemption shall be given by the Bond Registrar (designated below) on behalf of the County by mailing a copy of an official redemption notice by first-class mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

All official notices of redemption shall be dated and shall state:

- (1) the redemption date;
- (2) the redemption price;
- (3) if less than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed by CUSIP numbers, date of issue, rates of interest, and maturity dates;

(4) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after such date; and

(5) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Paying Agent.

Prior to any redemption date, the County shall deposit with the Paying Agent an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds that are to be redeemed on that date.

Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the County shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with such notice, such Bonds shall be paid by the Paying Agent at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal. All Bonds that have been redeemed shall be cancelled and destroyed by the Bond Registrar and shall not be reissued.

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

The Bond Registrar shall mail a second notice of redemption not more than 90 days following the redemption date to the registered owner of each Bond that was not presented for payment upon redemption within 60 days following the redemption date, which notice shall be mailed by registered or certified mail, with a return receipt requested.

Failure to mail any notice specified in this Section 2 or failure or refusal of receipt of such notice shall not affect the validity of any proceedings for the redemption of Bonds, and mailing of or the receipt of such notice shall not be a condition precedent to the redemption. Neither the Bond Registrar nor the County shall have any responsibility whatsoever if any such notice is mailed as aforesaid but is not received by or receipt thereof is refused by the applicable registered owner. No defect in any such notice shall in any manner defeat the effectiveness of a call for redemption.

Section 3. Interest on the Bonds shall be payable by the Paying Agent (designated below) by check or draft mailed to the registered owner of record as of the December 15 or June 15 immediately preceding the applicable interest payment date, at such owner's address as it appears on the registration books of the County, maintained by the Bond Registrar (designated below), or at such other address as is furnished in writing by such registered owner to the Bond Registrar. The principal of and redemption premium, if any, on the Bonds shall be payable upon the presentation and surrender of the Bonds at the principal corporate trust office of the Paying

Agent. Both the principal of and interest on the Bonds shall be payable in lawful money of the United States of America. U.S. Bank National Association, Atlanta, Georgia, is hereby designated as Paying Agent and Bond Registrar (the "Paying Agent" or the "Bond Registrar") for the Bonds. The Commissioner and the Clerk of the County are hereby authorized to execute and deliver, for and on behalf of the County, a paying agency and registrar agreement between the County and U.S. Bank National Association. The execution and delivery of a paying agency and registrar agreement by the Commissioner shall constitute conclusive evidence of the ratification, confirmation, and approval by the County of the terms and conditions of the paying agency and registrar agreement.

Section 4. The Bonds are transferable only on the books and records maintained by the Bond Registrar for that purpose. The County, the Paying Agent, and the Bond Registrar may deem and treat the registered owner of any Bond as the absolute owner of such Bond for the purpose of receiving payment of or on account of the principal of, premium, if any, and interest on such Bond, and for all other purposes whatsoever, and neither the County, the Paying Agent, nor the Bond Registrar shall be affected by any notice to the contrary. The Bonds may be transferred upon surrender thereof to the Bond Registrar, at the principal corporate trust office of the Bond Registrar, together with an assignment duly executed by the registered owner or such registered owner's attorney duly authorized in writing, in the form imprinted on the Bonds or in any other form satisfactory to the Bond Registrar. Upon any such transfer of ownership, the Bond Registrar shall cause to be executed and delivered a new Bond or Bonds registered in the name of the transferee in the same aggregate principal amount, maturity, and interest rate as the Bond or Bonds surrendered for transfer and in any authorized denomination. Bonds may be exchanged for a like aggregate principal amount of Bonds of the same maturity and interest rate and of authorized denominations. The Bond Registrar shall not be required to transfer or exchange any Bond after notice of redemption of such Bond has been given.

Upon surrender for transfer of any Bond at the principal corporate trust office of the Bond Registrar, the Bond Registrar shall authenticate and register a new fully registered Bond or Bonds for the same aggregate principal amount, maturity, and interest rate, shall execute the Certificate of Authentication and Registration on each such Bond, and shall deliver such Bond or Bonds to the transferee or transferees.

