

MINUTES
JOINT MEETING OF THE CITY COUNCIL AND
DAWSON COUNTY BOARD OF COMMISSIONERS
CALLED MEETING
August 28, 2007
7:00 P.M.

CITY COUNCIL-- CALL THE MEETING TO ORDER: Mayor Cox called the called City Council meeting to order at 7:00 p.m. followed by the invocation and pledge of allegiance.

ROLL CALL: Those present included Mayor Joe Lane Cox, Council Members Linda Grant, Mike Sosebee, and Mike Wilson; staff present were Kim Cornelison and Dana Miles, City Attorney. Jonathan Cox was absent.

DAWSON COUNTY BOARD OF COMMISSIONERS -- CALL THE MEETING TO ORDER: Chairman Berg called the Commission meeting to order at 7:03 p.m.

ROLL CALL: Those present included Chairman Berg, and District Commissioners Frank Craft, Mike Conner, Gary Pichon, and Julie Nix; staff present were Davida Simpson, Interim Clerk and Joey Homans, County Attorney.

EXECUTIVE SESSION:

At 7:05 p.m. the City Council unanimously approved going in to executive session. Wilson/Sosebee. The Board of Commissioners also unanimously approved going in to executive session. Craft/Nix.

Executive sessions convened for the purpose of consultation with the City/County Attorney or other legal counsel to discuss pending or potential litigation, settlement, claims, administrative proceedings, or other judicial actions brought or to be brought by or against the City/County or any officer or employee or in which the City/County or any officer or employee may be directly involved as provided in O.C.G.A. § 50-14-2(1).

The Council and Commission met separately with their respective attorneys for executive session. After completion of executive session business the City Council unanimously approved resuming the called meeting. Wilson/Sosebee. The Board of Commission unanimously approved resuming the called meeting. Craft/Pichon.

OLD BUSINESS:

City SPLOST V Resolution and Intergovernmental Agreement: Council unanimously approved the adoption of the resolution in favor of the intergovernmental agreement (IGA), and authorized the Mayor to execute such resolution provided the Board of Commission successfully adopts the agreement. Sosebee/Grant. A copy of the resolution is attached hereto.

Council unanimously authorized the Mayor to execute the intergovernmental agreement for the division and disbursement of SPLOST V funds (IGA). Wilson/Grant. A copy of the IGA is attached hereto.

The City Council unanimously voted in favor of dismissing the pending SPLOST V lawsuit as stated in the IGA provided the Board of Commissioners signs the IGA. Wilson/Sosebee.

County SPLOST V Resolution and Intergovernmental Agreement: The Commission unanimously approved the Intergovernmental Agreement with the City and the resolution authorizing same. Craft/Pichon. A copy of the resolution is attached hereto.

The Commission unanimously approved increasing the SPLOST V resolution amount to \$91,560,000.00 and incorporating the City projects as set forth in the IGA and the new SPLOST V resolution. Craft/Pichon. A copy of the new SPLOST V resolution is attached hereto.

ANNOUNCEMENTS/STATEMENTS:

Mike Berg, Chairman, Dawson County Board of Commissioners: Chairman Berg thanked the Board of Commissioners and the City Council stating that the negotiations have not been an easy process. There has been a

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lot of discussion and negotiation and at the end I think everybody was looking forward to moving this county forward. The people that watch government officials as they go on about their business tend not to look at whose right and whose wrong but tend to look at everybody arguing; and so if you're not arguing and things are moving forward then that's a pretty positive sign for this county. I hope that this area of our lives is now over; we can move forward and that this SPLOST will serve the citizens needs if it is approved and that we will all be able to enjoy the fruits of that labor. But I especially want to thank our Board of Commissioners; they've worked very hard at a lot of meetings to come up with a plan.

Joe Lane Cox, Mayor, City of Dawsonville: Mayor Cox thanked the Board of Commissioners for continuing to work with the City on this important issue. He also thanked the City Council for their continued support, encouragement and willingness to act on best interest of the city citizens, stating that the City Council is a fine team.

Settling SPLOST V is an important step for both the City and the County and I am proud this is behind us. We both have a lot of business to tend to and can now look forward to working for the betterment of the City and the County. I hope the public will see that there is collaboration between the boards when it comes down to it. We need to commit to communicating more between the Chairman and myself, and between the staff members of both the county and city.

As for paying for City Hall, that was our number one priority. There just wasn't enough cooperation on the other side to get that done. But instead of losing it all, we decided to go forward with it. We will be trying to secure some other funding. We haven't missed a payment on it yet, and I don't think we will. We may not pay for it in six years, but in six years there will be another SPLOST coming up. I may not be at the table; or none of these people may not, but we will take care of City Hall. It's a fine facility I think, and I'm proud of it.

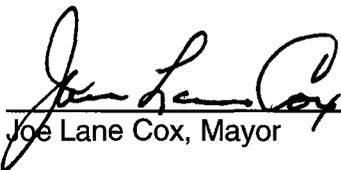
We talked about a fire truck, people made fun of me saying what are you going to do with a fire truck; you going to play with it. We need the fire truck for the county, not for the city, but for the whole county. Mr. Berg and the Commission have agreed to buy a fire truck out of the impact fees.

We got our skateboard park and we are going to continue the development of roads and sidewalks to make Dawsonville pedestrian friendly. We will come back to City Hall later.

Mr. Berg stated that besides the SPLOST discussion that we've had, we had another discussion that has been on the minds of both city and county, and certainly I've been involved in it on state level, but it is a part of the IGA agreement with the City. With the City Council's blessing we have now decided on a kind of an area (it is the water and sewer service area) that will be used in the future as a criteria for the decisions on annexations from the City's part. I think this will go a long way toward moving us toward other things for at least a while. I'm not sure there's much more annexation to be had anyway. But at least it identifies an area that the City has agreed under IGA they're not looking to annex outside of. I think that is a positive step for all of us. It just ends something else that has been going on. And so those are two issues that in one fell swoop we got rid of tonight so that we can move on to other things. Certainly appreciate everybody's help.

