

JOINT RESOLUTION OF THE BOARD OF EDUCATION OF LOWNDES COUNTY AND THE BOARD OF EDUCATION FOR THE CITY OF VALDOSTA TO REGULATE AND PROVIDE FOR THE CALLING OF AN ELECTION ON MARCH 15, 2011 TO REIMPOSE, LEVY, AND COLLECT A SALES AND USE TAX FOR EDUCATIONAL PURPOSES WITHIN LOWNDES COUNTY FOR USE BY THE LOWNDES COUNTY SCHOOL DISTRICT AND THE VALDOSTA CITY SCHOOL SYSTEM, CONDITIONED UPON APPROVAL BY A MAJORITY OF THE QUALIFIED VOTERS RESIDING WITHIN LOWNDES COUNTY; TO AUTHORIZE THE ISSUANCE OF VALDOSTA CITY SCHOOL SYSTEM GENERAL OBLIGATION DEBT.

WHEREAS, the Board of Education of Lowndes County (the “Lowndes County Board of Education”) acting by, for and on behalf of the Lowndes County School District (the “Lowndes County School District”), the boundaries of which comprise all of Lowndes County except the corporate limits of the City of Valdosta, has determined that there exists a need for the (i) retirement of previously incurred general obligation debt, and (ii) the acquisition, construction and equipping of new school buildings and school facilities and the acquisition and purchase of property necessary and desirable therefore, both real and personal, within the Lowndes County School District (the “Lowndes Projects”) as more particularly described in the “Notice of Election” (the “Notice”) which is attached hereto as Exhibit A and made a part hereof; and

WHEREAS, and the Board of Education for the City of Valdosta (the “Valdosta Board of Education”) acting by, for and on behalf of the Valdosta City School System (the “Valdosta School System”), the boundaries of which comprise the corporate limits of the City of Valdosta, has determined that there exists a need for the acquisition, construction and equipping new school buildings and school facilities and the acquisition and purchase of property necessary and desirable therefore, both real and personal, within the Valdosta School System (the “Valdosta Projects”) as more particularly described in the Notice; and

WHEREAS, the Lowndes County Board of Education and the Valdosta Board of Education have 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 the purposes of financing certain capital outlay projects for educational purposes (the “sales tax”), such tax to correspond with and be levied in the same manner as the special county one percent sales and use tax provided for under 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 Lowndes County, which tax the Lowndes County Board of Education and the Valdosta Board of Education anticipate will cease to be collected on September 30, 2012; and

WHEREAS, the Lowndes County Board of Education and the Valdosta Board of Education have each determined that it is in the best interest of the citizens of Lowndes County

who reside in the Lowndes County School District and in the City of Valdosta, respectively, that the sales tax continue to be imposed in Lowndes County upon termination of the educational sales tax presently in effect, for the purposes described in this resolution; and

WHEREAS, reimposition of the sales tax will permit the Lowndes County School District, as required by the Act, to reduce, beginning in 2013, the amount of ad valorem property taxes scheduled to be levied in the School District to pay the principal of and interest on the outstanding LOWNDES COUNTY SCHOOL DISTRICT GENERAL OBLIGATION BONDS, SERIES 2006, LOWNDES COUNTY SCHOOL DISTRICT GENERAL OBLIGATION BONDS, SERIES 2007, LOWNDES COUNTY SCHOOL DISTRICT GENERAL OBLIGATION BONDS, SERIES 2008 and the LOWNDES COUNTY SCHOOL DISTRICT GENERAL OBLIGATION BONDS, SERIES 2009, and, instead, to retire such outstanding bonds with proceeds from the sales tax; and

WHEREAS, the Valdosta Board of Education recognizes that the most feasible method of financing a portion of the Valdosta Projects is through the issuance of general obligation debt pursuant to the Constitution and laws of the State of Georgia; and

WHEREAS, the Lowndes County Board of Education and the Valdosta Board of Education desire to provide the voters of Lowndes County with the opportunity to vote in favor of or against the reimposition of the sales tax and the issuance of general obligation debt of the Valdosta School System described above; and

WHEREAS, pursuant to provisions of the Act, the board of education of each county school district and the board of education of each independent school district within such county shall adopt concurrent resolutions with respect to the imposition, levy and collection of a one percent sales and use tax for educational purposes; and

WHEREAS, the Valdosta Board of Education has determined and declares by adoption of this resolution that during each year in which any payment of principal of or interest on the general obligation debt of the Valdosta School System will come due, the Valdosta School System will receive from the sales tax net proceeds sufficient to fully satisfy its obligation with respect to the payment of such principal and interest on a current basis;

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

1. There is hereby called an election to be held in all voting precincts in Lowndes County on March 15, 2011, for the purpose of submitting to the qualified voters of Lowndes County the question presented on the form of the ballot set forth the Notice attached hereto as Exhibit A.

