

INTERGOVERNMENTAL CONTRACT

This Intergovernmental Contract, made and entered into as of May 1, 2008 (this "**Intergovernmental Contract**"), by and among WALKER COUNTY (the "**County**"), a political subdivision of the State of Georgia, the CITY OF CHICKAMAUGA ("**Chickamauga**") a municipal corporation of the State of Georgia, the CITY OF FORT OGLETHORPE ("**Fort Oglethorpe**") a municipal corporation of the State of Georgia, the CITY OF LAFAYETTE ("**LaFayette**"), a municipal corporation of the State of Georgia, the CITY OF CITY OF LOOKOUT MOUNTAIN ("**Lookout Mountain**"), a municipal corporation of the State of Georgia, and the CITY OF ROSSVILLE ("**Rossville**"), a municipal corporation of the State of Georgia.

WITNESSETH:

WHEREAS, Section 48-8-110, *et seq.* of Official Code of Georgia Annotated ("**O.C.G.A.**") (the "**Act**") authorizes the imposition of a special county one percent sales and use tax (the "**Special Sales Tax**") for capital outlay projects in the special districts created pursuant to O.C.G.A. § 48-8-110.1(a) which correspond with the geographical boundaries of the counties of the state; and

WHEREAS, O.C.G.A. Section 48-8-111(a)(1)(D) authorizes the imposition of the Special Sales Tax for the purpose of generating funds to be used and expended on a capital outlay project or projects, to be owned or operated or both either by the County, one or more municipalities, or any combination thereof, and O.C.G.A. § 48-8-115(b) authorizes the distribution of proceeds from the Special Sales Tax to the County governing authority and any qualified municipalities in accordance with an intergovernmental agreement entered into for such purpose; and

WHEREAS, Article IX, Section III, Paragraph I of the Constitution of the State of Georgia provides that, in pertinent part, any county, municipality or other political subdivision of the State of Georgia may contract for any period not exceeding fifty years with each other or with any public agency, public corporation, or public authority for joint services, for the provision of services, or for the joint or separate use of facilities or equipment, for such activities, services or facilities which the county, municipality or public authority is authorized by law to undertake or provide; and

WHEREAS, Chickamauga, Fort Oglethorpe, LaFayette, Lookout Mountain, and Rossville (together, the "**Municipalities**" or "**Cities**") are all of the municipalities within the geographical confines of the County; and

WHEREAS, it is projected that the Special Sales Tax will raise a total of \$38,000,000 over six (6) years; and

WHEREAS, assuming collection of said total amount the County will receive \$28,500,000 (75.00% of the total proceeds collected) from the Special Sales Tax to be used for the following capital outlay projects: road, street, and bridge purposes, which purposes may

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include sidewalks, bicycle paths and capital equipment therefor; industrial and economic development improvements; water and sewer improvements including solid waste, storm water management, and equipment therefor; emergency services/public safety facilities, vehicles, and equipment including fire hydrants; acquisition, construction and improvements to county buildings, sheriff's department projects, county recreation facilities and public libraries; computers and equipment for county technology improvements; historical and green space projects; and animal shelter improvements (collectively, the "**County Projects**"), with the remaining proceeds to be divided among the municipalities of the County; and

WHEREAS, assuming collection of the total amount projected, Chickamauga will receive approximately \$1,432,600 (3.77% of the total proceeds collected) for the following capital outlay projects: water and sewer improvements; vehicles and equipment for garbage and trash pickup; city vehicles and equipment; renovations and improvements to Gordon-Lee Mansion, city hall, and city recreation facilities; street improvements, streetscape, and paving and striping; and technology and equipment for the library; each of said projects to be owned and operated by said municipality (collectively, the "**Chickamauga Projects**"); and

WHEREAS, assuming collection of the total amount projected, Fort Oglethorpe will receive approximately \$148,200 (0.39% of the total proceeds collected) for the following capital outlay projects: water and sewer improvements; public safety vehicles and equipment; and road, street and bridge purposes including sidewalks and walking trails; each of said projects to be owned and operated by said municipality (the "**Fort Oglethorpe Projects**"); and

WHEREAS, assuming collection of the total amount projected, LaFayette will receive approximately \$4,434,600 (11.67% of the total proceeds collected) for the following capital outlay projects: water and sewer improvements including solid waste, meter upgrades, property, equipment and vehicles; renovations and new technology for city hall; expansion of airport property and recreational property including facilities, equipment and vehicles; public safety equipment, vehicles, and facility renovations; roads, streets, and bridges improvements; historical preservation and renovation, property acquisition and streetscape; renovations and equipment for the Gas Department; and cemetery fencing, a maintenance building, and gazebo; each of said projects to be owned and operated by said municipality (collectively, the "**LaFayette Projects**"); and

WHEREAS, assuming collection of the total amount projected, Lookout Mountain will receive approximately \$1,090,600 (2.87% of the total proceeds collected) for the following capital outlay projects: city hall renovation or replacement; water and sewer improvements including storm water and equipment; pedestrian pathway; recreation and green space improvements and equipment; street maintenance and garbage equipment and vehicles; public safety equipment and vehicles; downtown development planning; computers and new technology; each of said projects to be owned and operated by said municipality (collectively, the "**Lookout Mountain Projects**"); and