Mayor Cox stated that we do not have any lawsuits left pending; let's see if we can keep it that way!

ADJOURNMENT BY BOTH THE COUNCIL AND COMMISSION: City Council unanimously agreed to adjourn the called meeting. Wilson/Sosbee. The Board of Commissioners unanimously agreed to adjourn the called meeting. Craft/Nix.



Joe Lane Cox, Mayor

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Councilmember Jonathan Cox

Linda Grant

Councilmember Linda Grant

Mike Sosebee

Councilmember Mike Sosebee

Mike A. Wilson

Councilmember Mike Wilson

Attested: *Kim H. Cornelison*

Kim Cornelison, City Clerk

RESOLUTION

WHEREAS, Article 3 of Chapter 8 of Title 48 of the Official Code of Georgia Annotated (the "Act") authorizes the imposition of a one percent sales and use tax for the purpose, among other things, of financing certain capital outlay projects and retiring certain general obligation debt; and

WHEREAS, the City of Dawsonville, Georgia (the "City") and Dawson County, Georgia (the "County") have determined that it is in the best interest of the citizens of the City and the County that the Sales and Use Tax be imposed in the County for the purpose of funding capital outlay projects (the "Projects"); and

WHEREAS, the Board of Commissioners of the County delivered or mailed a written notice (the "Notice") to the mayor or chief elected officer in each municipality located in the County regarding the imposition/continuation of the Sales and Use Tax; and

WHEREAS, the Notice contained the date, time, place and purpose of a meeting at which the Board of Commissioners of the County and the governing authority of each municipality met and discussed the possible projects for inclusion in the referendum, including municipally owned or operated projects; and

WHEREAS, the Notice was delivered or mailed at least 10 days prior to the date of the meeting, and the meeting was held at least 30 days prior the issuance of a call for the referendum; and

WHEREAS, the City and the County desire to enter into an Intergovernmental Agreement, dated as of September 1, 2007 (the "Agreement"), as authorized by Article IX, Section III, Paragraph I(a) of the Georgia Constitution and the Act, with respect to the Projects; and

WHEREAS, the City is the only municipality within the County; and

WHEREAS, a form of the Agreement is attached hereto as Exhibit A.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council as follows:

Section 1. The execution, delivery and performance of the Agreement are hereby authorized and approved. The Agreement shall be executed by the Mayor or Mayor Pro-Tem and attested to by the Clerk. The Agreement shall be in substantially the form attached hereto, subject to such changes, insertions or deletions as may be approved by the Mayor or Mayor Pro-Tem, and the execution of the Agreement by the Mayor or the Mayor Pro-Tem as herein authorized shall be conclusive evidence of any such approval.

Section 2. From and after the execution and delivery of the Agreement, the proper officers of the City are hereby authorized, empowered and directed to do all such acts and

things and to execute all such documents and certificates as may be necessary to carry out and comply with the purposes and intent of this resolution or the provisions of the Agreement.

Section 3. All acts and doings of the officers of the City which are in conformity with the purposes and intent of this resolution and in furtherance of the execution, delivery and performance of the Agreement are hereby ratified and approved.

Section 4. If any section, paragraph of provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

Section 5. All other resolutions, or parts thereof, in conflict with the provisions of this resolution are, to the extent of such conflict, hereby repealed.

Section 6. This resolution shall take immediate effect upon its adoption.

Adopted this 28th day of August, 2007.



CITY OF DAWSONVILLE, GEORGIA

By: Joe Lane Cox
Mayor Joe Lane Cox

By: Kim H. Cornelison
Kim Cornelison, Clerk

CLERK'S CERTIFICATE

The undersigned Clerk of the City of Dawsonville, Georgia (the "City"), DOES HEREBY CERTIFY that the foregoing pages of typewritten matter pertaining to an Intergovernmental Agreement, constitute a true and correct copy of the Resolution adopted on August 28, 2007 by the City in a meeting duly called and assembled, which was open to the public and at which a quorum was present and acting throughout, and that the original of such Resolution appears of record in the Minute Book of the City which is in the undersigned's custody and control.

WITNESS my hand and the official seal of the City of Dawsonville, Georgia, this 28th day of August, 2007.





Kim Cornelison, Clerk

INTERGOVERNMENTAL AGREEMENT FOR SPLOST V

THIS INTERGOVERNMENTAL AGREEMENT, made and entered into as of the 28th day of August, 2007, between DAWSON COUNTY, GEORGIA, a political subdivision of the State of Georgia (the "County"), and the CITY OF DAWSONVILLE, a municipal corporation of the State of Georgia (the "City").

WITNESSETH:

WHEREAS, Article IX, Section III, Paragraph I(a) of the Georgia Constitution (the "Intergovernmental Contracts Clause") authorizes, among other things, any county, municipality or other political subdivision of the State to contract, for a period not exceeding fifty years, with another county, municipality or political subdivision or with any other public agency, public corporation or public authority for joint services, for the provision of services, or for the provision or separate use of facilities or equipment, provided that such contract deals with activities, services or facilities which the contracting parties are authorized by law to undertake or to provide; and

WHEREAS, the County is authorized pursuant to O.C.G.A. Section 48-8-110 et seq., as amended (the "Sales and Use Tax Act") to levy and collect a one percent sale and use tax (the "Sales and Use Tax") for the purpose of funding capital outlay projects (the "Projects") and paying existing general obligation debt; and

WHEREAS, the Sales and Use Tax Act authorizes the County and the City to enter into an "intergovernmental agreement" (as defined in the Sales and Use Tax Act) pursuant to the Intergovernmental Contracts Clause in order to, among other things, identify the Projects that will be funded with the Sales and Use Tax; and

WHEREAS, the County and the City propose to enter into this Agreement relating to the Projects and the Sales and Use Tax for the proposed SPLOST V;

NOW, THEREFORE, for and in consideration of the premises and undertakings as hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the County and the City DO HEREBY AGREE, as follows:

ARTICLE 1.