2. Subject to the assent of a majority of the qualified voters residing in the City of Valdosta voting in the election, the issuance of general obligation debt of the Valdosta School System described on the ballot is hereby authorized. Such general obligation debt shall constitute a pledge of the full faith and credit of the Valdosta School System.

3. Any general obligation debt which may be issued by the Valdosta School System shall not exceed \$25,000,000 in principal amount. The purposes for which the general obligation debt is to be issued shall be to pay a portion of the cost of the Valdosta Projects described in the Notice and to pay capitalized interest on, and the cost of issuance of, such debt. The maximum interest rate or rates such general obligation debt shall bear shall be seven percent (7.0%) per annum. The maximum amount of principal to be paid in each year during the life of such general obligation debt shall be as follows:

<u>Year</u>	<u>Principal Amount</u>
Year 1	\$4,880,000
Year 2	4,930,000
Year 3	4,985,000
Year 4	5,060,000
Year 5	5,145,000

4. Subject to the assent of a majority of the qualified voters residing in Lowndes County voting in the election, in order to raise \$94,875,000 for the Lowndes County School District to finance the Lowndes Projects at an estimated cost of \$55,675,000 and retire previously incurred general obligation debt of the Lowndes County School District in a maximum amount of \$39,200,000, and in order to raise \$70,125,000 for the Valdosta School System to pay the costs of the Valdosta Projects and to finance the payment of the general obligation debt referred to above, there shall be imposed, levied and collected within Lowndes County and the City of Valdosta a one percent sales and use tax for educational purposes in accordance with the Act. The maximum cost of said capital outlay projects to be funded with sales tax proceeds and to retire previously incurred general obligation debt, which shall also be the maximum amount of net proceeds to be raised by the sales tax and received by the Lowndes County School District and the Valdosta School System, respectively, is set forth in the Notice. The Lowndes County School District and the Valdosta School System, respectively, may utilize such other funds as may be lawfully available to pay the costs of said capital outlay projects which exceed said maximum amount of net proceeds.

5. In accordance with the provisions of the Act, the net proceeds of the sales tax shall be distributed between the Lowndes County School District and the Valdosta School System according to the ratio the student enrollment in the Lowndes County School District and the Valdosta School System each bear to the total of such student enrollment. Student enrollment shall be based on the latest FTE count prior to the election on imposing the sales tax. The FTE for October, 2010 was 17,338 students; 9,977 students for the Lowndes County School District (57.5%) and 7,361 students for the Valdosta School System (42.5%).

6. The maximum period of time for which the sales tax shall be imposed shall be twenty consecutive calendar quarters, commencing upon termination of the sales tax currently in effect.

7. To the extent possible, the Lowndes County School District and the Valdosta School System each intend to combine their respective available State of Georgia funds with

their respective revenues from the sales and use tax and other available funds to finance their respective projects.

8. A copy of this resolution shall be delivered to the Board of Elections and Registration for Lowndes County as election superintendent (the "Board of Elections") and the Board of Elections is hereby requested to issue the call for the election to be held on March 15, 2011, for the purpose of submitting the question of the imposition of the sales tax to the voters of the Lowndes County School District and the City of Valdosta. Such call shall be issued not less than thirty days prior to the date of the referendum. The Board of Elections shall cause the date and purposes of the referendum to be published once a week for five weeks immediately preceding the date of the referendum in the official organ of Lowndes County and the notice thereof will be substantially in the form attached hereto and made a part hereof as Exhibit A.

9. The Board of Elections shall hold and conduct the referendum under the same rules and regulations as govern special elections. The Board of Elections shall canvass the returns, declare the results of the referendum, and certify the result to the Secretary of State and to the Commissioner of the Department of Revenue of the State of Georgia.