WHEREAS, assuming collection of the total amount projected, Rossville will receive approximately \$2,394,000 (6.30% of the total proceeds collected) for the following capital outlay projects: public safety vehicles, equipment, and facilities; public works vehicles, equipment, and

facilities; road, street, and bridge purposes, including sidewalks; water, sewer, and storm water improvements; acquisition, construction, and renovation of parks and recreation facilities; equipment for administrative offices; and technology and books for the library, each of said projects to be owned and operated by said municipality (collectively, the "**Rossville Projects**"); and

WHEREAS, the Chickamauga Projects, LaFayette Projects, Fort Oglethorpe Projects, Lookout Mountain Projects, and Rossville Projects are hereinafter collectively referred to as the "**City Projects**"; and

WHEREAS, under the terms of the Act, it is necessary for the Municipalities to enter into this Intergovernmental Contract with the County, as authorized by Article IX, Section III, Paragraph I of the Constitution of the State of Georgia, prior to the execution of this intergovernmental contract and prior to the call of the election with respect to the Special Sales Tax; and

WHEREAS, the proceeds of said Special Sales Tax shall be distributed among the County and the Municipalities in accordance with the provisions of this Intergovernmental Contract, which has been entered into by and among said parties prior to the call of said election, in compliance with the Act and with Article IX, Section III of the Constitution of the State of Georgia; and

WHEREAS, the County has been asked to submit to the qualified voters of the County at an election to be held July 15, 2008, the question of whether the voters will approve the Special Sales Tax and the issuance of said general obligation debt of the County (the "**County Bonds**"); and

WHEREAS, the City of LaFayette has asked the County to include as part of the question of whether the voters will approve the Special Sales Tax authorization for the City of LaFayette to issue general obligation debt of the City of LaFayette (the "**LaFayette Bonds**"); and

WHEREAS, it is necessary that the County and the Municipalities provide for the division of funds representing the proceeds from the sale of the Bonds and the revenues produced by the Special Sales Tax; and

WHEREAS, it is necessary that the County and the Municipalities set forth their respective legal rights, responsibilities, and obligations regarding the construction, ownership, and operation of the County Projects and the City Projects; and

WHEREAS, it is necessary that the County and the City of LaFayette set forth their respective legal right, responsibilities, and obligations regarding the proposed issuance of general obligation debt of the City of LaFayette.

NOW THEREFORE, for and in consideration of the premises, the fulfillment of the lawful conditions for imposition of the Special Sales Tax for the benefit of the citizens of the

County and the Municipalities and the mutual covenants and agreements herein contained, the parties hereby agree as follows:

Section 1. If the Special Sales Tax is approved by a majority of the voters voting in the election on July 15, 2008, the County hereby agrees to impose the Special Sales Tax and issue the County Bonds for the purpose, *inter alia*, of providing funds for the County Projects and the City Projects, other than the LaFayette Projects, in accordance with the distribution provisions set forth in Sections 3 and 4 hereof. The Municipalities each hereby agree to acquire, construct, and install their respective Projects with the proceeds from the sale of the County Bonds and in the case of the City of LaFayette from the sale of the LaFayette Bonds as set forth in Section 3 hereof and/or proceeds of the Special Sales Tax as set forth in Section 4 hereof, for the use and benefit of their respective citizens, all in accordance with Section 48-8-111(a)(1)(D) of the Act. This Intergovernmental Contract shall become effective as of the effective date of the Special Sales Tax. If the Special Sales Tax is not approved by a majority of the registered voters, then this Intergovernmental Contract shall be null and void and shall have no legal effect on any of the parties hereto.

Section 2. The Municipalities and the County hereby agree that all proceeds of the Special Sales Tax shall first be disbursed in accordance with Section 48-8-115 of the Act, which provides that one percent of the amount collected shall be paid into the general fund of the State Treasury in order to defray the costs of administration, and the remainder of the proceeds of the Special Sales Tax shall be distributed to the Commissioner of the County and shall be utilized as set forth in Section 4 hereof.

Section 3. It is the intent of the parties that the County and each City receive from a combination of County Bond proceeds and in the case of the City of LaFayette from the LaFayette bond proceeds and/or proceeds to be received directly from the Special Sales Tax the percentages of proceeds described in the preamble to this Contract. After consulting with the Cities other than the City of LaFayette, the County shall determine the amount of County Bond proceeds which can be allocated to the County Projects and to each City's Projects other than the LaFayette Projects. The County and each City which receives County Bond proceeds shall bear a proportionate share of interest costs and the costs of issuance of the County Bonds. A City may elect not to receive Bond proceeds by so notifying the County within a reasonable time prior to the issuance of Bonds.

Net proceeds of the County Bonds shall be deposited into a special trust account of the County or at the request of a City, the portion of such net proceeds allocated for such City's projects shall be delivered to the City for deposit into a special trust account to be designated as such City's bond construction fund.

Cities which do not establish their own bond construction fund will submit proper requisitions for their respective City Projects to the County on an as needed basis. The County will be responsible for distributing the proceeds of the County Bonds for such Cities and will pay the proper requests of such Cities as County Bond proceeds are available therefor. It is the intention of this paragraph to recognize the County's authority to determine the amount of County Bonds to be issued, to determine which County Projects will receive County Bond

Proceeds, and in accordance with requests to be made by the Cities other than the City of LaFayette prior to issuance of the County Bonds to determine the amount which each City will receive in County Bond proceeds. The County Projects shall be funded with County Bond proceeds in order of priority as established by the Commissioner of Walker County, and each City's Projects to be funded with County Bond proceeds shall be funded in order of priority as established by such City.

