

RESOLUTION 08-47

A RESOLUTION AUTHORIZING THE ISSUANCE OF INTEREST BEARING GENERAL OBLIGATION ROAD IMPROVEMENT CAPITAL OUTLAY NOTES OF SPRING HILL, TENNESSEE, IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED TWO MILLION FIVE HUNDRED THOUSAND DOLLARS (\$2,500,000); MAKING PROVISION FOR THE ISSUANCE, SALE AND PAYMENT OF SAID NOTES, ESTABLISHING THE TERMS THEREOF AND THE DISPOSITION OF PROCEEDS THEREFROM; AND PROVIDING FOR THE LEVY OF TAX FOR THE PAYMENT OF PRINCIPAL THEREOF AND INTEREST THEREON.

WHEREAS, pursuant to authority granted by Sections 9-21-101 *et seq.*, Tennessee Code Annotated, subject to the approval of the State Director of Local Finance, local governments in Tennessee are authorized to issue interest bearing capital outlay notes for all local governments purposes for which general obligation bonds can be legally authorized and issued for a period of not to exceed three (3) years; and

WHEREAS, the Board of Mayor and Aldermen of Spring Hill, Tennessee (the "Municipality") has determined that it is necessary and desirable to issue not to exceed \$2,500,000 in aggregate principal amount of capital outlay notes to provide funds for the purpose of (i) paving and road improvements within the Municipality; (ii) acquisition of all property, real and personal appurtenant to the foregoing; (iii) payment of legal, fiscal, administrative, architectural and engineering costs incident to the foregoing (the "Projects"); (iv) reimbursement for funds previously expended for the Projects costs, if any; and (v) the payment of costs incident to the issuance and sale of the Notes authorized herein; and

WHEREAS, it appears to the Board of Mayor and Aldermen of the Municipality that it will be advantageous to the Municipality to issue not to exceed \$2,500,000 in aggregate principal amount of capital outlay notes for said purposes; and

WHEREAS, it is the intention of the Board of Mayor and Aldermen of the Municipality to adopt this resolution for the purpose of authorizing such notes, establishing the terms thereof, providing for the issuance, sale and payment of the notes and disposition of proceeds therefrom, and providing for the levy of a tax for the payment of principal thereof and interest thereon.

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

Section 1. Authority. The notes authorized by this resolution are issued pursuant to Sections 9-21-101 *et seq.*, Tennessee Code Annotated, and other applicable provisions of law.

Section 2. Definitions. The following terms shall have the following meanings in this resolution unless the text expressly or by necessary implication requires otherwise:

- (a) "Code" shall mean the Internal Revenue Code of 1986, as amended, and all regulations promulgated or proposed thereunder;
- (b) "Governing Body" shall mean the Board of Mayor and Aldermen of the Municipality;
- (c) "Municipality" shall mean Spring Hill, Tennessee;

(d) "Notes" shall mean the not to exceed \$2,500,000 General Obligation Road Improvement Capital Outlay Notes, Series 2008 of the Municipality, to be dated the date of issuance, or having such other designation or such other dated date as shall be determined by the Mayor, authorized to be issued by this resolution;

(e) "Projects" shall mean (i) paving and road improvements within the Municipality; (ii) acquisition of all property, real and personal appurtenant to the foregoing; (iii) payment of legal, fiscal, administrative, architectural and engineering costs incident to the foregoing; and

(f) "Registration Agent" shall mean the City Recorder who shall serve as registration and paying agent or any successor registration agent and paying agent appointed by the Governing Body.

