

Resolution 08-34

**FIVE -YEAR CAPITAL OUTLAY NOTES—COMPETITIVE SALE
RESOLUTION OF THE GOVERNING BODY OF
THE CITY OF SPRING HILL, TENNESSEE, AUTHORIZING
THE ISSUANCE, SALE, AND PAYMENT OF
CAPITAL OUTLAY NOTES NOT TO EXCEED \$2,500,000.00**

WHEREAS, the Governing Body of the City of Spring Hill, Tennessee (the Local Government) has determined that it is necessary and desirable to provide funds for the following public works project (the "Project"): Repaving Kedron Road and Buckner Lane and the completion of Miles Johnson Parkway and

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

WHEREAS, under the provisions of Parts I, IV, and VI of Title 9, Chapter 21, Tennessee Code Annotated (the "Act"), local governments in Tennessee are authorized to finance the cost of this 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 Title 9 Chapter 21 Section 608 capital outlay notes to finance the cost of the Project;

NOW THEREFORE, BE IT RESOLVED, by the Governing Body 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 Chief Executive Officer 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 Two Million Five Hundred Thousand Dollars (\$2,500,000.00) (the "Notes") at a competitive public sale upon approval of the State Director of Local Finance pursuant to the terms, provisions, and conditions permitted by law. The Notes shall be designated "Road Improvements Capital Outlay Notes, Series 2008", shall be numbered serially from 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 five percent (5.00%) 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 five (5) 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 approximately according to the following schedule:

FISCAL YEAR	DEBT SERVICE
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

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 five (5) 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. Other revenues of the Local Government may be used for the punctual payment of the principal and interest on the notes.

Section 5. That, the Notes shall be executed in the name of the Local Government and bear the manual signature of the Mayor of the Local Government and the manual signature of the City Recorder with the Local Government seal affixed thereon; and shall be payable as to principal and interest at the office of the City Recorder of the Local Government or the paying agent duly appointed by the Local Government. Proceeds of the Notes shall be deposited with the City 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 Notes remains outstanding and unpaid, the Local Government or its agent shall keep or cause to be kept at its office a 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 of transfer satisfactory to the Local Government duly executed by the registered owner of 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 of 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 and shall recite that the Notes are issued pursuant to Title 9, Chapter 21, Tennessee Code Annotated.

Section 8. That, the Local Government shall publish a notice of sale (the "Notice") at least five (5) days prior to the date on which the Notes are to be sold in both a newspaper having a general circulation in the Local Government. The Notice shall set forth the date, time and place of sale, the maximum amount

of Notes to be sold, the maximum interest rate, the maximum discount, if any, in dollars or as a percentage of par value that will be permitted, and the basis upon which the Notes will be awarded.

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 the purpose of Section 265(b) (3) of the Internal Revenue Code of 1986.

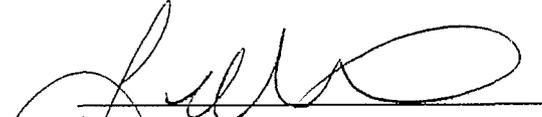
Section 11. That, after the sale of the Notes, and for each year that any of the notes are outstanding, the Local Government shall prepare an annual budget in a form consistent with accepted governmental standards and as approved by the State Director of Local Finance (the "Director".) The budget shall be kept balanced during the life of the notes. The annual budget shall be submitted to the Director immediately upon its adoption; however, it shall not become the official budget for the fiscal year until such budget is approved by the Director in accordance with Title 9, Chapter 21, Tennessee Code Annotated (the "Statutes".) If the Director determines that the budget does not comply with the Statutes, the Governing Body shall adjust its estimates or make additional tax levies sufficient to comply with the Statutes, or as directed by the Director.

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

Duly passed and approved this 18th day of August, 2008 .

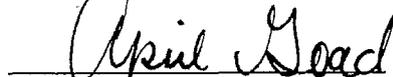


(Mayor)



(City Attorney)

ATTESTED:



(City Recorder)