Prior to the first receipt of any proceeds of the County Bonds, each City receiving County Bond proceeds will execute a tax certificate and such other documents as may be required by bond counsel to assure that such proceeds are spent in accordance with the requirements of the Internal Revenue Code of 1986 and Georgia law. Each City receiving County Bond proceeds agrees that with regard to its receipt, investment, and expenditure of County Bond proceeds that if it takes any actions or fails to act in any way which results in an adverse effect on the tax exempt status of the County Bonds that it will pay any costs or expenses, including attorneys fees and accounting fees, which the County may incur as a result of such City's action or inaction.

Section 4. Net proceeds of the LaFayette Bonds shall be deposited into a special trust account of the City of LaFayette to be used for the acquisition and construction of all or a portion of the LaFayette Projects. The LaFayette Bonds shall be general obligation debt of the City of LaFayette and the County shall have no direct obligation or responsibility with regard to the payments of the LaFayette Bonds, except for the payments to be made to the LaFayette Debt Service Account 2008, pursuant to Section 5(e).

Section 5. (a) Prior to or concurrently with the issuance and delivery of the County Bonds and/or the LaFayette Bonds the County will create and establish with a bank designated by the County three special accounts which shall be designated as the Walker County 2008 Special County One Percent Sales and Use Tax Proceeds Account (the "**Sales Tax Proceeds Account 2008**"), the Walker County General Obligation Sales Tax Bonds, Series 2008 Debt Service Account (the "**County Debt Service Account 2008**") and the Walker County 2008 Election County Projects Account (the "**County Projects Account 2008**"). Money in each of said accounts shall be held separate and apart from all other funds of the County and shall not in any manner be comingled with other funds of the County.

(b) prior to and concurrently with the issuance and delivery of the LaFayette Bonds the City of LaFayette will create and establish with a bank designated by the City of LaFayette a special account designated as the City of LaFayette General Obligation Sales Tax Bonds, Series 2008 Debt Service Account (the "**LaFayette Debt Service Account 2008**").

(c) the County will direct the State of Georgia Department of Revenue, Local Government Services Division to remit a proceeds of the Special Sales Tax received by or on behalf of the County pursuant to O.C.G.A. § 48-8-115(a)(2) to the Sales Tax Proceeds Account 2008.

(d) in accordance with O.C.G.A. § 48-8-121(e), part of the proceeds of the tax will be used for the payment of the County Bonds and the LaFayette Bonds. No part of the net proceeds

from the tax received in any bond year shall be used for other purposes until all debt service requirements of the County Bonds and LaFayette Bonds for that bond year have first been satisfied from the Sales Tax Proceeds Account in accordance with Sections 5(e) and (f). The County and the City of LaFayette agree that the interest payment dates on the County Bonds and the LaFayette Bonds shall be January 1 and July 1 of each year beginning not earlier than January 1, 2009, and the principal payment dates for the County Bonds and LaFayette Bonds shall be January 1 of each year beginning January 1, 2010. Bond year shall mean the period from January 2 of each calendar year through January 1 of the next calendar year.

(e) upon the issuance and delivery of the LaFayette Bonds, the City of LaFayette shall deliver to the County and to the custodian of the Sales Tax Proceeds Account 2008 (i) a spreadsheet showing the amounts of principal and interest coming due on the LaFayette Bonds in each bond year, (ii) the name of the LaFayette Debt Service Custodian; and, (iii) instructions with regard to the transfer of Special Sales Tax proceeds to such custodian. The County shall remit or cause the custodian of the Sales Tax Proceeds Account 2008 to remit to the County Debt Service Account 2008 88.33% of the proceeds of the Special Sales Tax and to the LaFayette Debt Service Account 2008 11.67% of the proceeds of the Special Sales Tax. On or before December 20th of each calendar year, the County Debt Service Account 2008 and the LaFayette Debt Service Account 2008 shall be funded in an amount equal to the principal and interest coming due on the County Bonds and LaFayette Bonds, respectively, in that bond year. On December 20th of each bond year, the custodian of the County Debt Service Account 2008 and the custodian of the LaFayette Debt Service Account 2008 shall notify the County or City of LaFayette, as applicable, of any debt service deficiency. The County or City of LaFayette, as applicable, shall deposit into its respective debt service account, from its general funds, the amount of any debt service deficiency before the end of the then current bond year.

(f) after the County Debt Service Account 2008 has sufficient monies therein to pay the principal and interest coming due on the County Bonds in the then current bond year, all remaining proceeds of the Special Sales Tax subsequently received in said bond year (the "Unencumbered Distributions") shall be distributed to the County and the Cities for their respective projects in accordance with the provisions of this Intergovernmental Contract, provided, however, the City of LaFayette shall not receive any Unencumbered Distributions in any bond year until such time as the LaFayette Debt Service Account 2008 has sufficient monies therein to pay the principal and interest coming due on the LaFayette Bonds in the then current bond year. The County will be responsible for distributing such remaining proceeds and will meet the requests of the Cities when it determines that proceeds of the Special Sales Tax are available therefor.

