

**INITIAL OUTLAY NOTE RESOLUTION REQUESTING
THE STATE DIRECTOR OF LOCAL FINANCE
OF THE TENNESSEE COMPTROLLER'S OFFICE
TO APPROVE THE PROPOSED BOND RESOLUTION**

BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN OF THE TOWN OF SPRING HILL pursuant to Part 6 of Chapter 21 of Title 9, Tennessee Code Annotated, and particularly Section 9-21-609(c):

1. That the Board of Mayor and Aldermen of the Town of Spring Hill has determined that it is proper to undertake a certain road improvement program designated as the First Spring Hill 1994 Road Improvement Project, and to finance the same by means of twelve (12) year capital outlay notes in the aggregate sum of \$300,000.00.

2. That the Board of Mayor and Aldermen has retained First Tennessee National Bank as its fiscal agent which recommended that the notes be sold by an informal bid process. Because of the relatively small amount of the total proposed obligation (\$300,000.00) and the additional expenses that can be thus avoided, Local Government hereby states and demonstrates that the proposed sale by informal bid process is feasible and is in the best interest of the Local Government which shall be able to amortize the proposed indebtedness together with all other obligations now outstanding.

3. That the Mayor, Recorder, or City Attorney are hereby authorized and directed to submit to the State Director of Local Finance a copy of the proposed bond resolution (Proposed

Resolution No. 94-6), a copy of which is attached hereto as Exhibit "1" and is hereby made a part of this resolution.

4. That the Board hereby adopts the following estimated costs of issuance of the capital outlay notes:

(1) The fiscal agent and/or financial advisor fees: included in Item (9);

(2) Bond counsel fees: -0-;

(3) Other legal charges: fees charged by Town Attorney to be paid from general fund, estimated maximum of \$1,500.00;

(4) Credit enhancement fees: -0-;

(5) Trustee fees: \$250.00 per year;

(6) Registration fees: -0-;

(7) Paying agent fees: \$250.00 per year;

(8) Rating agency fees: -0-;

(9) Underwriter's discount or charges: \$3,000.00;

(10) Remarketing agent fees: -0-;

(11) Printing, advertising and other expenses: -0-;

(12) At the present time the only financial institution contacted is First Tennessee Bank National Association of Memphis, which is acting as fiscal agent in this matter. The Board intends to contact all banks located in Columbia, Tennessee, or having an office in Columbia, Tennessee, which include: First Farmers and Merchants National Bank of Columbia (Spring Hill Branch); Middle Tennessee Bank; Columbia Office of NationsBank;

Columbia office of TransFinancial Bank; Columbia office of First Citizens Bank; Columbia office of First City Bank and Tennessee National Bank (both being acquired by Union Planters Bank). The number of financial institutions presently contacted is thus one (1) and to be contacted are the foregoing (7), and such other institutions as may be contacted by First Tennessee Bank National Association.

5. BE IT FURTHER RESOLVED that the State Director of Local Finance is hereby requested to approve the proposed sale of twelve (12) year general obligation capital outlay notes in the total amount of Three Hundred Thousand Dollars (\$300,000.00). In connection therewith the Board of Mayor and Aldermen hereby states that the proposed sale is in the best interest of the Town of Spring Hill and that the Town of Spring Hill shall be able to amortize the proposed indebtedness together with all other obligations now outstanding.

6. The Spring Hill City Attorney is hereby authorized, requested and directed to submit a copy of this resolution and the attached proposed bond resolution to the State Director of Local Finance of the Tennessee Comptroller's Office.

7. In connection with this request, the estimated annual principal and interest requirements are as follows:

THE CITY OF SPRING HILL, TENNESSEE
 GENERAL OBLIGATION CAPITAL OUTLAY NOTES
 SERIES 1994

DEBT SERVICE SCHEDULE

DATE	PRINCIPAL	INTEREST	DEBT SERVICE
4/01/1995	20,000.00	12,907.50	32,907.50
4/01/1996	20,000.00	12,307.50	32,307.50
4/01/1997	20,000.00	11,647.50	31,647.50
4/01/1998	25,000.00	10,927.50	35,927.50
4/01/1999	25,000.00	9,990.00	34,990.00
4/01/2000	25,000.00	9,015.00	34,015.00
4/01/2001	25,000.00	7,990.00	32,990.00
4/01/2002	25,000.00	6,915.00	31,915.00
4/01/2003	25,000.00	5,777.50	30,777.50
4/01/2004	30,000.00	4,590.00	34,590.00
4/01/2005	30,000.00	3,090.00	33,090.00
4/01/2006	30,000.00	1,560.00	31,560.00
TOTAL	300,000.00	96,717.50	396,717.50

Passed and adopted by the Board of Mayor and Aldermen on
 this the 21st day of February, 1994.