EFFECTIVE DATE

This Agreement shall become effective upon its execution and shall continue in effect until the SPLOST V Sales and Use Tax terminates in accordance with the Sales and Use Tax Act and until all funds collected therefrom have been distributed in accordance with this Agreement. In the event the SPLOST V referendum is not passed by the voters, this Agreement shall terminate.

ARTICLE 2.

REPRESENTATIONS

The City makes the following representations as the basis for the undertakings on its part herein contained:

(a) The City is municipal corporations duly created and organized under the Constitution and laws of the State. Under the Constitution and laws of the State, the City is authorized to execute, deliver and perform its obligations under this Agreement. The City has duly authorized the execution, delivery and performance of this Agreement. This Agreement is a valid, binding and enforceable obligation of the City.

(b) No approval or other action by any governmental authority or agency or other person is required in connection with the execution, delivery and performance of this Agreement by the City, except as shall have been obtained as of the date hereof.

(c) The authorization, execution, delivery and performance by the City of this Agreement do not violate its charter, any ordinances or resolutions of the City or the laws or Constitution of the State and do not constitute a breach of or a default under any existing court order, administrative regulation, or other legal decree, or any agreement, indenture, mortgage, lease, note or other instrument to which it is a party or by which it is bound.

(d) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or, to the knowledge of the City, threatened against or affecting the City (or, to the knowledge of the City, any meritorious basis therefor) (i) contesting or questioning the existence of the City or the titles of the present officers of the City to their offices or (ii) wherein an unfavorable decision, ruling or finding would (A) adversely affect the enforceability of this Agreement or (B) materially adversely affect the transactions contemplated by this Agreement.

(e) The City is not in violation of the laws or Constitution of the State and is not in default under any existing court order, administrative regulation, or other legal decree, or any agreement, indenture, mortgage, lease, note or other instrument to which it is a party or by which it is bound.

(f) The City is a "qualified municipality" within the meaning of the Sales and Use Tax Act. The City contains no less than 50% of the aggregate municipal population located within the County.

The County makes the following representations as the basis for the undertakings on its part herein contained:

(a) The County is a political subdivision duly created and organized under the Constitution and laws of the State. Under the Constitution and laws of the State, the

County is authorized to execute, deliver and perform its obligations under this Agreement. The County has duly authorized the execution, delivery and performance of this Agreement. This Agreement is a valid, binding and enforceable obligation of the County.

(b) No approval or other action by any governmental authority or agency or other person is required in connection with the execution, delivery and performance of this Agreement by the County, except as shall have been obtained as of the date hereof.

(c) The authorization, execution, delivery and performance by the County of this Agreement do not violate any ordinances or resolutions of the County or the laws or Constitution of the State and do not constitute a breach of or a default under any existing court order, administrative regulation, or other legal decree, or any agreement, indenture, mortgage, lease, note or other instrument to which it is a party or by which it is bound.

(d) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or, to the knowledge of the County, threatened against or affecting the County (or, to the knowledge of the County, any meritorious basis therefor) (i) contesting or questioning the existence of the County or the titles of the present officers of the County to their offices or (ii) wherein an unfavorable decision, ruling or finding would (A) adversely affect the enforceability of this Agreement or (B) materially adversely affect the transactions contemplated by this Agreement.

(e) The County is not in violation of the laws or the Constitution of the State and is not in default under any existing court order, administrative regulation, or other legal decree, or any agreement, indenture, mortgage, lease, note or other instrument to which it is a party or by which it is bound.

ARTICLE 3.

PROJECT PROVISIONS

The City and the County agree, as follows:

(a) The Projects shall consist of "County Projects" and "City Projects." The County Projects, the City Projects and their estimated costs (including interest on any general obligation debt issued to fund such Projects) are set forth below:

<u>County Projects</u>	<u>Estimated Cost</u>
Roads, Streets and Bridges	\$10,000,000
Courthouse and Administration Building	50,000,000
Sheriff's Office	12,500,000
Recreational Facilities	5,000,000
Sewer Facilities	2,500,000
Library Facilities	3,000,000
Public Works Facilities	3,900,000
Public Safety Equipment	500,000

<u>City Projects</u>	<u>Estimated Costs</u>
Roads, Streets, Bridges and Sidewalks	\$2,110,000
Water and Sewer	2,000,000
Recreation	50,000

(b) The County shall own and operate the County Projects. The City shall own and operate the City Projects.

(c) The County shall be responsible for paying or providing for all the costs of operating, maintaining and insuring the County Projects. In the event any of the County Projects exceed the estimated cost, the County shall be responsible for paying the excess cost from its general funds or from its portion of total SPLOST V proceeds which exceed \$87,400,000.00. The City shall be responsible for paying or providing for all the costs of operating, maintaining and insuring the City Projects. In the event any of the City Projects exceed the estimated cost, the City shall be responsible for paying the excess cost from its general funds or from its portion of total SPLOST V proceeds which exceed \$4,160,000.00.

(d) The County shall supervise or cause the supervision of the acquisition, construction and equipping of the County Projects. The City shall supervise or cause the supervision of the acquisition, construction and equipping of the City Projects.

(e) The City Projects designated as water and sewer shall be limited to the repair and replacement of capital improvements within the City's current service delivery area for water and sewer services as shown on "Exhibit A", which is attached hereto and incorporated herein by reference, and a sewer treatment plant. The County and City agree to the division of territory as shown in Exhibit A subject to the terms and conditions of the service delivery agreement between the City and Etowah Water and Sewer Authority.