(g) the County shall remit and distribute proceeds of the Special Sales Tax on a monthly basis, assuming the County continues to receive such money on a monthly basis. The County agrees that capital projects of any City which elects not to receive County Bond Proceeds shall in each bond year have priority in the receipt of the proceeds of the Special Sales Tax.

(h) on the first day of each bond year the proceeds of the Special Sales Tax shall recommence being deposited as set forth in Sections 5(e) and (f) hereof.

In accordance with Section 48-8-121(a)(2) of the Act, the County, Chickamauga, LaFayette, Fort Oglethorpe, Lookout Mountain, Rossville will create segregated accounting funds for the receipt of their respective distributions of the Special Sales Tax. Within these accounting funds, the County, Chickamauga, Fort Oglethorpe, LaFayette, Lookout Mountain, and Rossville will establish sub-accounts for each of their projects financed with the Special Sales Tax and maintain the records of each project and annual audit schedules required by Section 48-8-121(a)(2) of the Act.

Section 6. (a) The County shall hold title to and shall be solely responsible for acquiring, constructing, equipping, installing, operating, maintaining, and insuring the County Projects.

(b) Each of the Municipalities shall hold title to and shall be solely responsible for acquiring, constructing, equipping, installing, operating, maintaining, and insuring its respective City Projects.

Section 7. The County and each of the Municipalities receiving County Bond proceeds shall share proportionately in the costs of issuance of the County Bonds, which proportionate shares shall be deducted from the total amount which each such party is entitled to receive pursuant to this Contract. All other proceeds, including but not limited to any interest income, shall be the property of the County. Any interest income earned by a City on proceeds paid to it by the County shall be the property of such City.

Section 8. The City of LaFayette shall pay all costs of issuance of the LaFayette Bonds and any interest income earned by the City of LaFayette on the investment of LaFayette Bond proceeds shall be the property of the City of LaFayette.

Section 9. This Intergovernmental Contract is a full and complete statement of the agreement of the parties as to the subject matter hereof.

Section 10. The parties hereto covenant that they have the requisite legal authority to provide the services, perform the functions, and otherwise do all things necessary, convenient, and expedient to carry out the obligations and responsibilities herein set forth, either expressly or by reasonable implication. This Intergovernmental Contract shall constitute a binding, legal contract by and among the parties hereto, in accordance with Article IX, Section III, Paragraph I of the Constitution of the State of Georgia and has been authorized by proper action of the respective parties.

Section 11. Except for the City Projects and the City bond construction funds, custodial accounts for all County Bond proceeds and all receipts of the Special Sales Tax paid to the County shall be designated by the Commissioner of Walker County. Except for the City of LaFayette, each City shall designate a custodian for its respective projects and for the proceeds which it receives from the County Bonds. The Mayor of the City of LaFayette shall designate the custodian for the LaFayette Debt Service Account and all of its funds and all accounts relating to the LaFayette Bonds.

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Section 12. This Intergovernmental Contract may be amended from time to time as the parties may agree.

IN WITNESS WHEREOF, the County, Chickamauga, Fort Oglethorpe, LaFayette, Lookout Mountain, and Rossville have caused their duly authorized officers to hereunto set their hands and affix their respective corporate seals, the day and year first above written.

(S E A L)

WALKER COUNTY, GEORGIA

Bebe Heiskell

Bebe Heiskell,
Commissioner of Walker County

Attest: B. Margaret Barrett
Clerk

[Signatures of Cities on pages 9 through 13]

CITY OF CHICKAMAUGA, GEORGIA

(SEAL)

By: Ray Crumley
Mayor

Attest: Jane Ramsey
City Clerk

[SIGNATURE PAGE TO INTERGOVERNMENTAL CONTRACT]

CITY OF FORT OGLETHORPE, GEORGIA

(S E A L)

By: Renee Cobb
Mayor

Attest: J. Harrell Siler
City Clerk

[SIGNATURE PAGE TO INTERGOVERNMENTAL CONTRACT]

(SEAL)

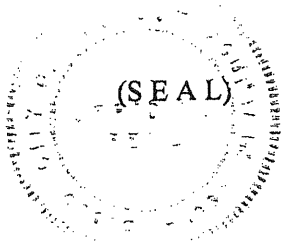
CITY OF LAFAYETTE, GEORGIA

By: *H Neal Florence*
Mayor

Attest: *Brenda Anderson*
City Clerk

[SIGNATURE PAGE TO INTERGOVERNMENTAL CONTRACT]

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CITY OF LOOKOUT MOUNTAIN, GEORGIA

By: [Signature]
Mayor

Attest: [Signature]
City Clerk

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[SIGNATURE PAGE TO INTERGOVERNMENTAL CONTRACT]

(SEAL)

CITY OF ROSSVILLE, GEORGIA

By: Johnny Baker
Mayor

Attest: Sherry Foster
City Clerk

[SIGNATURE PAGE TO INTERGOVERNMENTAL CONTRACT]

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**FIRST AMENDMENT
INTERGOVERNMENTAL CONTRACT**

This First Amendment to Intergovernmental Contract, made and entered into as of May 1, 2008 (this "**First Amendment to Intergovernmental Contract**"), between WALKER COUNTY (the "**County**"), a political subdivision of the State of Georgia, and the CITY OF LAFAYETTE ("**LaFayette**"), a municipal corporation of the State of Georgia.

