

RESOLUTION OF THE BOARD OF EDUCATION OF PAULDING COUNTY TO REIMPOSE, LEVY, AND COLLECT A SALES AND USE TAX FOR EDUCATIONAL PURPOSES WITHIN THE PAULDING COUNTY SCHOOL DISTRICT, CONDITIONED UPON APPROVAL BY A MAJORITY OF THE QUALIFIED VOTERS RESIDING WITHIN PAULDING COUNTY VOTING IN A REFERENDUM THEREON TO BE HELD ON MAY 20, 2014; TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION DEBT OF THE PAULDING COUNTY SCHOOL DISTRICT; AND FOR OTHER PURPOSES.

WHEREAS, the Board of Education of Paulding County (the "**Board of Education**") acting by, for, and on behalf of the Paulding County School District (the "**School District**"), a political subdivision of the State of Georgia, has heretofore issued the Paulding County School District General Obligation Bonds, Series 2007, in the aggregate principal amount of \$62,500,000 (the "**Series 2007 Bonds**") in accordance with a bond resolution adopted by the Board of Education on May 16, 2007 and the Paulding County School District General Obligation Bonds, Series 2008, in the aggregate principal amount of \$62,500,000 (the "**Series 2008 Bonds**"), in accordance with a bond resolution adopted by the Board of Education on July 22, 2008, and as authorized by a majority of the voters in an election held in Paulding County, Georgia (the "**County**") on March 20, 2007; and

WHEREAS, \$62,500,000 in aggregate principal amount of the Series 2007 Bonds remains outstanding and unpaid, maturing in the years 2024 through 2033, and \$44,025,000 in aggregate principal amount of the Series 2008 Bonds remains outstanding and unpaid in the years 2015 through 2024; and

WHEREAS, the Board of Education has considered and evaluated the provisions of Article VIII, Section VI, Paragraph IV of the Constitution of the State of Georgia, and Part 2 of Article 3 of Chapter 8 of Title 48 of the Official Code of Georgia Annotated (collectively, the "**Act**") which authorize a one percent sales and use tax for educational purposes (the "**Educational Sales Tax**") to be imposed, levied, and collected in the same manner as the special county one percent sales and use tax provided for under Part 1 of Article 3 of Chapter 8 of Title 48 of the Official Code of Georgia Annotated; and

WHEREAS, an Educational Sales Tax is currently being collected in the County, which was approved by a majority of the voters of the County voting in an election held for such purpose, which tax was imposed beginning April 1, 2011, and which tax the Board of Education anticipates will cease to be collected on or before March 31, 2016; and

WHEREAS, the Board of Education has determined that it is in the best interest of the citizens of the County that an Educational Sales Tax continue to be imposed in the County, the boundaries of which comprise the School District, for the purposes described in this resolution, beginning upon the termination of the Educational Sales Tax presently in effect; and

WHEREAS, the Board of Education recognizes that in order to facilitate the acquisition, construction, and equipping of the capital outlay projects described in this resolution as soon as possible, it may be necessary for the Board of Education to issue general obligation debt on behalf of the School District in an amount not to exceed \$20,000,000 for such purposes; and

WHEREAS, the Board of Education desires to provide the voters of the School District with the opportunity to vote pursuant to law in favor of or against the reimposition of the Educational Sales Tax and the issuance of general obligation indebtedness in anticipation of the collection thereof; and

WHEREAS, the Board of Education has determined that and it is hereby declared that during each year in which any payment of principal of or interest, including capitalized interest, on such general obligation debt will come due, the School District will receive from the Educational Sales Tax authorized by this resolution, net proceeds sufficient to fully satisfy the School District's obligation with respect to the payment of such principal and interest on a current basis.