Section 3. Authorization and Terms of the Notes. (a) For the purpose of funding the Projects and reimbursing the Municipality for funds previously expended for Project costs, if any, subject to the adjustments permitted pursuant to Section 7 hereof, including the costs incident to the issuance and sale of the Notes as more fully set forth in Section 7 hereof, there are hereby authorized to be issued interest bearing capital outlay notes of the Municipality, in certificated form, in an aggregate principal amount of not to exceed \$2,500,000. Subject to the adjustments permitted in Section 7 hereof, the Notes shall be issued in one or more emissions, in fully registered form, without coupons, shall be known as "General Obligation Road Improvement Capital Outlay Notes, Series 2008" and shall be dated the date of issuance, or having such other designation or such other dated date as shall be determined by the Mayor; and shall bear interest at a rate or rates not to exceed seven percent (7.00%) per annum, payable, subject to the adjustments permitted pursuant to Section 7 hereof, semi-annually on April 1 and October 1 until the Notes mature or are redeemed, commencing April 1, 2009. The Notes shall be issued initially in \$5,000 denominations or integral multiples thereof, as shall be requested by the original purchaser thereof. Subject to the adjustments permitted by Section 7 hereof, the Notes shall mature serially or be subject to mandatory redemption and be payable on April 1 of each year in such manner that will retire not less than one ninth (1/9) or the original principal amount of the Notes but in no event shall the Notes mature later than the end of the third fiscal year following the fiscal year in which the Notes are issued provided, that, with the approval of the State Director of Local Finance, the maturity of the Notes may be extended or renewed for not more than two (2) additional periods not exceeding three (3) years each and periodic retirement may not be required.

(b) Subject to the adjustments permitted by Section 7 hereof, the Notes shall be subject to redemption prior to maturity at the option of the Municipality, as a whole or in part, at any time at the redemption price of par plus accrued interest to the redemption date. If less than all the Notes shall be called for redemption, the maturities to be redeemed shall be designated by the Governing Body, in its discretion, and, if less than all of the Notes of a maturity shall be called for redemption, the Notes within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

(c) Pursuant to Section 7 hereof, the Mayor is authorized to sell the Notes, or any maturities thereof, as term notes ("Term Notes") with mandatory redemption requirements as determined by the Mayor. In the event any or all the Notes are sold as Term Notes, the Municipality shall redeem Term Notes on redemption dates in aggregate principal amounts equal to the maturity amounts determined by the Mayor at a price of par plus accrued interest thereon to the date of redemption. The Term Notes to be redeemed within a single maturity shall be selected in the manner described in subsection (b) above.

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such mandatory redemption date, the Municipality may (i) deliver to the Registration Agent for cancellation

Notes to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Notes of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of a mandatory sinking fund redemption provision) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Note so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the Municipality on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Notes to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced. The Municipality shall on or before the forty-fifth (45th) day next preceding each payment date furnish the Registration Agent with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this subsection are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.

(d) Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent on behalf of the Municipality not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Notes to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Note registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for redemption of any of the Notes for which proper notice was given. The Registration Agent shall mail said notices as and when directed by the Municipality pursuant to written instructions from an authorized representative of the Municipality (other than for a mandatory sinking fund redemption, notices of which shall be given on the dates determined by the Mayor) given at least forty-five (45) days prior to the redemption date (unless a shorter notice period shall be satisfactory to the Registration Agent). From and after the redemption date, all Notes called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth herein.

(e) The Municipality hereby authorizes and directs the Registration Agent to maintain Note registration records with respect to the Notes, to authenticate and deliver the Notes as provided herein, either at original issuance or upon transfer, to effect transfers of the Notes, to give all notices of redemption as required herein, to make all payments of principal and interest with respect to the Notes as provided herein, to cancel and destroy Notes which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer, to furnish the Municipality at least annually a certificate of destruction with respect to Notes canceled and destroyed, and to furnish the Municipality at least annually an audit confirmation of Notes paid, Notes outstanding and payments made with respect to interest on the Notes.

(f) The Notes shall be payable, both principal and interest, in lawful money of the United States of America at the main office of the Registration Agent. The Registration Agent shall make all interest payments with respect to the Notes by check or draft on each interest payment date directly to the registered owners as shown on the Note registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by depositing said payment in the United States mail, postage prepaid, addressed to such owners at their addresses shown on said Note registration records, without, except for final payment, the presentation or surrender of such registered Notes, and all such payments shall discharge the obligations of the Municipality in respect of such Notes to the extent of the payments so made. Payment of principal of and premium, if any, on the Notes shall be made upon presentation and surrender of such Notes to the Registration Agent as the same shall become due and payable. All rates of interest specified herein shall be computed on the basis of a three hundred sixty (360) day year composed of twelve (12)

months of thirty (30) days each. If requested by the Owner of at least \$1,000,000 in aggregate principal amount of the Notes, payment of interest on such Notes shall be paid by wire transfer to a bank within the continental United States and written notice of any such election is given to the Registration Agent prior to the record date.

