

**A RESOLUTION AUTHORIZING AND PROVIDING FOR THE  
ISSUANCE OF BOND ANTICIPATION NOTES TO BE ISSUED IN  
ANTICIPATION OF THE TOWN OF SPRING HILL'S WATERWORKS REVENUE  
BOND SERIES 1995 IN THE PRINCIPAL AMOUNT OF \$200,000.00**

WHEREAS, on September 19, 1994, the Board of Mayor and Aldermen of the Town of Spring Hill (hereinafter referred to as the "Town") passed an Amended Initial Resolution authorizing the issuance of bonds in the maximum amount of \$200,000.00 for the purpose of raising funds to be used for the extension and improvement of its water works and water system (hereinafter referred to as the "System"); and

WHEREAS, the resolution directed that it be published in the Daily Herald and in the Williamson County Leader, newspapers of general circulation in the Town of Spring Hill, together with notice that the resolution has been adopted and that the bonds would be issued as proposed unless within twenty (20) days from the date of the publication a petition signed by at least ten percent (10%) of the registered voters of the Town of Spring Hill was filed with the Clerk or Mayor protesting the issuance of the bonds;

WHEREAS, no petition was duly filed with the Mayor of the Town of Spring Hill, signed by at least ten percent (10%) of the registered voters of the Town of Spring Hill protesting the issuance of the bonds;

WHEREAS, in anticipation of the issuance of the Town of Spring Hill's Waterworks Revenue Bonds, Series 1995 the Town has

determined to issue up to \$200,000 of its bond anticipation notes (the "Notes");

NOW, THEREFORE, BE IT RESOLVED by the Board of Mayor and Aldermen of the Town of Spring Hill, Tennessee:

Section 1. The Notes hereby authorized are limited in principal amount to not more than \$200,000 for the purpose of financing the cost of improvements to the System.

Section 2. The Notes hereby authorized together with interest thereon shall be payable primarily from the income and revenue to be derived from the operation of the System, and the revenues of the System are hereby irrevocably pledged to the punctual payment of such principal and interest as the same becomes due after the payment of the reasonable and necessary cost of operating and maintaining the System.

Section 3. For the purpose of providing for the payment of the principal of and interest on the Notes hereby authorized in the event of a deficiency in the revenues of the System pledged for that purpose, the Town shall annually levy a tax upon all taxable property within said Town, sufficient to pay the principal and interest on said Notes as they mature, and it shall be the duty of the Town annually at the time when other annual tax levies are fixed, to determine whether or not the revenues of the System will be adequate to meet in full the requirements of this resolution and thereupon to levy such tax as may be necessary under the provisions of this section. Said taxes shall be assessed, collected and paid at the time and in the manner as the other taxes of the Town, shall be in addition to all other taxes, and shall be without limitation

as to rate or amount. When the bonds, in anticipation of which the Notes are issued, shall have been issued, the principal proceeds of such bonds in an amount not exceeding the principal amount of the Notes issued hereunder and then, outstanding shall be applied to the retirement of the principal amount of such Notes.

Section 4. The said Notes shall be signed by the Mayor and Recorder and be in substantially the following form:

**STATE OF TENNESSEE  
COUNTY OF MAURY  
TOWN OF SPRING HILL  
WATERWORKS REVENUE BOND, SERIES 1995  
BOND ANTICIPATION NOTE**

\$ \_\_\_\_\_

No. \_\_\_\_\_

KNOW ALL MEN BY THESE PRESENTS: That the Town of Spring Hill, a municipal corporation lawfully organized and existing in Maury County, Tennessee, (the "Municipality"), hereby acknowledges itself to owe and for value received hereby promises to pay to the registered owner hereof, or its registered assigns, the sum of \$ \_\_\_\_\_ on or before \_\_\_\_\_, 1997, together with interest at the rate of \_\_\_\_\_ percent (\_\_\_\_%) per annum until paid, such interest being payable on the Maturity Date. Both principal hereof and interest hereon are payable in lawful money of the United States of America by check or draft mailed to the registered owner at the address shown on the registration book, and such payments shall discharge the obligation of the issuer hereof to the extent of the payments so made. Upon final payment this Note shall be submitted to the Registrar for cancellation.

This Note is one of a series in an authorized aggregate principal amount of up to \$200,000.00 issued by said Municipality for the purpose of providing funds to finance the construction of waterworks system improvements and extensions in and for the Municipality, and is in all respects in compliance with and under the authority of Sections 9-21-101, et seq., Tennessee Code Annotated, and under authority of proceedings duly adopted by the Governing Body of the Municipality, on the 19th day of September, 1994 in anticipation of the proceeds of a Waterworks Revenue Bond, Series 1995 (the "Bond") to be issued by the Municipality under authority of Sections 9-21-101, et seq., Tennessee Code Annotated,

and other applicable provisions of Tennessee law, which proceeds shall be applied to the repayment hereof.

This Note is a special obligation of the Municipality, payable from the Net Revenues of the waterworks system of the Municipality, subject to a prior pledge of such revenues in favor of the Municipality's outstanding Waterworks Revenue Bond, Series 1985, which revenues and proceeds are hereby irrevocably pledged to the payment of this Note, and the series of which it is a part. This Note is also payable from unlimited ad valorem taxes to be levied on all taxable property within the Town in the event of any deficiency in the revenues so pledged. The full faith and credit of the Town are hereby irrevocably pledged for the prompt payment of principal and interest on this Note.

The Town has designated the Note as a qualified tax exempt obligation for the purpose of Section 265 of the Internal Revenue Code of 1986, as amended.