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of Paulding County in a public meeting assembled, and it is hereby resolved by authority of the same that:

1. The Board of Education of Paulding County, subject to the assent of a majority of the qualified voters of the Paulding County School District voting in an election held for such purpose, shall impose the Educational Sales Tax within Paulding County for a period of time not to exceed 20 calendar quarters for the raising of not more than \$100,000,000 to be used to (a) pay the principal and interest on the Series 2007 Bonds and the Series 2008 Bonds (during the period the Educational Sales Tax is to be imposed) in the maximum amount of \$43,396,575 and (b) finance, in the maximum total costs of \$56,603,425, certain capital outlay projects as the same are described in the "Notice of Sales and Use Tax for Educational Purposes Election on May 20, 2014" (the "**Notice**"), which is attached hereto as Exhibit A and is incorporated herein and made a part hereof by this reference. If imposition of the Educational Sales Tax is approved by the voters, such vote shall also constitute approval of the issuance of general obligation debt of the School District in a principal amount not to exceed \$20,000,000 for all or a portion of the capital outlay projects described in the Notice. Such general obligation debt shall be payable first from the proceeds of the Educational Sales Tax; however, such general obligation debt which is not satisfied from the proceeds of the Educational Sales Tax shall be satisfied from the general funds of the School District or from a direct annual ad valorem tax to be levied for such purpose.

2. The Educational Sales Tax shall be collected beginning upon the termination of the Educational Sales Tax currently in effect, and shall cease to be imposed on the earlier of (a) 20 calendar quarters after the tax is imposed or (b) as of the end of the calendar quarter during which the Commissioner of the Georgia Department of Revenue determines that the Educational Sales Tax will have raised revenues sufficient to provide net proceeds to the School District equal to or greater than the amount specified as the maximum amount of net proceeds to be raised by the Educational Sales Tax.

3. General obligation debt may be issued in conjunction with the imposition of the Educational Sales Tax. The principal amount of the debt to be issued shall not exceed \$20,000,000. The purpose for which the debt is to be issued shall be to pay all or a portion of the cost of the capital outlay projects described herein, which may include capitalized interest. The maximum rate or rates of interest on such debt shall not exceed six and one-half percent (6.5%) per annum. The maximum amount of principal to be paid in each year during the life of the debt shall be as follows:

<u>Year</u>	<u>Principal Amount Maturing</u>
Year 1	\$3,750,000
Year 2	3,965,000
Year 3	4,025,000
Year 4	4,090,000
Year 5	4,170,000

The School District may issue aggregate general obligation debt which is less than \$20,000,000 and reduce the principal amounts maturing which are shown above. The general obligation debt may be issued in one or more series and on one or more dates of issuance as the Board of Education may approve, provided that the aggregate principal amount issued does not exceed \$20,000,000.

4. The maximum amount of principal and interest due on the Series 2007 Bonds and the Series 2008 Bonds (during the period the Educational Sales Tax is to be imposed) to be paid with the proceeds of the Educational Sales Tax shall be \$43,396,575 and the maximum cost of the capital outlay projects as described in (B) of the ballot question included in the Notice which will be funded with the proceeds of the Educational Sales Tax, including interest, and cost of issuance on the general obligation debt to be incurred, shall be \$56,603,425, which amount of debt to be retired and costs of capital outlay projects shall be the maximum amount of net proceeds to be raised by the Education Sales Tax.

5. The Paulding County Board of Elections and Registration, as Election Superintendent for the County (the "**Election Superintendent**"), shall receive a copy of this resolution and is requested to issue the call for the election to be held on May 20, 2014, for the purpose of submitting the question of the reimposition of the Educational Sales Tax to the voters of the School District. Such call shall be issued not less than 60 days prior to the date of said election. The Election Superintendent shall cause the date and purpose of the election to be published once a week for five weeks immediately preceding the date of the election in the official organ of the County and the Notice thereof will be substantially in the form attached hereto and made a part hereof as Exhibit A.