10. Excess proceeds of the sales tax received by the Lowndes County School District or the Valdosta School System which remain following expenditure of proceeds for retiring previously incurred general obligation debt or 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 Lowndes County School District or the Valdosta School System, as the case may be. In the event there is no indebtedness, such excess proceeds shall be used for the purpose of reducing the millage rate of the Lowndes County School District or the Valdosta School System in an amount equivalent to the amount of such excess proceeds.

11. Should general obligation debt of the Valdosta School System be authorized, the Mayor and Council of the City of Valdosta shall levy a tax upon all property subject to taxation for general obligation bond purposes within the City of Valdosta sufficient in amount to pay the principal of and interest on said general obligation debt to the extent of any deficiency in the sales tax proceeds.

12. (a) If general obligation debt of the Valdosta School System is to be issued, the Valdosta 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 Valdosta 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 City of Valdosta, the Valdosta Board of Education hereby declares its official intent to issue general obligation debt in a principal amount not to exceed \$25,000,000 and to reimburse original expenditures on the Valdosta Projects up to said amount with proceeds from the sale of such debt (to the extent permitted by Section 1.150-2 of the Treasury Regulations). The Valdosta School System will pay original expenditures on the capital outlay projects from a construction or other account maintained by the Valdosta School System.

(b) The Valdosta School System 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.

13. The Secretary of the Lowndes County Board of Education and/or the Secretary of the Valdosta School System are hereby authorized and directed to deliver to the Board of Elections a certified copy of this resolution.

14. The proper officers and agents of the Valdosta School System are hereby authorized to retain the services of Morgan Keegan & Company, Inc., Atlanta, Georgia, to provide placement agent or underwriting services and the services of the law firm of Gray & Pannell LLP, Savannah, 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 referendum, imposition of the sales tax, expenditure of tax proceeds, and the issuance of general obligation debt, as herein provided.

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

ADOPTED, this December 13, 2010.

LOWNDES COUNTY SCHOOL DISTRICT

Chairman, Board of Education of Lowndes County

VALDOSTA SCHOOL SYSTEM

Chairman, Board of Education for the City of Valdosta

EXHIBIT A

NOTICE OF SALES AND USE TAX
FOR EDUCATIONAL PURPOSES ELECTION
ON MARCH 15, 2011

Pursuant to a joint resolution adopted on December 13, 2010 by the Board of Education of Lowndes County (the "Lowndes County Board of Education") acting by, for and on behalf of the Lowndes County School District (the "Lowndes County School District"), and the Board of Education for the City of Valdosta (the "Valdosta Board of Education") acting by, for and on behalf of the Valdosta City School System (the "Valdosta School System"), and a call of election issued by the Board of Elections and Registration for Lowndes County, as Election Superintendent, notice is hereby given as follows:

1. On March 15, 2011, an election will be held in Lowndes County to submit to the qualified voters of Lowndes County the following question:

SALES TAX FOR EDUCATIONAL PURPOSES

- () YES Shall a one percent sales and use tax for educational purposes continue to be imposed in Lowndes County for a period of time not to exceed 20 consecutive calendar quarters in order to raise not more than \$165,000,000, (a) \$94,875,000 of which shall be distributed to the Lowndes County School District for the purpose of retiring previously incurred general obligation debt of the school district in the maximum amount of \$39,200,000, and funding the following capital outlay projects at an estimated cost of \$55,675,000: (i) the addition, renovation, repair and improvement to existing school buildings and facilities, including, but not limited to, all existing elementary and middle schools and Lowndes High School, (ii) planning and design of new school buildings and facilities, including, but not limited to, a new high school and a new auditorium/performing arts facility, (iii) the acquisition of technology equipment, security and safety equipment, textbooks, band and other musical instruments, vocational equipment and physical education and athletic equipment, (iv) the acquisition of school vehicles, including, but not limited to, school buses and maintenance vehicles and equipment, (v) the acquisition of any property necessary and desirable therefore, both real and personal, and (vi) the repayment of general obligation debt incurred through temporary loans for capital outlay project expenses, AND (b) \$70,125,000 of which shall be distributed to the Valdosta City School System for the purpose of funding the following capital outlay projects: (i) the addition, renovation, repair and improvement to existing school buildings, facilities and grounds, including, but not limited to, all existing elementary schools, middle schools and Valdosta High School, (ii) planning, design and construction of new school buildings and facilities, including, but not limited to, a new Southeast Elementary School and a new "west district" Elementary School, (iii) renovations and modifications or the relocation and replacement of the Valdosta City School System Central

