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March 28, 2012

Suzanne Hutchinson Smith, Esq.
Atty. for Gordon County Georgia
Via Hand Delivery

Re: Resolution for Assessment of Tax for Bond Purposes

Dear Suzanne,

I am writing in follow up to the e-mail I forwarded to you yesterday requesting that the matter regarding the recommendation of the Gordon County Board of Education to the Gordon County Board of Commissioners for the adoption of a Resolution to assess and collect a tax to pay off the School District's bonded indebtedness for its Series 2012 bonds in the event that ESPLOST proceeds, school resources, and the State of Georgia intercept become insufficient to make the bond payments. I have attached a copy of the proposed resolution and a copy of the resolution of the Gordon County Board of Education requesting the action to be taken by the Board of Commissioners.

On behalf of my client, I respectfully request that this matter be placed on the April 3, 2012 agenda of the Gordon County Board of Commissioners meeting. Of course, the Gordon County Board of Education also requests that this resolution be adopted. Please call me and confirm that this matter can be scheduled as requested and let me know if you have any questions or concerns.

I hope my letter finds you doing well.

Yours truly,



James F Ledbetter

Atty. for the Gordon County School District

Cc: Bill McCown, Jon Pannell

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF GORDON COUNTY TO ASSURE COMPLIANCE WITH THE CONSTITUTION OF THE STATE OF GEORGIA BY ASSESSING AND PROVIDING FOR THE COLLECTION OF A DIRECT ANNUAL TAX SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON GENERAL OBLIGATION SALES TAX BONDS TO BE ISSUED BY THE GORDON COUNTY SCHOOL DISTRICT IN THE AGGREGATE PRINCIPAL AMOUNT OF \$22,735,000, AS AUTHORIZED AT AN ELECTION HELD FOR THAT PURPOSE ON NOVEMBER 2, 2010, PURSUANT TO AND IN CONFORMITY WITH THE CONSTITUTION AND STATUTES OF THE STATE OF GEORGIA, AND FOR OTHER PURPOSES.

WHEREAS, at an election duly called and held on November 2, 2010 (the "**Election**"), in Gordon County, constituting the Gordon County School District (the "**School District**"), a political subdivision of the State of Georgia, after notice thereof had been given to the qualified voters of the School District for the time and in the manner required by law, a majority of the qualified voters of the School District voting in the Election voted in favor of the imposition in Gordon County of a one percent sales and use tax for educational purposes (the "**Educational Sales Tax**") for a period of time not to exceed twenty consecutive calendar quarters, which tax shall be distributed between the School District and the Calhoun School System, and the issuance of general obligation bonds by the School District, as described in a resolution adopted on July 19, 2010 by the Board of Education of Gordon County (the "**Board of Education**"), as the controlling and managing body of the School District, by the terms of which resolution the Election was held; and

WHEREAS, pursuant to the results of the Election and the provisions of a bond resolution adopted on March 27, 2012 (the "**Bond Resolution**"), the Board of Education has authorized the issuance of \$22,735,000 in aggregate principal amount of GORDON COUNTY SCHOOL DISTRICT GENERAL OBLIGATION SALES TAX BONDS, SERIES 2012 (the "**Bonds**"); and

WHEREAS, the Board of Education has determined that the Educational Sales Tax received by the School District in each year will be sufficient to pay fully all principal of and interest on the Bonds coming due in each year; and

WHEREAS, payment of the principal of and interest on the Bonds will be secured by and payable first from the Educational Sales Tax and then, if and to the extent necessary, from *ad valorem* taxes to be levied in the School District; and

WHEREAS, the Bonds shall constitute debt of the School District within the meaning of Article IX, Section V, Paragraph I of the Constitution of the State of Georgia; and

WHEREAS, Article IX, Section V, Paragraph VI of the Constitution of the State of Georgia provides that, at or before the time of incurring bonded indebtedness, provision must be made for the assessment and collection of an annual tax in an amount sufficient to pay the principal of and interest on said debt within 30 years from incurring such bonded indebtedness; and

WHEREAS, the Bonds and the issuance thereof have been confirmed and validated by judgment of the Superior Court of Gordon County, Georgia, which judgment has ordered and adjudged that the Board of Education was and is authorized and empowered to recommend to the Board of Commissioners of Gordon County (the "**Board of Commissioners**") the assessment and collection of a continuing direct annual tax to be levied on all the taxable property located within the boundaries of the School District, which constitutes all of Gordon County except the area within the corporate limits of the City of Calhoun (which has its own independent school system), in an amount sufficient to pay the principal of and the interest on the Bonds in accordance with the terms thereof, to the extent the proceeds of the Educational Sales Tax are not sufficient for that purpose; and

WHEREAS, in order to provide for the assessment and collection of a continuing direct annual tax to be levied on all the taxable property subject to taxation for bond purposes located within the boundaries of School District in an amount sufficient to pay the principal of and the interest on the Bonds as the same shall mature and become due, to the extent such principal and interest are not paid from proceeds of the Educational Sales Tax, the Board of Education, by resolution adopted on March 27, 2012, a certified copy of which resolution has been received by the Board of Commissioners, has recommended to the Board of Commissioners that such tax be assessed and collected in the appropriate years, sufficient in amount to produce the sums required to pay the principal of and interest on the Bonds to the extent the proceeds from the Educational Sales Tax received by the School District are not sufficient to make such payments, and that the funds provided by said tax shall be pledged irrevocably to and appropriated for the payment of the principal of and the interest on the Bonds.