For every exchange or registration of transfer of Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, but no other charge may be made to the owner for any exchange or registration of transfer of Bonds.

In case any Bond shall become mutilated or be destroyed or lost, the County may cause to be executed and delivered a new Bond of like type, date, number, and tenor in exchange and substitution for and upon cancellation of such mutilated Bond, or in lieu of and in substitution for such Bond destroyed or lost, upon the registered owner of such Bond paying the reasonable expenses and charges of the County in connection therewith and, in case of a Bond destroyed or lost, the registered owner's filing with the County evidence satisfactory to it that such Bond was destroyed or lost, and of the registered owner's ownership thereof, and furnishing the County, the Paying Agent, and the Bond Registrar with indemnity satisfactory to them. If any such Bond shall have matured, instead of issuing a new Bond, the County may pay the same.

Section 5. The Bonds shall be initially issued in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York, or its nominee, or its successors and assigns, or any other depository performing similar functions under this Resolution (“DTC”), as registered owner of the Bonds, and held in the custody of DTC. A single certificate will be issued and delivered to DTC for each maturity of the Bonds. The actual purchasers of the Bonds (the “Beneficial Owners”) will not receive physical delivery of Bond certificates except as provided herein. Beneficial Owners are expected to receive a written confirmation of their purchase providing details of each Bond acquired. For so long as DTC shall continue to serve as securities depository for the Bonds as provided herein, all transfers of beneficial ownership interests will be made by book-entry only, and no investor or other party purchasing, selling, or otherwise transferring beneficial ownership of Bonds is to receive, hold, or deliver any Bond certificate.

For every transfer and exchange of the Bonds, the Beneficial Owner may be charged a sum sufficient to cover such Beneficial Owner’s allocable share of any tax, fee, or other governmental charge that may be imposed in relation thereto.

Bond certificates are required to be delivered to and registered in the name of the Beneficial Owner, under the following circumstances:

(a) DTC determines to discontinue providing its service with respect to the Bonds (such a determination may be made at any time by giving 30 days’ notice to the County and the Bond Registrar and discharging its responsibilities with respect thereto under applicable law), or

(b) the County determines that continuation of the system of book-entry transfers through DTC (or a successor securities depository) is not in the best interests of the Beneficial Owners.

The County and the Bond Registrar will recognize DTC or its nominee as the registered owner of the Bonds for all purposes, including notices and voting.

The County and the Bond Registrar covenant and agree, so long as DTC shall continue to serve as securities depository for the Bonds, to meet the requirements of DTC with respect to required notices and other provisions of the Blanket Issuer Letter of Representations between the County and DTC.

The Bond Registrar is authorized to rely conclusively upon a certificate furnished by DTC as to the identity of, and the respective principal amount of Bonds beneficially owned by, the Beneficial Owner or Beneficial Owners.

Whenever, during the term of the Bonds, the beneficial ownership thereof is determined by a book entry at DTC, the requirements in this Resolution of holding, delivering, or transferring Bonds shall be deemed modified to require the appropriate person to meet the requirements of DTC as to registering or transferring the book entry to produce the same effect.

If at any time, DTC ceases to hold the Bonds, a supplemental resolution amending the provisions of this Resolution shall be adopted and thereafter all references in this Resolution to DTC in connection with the Bonds shall be of no further force or effect.

Section 6. The Bonds shall be payable first from the separate account in which are placed the proceeds received by the County from the sales and use tax and then from the general funds of the County. No part of the net proceeds from the sales and use tax received in any year shall be used for any purposes other than to pay debt service on the Bonds until all debt service requirements on the Bonds for that year have first been satisfied from the account in which the proceeds of the sales and use tax are placed. An amount of net proceeds of the sales and use tax received in each year sufficient to satisfy all debt service requirements on the Bonds for that year are hereby irrevocably pledged and appropriated to the payment of the principal of and interest on the Bonds as the same become due and payable.