Office complex, (iv) equipping system-wide new construction, additions and renovations, (v) making system-wide technology improvements, (vi) acquisition of security and safety equipment and/or fencing, textbooks, band and other musical instruments, vocational equipment and physical education and athletic equipment, (vii) acquisition of school vehicles, including, but not limited to, school buses, maintenance vehicles and equipment, and (viii) acquisition of any property necessary and desirable for new construction, expansion and/or improvement of existing facilities, both real and personal?

If imposition of the tax is approved by the voters who reside in the City of Valdosta, such vote shall also constitute approval of the issuance of general obligation debt of the Valdosta City School System in a principal amount not to exceed \$25,000,000 for the capital outlay purposes and for the payment of capitalized interest on such debt.

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 Lowndes County School District and the Valdosta City School System net proceeds equal to or greater than the amount specified as the estimated amount of net proceeds to be raised by the Educational Sales Tax.

3. The Lowndes County School District heretofore issued the LOWNDES COUNTY SCHOOL DISTRICT GENERAL OBLIGATION BONDS, SERIES 2006, LOWNDES COUNTY SCHOOL DISTRICT GENERAL OBLIGATION BONDS, SERIES 2007, LOWNDES COUNTY SCHOOL DISTRICT GENERAL OBLIGATION BONDS, SERIES 2008 and the LOWNDES COUNTY SCHOOL DISTRICT GENERAL OBLIGATION BONDS, SERIES 2009 (collectively, the "Prior Bonds"), as authorized by a majority vote of qualified voters in Lowndes County voting in an election held on September 19, 2006. If the Educational Sales Tax is approved by the voters on March 15, 2011 and imposed beginning October 1, 2012, proceeds to be received from the tax shall be used to pay principal of and interest on the outstanding Prior Bonds maturing on February 1, 2014 through February 1, 2018 in the maximum amount of \$39,200,000. The School District may apply funds available in the sinking fund maintained for the outstanding Prior Bonds to assist in the retirement of such bonds.

The specific capital outlay projects which the Lowndes County Board of Education currently expects to fund from the proceeds of the Educational Sales Tax in the estimated amount of \$55,675,000 are as follows (collectively, the "Lowndes Projects"):

- The addition, renovation, repair and improvement to existing school buildings and facilities, including, but not limited to, all existing elementary and middle schools and Lowndes High School;
- Planning and design of new school buildings and facilities, including, but not limited to, a new high school and a new auditorium/performing arts facility;
- Acquisition of technology equipment, security and safety equipment, textbooks, band and other musical instruments, vocational equipment and physical education and athletic equipment;
- Acquisition of school vehicles, including, but not limited to, school buses and maintenance vehicles and equipment;
- Acquisition of any property necessary and desirable therefore, both real and personal; and
- The repayment of general obligation debt incurred through temporary loans for capital outlay project expenses.

The estimated cost of the retirement of previously incurred general obligation debt and the above described capital outlay projects which the Lowndes County Board of Education expects to be funded with Educational Sales Tax proceeds shall be \$94,875,000, which will constitute the estimated amount of net proceeds of the Educational Sales Tax to be received by the Lowndes County School District.

To the extent available, the Lowndes County School District may combine available funds from the State of Georgia with proceeds from the Educational Sales Tax, 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 have not been received. Depending upon acquisition and construction costs and available funds, the Lowndes County School District may 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, together with other available funds actually received by the Lowndes County School District, are insufficient to complete any of the capital outlay projects.