WITNESSETH:

WHEREAS, the parties hereto, together with the City Of Chickamauga ("**Chickamauga**"), the City Of Fort Oglethorpe ("**Fort Oglethorpe**"), the City Of Look Out Mountain ("**Lookout Mountain**"), and the City of Rossville ("**Rossville**") have entered into an Intergovernmental Contract dated May 1, 2008 relating to the imposition of a Special County One Percent Sales and Use Tax (the "**Special Sales Tax**"); and

WHEREAS, the contract failed to list among the "**LaFayette Projects**" described therein the following projects:

- public works equipment, buildings, and vehicles;
- renovations and improvements to the existing public library or construction of a new public library; and

WHEREAS, all of the projects submitted to the County by the City of LaFayette are included in the Resolution proposed for adoption by the Commissioner of Walker County on May 1, 2008; and

WHEREAS, the parties hereto wish to correct the error contained in the Intergovernmental Contract.

NOW THEREFORE, for and in consideration of the premises, Walker County and the City of LaFayette hereby agree that the LaFayette Projects shall include all of the projects set forth in the Resolution, and the Contract is amended accordingly.

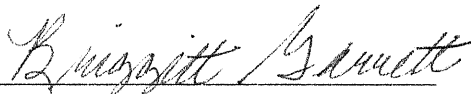
IN WITNESS WHEREOF, Walker County and the City of LaFayette have caused their duly authorized officers to hereunto set their hands and affix their respective corporate seals to this amendment, the day and year as of May 1, 2008.

WALKER COUNTY, GEORGIA

(S E A L)



Bebe Heiskell,
Commissioner of Walker County

Attest: 
Clerk

CITY OF LAFAYETTE, GEORGIA

(SEAL)

By: *H. Leah Florence*
Mayor

Attest: *Brenda Anderson*
City Clerk

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RESOLUTION OF THE COMMISSIONER OF WALKER COUNTY TO IMPOSE, LEVY, AND COLLECT A SPECIAL ONE PERCENT SALES AND USE TAX WITHIN WALKER COUNTY, CONDITIONED UPON APPROVAL BY A MAJORITY OF THE QUALIFIED VOTERS RESIDING WITHIN WALKER COUNTY VOTING IN AN ELECTION THEREON TO BE HELD JULY 15, 2008; TO AUTHORIZE THE IMPOSITION OF GENERAL OBLIGATION DEBT OF WALKER COUNTY; TO AUTHORIZE THE EXECUTION OF AN INTERGOVERNMENTAL CONTRACT OR CONTRACTS BY AND AMONG WALKER COUNTY, THE CITY OF CHICKAMAUGA, THE CITY OF FORT OGLETHORPE, THE CITY OF LAFAYETTE, THE CITY OF LOOKOUT MOUNTAIN, AND THE CITY OF ROSSVILLE AND FOR OTHER PURPOSES.

WHEREAS, the Commissioner of Walker County (the "**Commissioner**") has considered and evaluated the provisions of Part 1 of Article 3 of Chapter 8 of Title 48 of the Official Code of Georgia Annotated (the "**Act**") which authorize a special county one percent sales and use tax for various capital outlay projects and has considered the effects of the implementation of such special one percent sales and use tax (the "**Special Sales Tax**") upon Walker County (the "**County**") and its residents; and

WHEREAS, a Special Sales Tax is currently being collected in the County, as approved by a majority of the voters of the County voting in an election held for such purpose, which tax was imposed beginning October 1, 2003, and which tax the County anticipates will cease to be collected on September 30, 2008; and

WHEREAS, the Commissioner has determined that it is in the best interest of the citizens of the County that the imposition of the Special Sales Tax continue and that such tax be reimposed in the County beginning October 1, 2008 upon the termination of the Special Sales Tax now in effect, said new Special Sales Tax to be imposed for the purpose of funding the various capital outlay projects described in the Notice of Election (the "**Notice of Election**") attached hereto as Exhibit A; and

WHEREAS, Official Code of Georgia Annotated ("**O.C.G.A.**") Section 48-8-111(a)(1)(D) authorizes the Special Sales Tax to be imposed for the purpose of providing funds to be used and expended on a capital outlay project or projects, to be owned or operated or both either by the County, one or more municipalities, or any combination thereof, and O.C.G.A. § 48-8-115(b) authorizes the distribution of proceeds from the Special Sales Tax to the County governing authority and any qualified municipalities in accordance with an intergovernmental agreement entered into for such purpose; and

WHEREAS, there are within the geographical confines of the County five municipalities which contain 100% of the aggregate population of all municipalities in the County, to-wit: the City

of Chickamauga, the City of Fort Oglethorpe, the City of LaFayette, the City of Lookout Mountain, and the City of Rossville; and

WHEREAS, the City of Chickamauga is in need of funds to undertake the capital outlay projects of said city described in the Notice of Election, which projects shall be owned and operated by the City of Chickamauga; and

WHEREAS, the City of Fort Oglethorpe is in need of funds to undertake the capital outlay projects of said city described in the Notice of Election, which projects shall be owned and operated by the City of Fort Oglethorpe; and