Section 7. There shall be and is hereby levied a continuing direct annual ad valorem tax for the years 2013 through 2020, without limitation as to rate or amount, upon all property subject to taxation for general obligation bond purposes within the territorial limits of the County, sufficient to provide moneys required to pay the principal (including principal payable upon mandatory redemption, if any, of the Bonds) of and interest on the Bonds, as more fully set forth in Exhibit A attached hereto and incorporated herein by this reference, to the extent such principal and interest is not satisfied from the proceeds of the sales and use tax. The sums hereby levied are hereby irrevocably pledged and appropriated to the payment of the principal (including principal payable upon mandatory redemption, if any, of the Bonds) of and interest on the Bonds as the same become due and payable. The amount to be levied for each year is the amount specified to pay principal, if any, and interest coming due in the following year, to the extent such principal and interest is not satisfied from the proceeds of the sales and use tax. These sums shall be collected by the tax collector of the County, in each of the years levied, and shall be paid into a sinking fund to be maintained for, and shall be applied to, the payment of the principal of and interest on the Bonds as the same become due and payable, and provisions to meet the requirements of this Section 7 shall be made annually hereafter.

Section 8. The Bonds, the Certificate of Authentication and Registration, the Validation Certificate, and the Assignment and Transfer shall be substantially in the following forms, provided that some of the text of each such Bond may appear on the reverse side of the Bond, with such variations, omissions, substitutions, and insertions as may be required or permitted by this Resolution:

[FORM OF BOND]

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to County or its agent for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

THIS BOND IS SUBJECT TO AN INVESTMENT LETTER AGREEMENT AND MAY NOT BE SOLD, TRANSFERRED, ASSIGNED, OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO THE TERMS OF SUCH INVESTMENT LETTER AGREEMENT.

**UNITED STATES OF AMERICA
STATE OF GEORGIA
WALKER COUNTY, GEORGIA
GENERAL OBLIGATION BOND, SERIES 2013**

Number R-____

\$_____

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Dated</u>	<u>CUSIP</u>
January 1, 2021	1.625%	December __, 2013	

Registered Owner: CEDE & CO.

Principal Amount:

WALKER COUNTY, GEORGIA (the "County"), for value received, hereby promises to pay to the registered owner identified above, or registered assigns, on the Maturity Date stated above, unless this Bond shall have been called for redemption prior to maturity and payment of the redemption price shall have been duly made or provided for, the principal amount identified above and to pay interest from the date of this Bond, or from the most recent interest payment date to which interest has been paid, on the balance of such principal sum from time to time remaining unpaid at the interest rate per annum shown above (computed on the basis of a 360-day year consisting of twelve 30-day months) on July 1 and January 1 of each year, commencing July 1, 2014, until the payment of the principal amount of this Bond in full.

The interest on this Bond shall be payable by check or draft mailed to the registered owner of this Bond of record as of the June 15 or December 15 immediately preceding the applicable interest payment date, at such owner's address as it appears on the registration books of the County (the "Bond Register") maintained by U.S. Bank National Association, Atlanta,

Georgia, as Bond Registrar (the "Bond Registrar"), or at such other address as is furnished in writing by the registered owner to the Bond Registrar. The principal of and redemption premium, if any, on this Bond shall be payable upon the presentation and surrender of this Bond at the principal corporate trust office of U.S. Bank National Association, Atlanta, Georgia, as Paying Agent (the "Paying Agent"). Both the principal of and interest on this Bond shall be payable in lawful money of the United States of America.

This Bond is one of a duly authorized issue of like tenor (the "Bonds"), except as to numbers, interest rates, dates of maturity, and denominations, in the original aggregate principal amount of \$26,400,000, issued by the County for the purpose of providing funds to pay the cost of various purpose capital outlay projects of the County, to be either owned by the County or to be sold by the County to The City of Chickamauga, the City of Fort Oglethorpe, Georgia, the City of Lookout Mountain, the City of Rossville, or the Walker County Development Authority. The Bonds are authorized by the Constitution and statutes of the State of Georgia and are being issued pursuant to a resolution (the "Bond Resolution") duly adopted by the Commissioner of Walker County on December 19, 2013.