6. All qualified voters desiring to vote in favor of reimposing the Educational Sales Tax shall vote "Yes" and all qualified voters opposed to levying the Educational Sales Tax shall vote "No." If more than one-half of the votes cast are in favor of reimposing the Educational Sales Tax, then the Educational Sales Tax shall be reimposed as provided by Georgia law. The Election Superintendent shall hold and conduct the election under the same rules and regulations as govern special elections, and shall canvass the returns, declare the results of the election, and certify the result to the Secretary of State and to the Commissioner of the Department of Revenue of the State of Georgia.

7. If more than one-half of the votes cast are in favor of imposition of the Educational Sales Tax, then the authority to issue debt in accordance with Article IX, Section V, Paragraph I of the Constitution of Georgia is given to the School District; otherwise, such debt shall not be issued. If the authority to issue such debt is so approved by the voters, then such debt may be issued without further approval by the voters.

8. If the voters approve the issuance of general obligation debt of the School District, then the proper officers and agents of the School District hereby are authorized to give notice to the District Attorney of the Paulding Judicial Circuit of Georgia of the results of the election and to seek validation of the debt approved by the voters in accordance with the laws of the State of Georgia. The Chairman or Vice Chairman of the Board of Education, with the advice of Counsel to the Board of Education, is authorized and directed to acknowledge service of the bond validation petition seeking a ruling on the validity of the said debt and cause to be prepared an answer to be filed in the validation proceedings requesting that said debt of the School District and the security therefor be declared valid in all respects.

9. Excess proceeds of the Educational Sales Tax received by the School District which remain following expenditure of proceeds for authorized projects or purposes for education as described in the Notice shall be used solely for the purpose of reducing any indebtedness of the School District. In the event there is no indebtedness, such excess proceeds shall be used for the purpose of reducing the millage rate of the School District in an amount equivalent to the amount of such excess proceeds.

10. Should general obligation debt of the School District be issued, the Board of Commissioners of Paulding County shall be directed to levy a tax upon all property subject to taxation for general obligation bond purposes within the School District sufficient in amount to pay the principal of and interest on said general obligation debt to the extent of any deficiency in the proceeds from the Educational Sales Tax.

11. (a) If general obligation debt of the School District is to be issued, the Board of Education reasonably expects that, prior to issuance of such debt, it will be necessary to expend funds on the acquisition, construction, and equipping of the capital outlay projects described in the Notice and wishes to be reimbursed for such expenditures from proceeds from the sale of such general obligation debt. Therefore, subject to approval of the voters of the County, the Board of Education hereby declares its official intent to issue general obligation debt in the principal amount not to exceed \$20,000,000 and to reimburse original expenditures on the capital outlay projects in the maximum principal amount of \$20,000,000 with proceeds from the sale of such debt (to the extent permitted by Section 1.150-2 of the Treasury Regulations). The School District will pay original expenditures on the capital outlay projects from a construction or other account maintained by the School District.

(b) The School District shall make its reimbursement allocations not later than 18 months after the later of (i) the date the original expenditure is paid or (ii) the date the capital outlay projects are placed in service or abandoned, but in no event more than three years after the original expenditure is paid.

12. The proper officers and agents of the School District hereby are authorized to retain the services of Raymond James & Associates, Inc., Atlanta, Georgia, to provide placement agent or underwriting services and the firm of Gray Pannell & Woodward LLP, Atlanta, Georgia, as bond counsel with regard to the proper issuance of the general obligation indebtedness authorized hereby and as disclosure counsel with regard to a public offering, if any, with regard to said general obligation indebtedness, and such officers and agents are further authorized to take any and all further actions as may be required in connection with the calling

and holding of the special election, reimposition of the Educational Sales Tax, expenditure of Educational Sales Tax proceeds for the acquisition, construction, and equipping of the capital outlay projects, and the issuance of general obligation debt as herein provided.

13. The Secretary of the Board of Education is hereby authorized and directed to deliver a certified copy of this resolution to the Election Superintendent.