(f) The Courthouse and Administration Building and the Sheriff's Office constitute "level one county-wide projects" within the meaning of the Sales and Use Tax Act.

ARTICLE 4.

CALLING REFERENDUM; COLLECTION TERM

(a) The County agrees that it will take all actions necessary to call a referendum, to be held in all the voting precincts in the County, on the 6th day of November, 2007, or on such other date as the County and the City shall mutually agree, for the purpose of submitting to the qualified voters of the County for their approval, the question of whether or not (a) the Sales and Use Tax shall be imposed for 24 calendar quarters (six years) for the purpose of funding the Projects and (b) up to \$60,000,000 in aggregate principal amount of general obligation debt of the County (the "Debt") may be issued in order to fund in whole or in part the Courthouse and Administration Building and the Sheriff's Office, capitalized interest on the Debt and the Costs of issuing the Debt. The County shall pay all costs relating to the referendum.

(b) By virtue of the parties' entry into this Agreement and based upon the Sales and Use Tax Act, the Sales and Use Tax shall be collected for a period of six years.

ARTICLE 5.

DIVISION AND DISTRIBUTION OF SALES AND USE TAX; DEBT

(a) (i) The County shall be entitled to receive all of the Sales and Use Tax proceeds each year until such time as the County has received sufficient funds to pay the bonded indebtedness for that year for the Level One County Projects for the Courthouse and Administration Building and the Sheriff's Office (the total bonded indebtedness being \$60,000,000 to be paid over 6 years).

(ii) After the bond indebtedness for each year is satisfied, the County shall receive 90% of the Sales and Use Tax proceeds and the City shall receive 10% of the Sales and Use Tax proceeds each year until the Level One County Projects identified herein are paid and until such time as the City has received \$4,160,000.00. After the Level One Projects identified herein have been paid, if the City has not yet received \$4,160,000.00, then the County shall receive 86% of the Sales and Use Tax proceeds and the City shall receive 14% of the Sales and Use Tax proceeds each year until such time as the City has received \$4,160,000.00.

(iii) After the total revenue collection exceeds \$91,560,000, the County shall receive 95% of the Sales and Use Tax proceeds and the City shall receive 5% of the Sales and Use Tax proceeds.

(b) The Sales and Use Tax shall be collected by the County and shall be deposited into a special trust fund held separate and apart from all other funds of the County (the "Sales Tax Account"). Within the Sales Tax Account, the County shall create three subaccounts: the "Debt Service Account," the "County Account" and the "City Account." The County's Sales and Use Tax collections used to pay the principal of and interest on the Debt shall be deposited into the Debt Service Account, and the County's Sales and Use Tax Collections used to pay costs of the County Projects shall be deposited into the County Account. The City's Sales and Use Tax proceeds shall be deposited into the City Account. The County shall remit Sales and Use Tax collections to the City once a month each month that the City is entitled to receive moneys.

(c) The Debt shall be paid first from the County's Sales and Use Tax proceeds. In the event that there are insufficient proceeds to pay the Debt, the County shall pay any shortfall (the "Debt Service Payments"). The County covenants that it will exercise its power of taxation to the extent necessary to make the Debt Service Payments, and that it will make available and use for such Debt Service Payments all taxes levied and collected for that purpose together with funds received from any other source. The County further covenants and agrees that in order to make funds available for such purpose, it will, in its general revenue, appropriation, and budgetary measures whereby its tax funds or revenues and the allocation thereof are controlled or provided for, include sums sufficient to timely satisfy such Debt Service Payments that may be required to be made from its general fund until all payments so required to be made shall have been made in full. The obligation of the County to make the Debt Service Payments shall constitute a general obligation of the County and a pledge of the full faith and credit of the County.

ARTICLE 6.

SPECIAL COVENANTS

The City and the County covenants as follows:

(a) The City shall implement a future annexation plan that will be effective for the term of this Agreement. In that plan shall be a criteria to be used by the City in considering any future annexation of not expanding the City limits beyond what is projected for growth through 2013 as shown on the map which is attached hereto as "Exhibit A." Nothing herein shall prevent the annexation of unincorporated islands. Further, nothing herein shall limit or violate the right of any adjoining landowner to seek annexation. Rather, this future annexation plan and map shall be used as a tool and criteria for consideration by the City Council of all future proposed annexations through December 31, 2013.

(b) The County hereby withdraws its objections to all existing pending annexations as of September 1, 2007 and the City and County agree to the entry of the Consent Order resolving all issues in Civil Action File Number 2007-CV-294B in the Superior Court of Dawson County (the "Annexation Lawsuit"). A copy of the Consent Order is attached hereto as "Exhibit B." The City and the County release one another of any and all claims asserted in the Annexation Lawsuit.

(c) The City shall dismiss Civil Action File Number 2007-CV-498C in the Superior Court of Dawson County (the "SPLOST Lawsuit") against the County with prejudice. The City and the County release one another of any and all claims asserted in the SPLOST Lawsuit.

ARTICLE 7.

RECORD KEEPING

(a) The County shall keep detailed records of the Sales Tax Account, including all of its sub-accounts. The City shall have the right to review and be provided copies of all such records upon request to the County.

(b) The County and the City shall keep a record of each and every of its Projects for which the proceeds of the Sales and Use Tax are used. A schedule shall be included in each annual audit which shows for each such Project the original estimated cost, the current estimated cost if it is not the original estimated cost, amounts expended in prior years and amounts expended in the current year. The auditor shall verify and test expenditures sufficient to provide assurances that the schedule is fairly presented in relation to the financial statements. The auditor's report on the financial statements shall include an opinion, or the disclaimer of an opinion, as to whether the schedule is presented fairly in all material respects in relation to the financial statements taken as a whole. In the event that the City does not comply with the requirements of this paragraph, the County shall not be held liable in any manner for such noncompliance. In the event that the County does not comply with the requirements of this paragraph, the City shall not be held liable in any manner for such noncompliance.