The Bonds are issuable only as fully registered bonds without coupons in denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof. The Bonds may be transferred or exchanged for a like aggregate principal amount of Bonds of the same maturity and interest rate and of authorized denominations, all in accordance with the provisions of the Bond Resolution.

The Bonds may not be called for optional redemption.

The Bonds are subject to mandatory redemption prior to maturity at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed plus accrued interest to the date of redemption, on January 1 of the years and in the principal amounts set forth below (the actual Bonds to be redeemed to be selected by lot in a manner determined by the Bond Registrar):

<u>Year</u>	<u>Amount</u>
2016	\$4,285,000
2017	4,380,000
2018	4,485,000
2019	4,590,000
2020	4,695,000
2021+	3,965,000

+ Final Maturity

Notice of redemption, unless waived, is to be given by the Bond Registrar by mailing a copy of an official redemption notice by first-class mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date,

become due and payable at the redemption price therein specified, and from and after such date (unless the County shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Failure to so mail any such notice of redemption or failure or refusal of receipt of such redemption notice shall not affect the validity of any proceedings for the redemption of Bonds.

The County has established a book-entry system of registration for the Bonds. Except as specifically provided otherwise in the Bond Resolution, an agent will hold this Bond on behalf of the beneficial owner hereof. By acceptance of a confirmation of purchase, delivery, or transfer, the beneficial owner of this Bond shall be deemed to have agreed to such arrangement. While the Bonds are in the book-entry system of registration, the Bond Resolution provides special provisions relating to the Bonds that override certain other provisions of the Bond Resolution. This Bond is transferable by the registered owner hereof in person or by such registered owner's attorney duly authorized in writing at the principal corporate trust office of the Bond Registrar in the manner provided in the Bond Resolution and upon surrender of this Bond. Upon such transfer a new registered Bond or Bonds in the same aggregate principal amount, maturity, and interest rate as the Bond surrendered for transfer, and in any authorized denomination, shall be issued to the transferee in exchange therefor.

The County, the Paying Agent, and the Bond Registrar may deem and treat the registered owner of this Bond as the absolute owner hereof for the purpose of receiving payment of or on account of the principal of, premium, if any, and interest hereon, and for all other purposes whatsoever, and neither the County, the Paying Agent, nor the Bond Registrar shall be affected by any notice to the contrary.

IT IS HEREBY CERTIFIED, RECITED, AND DECLARED that all acts, conditions, and things required by the Constitution and statutes of the State of Georgia to exist, happen, and be performed precedent to and in the issuance of this Bond do exist, have happened, and have been performed in due time, form, and manner as required by law; that provision has been made for the collection of a sales and use tax and a direct annual ad valorem tax, without limitation as to rate or amount, sufficient to pay the principal of and interest on this Bond in accordance with its terms; and that the total indebtedness of the County, including the Bonds, does not exceed any limitation prescribed by the Constitution and statutes of the State of Georgia.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit until this Bond shall have been authenticated and registered upon the Bond Register. Such authentication and registration shall be evidenced by the execution by the manual signature of a duly authorized signatory of the Bond Registrar of the Certificate of Authentication and Registration on this Bond.

PASSED, ADOPTED, SIGNED, APPROVED, AND EFFECTIVE this 19th day of
December 2013.

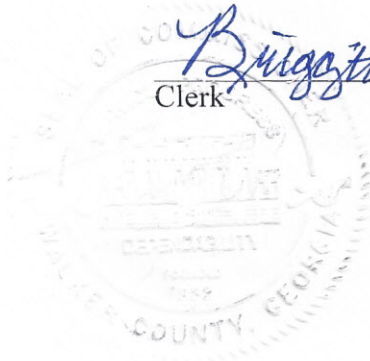
WALKER COUNTY, GEORGIA

(SEAL)

By: Brian Herskell
Commissioner of Walker County

Attest:

Bridgett Garrett
Clerk



**CERTIFICATE OF AUTHENTICATION
AND REGISTRATION**

This Bond is one of the above-described Walker County, Georgia General Obligation Bonds, Series 2013.