14. All resolutions or parts of resolutions, if any, in conflict herewith, shall be and the same are hereby repealed.

ADOPTED, this 11<sup>th</sup> day of March, 2014.

BOARD OF EDUCATION  
OF PAULDING COUNTY

By:   
Chairman

NOTICE OF SALES AND USE TAX FOR EDUCATIONAL PURPOSES  
ELECTION ON MAY 20, 2014

Pursuant to a resolution adopted by the Board of Education of Paulding County (the “**Board of Education**”), the managing and controlling body of the Paulding County School District (the “**School District**”), on March 11, 2014, and a call of election issued by the Paulding County Board of Elections and Registration, as Election Superintendent, notice is hereby given as follows:

1. On May 20, 2014, an election will be held in Paulding County to submit to the qualified voters of Paulding County the following question:

RENEWAL OF 1% EDUCATIONAL SALES TAX

- ( ) YES
- ( ) NO
- Shall a one percent sales and use tax for educational purposes be imposed in the Paulding County School District for a period of time not to exceed twenty consecutive calendar quarters and for the raising of not more than \$100,000,000 for the purposes of (A) paying the principal and interest (during the period the one percent sales and use tax is to be imposed) on Paulding County School District’s outstanding General Obligation Bonds, Series 2007 and 2008 in a maximum amount of \$43,396,575 and (B) funding the following capital outlay projects in a maximum amount of \$56,603,425: acquisition, construction and equipping of facilities and equipment throughout the School District, including renovations, additions and improvements to Shelton Elementary School and North Paulding High School, track and field improvements, HVAC upgrades, roof and gutter replacement, flooring improvements, safety and security upgrades, public address and intercom replacement, plumbing improvements, new technology and band equipment?

If imposition of the tax is approved by the voters, such vote shall also constitute approval of the issuance of general obligation debt of the Paulding County School District in the principal amount of \$20,000,000 for the capital outlay purposes described in item (B) above and for the payment of capitalized interest.

2. All qualified voters desiring to vote in favor of imposing the one percent sales and use tax for educational purposes (the “**Educational Sales Tax**”) shall vote “Yes” and all qualified voters opposed to levying the Educational Sales Tax shall vote “No.” If more than one-half of the votes cast are in favor of imposing the Educational Sales Tax then such tax shall be imposed beginning upon the termination of the Educational Sales Tax presently in effect and shall cease to be imposed on the earlier of (a) 20 calendar quarters after the tax is imposed or (b) as of the end of the calendar quarter during which the Commissioner of the Georgia Department of Revenue determines that the Educational Sales Tax will have raised revenues sufficient to provide to the net proceeds equal to or greater than the amount specified as the maximum amount of net proceeds to be raised by the Educational Sales Tax.

3. If the Educational Sales Tax is approved by the voters on March 20, 2014, and imposed beginning April 1, 2016, proceeds to be received from the tax in the maximum amount of \$43,396,575 shall be used, together with other moneys of the School District, to pay principal of and interest on the Paulding County School District General Obligation Bonds, Series 2007 and the Paulding County School District General Obligation Bonds, Series 2008 coming due during the period the one percent sales and use tax is to be imposed.

The maximum cost of the capital outlay projects as described in (B) of the above ballot question to be funded with the proceeds of the Educational Sales Tax, including interest, and cost of issuance on the general obligation debt to be incurred, shall be \$56,603,425. To the extent available, the School District may combine available funds from the State of Georgia with proceeds of the Educational Sales Tax and the general obligation debt, and any other available funds, to pay the costs of the above described capital outlay projects. Plans and specifications for these projects have not been completed and bids or proposals have not been received. Depending upon acquisition and construction costs and available funds, the School District may establish or reestablish priorities and choose which capital outlay projects to undertake or not undertake, or to delay until additional funding is available, to the extent that proceeds of the Educational Sales Tax and the general obligation debt, together with other available funds actually received by the School District, are insufficient to complete any of the capital outlay projects.