4. The specific capital outlay projects which the Valdosta Board of Education currently expects to fund from general obligation debt and the proceeds of the Educational Sales Tax are as follows (collectively, the “Valdosta Projects”):

- The addition, renovation, repair and improvement to existing school buildings, facilities and grounds, including, but not limited to, all existing elementary schools, middle schools and Valdosta High School;
- Planning, design and construction of new school buildings and facilities, including, but not limited to, a new Southeast Elementary School and a new “west district” Elementary School;
- Renovations and modifications or the relocation and replacement of the Valdosta City School System Central Office complex;
- Equipping system-wide new construction, additions and renovations;
- Making system-wide technology improvements;

- Acquisition of security and safety equipment and/or fencing, textbooks, band and other musical instruments, vocational equipment and physical education and athletic equipment;
- Acquisition of school vehicles, including, but not limited to, school buses, maintenance vehicles and equipment; and
- Acquisition of any property necessary and desirable for new construction, expansion and/or improvement of existing facilities, both real and personal.

The estimated cost of the above described capital outlay projects which the Valdosta Board of Education expects to be funded with Educational Sales Tax proceeds, including interest, capitalized interest and cost of issuance on the general obligation debt to be incurred, shall be \$70,125,000, which will constitute the estimated amount of net proceeds of the Educational Sales Tax to be received by the Valdosta School System.

To the extent available, the Valdosta School System may combine available funds from the State of Georgia with proceeds from 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 have not been received. Depending upon acquisition and construction costs and available funds, the Valdosta School System may 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 Valdosta School System, are insufficient to complete any of the capital outlay projects.

5. The general obligation debt, if so authorized pursuant to the election, may be issued by the Valdosta School System in whole or in part and in one or more series in an aggregate principal amount not to exceed \$25,000,000. The general obligation debt shall bear interest at an interest rate or rates not to exceed seven percent (7.0%) per annum, and the final year of maturity of such debt shall not be later than calendar year 2018. The maximum amount of principal to be paid in each year during the life of such debt shall be as follows:

<u>Year</u>	<u>Principal Amount</u>
Year 1	\$4,880,000
Year 2	4,930,000
Year 3	4,985,000
Year 4	5,060,000
Year 5	5,145,000

The Valdosta School System may issue aggregate general obligation debt which is less than \$25,000,000 and reduce the principal amounts maturing in each year which are shown above.

6. In reference to Official Code of Georgia Annotated § 36-82-1(d), any brochures, listings or other advertisements issued by the Lowndes County Board of Education or by the Valdosta Board of Education or by any other person, firm, corporation or association with the knowledge and consent of the Lowndes County Board of Education or by the Valdosta Board of

Education shall be deemed to be a statement of intention concerning the use of the proceeds of the Educational Sales Tax.

7. The last day to register to vote in the election is Monday, February 14, 2011. Anyone desiring to register may do so by applying in person at the voter registration office located at 2808 North Oak Street, Valdosta, Georgia, telephone 229-671-2850, or by any other method authorized by the Georgia Election Code.

8. The election will be held on Tuesday, March 15, 2011. The polls will be open from 7:00 a.m. until 7:00 p.m.

This Notice of Election is given pursuant to a joint resolution adopted on December 13, 2010 by the Lowndes County Board of Education and the Valdosta Board of Education.

This _____, 2010.

Chairperson, Board of Elections and Registration
for Lowndes County

To be published on February 11, 18, and 25, 2010 and March 4 and 11, 2010.

SECRETARY'S CERTIFICATE

Now comes the undersigned Secretary of the Board of Education of Lowndes 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 meeting assembled on December 13, 2010, the original of which resolution has been entered in the official records of said Board of Education 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)

Secretary, Board of Education of
Lowndes County, Georgia

SECRETARY'S CERTIFICATE

Now comes the undersigned Secretary of the Board of Education for the City of Valdosta, Georgia, 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 meeting assembled on December 13, 2010, the original of which resolution has been entered in the official records of said Board of Education 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)

Secretary, Board of Education
for the City of Valdosta, Georgia

ORDER

STATE OF GEORGIA
LOWNDES COUNTY

The Board of Elections and Registration for Lowndes County having been furnished with a certified copy of a joint resolution adopted by the Board of Education of Lowndes County and the Board of Education for the City of Valdosta on December 13, 2010, requesting the undersigned to call an election on March 15, 2011, relative to the imposition 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 March 15, 2011, 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.

This _____, 2010.

By: _____
Chairperson,
Board of Elections and Registration
for Lowndes County

(S E A L)