WHEREAS, the City of LaFayette is in need of funds for to undertake the capital outlay projects of said city described in the Notice of Election, which projects shall be owned and operated by the City of LaFayette; and

WHEREAS, the City of Lookout Mountain is in need of funds to undertake the capital outlay projects of said city described in the Notice of Election, which projects shall be owned and operated by the City of Lookout Mountain; and

WHEREAS, the City of Rossville is in need of funds to undertake the capital outlay projects of said city described in the Notice of Election, which projects shall be owned and operated by the City of Rossville; and

WHEREAS, the County is in need of funds to undertake the capital outlay projects of the County described in the Notice of Election, which projects shall be owned and operated by the County; and

WHEREAS, prior to the vote of the Commissioner on this resolution, the Commissioner caused to be delivered or mailed a written notice to the Mayor of the City of Chickamauga, the Mayor of the City of Fort Oglethorpe, the Mayor of the City of LaFayette, the Mayor of the City of Lookout Mountain, and the Mayor of the City of Rossville containing the date, time, place, and purpose of a meeting to discuss the possible projects for inclusion in the election called by this resolution, and the governing authorities of the County and said cities held said meeting on March 11, 2008; and

WHEREAS, the proceeds from said Special Sales Tax shall be allocated among the County, the City of Chickamauga, the City of Fort Oglethorpe, the City of LaFayette, the City of Lookout Mountain, and the City of Rossville in accordance with the provisions of an intergovernmental contract or contracts entered into by and among said parties or between the County and each of said cities prior to the adoption of this resolution and the call of the election authorized herein, in compliance with the Act and with Article IX, Section III of the Constitution of the State of Georgia; and

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WHEREAS, the Commissioner recognizes that in order to facilitate the acquisition, construction, and equipping of such capital outlay projects it may be necessary for the County to issue general obligation debt for such purposes; and

WHEREAS, the Commissioner has been advised that the City of LaFayette desires to issue general obligation debt in conjunction with the imposition of the tax; and

WHEREAS, the Commissioner desires to provide the voters of the County with the opportunity to vote pursuant to law in favor of or against the reimposition of the Special Sales Tax and the issuance of general obligation indebtedness in anticipation of the collection thereof; and

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

WHEREAS, the Commissioner has been advised by the City of LaFayette that during each year in which any payment of principal of or interest on such general obligation debt of the City of LaFayette will come due, the City of LaFayette will receive from its portion of the Special Sales Tax authorized by this resolution, net proceeds sufficient to fully satisfy the City of LaFayette's obligation with respect to payment of such principal and interest on a current basis;

NOW, THEREFORE, BE IT RESOLVED by the Commissioner of Walker County in public meeting assembled, and it is hereby resolved by the authority of the same that:

1. The Commissioner of Walker County, subject to the assent of a majority of the qualified voters of the County voting in an election for such purpose, shall impose within the County a Special Sales Tax for a period of time not to exceed six years for the raising of an estimated \$38,000,000 for the acquisition, construction, and equipping of the capital outlay projects set forth in the Notice of Election attached hereto and made a part hereof as Exhibit A, which capital outlay projects are for the use or benefit of the citizens of the County and the qualified municipalities of the County. If imposition of the tax is approved by the voters, such vote shall also constitute approval of (a) the issuance of general obligation debt of the County in a principal amount not to exceed \$24,140,000 for the capital outlay projects of the County and the qualified municipalities of the County except for the City of LaFayette; and (b) general obligation debt of the City of LaFayette in a principal amount not to exceed \$3,690,000 for the capital outlay projects of the City of LaFayette. Such general obligation debt shall be payable first from the proceeds of such Special Sales Tax; however, such general obligation debt of the County which is not satisfied from the proceeds of the Special Sales Tax shall be satisfied from the general funds of the County and general obligation debt of the City of LaFayette which is not satisfied from the Special Sales Tax shall be satisfied from the general funds of the City of LaFayette.

2. The period of time for which the Special Sales Tax shall be imposed shall be six years. The Special Sales Tax shall be collected beginning upon the termination of the sales tax now

in effect which the County anticipates will expire on September 30, 2008. Based on current projections, the County anticipates that the tax will be imposed beginning October 1, 2008 and shall cease to be imposed on September 30, 2014. Proceeds received by the County from the Special Sales Tax shall be kept in a separate account from other funds of the County in accordance with O.C.G.A. § 48-8-121.

3. The estimated cost of the capital outlay projects which will be funded from proceeds of the Special Sales Tax if approved by the voters will be \$38,000,000, including interest and costs of issuance on the general obligation debt to be incurred by the County and the City of LaFayette, which estimated cost is the estimated amount of net proceeds to be raised by the Special Sales Tax.

4. The proceeds of the Special Sales Tax shall be applied toward any of the purposes of the County set forth in order of priority and in such amounts as the Commissioner may determine prior to or during the acquisition, construction, and equipping of the projects.