4. If such Educational Sales Tax is to be imposed, the Board of Education may issue general obligation debt on behalf of the School District, in an aggregate principal amount not to exceed \$20,000,000. The proceeds from such general obligation debt, if issued, shall be used to fund all or a portion of the capital outlay projects described in (B) of the above ballot question and to pay capitalized interest on the general obligation debt. The maximum rate or rates of interest on such debt shall not exceed six and one-half percent (6.5%) per annum. The maximum amount of principal to be paid in each year during the life of the debt shall be as follows:

<u>Year</u>	<u>Principal Amount Maturing</u>
Year 1	\$3,750,000
Year 2	3,965,000
Year 3	4,025,000
Year 4	4,090,000
Year 5	4,170,000


The Board of Education may issue aggregate general obligation debt which is less than \$20,000,000 and reduce the principal amounts maturing in each year which are shown above. The general obligation debt may be issued in one or more series and on one or more dates of issuance as the Board of Education may approve, provided that the aggregate principal amount issued does not exceed \$20,000,000.

5. Reference is hereby made to the Official Code of Georgia Annotated § 36-82-1(d) which provides in part that any brochures, listings, or other advertisements issued by the Board of Education or by any other person, firm, corporation or association with the knowledge and consent of the Board of Education shall be deemed to be a statement of intention of the Board of Education concerning the use of bond funds.

6. The last day to register to vote in the election is Monday, April 21, 2014, or as otherwise provided by law. Anyone desiring to register may do so by applying in person at the voter registration office located at the Paulding County Courthouse, Dallas, Georgia, or by any other method authorized by the Georgia Election Code.

7. The election will be held on Tuesday, May 20, 2014. The polls will be open from 7:00 a.m. until 7:00 p.m.

This 13 day of March, 2014.



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Chairperson, Paulding County Board of  
Elections and Registration

To be published March 20, April 17, April 24, May 1, May 8, 2014, and May 15, 2014.



SECRETARY'S CERTIFICATE

Now comes the undersigned Secretary of the Board of Education of Paulding County, keeper of the records and seal thereof, and certifies that the foregoing is a true and correct copy of a resolution approved and adopted by said Board of Education in a meeting assembled on March 11, 2014, the original of which resolution has been entered in the official records of the Board of Education of Paulding 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)



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Secretary  
Board of Education of Paulding County


RESOLUTION OF THE PAULDING COUNTY BOARD OF ELECTIONS AND REGISTRATION, TO REGULATE AND PROVIDE FOR THE CALLING OF AN ELECTION TO DETERMINE THE CONTINUATION OR NOT OF A ONE PERCENT SALES AND USE TAX AND THE ISSUANCE OR NON-ISSUANCE OF PAULDING COUNTY SCHOOL DISTRICT GENERAL OBLIGATION DEBT; AND FOR OTHER PURPOSES:

NOW, THEREFORE, BE IT RESOLVED that the Paulding County Board of Elections and Registration (the "Board"), as Election Superintendent for Paulding County, having been furnished with a certified copy of the resolution of the Board of Education of Paulding County, adopted on March 11, 2014, requesting the undersigned to call an election on May 20, 2014, relative to the reimposition of a sales and use tax for educational purposes and issuance of the general obligation debt described in said resolution, does hereby call said election on May 20, 2014, and orders and directs that the form of election notice contained in said resolution and required by law to be published in connection with the election and the issuance of said general obligation debt be published as provided by law.

BE IT FURTHER RESOLVED that such election be conducted pursuant to the applicable laws of the State of Georgia, that managers and election officials for all voting precincts be appointed and that election returns be consolidated in the presence of the Board and that the result be declared, all as is provided by law.

This 13 day of March, 2014.

PAULDING COUNTY BOARD OF ELECTIONS  
AND REGISTRATION



Chairperson