(g) Any interest on any Note that is payable but is not punctually paid or duly provided for on any interest payment date (hereinafter "Defaulted Interest") shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such Defaulted Interest shall be paid by the Municipality to the persons in whose names the Notes are registered at the close of business on a date (the "Special Record Date") for the payment of such Defaulted Interest, which shall be fixed in the following manner: the Municipality shall notify the Registration Agent in writing of the amount of Defaulted Interest proposed to be paid on each Note and the date of the proposed payment, and at the same time the Municipality shall deposit with the Registration Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Registration Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this Section provided. Thereupon, not less than ten (10) days after the receipt by the Registration Agent of the notice of the proposed payment, the Registration Agent shall fix a Special Record Date for the payment of such Defaulted Interest which Date shall be not more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment to the registered owners. The Registration Agent shall promptly notify the Municipality of such Special Record Date and, in the name and at the expense of the Municipality, not less than ten (10) days prior to such Special Record Date, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each registered owner at the address thereof as it appears in the Note registration records maintained by the Registration Agent as of the date of such notice. Nothing contained in this Section or in the Notes shall impair any statutory or other rights in law or in equity of any registered owner arising as a result of the failure of the Municipality to punctually pay or duly provide for the payment of principal of, premium, if any, and interest on the Notes when due.

(h) The Notes are transferable only by presentation to the Registration Agent by the registered owner, or his legal representative duly authorized in writing, of the registered Note(s) to be transferred with the form of assignment on the reverse side thereof completed in full and signed with the name of the registered owner as it appears upon the face of the Note(s) accompanied by appropriate documentation necessary to prove the legal capacity of any legal representative of the registered owner. Upon receipt of the Note(s) in such form and with such documentation, if any, the Registration Agent shall issue a new Note or the Note to the assignee(s) in \$5,000 denominations, or integral multiples of \$1,000 in excess thereof, as requested by the registered owner requesting transfer. The Registration Agent shall not be required to transfer or exchange any Note during the period commencing on a Regular or Special Record Date and ending on the corresponding interest payment date of such Note, nor to transfer or exchange any Note after the notice calling such Note for redemption has been made, nor to transfer or exchange any Note during the period following the receipt of instructions from the Municipality to call such Note for redemption; provided, the Registration Agent, at its option, may make transfers after any of said dates. No charge shall be made to any registered owner for the privilege of transferring any Note, provided that any transfer tax relating to such transaction shall be paid by the registered owner requesting transfer. The person in whose name any Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the Municipality nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Notes shall be overdue. The Notes, upon surrender to the Registration Agent, may, at the option of the registered owner, be exchanged for an equal aggregate principal amount of the Notes of the same maturity in any authorized denomination or denominations.

(i) The Notes shall be executed in such manner as may be prescribed by applicable law, in the name, and on behalf, of the Municipality with the manual or facsimile signature of the Mayor and with the official seal, or a facsimile thereof, of the Municipality impressed or imprinted thereon and attested by the manual or facsimile signature of the City Recorder.

(j) The Registration Agent is hereby authorized to authenticate and deliver the Notes to the original purchaser, upon receipt by the Municipality of the proceeds of the sale thereof and to authenticate and deliver Notes in exchange for Notes of the same principal amount delivered for transfer upon receipt of the Note(s) to be transferred in proper form with proper documentation as hereinabove described. The Notes shall not be valid for any purpose unless authenticated by the Registration Agent on the certificate set forth herein on the Note form.

(k) In case any Note shall become mutilated, or be lost, stolen, or destroyed, the Municipality, in its discretion, shall issue, and the Registration Agent, upon written direction from the Municipality, shall authenticate and deliver, a new Note of like tenor, amount, maturity and date, in exchange and substitution for, and upon the cancellation of, the mutilated Note, or in lieu of and in substitution for such lost, stolen or destroyed Note, or if any such Note shall have matured or shall be about to mature, instead of issuing a substituted Note the Municipality may pay or authorize payment of such Note without surrender thereof. In every case the applicant shall furnish evidence satisfactory to the Municipality and the Registration Agent of the destruction, theft or loss of such Note, and indemnity satisfactory to the Municipality and the Registration Agent; and the Municipality may charge the applicant for the issue of such new Note an amount sufficient to reimburse the Municipality for the expense incurred by it in the issue thereof.