ARTICLE 8.

MISCELLANEOUS

(a) Any controversy arising under this Agreement shall be submitted to arbitration pursuant to the provisions of O.C.G.A. Sections 9-9-1 *et seq.*, as amended (the "Arbitration Code"). Such arbitration shall in all respects be governed by the provisions of the Arbitration Code, and the parties hereto shall comply with and be governed by the provisions of the Arbitration Code.

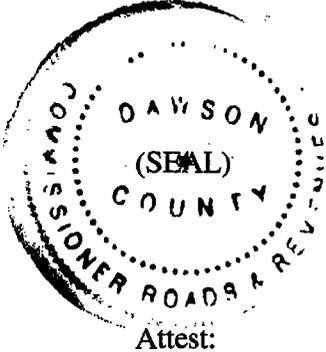
(b) Should any phrase, clause, sentence or paragraph herein contained be held invalid or unconstitutional, it shall in no wise affect the remaining provisions of this Agreement, which said provisions shall remain in full force and effect.

(c) This Agreement may be executed in several counterparts, each of which shall be an original but all of which shall constitute but one and the same instrument.

(d) This Agreement shall be construed and enforced in accordance with the laws of the State of Georgia.

(e) This Agreement, including any attachments or exhibits, constitutes all of the understandings and agreements existing between the County and the City with respect to distribution and use of the SPLOST V Sales and Use Tax proceeds. Furthermore, this Agreement supersedes all prior agreements, negotiations and communications of whatever type, whether written or oral, between the County and the City with respect to distribution and use of the SPLOST V Sales and Use Tax proceeds.

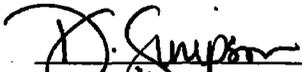
IN WITNESS WHEREOF, the parties hereto, acting by and through their duly authorized officers, have caused this Agreement to be executed in multiple counterparts under seals as of the day and year first above written.



Attest:

DAWSON COUNTY, GEORGIA

By: 
Chairman


Clerk

CITY OF DAWSONVILLE, GEORGIA

(SEAL)

By: Joe Lane Cox
Mayor

Attest:

Loni H. Corbett
Clerk



SUPERIOR COURT OF DAWSON COUNTY

STATE OF GEORGIA

DAWSON COUNTY, GEORGIA,

Plaintiff,

v.

CITY OF DAWSONVILLE, GEORGIA,

Defendant.

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Civil Action

File No. 07-CV-294-B

CONSENT ORDER AND JUDGMENT

The instant action involves the annexation into the City of Dawsonville of certain property referenced in annexation numbers 06-022 through 06-057 located in unincorporated Dawson County. The Plaintiff, Dawson County, initiated this action by filing a Complaint for Declaratory Judgment on April 27, 2007. The parties hereto desire to resolve the instant action and hereby consent and agree to the terms hereof:

1.

The Defendant, City of Dawsonville ("City"), hereby agrees that the City shall not issue any development permits for the properties referenced within annexation numbers 06-022 through 06-057 other than in accord with the zoning classifications of the Plaintiff, Dawson County ("County"), immediately before the annexation request or the City's Annexed Property (AP) Zone set forth within the City's zoning ordinance for a period of twelve (12) months from the date the City approved such annexations. The City approved such annexations on April 2, 2007. The City waives all claims asserted against the County in the above-styled action including the City's claim for attorney fees and expenses of litigation.

EXHIBIT B

2.

The County hereby consents and agrees that the terms hereof resolve all objections asserted by the County to such annexations, and the County hereby waives any other objection that has been asserted or that might be asserted to the annexation of the properties referenced within annexation numbers 06-022 through 06-057 set forth in the Complaint for Declaratory Judgment filed by the County, and the County waives all other claims against the City in the above-styled action including the County's claim for attorney fees and expenses of litigation.

3.

This Consent Order resolves all outstanding issues in this case and is hereby made the Final Order and Judgment of this Court.

SO ORDERED, this _____ day of _____, 2007.

Honorable Kathlene F. Gosselin, Judge
Superior Court, Dawson County, Georgia
Northeastern Judicial Circuit

**WE HEREBY CONSENT TO THE
FOREGOING CONSENT ORDER:**

Joseph A. Homans
Attorney for Plaintiff
Dawson County, Georgia
Georgia Bar No. 364647

Dana B. Miles
Attorney for Defendant
City of Dawsonville, Georgia
Georgia State Bar No. 505613

RESOLUTION

WHEREAS, Article 3 of Chapter 8 of Title 48 of the Official Code of Georgia Annotated (the "Act") authorizes the imposition of a one percent sales and use tax for the purpose, among other things, of financing certain capital outlay projects and retiring certain general obligation debt; and

WHEREAS, the City of Dawsonville, Georgia (the "City") and Dawson County, Georgia (the "County") have determined that it is in the best interest of the citizens of the City and the County that the Sales and Use Tax be imposed in the County for the purpose of funding capital outlay projects (the "Projects"); and

WHEREAS, the Board of Commissioners of the County delivered or mailed a written notice (the "Notice") to the Chairman or chief elected officer in each municipality located in the County regarding the imposition/continuation of the Sales and Use Tax; and

WHEREAS, the Notice contained the date, time, place and purpose of a meeting at which the Board of Commissioners of the County and the governing authority of each municipality met and discussed the possible projects for inclusion in the referendum, including municipally owned or operated projects; and

WHEREAS, the Notice was delivered or mailed at least 10 days prior to the date of the meeting, and the meeting was held at least 30 days prior the issuance of a call for the referendum; and

WHEREAS, the City and the County desire to enter into an Intergovernmental Agreement, dated as of August 28, 2007 (the "Agreement"), as authorized by Article IX, Section III, Paragraph I(a) of the Georgia Constitution and the Act, with respect to the Projects; and