Date of Authentication
and Registration:

_____, ____

U.S. BANK NATIONAL ASSOCIATION,
as Bond Registrar

By: _____
Authorized Signatory

* * * * *

VALIDATION CERTIFICATE

STATE OF GEORGIA

COUNTY OF WALKER

The undersigned Clerk of the Superior Court of Walker County, Georgia, does hereby certify that this Bond was validated and confirmed by judgment of the Superior Court of Walker County, Georgia, on the 17th day of December 2013, that no intervention or objection was filed opposing the validation of this Bond, and that no appeal of such judgment of validation has been taken.

IN WITNESS WHEREOF, I have hereunto set my hand and have impressed hereon the official seal of the Superior Court of Walker County, Georgia.

(SEAL)

Clerk, Superior Court of
Walker County, Georgia

The following abbreviations, when used in the inscription on this Bond or in the assignment below, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	-	as tenants in common
TEN ENT	-	as tenants by the entireties
JT TEN	-	as joint tenants with right of survivorship and not as tenants in common and not as community property
UNIF TRANS		
MIN ACT	-	_____ Custodian _____
		(Custodian) (Minor)
		under Uniform Transfers to Minors Act _____
		(State)

Additional abbreviations may be used although not in the above list.

ASSIGNMENT AND TRANSFER

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

Name and Address of Assignee)

(Insert Social Security or Taxpayer
Identification Number of Assignee)

the within Bond of Walker County, Georgia and does hereby irrevocably constitute and appoint _____ attorney to transfer the Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

(Signature Guaranteed)

Notice: Signature(s) must be guaranteed by an eligible guarantor institution (such as banks, stockbrokers, savings and loan associations, and credit unions) with membership in an approved Signature Guarantee Medallion Program pursuant to S.E.C. Rule 17Ad-15.

Registered Owner

Notice: The signature(s) on this assignment must correspond with the name as it appears on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

[END OF FORM OF BOND]

Section 9. The Bonds shall be executed for and on behalf of the County by the manual signature of the Commissioner, and the County's seal shall be impressed thereon and attested by the manual signature of the Clerk of the County. In case any officer whose signature shall appear on any Bond shall cease to be such officer before delivery of any Bonds, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer remained in office until such delivery.

No Bond shall be valid or become obligatory for any purpose or be entitled to any benefit until such Bond shall have been authenticated and registered upon the bond registration books of the County maintained for that purpose. Such authentication and registration shall be evidenced by the execution by the manual signature of a duly authorized signatory of the Bond Registrar of the Certificate of Authentication and Registration contained on the Bond.

Section 10. The County shall sell the Bonds to the Purchaser for the price of \$26,400,000. The Commissioner is hereby authorized to execute and deliver, on behalf of the County, a purchase contract between the County and the Purchaser, providing for the sale of the Bonds. The execution and delivery of a purchase contract by the Commissioner shall constitute conclusive evidence of the ratification, confirmation, and approval by the County of the terms and conditions of the purchase contract.

Section 11. The Commissioner is hereby authorized to execute and deliver, on behalf of the County, a placement contract between the County and the Placement Agent, designating the Placement Agent to act as the County's exclusive placement agent to arrange a private placement of the Bonds with the Purchaser. The execution and delivery of a placement contract by the Commissioner shall constitute conclusive evidence of the ratification, confirmation, and approval by the County of the terms and conditions of the placement contract.

Section 12. The Bonds shall, in due course, be delivered to the Purchaser against payment for the Bonds.

Section 13. All actions taken or to be taken by the Commissioner and by the Clerk of the County relating to the authorization, issuance, and sale of the Bonds, shall be, and the same are hereby, ratified, confirmed, and approved.

Section 14. The County recognizes that the purchasers and owners of Bonds will have accepted the Bonds on, and paid for the Bonds a price that reflects, the understanding that interest on such Bonds is not included in the gross income of the owners for federal income tax purposes under laws in force at the time the Bonds shall have been delivered.

The County shall take any and all action that may be required from time to time in order to assure that interest on the Bonds shall remain excludable from the gross income of the owners of the Bonds for federal income tax purposes and shall refrain from taking any action that would adversely affect such status.