Section 4. Source of Payment. The Notes shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the Municipality. The Notes are additionally payable from other legally available funds of the Municipality. For the prompt payment of principal of and interest on the Notes, the full faith and credit of the Municipality are hereby irrevocably pledged.

Section 5. Form of Notes. The Notes shall be in substantially the following form, the omissions to be appropriately completed when the Notes are prepared and delivered:

(Form of Note)

REGISTERED
Number _____

REGISTERED

\$ _____

UNITED STATES OF AMERICA
STATE OF TENNESSEE
COUNTY OF MAURY
CITY OF SPRING HILL

GENERAL OBLIGATION ROAD IMPROVEMENT CAPITAL OUTLAY NOTE, SERIES 2008

Interest Rate:

Maturity Date:

Date of Note:

CUSIP No.:

Registered Owner:

Principal Amount:

DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That Spring Hill, Tennessee (the "Municipality"), for value received hereby promises to pay to the registered owner hereof, hereinabove named, or registered assigns, in the manner hereinafter provided, the principal amount hereinabove set forth on the maturity

date hereinabove set forth, and to pay interest (computed on the basis of a 360 day year of twelve 30 day months) on said principal amount at the rate of interest hereinabove set forth from the date hereof until this Note matures [or is redeemed], said interest being payable on [April 1, 2009], and semi-annually thereafter on April 1 and October 1. Both principal hereof and interest hereon are payable in lawful money of the United States of America by check or draft at the office of the City Recorder, Spring Hill, Tennessee as registration and paying agent (the "Registration Agent"). The Registration Agent shall make all interest payments with respect to this Note on each interest payment date directly to the registered owner hereof shown on the Note registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by check or draft mailed to such owner at such owner's address shown on said note registration records, without, except for final payment, the presentation or surrender of this Note, and all such payments shall discharge the obligations of the Municipality to the extent of the payments so made. Any such interest not so punctually paid or duly provided for on any interest payment date shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such defaulted interest shall be payable to the person in whose name this Note is registered at the close of business on the date (the "Special Record Date") for payment of such defaulted interest to be fixed by the Registration Agent, notice of which shall be given to the owners of the Notes of the issue of which this Note is one not less than ten (10) days prior to such Special Record Date. Payment of principal hereof shall be made upon presentation and surrender of this Note to the Registration Agent when due.

Notes of the issue of which this Note are subject to redemption at any time prior to maturity at the option of the Municipality at a price of par plus accrued interest to the redemption date.

This Note is transferable by the registered owner hereof in person or by such owner's attorney duly authorized in writing at the principal corporate trust office of the Registration Agent set forth on the front side hereof, but only in the manner, subject to limitations and upon payment of the charges provided in the Resolution, as hereafter defined, and upon surrender and cancellation of this Note. Upon such transfer a new Note or Notes of authorized denominations of the same maturity and interest rate for the same aggregate principal amount will be issued to the transferee in exchange therefor. The person in whose name this Note is registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the Municipality nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Note shall be overdue. Notes, upon surrender to the Registration Agent, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of the Notes of the same maturity in authorized denomination or denominations, upon the terms set forth in the Resolution. The Registration Agent shall not be required to transfer or exchange any Note during the period commencing on a Regular Record Date or Special Record Date and ending on the corresponding interest payment date of such Note, [nor to transfer or exchange any Note after the notice calling such Note for redemption has been made, nor during a period following the receipt of instructions from the Municipality to call such Note for redemption.]

It is hereby certified, recited, and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Note exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Note does not exceed any limitation prescribed by the constitution and statutes of the State of Tennessee.

This Note is one of a total authorized issue aggregating \$2,500,000 and issued by the Municipality for the purpose of providing funds for the for the purpose of (i) paving and road improvements within the Municipality; (ii) acquisition of all property, real and personal appurtenant to the foregoing; (iii) payment of legal, fiscal, administrative, architectural and engineering costs incident to the foregoing; (iv) reimbursement for funds previously expended for the Projects costs, if any; and (v) the

et seq., Tennessee Code Annotated, and pursuant to a resolution (the "Resolution") duly adopted by the Board of Mayor and Aldermen of the Municipality on the ___ day of _____, 2008.

This Note is payable from unlimited ad valorem taxes to be levied on all taxable property within the Municipality and additionally payable from other legally available funds of the Municipality. For the prompt payment of principal of and interest on this Note, the full faith and credit of the Municipality are irrevocably pledged. For a more complete statement of the general covenants and provisions pursuant to which this Note is issued, reference is hereby made to said Resolution.