WHEREAS, the City is the only municipality within the County; and

WHEREAS, a form of the Agreement is attached hereto as Exhibit A; and

WHEREAS, the County adopted a resolution on June 21, 2007 (the "Prior Resolution") requesting that the Board of Elections call an election on September 18, 2007 (the "Election"); and

WHEREAS, it is necessary that the Election be canceled and that notice to that effect be published.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Dawson County as follows:

Section 1. The execution, delivery and performance of the Agreement are hereby authorized and approved. The Agreement shall be executed by the Chairman or Vice Chairman and attested to by the Clerk. The Agreement shall be in substantially the form attached hereto, subject to such changes, insertions or deletions as may be approved by the Chairman or Vice Chairman, and the execution of the Agreement by the Chairman or the Vice Chairman as herein authorized shall be conclusive evidence of any such approval. The Agreement is by this reference thereto incorporated herein and spread upon the minutes.

Section 2. From and after the execution and delivery of the Agreement, the proper officers of the County are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents and certificates as may be necessary to carry out and comply with the purposes and intent of this resolution or the provisions of the Agreement.

Section 3. All acts and doings of the officers of the County which are in conformity with the purposes and intent of this resolution and in furtherance of the execution, delivery and performance of the Agreement are hereby ratified and approved.

Section 4. The Prior Resolution is hereby repealed in its entirety. The Board of Elections is hereby authorized and requested to cancel the election and to publish a notice to that effect.

Section 5. If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

Section 6. All other resolutions, or parts thereof, in conflict with the provisions of this resolution are, to the extent of such conflict, hereby repealed.

Section 6. This resolution shall take immediate effect upon its adoption.

Adopted this 28th day of August, 2007.

DAWSON COUNTY, GEORGIA

(SEAL)

By: Mike Berg
Chairman

ATTEST:

By: D. G. Grier
Clerk

CLERK'S CERTIFICATE

The undersigned Clerk of Dawson County, Georgia (the "County") DOES HEREBY CERTIFY that the foregoing pages of typewritten matter pertaining to an Intergovernmental Agreement, constitute a true and correct copy of the Resolution adopted on August 28, 2007 by the County in a meeting duly called and assembled, which was open to the public and at which a quorum was present and acting throughout, and that the original of such Resolution appears of record in the Minute Book of the County which is in the undersigned's custody and control.

WITNESS my hand and the official seal of Dawson County, Georgia, this 28th day of August, 2007.


Clerk

(SEAL)

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF DAWSON COUNTY, GEORGIA CONTINUING A ONE PERCENT SALES AND USE TAX AS AUTHORIZED BY ARTICLE 3 OF CHAPTER 8 OF TITLE 48 OF THE OFFICIAL CODE OF GEORGIA ANNOTATED; SPECIFYING THE PURPOSES FOR WHICH THE PROCEEDS OF SUCH TAX ARE TO BE USED; SPECIFYING THE PERIOD OF TIME FOR WHICH SUCH TAX MAY BE IMPOSED; SPECIFYING THE ESTIMATED COST OF THE FACILITIES TO BE FUNDED FROM THE PROCEEDS OF SUCH TAX; AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION DEBT SECURED BY THE PROCEEDS OF SUCH TAX; SPECIFYING THE PRINCIPAL AMOUNT OF SUCH GENERAL OBLIGATION DEBT TO BE ISSUED; SPECIFYING THE PURPOSE FOR WHICH SUCH GENERAL OBLIGATION DEBT IS TO BE ISSUED; SPECIFYING THE MAXIMUM INTEREST RATE OR RATES OF INTEREST WHICH SUCH GENERAL OBLIGATION DEBT MAY BEAR; SPECIFYING THE PRINCIPAL AMOUNT TO BE PAID IN EACH YEAR DURING THE LIFE OF SUCH GENERAL OBLIGATION DEBT; REQUESTING THAT THE BOARD OF ELECTIONS CALL AN ELECTION OF THE VOTERS OF DAWSON COUNTY, GEORGIA TO APPROVE THE CONTINUATION OF SUCH SALES AND USE TAX AND THE ISSUANCE OF SUCH GENERAL OBLIGATION DEBT; APPROVING THE FORM OF BALLOT TO BE USED IN SUCH ELECTION; AND FOR OTHER PURPOSES

WHEREAS, Article 3 of Chapter 8 of Title 48 of the Official Code of Georgia Annotated (the "Act") authorizes the imposition of a one percent sales and use tax for the purpose, inter alia, of financing certain capital outlay projects which include those set forth herein; and

WHEREAS, the Board of Commissioners of Dawson County, Georgia (the "Board of Commissioners") has determined that it is in the best interest of the citizens of Dawson County, Georgia (the "County") that such one percent sales and use tax (the "Sales and Use Tax") be continued within a special district in the County to raise approximately \$91,560,000 for the purpose of funding (a)(i) roads, streets, bridges and sidewalks (the "County Road Projects"); (ii) the acquisition, construction, remodeling and equipping of (A) a courthouse and county administration building (the "Courthouse and Administration Building"), (B) offices for the sheriff (including a 911 system) (the "Sheriff's Office"), (C) recreation facilities (the "Recreation Facilities"), (D) sewer facilities (the "Sewer Facilities"), (E) library facilities (the "Library Facilities") and (F) public works facilities (the "Public Works Facilities") and (iii) the acquisition of public safety equipment (the "Public Safety Equipment"), all for the benefit of the County (collectively, the "County Projects") and (b) (i) roads, streets, bridges and sidewalks (the "City Road Projects") and (ii) the acquisition, construction, remodeling and equipping of (A) water and sewer facilities (the "City Water and Sewer Facilities") and (B) recreation facilities (the "City Recreation Facilities"), all for the benefit of the City of Dawsonville (the "City").