Prior to or contemporaneously with delivery of the Bonds, the Commissioner and the Clerk of the County shall execute a Certificate as to Arbitrage Matters on behalf of the County respecting the investment of the proceeds of the Bonds. Such certificate shall be a representation and certification of the County, and an executed counterpart thereof shall be delivered to the

Bond Registrar. The County shall not knowingly invest or participate in the investment of any proceeds of the Bonds if such investment would cause interest on any Bonds to become included in gross income for federal income tax purposes.

The Commissioner or the Clerk of the County may also execute and deliver, on behalf of the County: (i) such agreements, filings, and other writings as may be necessary or desirable to cause or bind the County to comply with any requirements for rebate under Section 148(f) of the Internal Revenue Code of 1986, as amended (the "Code"), or (ii) such certificate or other writing as may be necessary or desirable to qualify for exemption from such rebate requirements.

The County shall calculate, from time to time, as required in order to comply with the provisions of Section 148(f) of the Code, the amounts required to be rebated (including penalties) to the United States and shall pay or cause to be paid to the United States any and all of such amounts on or before the due date.

The County hereby covenants and agrees that it will not use or permit any use of the proceeds of the sale of any Bonds, or use or permit the use of any of the facilities being financed thereby, which would cause any Bonds or any portion thereof to be "private activity bonds" within the meaning of Section 141 of the Code.

The covenants, certifications, representations, and warranties contained in this Section 14 shall survive payment in full or provision for payment in full of the Bonds.

Section 15. The issuance of the Bonds shall not exceed any debt limitation prescribed by the Constitution of the State of Georgia.

Section 16. All resolutions and parts of resolutions in conflict with this Resolution, if any, shall be and the same are hereby repealed.

Section 17. The Commissioner and the Clerk of the County are hereby authorized and directed to execute, for and on behalf of the County, such other agreements, certificates, or documents as may be necessary or desirable in connection with the issuance, sale, and delivery of the Bonds or the investment of the proceeds of the Bonds.

PASSED, ADOPTED, SIGNED, APPROVED, AND EFFECTIVE this 19th day of
December 2013.

WALKER COUNTY, GEORGIA

(SEAL)

By: _____
Commissioner of Walker County

Attest:

Clerk

EXHIBIT A

DEBT SERVICE SCHEDULE

Payment Date	Principal	Interest	Total Debt Service
7/1/2014	\$ ---	\$ 227,608.33	\$ 227,608.33
1/1/2015	---	214,500.00	214,500.00
7/1/2015	---	214,500.00	214,500.00
1/1/2016	4,285,000	214,500.00	4,499,500.00
7/1/2016	---	179,684.38	179,684.38
1/1/2017	4,380,000	179,684.38	4,559,684.38
7/1/2017	---	144,096.88	144,096.88
1/1/2018	4,485,000	144,096.88	4,629,096.88
7/1/2018	---	107,656.25	107,656.25
1/1/2019	4,590,000	107,656.25	4,697,656.25
7/1/2019	---	70,362.50	70,362.50
1/1/2020	4,695,000	70,362.50	4,765,362.50
7/1/2020	---	32,215.63	32,215.63
1/1/2021	<u>3,965,000</u>	<u>32,215.63</u>	<u>3,997,215.63</u>
	<u>\$26,400,000</u>	<u>\$1,939,139.61</u>	<u>\$28,339,139.61</u>

STATE OF GEORGIA

WALKER COUNTY

CLERK'S CERTIFICATE

I, **BRIGGETT GARRETT**, Clerk of Walker County, Georgia (the "County"), **DO HEREBY CERTIFY** that the foregoing pages constitute a true and correct copy of a resolution adopted by the Commissioner of Walker County at an open public meeting duly called and lawfully assembled at 3:00 p.m., on the 19th day of December 2013, in connection with the issuance and sale of \$26,400,000 in aggregate principal amount of Walker County, Georgia General Obligation Bonds, Series 2013, the original of such resolution being duly recorded in the Minute Book of the County, which Minute Book is in my custody and control.

WITNESS my hand and the official seal of the County, this the 19th day of December 2013.

(SEAL)


Clerk of Walker County, Georgia