5. General obligation debt of the County may be issued in conjunction with the imposition of the Special Sales Tax. The principal amount of the debt to be issued shall not exceed \$24,140,000. The purpose for which the debt is to be issued shall be to pay all or a portion of the cost for the capital outlay projects of the County, the City of Chickamauga, the City of Fort Oglethorpe, the City of Lookout Mountain, and the City of Rossville. The maximum rate or rates of interest on such debt shall not exceed six percent (6.00%) 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	\$ 3,600,000
Year 2	3,785,000
Year 3	3,910,000
Year 4	4,095,000
Year 5	4,270,000
Year 6	4,480,000

6. The County has been advised that the City of LaFayette wishes to issue general obligation debt in conjunction with the imposition of the Special Sales Tax. The principal amount of the general obligation debt of the City of LaFayette to be issued shall not exceed \$3,690,000. The purpose for which the debt is to be issued shall be to pay all or a portion of the cost for the capital outlay projects of the City of LaFayette. The maximum rate or rates of interest on such debt shall not exceed six percent (6.00%) 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	\$ 550,000
Year 2	585,000
Year 3	605,000

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Year 4	625,000
Year 5	650,000
Year 6	675,000

7. A copy of this resolution shall be delivered to the Walker County Board of Elections and Registration and said board, as election superintendent (the “**Election Superintendent**”), is requested to issue the call for the election to be held on July 15, 2008 for the purpose of submitting the question of the imposition of the Special Sales Tax to the voters of the County. **Such call shall be issued not less than 60 days prior to the date of the election.** The Election Superintendent shall cause the date and purpose of the election to be published once a week beginning at least 60 days immediately preceding the date of the election in the official organ of the County and the Notice of Election will be substantially in the form attached hereto and made a part hereof as Exhibit A.

8. All qualified voters desiring to vote in favor of imposing the tax shall vote “Yes” and all qualified voters opposed to levying the tax shall vote “No.” If more than one-half of the votes cast are in favor of imposing the tax, then the tax shall be imposed as provided by Georgia law. Otherwise the tax shall not be imposed and the question of imposing the tax shall not again be submitted to the voters of the County until after 12 months immediately following the month in which the election is to be held. The election superintendent shall hold and conduct the election under the same rules and regulations as govern special elections. The election superintendent 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.

9. If more than one-half of the votes cast in the County are in favor of imposition of the Special Sales Tax, then the authority to issue debt on behalf of the County in accordance with Article IX, Section V, Paragraph I of the Constitution is given to the Commissioner of Walker County; 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 by the Commissioner without further approval by the voters.

10. If more than one-half of the votes cast in the County and more than one half of the votes cast in the City of LaFayette are in favor of imposition of the Special Sales Tax, then the authority to issue debt on behalf of the City of LaFayette in accordance with Article IX, Section V, Paragraph I of the Constitution is given to the governing authority of the City of LaFayette; 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 by the governing authority of the City of LaFayette without further approval by the voters.

11. The County Clerk is hereby authorized and directed to deliver a certified copy of this resolution to the Election Superintendent.

12. The proper officers and agents of the County are hereby authorized to take any and all further actions as may be required in connection with (a) the calling and holding of the special election, (b) the imposition of the Special Sales Tax, (c) the acquisition, construction, and equipping of the capital outlay projects described herein, (d) the issuance of the general obligation debt of the County as herein provided, and (e) the performance of the obligations of the County pursuant to the

intergovernmental contract with the City of Chickamauga, the City of Fort Oglethorpe, the City of LaFayette, the City of Lookout Mountain, and the City of Rossville, as authorized by Article IX, Section III of the Constitution of the State of Georgia, all as herein provided.

13. Should general obligation debt of the County be issued, the Commissioner shall be directed to levy a tax upon all property subject to taxation for general obligation bond purposes within the County 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 Special Sales Tax.

14. (a) If general obligation debt of the County is to be issued, the Commissioner 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 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 Walker County, the Commissioner hereby declares her official intent to issue general obligation debt in the principal amount not to exceed \$24,140,000 and to reimburse original expenditures on the capital outlay projects in the maximum principal amount of \$24,140,000 with proceeds from the sale of such debt (to the extent permitted by Section 1.150-2 of the Treasury Regulations). The County will pay original expenditures on the capital outlay projects from a construction or other account maintained by the County.

(b) The County 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.

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

ADOPTED, this May 1, 2008.

By: Bebe Heiskell
Bebe Heiskell
Commissioner of Walker County

Exhibit A

NOTICE OF SPECIAL PURPOSE SALES
AND USE TAX ELECTION ON JULY 15, 2008

Pursuant to a resolution adopted by the Commissioner of Walker County on May 1, 2008 and a call for an election issued by the Walker County Board of Elections and Registration, as Election Superintendent for Walker County, notice is hereby given as follows:

1. On July 15, 2008 a special election will be held in Walker County to submit to the qualified voters of Walker County the following question:

- () YES Shall a special 1 percent sales and use tax be imposed in Walker County for a period of time not to exceed six (6) years for the raising of an estimated \$38,000,000 for the purpose of funding the acquisition, construction, and equipping of the following capital outlay projects within Walker County: (i) for Walker County, road, street, and bridge purposes, which purposes may include sidewalks, bicycle paths and capital equipment therefor; industrial and economic development improvements; water and sewer improvements including solid waste, storm water management, and equipment therefor; emergency services/public safety facilities, vehicles, and equipment including fire hydrants; acquisition, construction and improvements to county buildings, sheriff's department projects, county recreation facilities and public libraries; computers and equipment for county technology improvements; historical and green space projects; and animal shelter improvements; (ii) for the City of Chickamauga, water and sewer improvements; vehicles and equipment for garbage and trash pickup; city vehicles and equipment; renovations and improvements to Gordon-Lee Mansion, city hall, and city recreation facilities; street improvements, streetscape, and paving and striping; and technology and equipment for the library; municipal parking lot; (iii) for the City of Fort Oglethorpe, water and sewer improvements; public safety vehicles and equipment; and road, street and bridge purposes including sidewalks and walking trails, (iv) for the City of LaFayette, water and sewer improvements including solid waste, meter upgrades, property, equipment and vehicles; renovations and new technology for city hall; expansion of airport property and recreational property including facilities, equipment and vehicles; public works equipment, buildings, and vehicles; public safety equipment, vehicles, and facility renovations; roads, streets, and bridges improvements; historical preservation and renovation, property acquisition and streetscape; renovations and equipment for the Gas Department; renovations and improvements to the existing public library or construction of a new public library; and, cemetery fencing, a maintenance building, and gazebo; (v) for the City of Lookout Mountain, city hall renovation or replacement; water and sewer improvements
- () NO

including storm water and equipment; pedestrian pathway; recreation and green space improvements and equipment; street maintenance and garbage equipment and vehicles; public safety equipment and vehicles; downtown development planning; computers and new technology; (vi) for the City of Rossville, public safety vehicles, equipment, and facilities; public works vehicles, equipment, and facilities; road, street, and bridge purposes, including sidewalks; water, sewer, and storm water improvements; acquisition, construction, and renovation of parks and recreation facilities; equipment for administrative offices; and technology and books for the library?

If imposition of the tax is approved by the voters, such vote shall also constitute approval of the issuance of general obligation debt of Walker County in the principal amount not to exceed \$24,140,000 for the above described capital outlay projects of Walker County, the City of Chickamauga, the City of Fort Oglethorpe, the City of Lookout Mountain, and the City of Rossville, and the issuance of general obligation debt of the City of LaFayette in the principal amount not to exceed \$3,690,000 for the above-described capital outlay projects of the City of LaFayette.

2. All qualified voters desiring to vote in favor of imposing the tax shall vote "Yes" and all qualified voters opposed to levying the tax shall vote "No." If more than one-half of the votes cast are in favor of imposing the tax then the tax shall be imposed beginning October 1, 2008, or the earliest date authorized by law.

3. If such special purpose sales and use tax is to be imposed, Walker County, acting by and through the Commissioner of Walker County, may issue general obligation debt, in an aggregate principal amount not to exceed \$24,140,000. 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 the foregoing question, except for the capital outlay projects of the City of LaFayette. The maximum rate or rates of interest on such debt shall not exceed six percent (6.00%) 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	\$ 3,600,000
Year 2	3,785,000
Year 3	3,910,000
Year 4	4,095,000
Year 5	4,270,000
Year 6	4,480,000

The Commissioner may issue aggregate general obligation debt which is less than \$24,140,000 and reduce the principal amounts maturing which are shown above.

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4. If such special purpose sales and use tax is to be imposed, the City of LaFayette, acting by and through its governing body, may issue general obligation debt, in an aggregate principal amount not to exceed \$3,690,000. The proceeds from such general obligation debt, if issued, shall be used to fund all or a portion of the capital outlay projects of the City of LaFayette described in the foregoing question. The maximum rate or rates of interest on such debt shall not exceed six percent (6.00%) 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	\$ 550,000
Year 2	585,000
Year 3	605,000
Year 4	625,000
Year 5	650,000
Year 6	675,000

The governing body of the City of LaFayette may issue aggregate general obligation debt which is less than \$3,690,000 and reduce the principal amounts maturing which are shown above.

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 Commissioner or by any other person, firm, corporation or association with the knowledge and consent of the Commissioner shall be deemed to be a statement of intention of the Commissioner concerning the use of bond funds.

6. The last day to register to vote in the election is Monday, June 16, 2008. Anyone desiring to register may do so by applying in person at the voter registration office located at 103 South Duke Street, Room 110, in the Walker County Courthouse, LaFayette, Georgia, or by any other method authorized by the Georgia Election Code.

7. The election will be held on Tuesday, July 15, 2008. The polls will be open from 7:00 a.m. until 7:00 p.m.

This May 2, 2008.



 Chairman
 Walker County Board of Elections and Registration

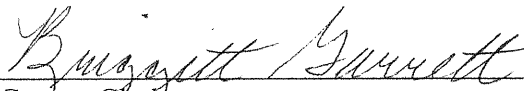
To be published once a week beginning at least 60 days prior to July 15, 2008.

CLERK'S CERTIFICATE

The undersigned County Clerk of Walker 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 the Sole Commissioner of Walker County in meeting assembled on May 1, 2008, the original of which resolution has been entered in the official records of said Commissioner under my supervision and is in my official possession, custody and control.

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

(SEAL)


County Clerk
Walker County

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STATE OF GEORGIA)
) ORDER
COUNTY OF WALKER)

The Walker County Board of Elections and Registration, having been furnished with a certified copy of the resolution of the Commissioner of Walker County, adopted on May 1, 2008, requesting the undersigned to call an election on July 15, 2008, relative to the imposition of a special sales and use tax and issuance of the general obligation debt described in said resolution, does hereby call said election on July 15, 2008, 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 May 1, 2008.


Chairman
Walker County Board of Elections and Registration