WHEREAS, the County Projects and the City Projects are collectively referred to herein as the "Projects;" and

WHEREAS, the Board of Commissioners has also determined that it is in the best interest of the citizens of the County that not more than \$60,000,000 of general obligation debt of the County (the "Debt") be issued, in whole or in part and in one or more series, to fund, in whole or in part, the Courthouse and Administration Building and the Sheriff's Office, capitalized interest on the Debt and the costs of issuing the Debt; and

WHEREAS, the Board of Commissioners has also determined and does hereby declare that the County will receive Sales and Use Tax proceeds sufficient to pay the principal of and interest on the Debt as the same become due and payable; and

WHEREAS, the Board of Commissioners delivered or mailed a written notice (the "Notice") to the mayor or chief elected officer in each municipality located within the County regarding the imposition of the Sales and Use Tax; and

WHEREAS, the Notice contained the date, time, place and purpose of a meeting at which the Board of Commissioners and the governing authorities of each municipality met and discussed the possible projects for inclusion in the referendum, including municipally owned or operated projects; and

WHEREAS, the Notice was delivered or mailed at least ten days prior to the date of the meeting, and the meeting was held at least thirty days prior to the issuance of the call of the referendum; and

WHEREAS, after such meeting, the County and the City entered into an Intergovernmental Agreement governing the use of the Sales and Use Tax Proceeds..

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners, and it is hereby resolved by authority of the same, as follows:

1. In order to finance the Projects, there is hereby authorized to be levied and collected within the County as provided in the Act a Sales and Use Tax in the amount of one percent on all sales and uses in the County as provided in the Act. As required by Section 48-8-111(a) of the Act:

(a) The proceeds of such tax are to be used to fund (a)(i) the County Road Projects and (ii) the acquisition, construction, remodeling and equipping of (A) the Courthouse and Administration Building, (B) the Sheriff's Office, (C) the Recreation Facilities, (D) the Sewer Facilities, (E) the Library Facilities and (F) the Public Works Facilities and (iii) the acquisition of the Public Safety Equipment, all for the benefit of the County and (b) (i) the City Road Projects and (ii) the acquisition, construction, remodeling and equipping of the (A) the City Water and Sewer Facilities and (B) the City Recreation Facilities, all for the benefit of the City.

(b) The estimated costs of the Projects, including interest on the Debt, is as follows:

County Road Projects	\$10,000,000
Courthouse and Administration Building	50,000,000
Sheriff's Office	12,500,000
Recreational Facilities	5,000,000
Sewer Facilities	2,500,000
Library Facilities	3,000,000
Public Works Facilities	3,900,000
Public Safety Equipment	500,000
City Road Projects	2,110,000
City Water and Sewer Facilities	2,000,000
City Recreation Facilities	50,000

(c) The Sales and Use Tax is hereby authorized to be imposed for a period of six years commencing upon the expiration of the Sales and Use Tax currently in effect.

(d) Assuming that the imposition of the Sales and Use Tax and the issuance of the Debt is approved by the voters of the County in the Election (hereinafter defined), the County is hereby authorized to issue the Debt (in whole or in part and in one or more series) in an aggregate principal amount not to exceed \$62,500,000. The Debt shall bear interest from the first day of the month during which the Debt is issued or from such other date as may be designated by the County prior to the issuance of the Debt, at a rate or rates to be determined in a supplemental resolution or resolutions to be adopted by the County prior to the issuance of the Debt, which rate or rates shall not exceed 5.90% per annum. The maximum amount of principal to be paid with respect to the Debt in each year shall be as follows:

<u>Year</u>	<u>Amount</u>
2010	\$3,500,000
2011	7,500,000
2012	10,000,000
2013	11,500,000
2014	13,000,000
2015	14,500,000

The proceeds of the Debt shall be deposited by the County in a separate account or accounts and shall be used to fund, in whole or in part, the Courthouse and Administration Building and the Sheriff's Office, capitalized interest on the Debt and the costs of issuing the Debt. Any interest earnings on such proceeds shall be similarly applied by the County.

Sales and Use Tax proceeds received in any year shall only be used for paying debt service requirements on the Debt until such time as there is on deposit in a separate account sufficient monies to pay all principal and interest on the Debt coming due in that year.

2. The Board of Elections and Registration of Dawson County (the "Board of Elections") is hereby requested to call an election (the "Election") to be held in all the voting precincts in the County on the 6th day of November, 2007, for the purpose of submitting to the qualified voters of the County the question set forth in the ballot referred to in paragraph 3 below.

3. The ballots to be used in the Election shall be substantially in the form set forth in Exhibit A hereto.

4. The Board of Elections is hereby requested to hold the Election in accordance with the election laws of the State of Georgia, including, without limitation, the election laws relating to special elections. The Board of Elections is hereby further requested to canvass the returns, declare the result of the Election and certify the result to the Secretary of State and to the Commissioner of Revenue.

5. The Board of Elections is hereby authorized and requested to publish a notice of the Election as required by law in the newspaper in which Sheriff's advertisements for the County are published once a week for four weeks immediately preceding the date of the Election. The notice of the election shall be in substantially the form attached hereto as Exhibit A.

Any brochures, listings, or other advertisements issued by the Board of Commissioners or by any other person, firm, corporation or association with the knowledge and consent of the Board of Commissioners, shall be deemed to be a statement of intention of the Board of Commissioners concerning the use of the proceeds of the Debt, and such statement of intention shall be binding upon the Board of Commissioners in the expenditure of such Debt funds or interest received from such Debt funds to the extent provided in Section 36-82-1 of the Official Code of Georgia Annotated.

6. Should the Debt be authorized by the requisite number of qualified voters, the Board of Commissioners of the County shall levy, upon all property subject to taxation for general obligation bond purposes within the County, a tax in an amount sufficient to pay the principal of and interest on the Debt as the same become due. Such tax shall be collected to the extent there is any deficiency in the Sales and Use Tax proceeds.