Freeman Cowherd

 FREEMAN COWHERD, MAYOR

June Quirk

 JUNE QUIRK, RECORDER

LEGAL FORM APPROVED:
Robin Courtney

 ROBIN COURTNEY, TOWN ATTORNEY

PROPOSED
RESOLUTION NO. 94-6

RESOLUTION OF THE GOVERNING BODY OF
THE TOWN OF SPRING HILL, TENNESSEE,
AUTHORIZING THE ISSUANCE, SALE, AND PAYMENT
OF INTEREST-BEARING GENERAL OBLIGATION
CAPITAL OUTLAY NOTES NOT TO EXCEED \$300,000

BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN OF THE
TOWN OF SPRING HILL:

WHEREAS, the Governing Body of the Town of Spring Hill, Tennessee, (the "Local Government") has determined that it is necessary and desirable to pave and otherwise improve certain streets and roads which are designated in the Town of Spring Hill First 1994 Street Paving Project as set forth on an estimated cost schedule attached hereto as Exhibit "1", which is hereby made a part of this Resolution (the "Project") for the benefit of the citizens of the Town of Spring Hill; and

WHEREAS, the Governing Body has determined that the Project will promote or provide a traditional governmental activity and fulfill a public purpose; and

WHEREAS, under the provisions of Parts 1, 4, and 6 of Title 9, Chapter 21, Tennessee Code Annotated (the "Act"), local governments in Tennessee are authorized to finance the cost of such a Project through the issuance and sale of interest-bearing capital outlay notes upon the approval of the State Director of Local Finance; and

WHEREAS, the Governing Body finds that it is advantageous to the Local Government to authorize the issuance of capital outlay notes to finance the cost of the Project;

NOW, THEREFORE, BE IT RESOLVED by the Governing body of the Town of Spring Hill, Tennessee, as follows:

Section 1: That, for the purpose of providing funds to finance the cost of the Project in and for the Local Government, the Mayor of the Local Government is hereby authorized in accordance with the terms of this resolution to issue and sell interest-bearing capital outlay notes in a principal amount not to exceed Three Hundred Thousand Dollars (\$300,000.00) (the "Notes") by an informal bid process upon approval of the State Director of Local Finance pursuant to the terms, provisions, and conditions permitted by law. The Notes shall be designated "April 1994 Capital Outlay Notes, Series 1994"; shall be numbered serially from 1 upwards; shall be dated as of the date of issuance; shall be in denomination(s) as agreed upon with the purchaser; shall be sold at not less than 99% of par value and accrued interest; and shall bear interest at a rate or rates not to exceed seven percent (7%) per annum, and in no event shall the rate exceed the legal limit provided by law.

Section 2: That, the notes shall mature not later than twelve (12) years after the date of issuance and that the Notes shall be amortized in an amount reflecting at least level debt service on the Notes with an assumed net interest rate of 4.75% according to the following schedule:

<u>YEAR</u>	<u>PRINCIPAL AMOUNT</u>	<u>YEAR</u>	<u>PRINCIPAL AMOUNT</u>
1995	\$20,000	2001	\$25,000
1996	\$20,000	2002	\$25,000
1997	\$20,000	2003	\$25,000
1998	\$25,000	2004	\$30,000
1999	\$25,000	2005	\$30,000
2000	\$25,000	2006	\$30,000

The Notes shall not exceed the reasonably expected economic life of the Project, which is hereby certified by the Governing Body to be at least twelve (12) years.

Section 3: That, the Notes shall be subject to redemption at the option of the Local Government, in whole or in part, at any time, at the principal amount and accrued interest to the date of redemption, without a premium, or, if sold at par, with or without a premium of not exceeding one percent (1%) of the principal amount.

