

07-001

Execution Copy

A RESOLUTION PROVIDING FOR THE LEVY AND
COLLECTION OF AN ANNUAL AD VALOREM TAX TO
PROVIDE FUNDS FOR THE PAYMENT OF THE PRINCIPAL
OF AND INTEREST ON \$1,200,000 IN AGGREGATE
PRINCIPAL AMOUNT OF THE CLAY COUNTY SCHOOL
DISTRICT GENERAL OBLIGATION BONDS, SERIES 2007.

WHEREAS, pursuant to a resolution of the Clay County School District (the "School District") acting by and through the Clay County Board of Education (the "Board of Education"), which Resolution was duly adopted on August 14, 2006, an election was called to be held on November 7, 2006 in all of the election districts of the School District, a political subdivision of the State of Georgia, to determine whether or not a 1% special purpose sales and use tax should be imposed and whether or not Clay County School District General Obligation Debt in the amount of \$1,200,000 should be issued; and,

WHEREAS, under and by virtue of the authority of Article VIII, Section VI, Paragraph IV of the Constitution of the State of Georgia and Title 48, Chapter 8, Article 3 of the Official Code of Georgia Annotated, as amended, (the "Sales Tax Act"), and the approval of a majority of the qualified voters voting in the election held on November 7, 2006 in the School District, the School District is authorized to impose a 1% special purpose sales and use tax (the "Special 1% Tax") and to issue its CLAY COUNTY SCHOOL DISTRICT GENERAL OBLIGATION BONDS, SERIES 2006 (the Bonds") in the aggregate principal amount of \$1,200,000 for the purpose of (i) improving, renovating, extending, repairing and equipping the gymnasium at the Clay County Elementary School to include concessions, bleachers, dressing rooms and storage area; (ii) acquiring, constructing and equipping a recreation/athletic complex to share with the community to include additional fields and lights; (iii) rehabilitating, repairing, renovating, extending and improving existing schools and related facilities useful or desirable in connection therewith, including without limitation, additional classrooms, roof replacements and repairs, mechanical system repairs and replacements, and wiring and infrastructure modifications; (iv) acquiring and installing systemwide instructional and administrative technology, safety and security equipment to include cameras for school buses; (v) acquiring school furnishings, textbooks, music and athletic equipment; (vi) acquisition of school buses and maintenance vehicles and equipment; (vii) acquiring any necessary property, both real and personal and acquiring any necessary or desirable rights in connection therewith, (viii) payment of capitalized interest through October 1, 2007; and (xi) paying costs incident to accomplishing the foregoing; and,

WHEREAS, the principal of and interest on the Bonds shall be payable first from the proceeds derived from the imposition of the Special 1% Tax and, if the proceeds derived from the imposition of the said tax are not sufficient to pay the entire principal of and interest on the Bonds, when due, then such unpaid amount shall be payable from a direct annual ad valorem tax, unlimited as to rate or amount, on all property within the School District subject to taxation for bond purposes; and,

WHEREAS, the Board of Education has determined that it is necessary that there be levied an annual ad valorem tax upon all property subject to taxation for school bond purposes within the

territorial limits of the School District sufficient in the amount, together with the Special 1% Tax actually collected, to pay the total amount of principal and interest to be paid on the Bonds at their respective maturities; and

WHEREAS, the Board of Education has recommended, in a resolution duly adopted by the Board and delivered to the Board of Commissioners of Clay County, that the Board of Commissioners levy an annual ad valorem tax upon all property within the territorial limits of the District subject to taxation for school bond purposes, at such rate as will raise, together with the Special 1% Tax actually collected, up to the total principal of and interest on the Bonds as set forth in Exhibit A hereto; and

WHEREAS, it is necessary at this time that an ad valorem tax be levied as required by Article IX, Section V, Paragraph VI of the Constitution of the State of Georgia for the purpose of paying the annual amount of principal of and interest on the Bonds, which tax shall be levied in the preceding year; and

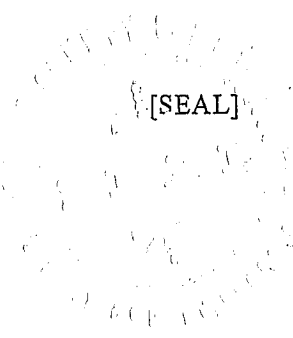
WHEREAS, based upon historical levels of sales and use taxes collected in Clay County, and the required debt service on the Bonds, the School District expects that during each year in which any payment of principal and interest on the Bonds becomes, the School District will receive from the Sales and Use Tax net proceeds sufficient to fully satisfy its liability for debt service on the Bonds and the proceeds of the Sales and Use Tax have been irrevocably pledged by the School District to the payment of principal and interest on the Bonds; *HOWEVER*, to the extent the net proceeds of the Sales and Use Tax are insufficient to pay the principal of and interest on the Bonds as the same become due and payable, the said several sums shall be collected by the Tax Commissioner of Clay County, Georgia, in each of said years, and shall be annually (or sooner) paid into an escrow fund to be maintained for and 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 Resolution shall be made annually (or sooner) thereafter;