NOW, THEREFORE, be it resolved by the Board of Commissioners of Gordon County, in meeting assembled, that:

Section 1. TAX ASSESSMENT FOR PAYMENT OF BONDS. For the purpose of providing funds for the payment of the principal of and interest on all of the Bonds on the dates on which such principal and interest shall become due and be payable, to the extent such principal and interest are not paid from the proceeds of the Educational Sales Tax, there shall be and hereby is assessed and collected and there hereafter shall be collected in the appropriate years, beginning in the year 2012, a continuing direct annual tax upon all the taxable property within the boundaries of the School District, sufficient in amount to produce the sums required to pay the principal of the Bonds coming due on September 1 and the interest coming due on the Bonds on March 1 and September 1 in each of the years set forth on Exhibit A attached hereto and incorporated herein, through September 1, 2017, to the extent the proceeds from the Educational Sales Tax received by the School District are not sufficient to make such payments.

Section 2. FUNDS PLEDGED FOR PAYMENT OF BONDS. The funds provided by said tax shall be and hereby are irrevocably pledged to and appropriated for the payment of the principal of and interest on the Bonds, and provisions to meet the requirements hereof shall be made hereafter in due time and manner in the annual appropriation measure in each year, to the extent such principal and interest are not paid from the proceeds of the Educational Sales Tax, so that all of the Bonds, as to principal and interest, shall be fully paid as the same shall mature and become due.

Section 3. PUBLICATION OF TAX RATE. The Board of Commissioners, as levying authority, together with the Board of Education, as recommending authority, shall comply with the provisions of O.C.G.A. § 48-5-32, and all other statutory requirements as may exist from time to time relating to the publication of any reports or notices required prior to establishing millage rates each year for educational purposes, and shall take such other actions as may be required for the assessment and collection of taxes to provide funds in the years and amounts set forth in this resolution, to the extent the proceeds of the Educational Sales Tax received by the School District are not sufficient for that purpose. The Board of Commissioners and the Board of Education shall cause a report to be published in a newspaper of general circulation throughout Gordon County at least two weeks prior to the establishment of the millage rates for ad valorem taxes for educational purposes during the current calendar year, in accordance with O.C.G.A. § 48-5-32.

Section 4. COMPLIANCE WITH CONSTITUTION. This resolution is adopted in order to assure compliance with Article IX, Section V, Paragraph VI of the Constitution of the State of Georgia. The Board of Education has determined that the Educational Sales Tax received by the School District in each year will be sufficient to pay fully all principal of and interest on the Bonds coming due in each year. The Board of Commissioners will take no action to establish a millage levy for the payment of any portion of the principal of and interest on the Bonds from *ad valorem* taxes until the Board of Education certifies to it any millage required for such purposes.

Section 5. CONFLICTING PROVISIONS REPEALED. Any and all resolutions or parts of resolutions, if any, in conflict herewith shall be and the same are repealed by the passage of this resolution.

RESOLUTION APPROVED AND ADOPTED, April¹⁰, 2012.

GORDON COUNTY

By: Judy W. Bailey
Chairman
Board of Commissioners

Exhibit A

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I	Calendar Year Total
4/10/2012	-	-	-	-	-
9/1/2012	-	-	285,701.25	285,701.25	-
12/31/2012	-	-	-	-	285,701.25
3/1/2013	-	-	364,725.00	364,725.00	-
9/1/2013	4,000,000.00	3.000%	364,725.00	4,364,725.00	-
12/31/2013	-	-	-	-	4,729,450.00
3/1/2014	-	-	304,725.00	304,725.00	-
9/1/2014	4,465,000.00	3.000%	304,725.00	4,769,725.00	-
12/31/2014	-	-	-	-	5,074,450.00
3/1/2015	-	-	237,750.00	237,750.00	-
9/1/2015	4,600,000.00	3.000%	237,750.00	4,837,750.00	-
12/31/2015	-	-	-	-	5,075,500.00
3/1/2016	-	-	168,750.00	168,750.00	-
9/1/2016	4,740,000.00	4.000%	168,750.00	4,908,750.00	-
12/31/2016	-	-	-	-	5,077,500.00
3/1/2017	-	-	73,950.00	73,950.00	-
9/1/2017	4,930,000.00	3.000%	73,950.00	5,003,950.00	-
12/31/2017	-	-	-	-	5,077,900.00
Total	\$22,735,000.00	-	\$2,585,501.25	\$25,320,501.25	-

CLERK'S CERTIFICATE

I, the undersigned Clerk of the Board of Commissioners of Gordon County, keeper of the records and seal thereof, hereby certify that the foregoing is a true and correct copy of a resolution approved and adopted by a majority vote of said Board of Commissioners of Gordon County, in public meeting assembled on April 3, 2012, the original of which resolution has been entered in the official records of Gordon County under my supervision and is in my official possession, custody and control.

I further certify that the meeting was held in conformity with the requirements of Title 50, Chapter 14 of the Official Code of Georgia Annotated.

(S E A L)



Clerk
Board of Commissioners of Gordon County