Section 4: That, the Notes shall be direct general obligations of the Local Government, for which the punctual payment of the principal and interest on the notes, the full faith and credit of the Local Government is irrevocably pledged and the Local Government hereby pledges its taxing power as to all taxable property in the Local Government for the purpose of providing funds for the payment of principal of and interest on the Notes. The Governing Body of the Local Government hereby authorizes the levy and collection of a special tax on all taxable property of the Local Government over and above all other taxes authorized by the Local Government to create a sinking fund to retire the Notes with interest as they mature in an amount necessary for that purpose.

The Notes shall be further secured by a pledge of any impact fees collected under Ordinance No. 94-2 of the Town of Spring Hill from the areas benefited by the Project.

Section 5: That, the Notes shall be executed in the name of the Local Government and bear the manual signature of the chief executive officer of the Local Government and the manual signature of the Recorder with the Local Government seal affixed thereon; and shall be payable as to principal and interest at the office of the Recorder of the Local Government or the paying agent duly appointed by the Local Government. Proceeds of the Notes shall be deposited with the Recorder of the Local Government and shall be paid out for the purpose of financing the Project pursuant to this Resolution and as required by law.

Section 6: That, the Notes will be issued in fully registered form and that at all times during which any Note remains outstanding and unpaid, the Local Government or its agent shall keep or cause to be kept at its office a note register for the registration, exchange or transfer of the Notes. The note register, if held by an agent of the Local Government, shall at all times be open for inspection by the Local Government or any duly authorized officer of the Local Government. Each Note shall have the qualities and incidents of a negotiable instrument and shall be transferable only upon the note register kept by the Local Government or its agent, by the registered owner of the Note in person or by the registered owner's attorney duly authorized in writing, upon presentation and surrender to the Local Government or

its agent together with a written instrument or transfer satisfactory to the Local Government duly executed by the registered owner or the registered owner's duly authorized attorney. Upon the transfer of any such note, the Local Government shall issue in the name of the transferee a new registered note or notes of the same aggregate principal amount and maturity as the surrendered Notes. The Local Government shall not be obligated to make any such Note transfer during the fifteen (15) days next preceding an interest payment date on the Notes or, in the case of any redemption of the Notes, during the forty-five (45) days next preceding the date of redemption.

Section 7: That, the Notes shall be in substantially the form attached hereto as Exhibit "2" to this resolution and shall recite that the Notes are issued pursuant to Title 9, Chapter 21, Tennessee Code Annotated.

Section 8: That, prior to the sale of the Notes, the Local Government shall submit a copy of this resolution authorizing the Notes to the State Director of the Local Finance for approval and a copy of the proposed disclosure statement, if any, and a statement showing the estimated annual principal and interest requirements for the Notes and a detailed statement showing the estimated cost of issuance which shall include at least the following, if applicable: (1) fiscal agent and/or financial advisor fees; (2) bond counsel fees; (3) other legal charges if any; (4) credit enhancement fees; (5) trustee fees; (6) registration fees; (7) paying agent fees; (8) rating agency fees;

(9) underwriters' discount or charges; (10) remarketing agent fees; (11) printing, advertising and other expenses, together with any other information deemed pertinent to the Note issue by the Local Government.

In its request for approval, the Local Government shall state and demonstrate that the proposed sale by informal bid process is feasible and in the best interest of the Local Government and that the Local Government should be able to amortize the proposed indebtedness together with all the obligations then outstanding.

Section 9: That, the Notes shall be sold only after the receipt of the written approval of the State Director of Local Finance for the sale of the Notes.

Section 10: That, the notes are hereby designated as qualified tax-exempt obligations for purpose of Section 265(b)(3) of the Internal Revenue Code of 1986.

Section 11: That, after the issuance and sale of the Notes, and for each year that any of the Notes are outstanding, the Local Government shall submit its annual budget to the State Director of Local Finance for approval immediately upon the Local Government's adoption of the budget.

Section 12: That, all orders or resolutions in conflict with this Resolution are hereby repealed insofar as such conflict exists. This Resolution shall become effective immediately upon its passage.

Passed and adopted by the Board of Mayor and Aldermen on
this the ____ day of _____, 19__.

Freeman Cowherd
FREEMAN COWHERD, MAYOR

June Quirk
JUNE QUIRK, RECORDER

LEGAL FORM APPROVED:

ROBIN COURTNEY, TOWN ATTORNEY