This Note is transferable by the registered owner hereof, or by its attorney duly authorized in writing, on the registration books of the Municipality at the office of the Recorder of the Municipality, as Registrar, and the notation of such transfer and registration by the Registrar on the registration books. All assignees shall take this Note subject to such condition. The Municipality may treat the registered owner as the absolute owner hereof for all purposes, and shall not be affected by any notice to the contrary whether or not any payments due on this Note shall be overdue.

It is hereby certified and recited that all acts, conditions and things required by the constitution and by the laws of the State of Tennessee to exist, or to be done precedent to and in the issuance of this obligation, do exist, and have been properly done, happened, and been performed in regular and due form and time as required by law; and that provision has been made to pay the principal and interest thereon as same falls due.

This Note and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) inheritance, transfer and estate taxes, (b) Tennessee excise taxes on interest on the Note during the period the Note is held or beneficially owned by a corporation, bank, savings and loan association or any other business entity described in Section 67-4-806, Tennessee Code Annotated, and (c) Tennessee franchise taxes by reason of the inclusion of the book value of the Note in the Tennessee franchise tax base of any corporation, bank, savings and loan association or other business entity described in Section 67-4-903, Tennessee Code Annotated.

This Note is subject to prepayment prior to maturity at the option of the Municipality, in whole or in part, at any time at

the principal amount thereof and accrued interest to the date of prepayment.

IN WITNESS WHEREOF, the Town of Spring Hill through its Board of Mayor and Aldermen has caused this Note to be signed by its Mayor and attested by its Recorder under the seal of the Municipality on this 20<sup>th</sup> day of March, 1995.

*Freeman Cowherd*

Freeman Cowherd, Mayor

(SEAL)

ATTESTED:

*June Quirk*  
June Quirk, Recorder

For value received, the undersigned sells, assigns and transfers unto \_\_\_\_\_ the within Note of the City of Spring Hill, Tennessee and does hereby irrevocably appoint \_\_\_\_\_ attorney to transfer the said Note on the books of the Recorder of the City of Spring Hill, Tennessee, as Registrar, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature guaranteed  
\_\_\_\_\_

Notice: the signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the note in every particular, without alteration or enlargement or any change whatsoever.

Please insert social security or other identifying number of assignee.  
\_\_\_\_\_

**REGISTRATION**

<u>Date of Registration</u>	<u>Name of Registered Owner</u>	<u>Signature of Registered Agent</u>
_____	_____	_____
_____	_____	_____

Section 5. The proceeds of any Notes hereby authorized, any grant funds and any funds contributed by the Town shall be deposited in the Construction Account which shall be established as a bank account and such proceeds shall be withdrawn only on checks signed by the Treasurer of the Town. Proceeds shall be withdrawn on the order of the Town of Spring Hill, Tennessee, only for the purpose or purposes for which said bond anticipation notes were issued and specified in the estimate of costs. The Town's share of any liquidated damages and other monies paid by defaulting contractors or their sureties will be deposited in the Construction Account to assure completion of the project. When the construction of the System has been completed or all construction costs have been paid in full, any balance of loan funds remaining in the Construction Account shall be applied as pre-payment on the Notes. Any excess FHA grant funds shall be returned to the FHA Finance Office. The amount of any excess loan and grant funds will be in direct proportion to the amounts obligated from each source.

Section 6. The State Director of Local Finance shall have approved the terms of the sale of the Notes as required by Section 9-21-505, Tennessee Code Annotated before the issuance of any of the Notes. The Mayor is authorized to cause the Notes to be authenticated and delivered by the Registrar to the purchaser thereof, or as he may direct, and to execute, publish, and deliver all certificates and documents, closing certificates, as he shall deem necessary in connection with the sale and delivery of the Notes.

Section 7. The Notes shall not bear interest greater than seven percent (7%) per annum. The Mayor is authorized to fix the rate of interest on the Notes by designating the rate, not to exceed seven percent (7%) per annum, and the action taken by the Mayor in fixing the rate shall be binding on the Town and further action is required to be taken for such purpose.

Section 8. The provisions of this resolution shall constitute a contract between the Town and the registered owner of the Notes, and after the issuance of the Notes, no change, variation or alteration of any kind in the provisions of this resolution shall be made in any manner until such time as the Notes and interest due thereon shall have been paid in full.

Section 9. All covenants, stipulation, promises, agreements and obligations of the Town shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Town and not of any officer, director or employee of the Town in his individual capacity and no recourse shall be had for the payment on the Notes or for any claim based thereon or on this Resolution.

Section 10. All other resolutions or parts of resolutions, in conflict with the provisions of this resolution or other proceedings of the Town, are, to the extent of such conflict, hereby repealed. This resolution shall take immediate effect from and after its adoption, the welfare of the Town requiring it.

ADOPTED AND APPROVED this 20<sup>th</sup> day of March, 1995.

Freeman Cowherd  
Freeman Cowherd, Mayor

ATTEST:

June Quirk  
June Quirk, Recorder

There being no further business to come before the Board,  
the meeting was adjourned on motion duly made, seconded and  
adopted.

Freeman Cowherd  
Freeman Cowherd, Mayor

ATTEST:

June Quirk  
June Quirk, Recorder

C E R T I F I C A T E

I, June Quirk, do hereby certify that the foregoing is a true copy of the Minutes of the Special session of the Board of Mayor and Aldermen of the Town of Spring Hill, Tennessee, held at 7:00 p.m. on 20th March, 1995.

June Quirk  
June Quirk, Recorder