NOW, THEREFORE, AT THE REQUEST OF THE CLAY COUNTY SCHOOL DISTRICT AND AS APPROVED BY THE VOTERS OF THE SCHOOL DISTRICT IN A REFERENDUM HELD ON NOVEMBER 7, 2006, BE IT RESOLVED by the Board of Commissioners of Clay County, and it is hereby resolved by authority of the same, that there shall be and is hereby levied a direct annual ad valorem tax for the years 2007 through 2012, without limitation as to rate or amount, upon all property subject to taxation for school bond purposes within the territorial limits of the School District, being all of Clay County, Georgia, sufficient to provide moneys, together with the Special 1% Tax actually collected, required to pay the principal of and interest on the Bonds, as more fully set forth in Exhibit A attached hereto and incorporated herein by this reference; provided, however, that debt service on the Bonds shall first be paid from the proceeds of the Special 1% Tax and such direct annual tax shall be collected only if, and to the extent, that the proceeds of the Special 1% Tax are insufficient to pay debt service on the Bonds. The sums hereby levied 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. The amount to be levied for each year is the amount specified to pay principal and interest coming due in the following year to the extent that sufficient funds are not available from the proceeds of the Special 1% Tax. These sums


shall be collected by the Tax Commissioner of Clay County, Georgia, in each of the years levied, and shall be paid into the Series 2007 Debt Service Account of the Clay County School District Sales and Use Tax Fund, and shall be applied to the payment of the principal of and interest on the Bonds as the same become due and payable. Provisions to meet the requirements of this resolution shall be made annually hereafter.

BE IT FURTHER RESOLVED by the authority aforesaid that all orders and resolutions in conflict with this resolution this day passed, if any, be and the same are hereby repealed.

PASSED, ADOPTED, SIGNED, APPROVED, AND EFFECTIVE at Fort Gaines, Georgia, this 16th day of January, 2007.



CLAY COUNTY, GEORGIA

By: 
GERALD VON ANDERSON, III
Chairman, Board of Commissioners
Of Clay County

Attest:


Teresa Smith
Clerk, Board of Commissioners
of Clay County

EXHIBIT A

DEBT SERVICE SCHEDULE

\$1,200,000
Clay County School District
General Obligation Bonds
Series 2007

DEBT SERVICE SCHEDULE

<u>Date</u>	<u>Principal</u>	<u>Coupon</u>	<u>Interest</u>	<u>Period Total</u>	<u>Fiscal Total</u>
10/1/07 ¹	\$ 0.00	<u>3.530%</u>	\$ 32,902.67	32,902.67	
4/1/08	0.00		24,677.00	24,677.00	57,579.67
10/1/08	220,000.00	<u>3.530%</u>	24,677.00	244,677.00	
4/1/09	0.00		20,233.00	20,233.00	264,910.00
10/1/09	230,000.00	<u>3.530%</u>	20,233.00	250,233.00	
4/1/10	0.00		15,541.00	15,541.00	265,774.00
10/1/10	240,000.00	<u>3.530%</u>	15,541.00	255,541.00	
4/1/11	0.00		10,609.00	10,609.00	266,150.00
10/1/11	250,000.00	<u>3.530%</u>	10,609.00	260,609.00	
4/1/12	0.00		5,434.00	5,434.00	266,043.00
10/1/12	<u>260,000.00</u>	<u>3.530%</u>	<u>5,434.00</u>	<u>265,434.00</u>	
Totals:	\$ <u>1,200,000.00</u>		<u>\$185,890.67</u>	<u>\$1,385,890.67</u>	

¹Interest shown for October 1, 2007 reflects capitalized interest only.

CLERK'S CERTIFICATE

GEORGIA, CLAY COUNTY

I, Teresa Smith, Clerk of the Board of Commissioners of Clay County, *DO HEREBY CERTIFY* that the foregoing pages constitute a true and correct copy of a resolution adopted by the Board of Commissioners of Clay County at an open public meeting duly called and lawfully assembled on the 16th day of January, 2007, in connection with the levy of an ad valorem tax for \$1,200,000 in original aggregate principal amount of CLAY COUNTY SCHOOL DISTRICT GENERAL OBLIGATION BONDS, SERIES 2007, the original of such resolution being duly recorded in the Minute Book of the Board of Commissioners, which Minute Book is in my custody and control.

I do hereby further certify that the following members of the Board of Commissioners of Clay County were present at such meeting:

Gerald Von Anderson, III, Chairperson

Willie McCoy, Vice Chairperson

Walton Killingsworth

David Shivers

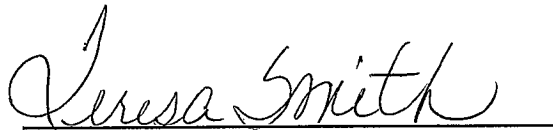
Barry Waters

and that the following members were absent:

and that such resolution was duly adopted by a vote of

Aye 5 Nay

WITNESS my hand and the official seal of Clay County, this 16th day of January, 2007.



Teresa Smith
Clerk, Board of Commissioners
of Clay County