7. The Clerk of the Board of Commissioners is hereby authorized and directed to deliver a copy of this Resolution to the Board of Elections, with a request that the Board of Elections call the Election.

8. 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 the imposition of such Sales and Use Tax the acquisition, equipping and installation of the Projects, and the issuance of the Debt as herein provided.

9. This Resolution shall take effect immediately upon its adoption.

This 28th day of August, 2007.

DAWSON COUNTY, GEORGIA

(SEAL)

By: Mike Berg
Chairman, Board of Commissioners

By: D. Simpson
Clerk

EXHIBIT A

NOTICE OF ELECTION

TO THE QUALIFIED VOTERS OF DAWSON COUNTY, GEORGIA:

NOTICE IS HEREBY GIVEN that on the 6th day of November, 2007, an election will be held at the regular polling places in all the election districts of Dawson County, Georgia (the "County"), at which time there will be submitted to the qualified voters of the County for their determination the question of whether a sales and use tax of one percent shall be continued on all sales and uses in the County for a period of time of six years commencing upon the expiration of the one percent sales and use tax currently in effect and for the raising of not more than \$91,560,000 for the purpose of funding (a)(i) roads, streets, bridges and sidewalks; (ii) the acquisition, construction, remodeling and equipping of (A) a courthouse and county administration building (the "Courthouse and Administration Building"), (B) offices for the sheriff (including a 911 system) (the "Sheriff's Office"), (C) recreation facilities, (D) sewer facilities, (E) library facilities and (F) public works facilities and (iii) the acquisition of public safety equipment, all for the benefit of the County and (b) (i) roads, streets, bridges and sidewalks; and (ii) the acquisition, construction, remodeling and equipping of (A) water and sewer facilities and (B) recreation facilities, all for the benefit of the City of Dawsonville (the "City").

If the imposition of such tax is approved by the voters, such vote shall also constitute approval of the issuance of general obligation debt of the County in an aggregate principal amount not to exceed \$60,000,000 (the "Debt"). The proceeds of the Debt will be used to fund, in whole or in part, the Courthouse and Administration Building and the Sheriff's Office, capitalized interest on the Debt and the costs of issuing the Debt.

The Debt, if so authorized, may be issued by the County in whole or in part and in one or more series. The Debt shall bear interest from the first day of the month during which the Debt is issued or from such other date as may be designated by the County prior to the issuance of the Debt, at a rate or rates not to exceed 5.90% per annum. The maximum amount of principal to be paid with respect to the Debt in each year shall be as follows:

<u>Year</u>	<u>Amount</u>
2010	\$3,500,000
2011	7,500,000
2012	10,000,000
2013	11,500,000
2014	13,000,000
2015	14,500,000

Any brochures, listings, or other advertisements issued by the Board of Commissioners of Dawson County or by any other person, firm, corporation or association with the knowledge and consent of the Board of Commissioners, shall be deemed to be a statement of intention of the Board of Commissioners concerning the use of the proceeds of the Debt, and such statement of intention shall be binding upon the Board of Commissioners in the expenditure of such Debt funds or interest received from such Debt funds to the extent provided in O.C.G.A. Section 36-82-1.

The principal and interest on the Debt are expected to be paid from proceeds of the sales and use tax and shall be payable in lawful money of the United States of America. Pursuant to O.C.G.A. Section 36-82-100, the County notifies all interested parties that no independent performance audit or performance review (the "Debt Audit") will be conducted with respect to the Debt. However the County will continue to ensure that Debt proceeds are expended efficiently and economically, as intended by the Debt Audit.

The ballots to be used in said election shall have written or printed thereon substantially the following:

- | | |
|------------------------------|--|
| <input type="checkbox"/> Yes | Shall a special one percent sales and use tax be continued in Dawson County for a period of time of six years for the raising approximately \$91,560,000 for the purpose of funding (a)(i) roads, streets, bridges and sidewalks and (ii) the acquisition, construction, remodeling and equipping of (A) a courthouse and county administration building (the "Courthouse and Administration Building"), (B) offices for the sheriff (including a 911 system) (the "Sheriff's Office"), (C) recreation facilities, (D) sewer facilities, (E) library facilities and (F) public works facilities and (iii) the acquisition of public safety equipment, all for the benefit of the County and (b) (i) roads, streets, bridges and sidewalks, (ii) the acquisition, construction, remodeling and equipping of (A) water and sewer facilities and (B) recreation facilities, all for the benefit of the City of Dawsonville? If imposition of the tax is approved by the voters, such vote shall also constitute approval of the issuance of general obligation debt of Dawson County in the principal amount of \$60 million for the purposes of funding the Courthouse and Administration Building and the Sheriff's Office. |
| <input type="checkbox"/> No | |

The several places for holding said election shall be at the regular and established voting precincts of the election districts of the County, and the polls will be open from 7:00 a.m. to 7:00 p.m. on the date fixed for the election.

The last day to register to vote in this election shall be October 9, 2007.

Those residents of the County qualified to vote at said election shall be determined in all respects in accordance with the election laws of the State of Georgia.

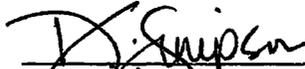
This notice is given pursuant to a resolution of the Board of Elections of Dawson County, Georgia.

Election Superintendent

CLERK'S CERTIFICATE

The undersigned Clerk of Dawson County, Georgia, DOES HEREBY CERTIFY that the foregoing pages of typewritten matter constitute a true and correct copy of a resolution adopted by the Board of Commissioners of Dawson County, Georgia on August 28, 2007, at a meeting duly called and assembled and open to the public and at which a quorum was present and acting throughout, which resolution has not been modified, repealed, revoked or rescinded as of the date hereof.

This 28th day of August, 2007.


Clerk

(SEAL)