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 any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee, 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 organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

IN WITNESS WHEREOF, Spring Hill, Tennessee, has caused this Note to be signed by its Mayor with his manual [facsimile] signature and attested by its City Recorder with her manual [facsimile] signature under an impression [facsimile] of the corporate seal of the Municipality, all as of the day and date hereinabove set forth.

CITY OF SPRING HILL

BY: _____
Mayor

(SEAL)

ATTESTED:

City Recorder

Transferable and payable at the
principal office of:

City Recorder
Spring Hill, Tennessee

Date of Registration: _____

This Note is one of the issue of Notes issued pursuant to the Resolution hereinabove described.

City Recorder
Registration Agent

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns, and transfers unto _____, whose address is _____ (Please insert Social Security or Federal Tax Identification Number _____), the within Note of Spring Hill, Tennessee and does hereby irrevocably constitute and appoint _____, attorney, to transfer the said Note on the records kept for registration thereof with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Note in every particular, without alteration or enlargement or any change whatsoever.

Signature guaranteed:

NOTICE: Signature(s) must be guaranteed by a member of a medallion program acceptable to the Registration Agent.

Section 6. Levy of Tax. The Municipality, through its Governing Body, shall annually levy and collect a tax upon all taxable property within the Municipality, in addition to all other taxes authorized by law, sufficient to pay principal of and interest on the Notes when due, and for that purpose there is hereby levied a direct tax in such amount as may be found necessary each year to pay principal and interest coming due on the Notes. Principal and interest falling due at any time when there are insufficient funds from this tax levy on hand shall be paid from the current funds of the Municipality and reimbursement therefor shall be made out of the taxes hereby provided to be levied when the same shall have been collected. The tax herein provided may be reduced to the extent of direct appropriations from the general funds or other legally available funds of the Municipality to the payment of debt service on the Notes.

Section 7. Sale of Notes. (a) The Notes shall be sold at private negotiated sale, as permitted by law, at a price of not less than ninety-nine percent (99%) of par, plus accrued interest, if any, as a whole or in part from time to time as shall be determined by the Mayor, in consultation with Stephens Inc., Nashville, Tennessee, the Municipality's financial advisor (the "Financial Advisor").

(b) If the Notes are sold in more than one emission, the Mayor is authorized to designate the series of each emission, to cause to be sold in each emission an aggregate principal amount of Notes less than that shown in Section 3 hereof for each emission, and to make corresponding adjustments to the maturity schedule of each emission designated in Section 3 hereof, so long as the total aggregate principal amount of all emissions issued does not exceed the total aggregate of Notes authorized to be issued herein.

(c) The Mayor is authorized (i) to change the dated date of the Notes to a date other than the date of issuance; (ii) to change the designation of the Notes to a designation other than "General Obligation Road Improvement Capital Outlay Notes, Series 2008"; (iii) to change the first interest payment date on the Notes to a date other than April 1, 2009 but not later than twelve (12) months from the dated date of the Notes; (iv) to adjust the principal and interest payment dates and maturity amounts of the Notes, provided that (A) the total principal amount of all emissions of the Notes does not exceed the total amount of Notes authorized herein, (B) the first maturity date of the Notes or any emission thereof is a date not earlier than April 1, 2009, (C) the final maturity date of each emission shall not exceed the end of the third fiscal year following the fiscal year in which the Notes are issued; and (D) such maturity schedule is approved by the Director of Local Finance, if required; (v) to change the Municipality's optional redemption provisions of the Notes, provided that, if the Notes are sold at not less than par, the redemption premium, if any, shall not exceed one percent (1%) of the par amount of the Notes called for redemption; (vi) to sell less than the authorized principal amount of Notes authorized herein; (vii) to sell the Notes, or any emission thereof, or any maturities thereof as Term Notes with mandatory redemption requirements corresponding to the maturities determined by the Mayor, as he shall deem most advantageous to the Municipality; and (viii) to cause all or a portion of the Notes to be insured by a bond insurance policy issued by a nationally recognized bond insurance company to achieve the purposes set forth herein and to serve the best interests of the Municipality and to enter into an agreement with such insurance company with respect to the Notes to the extent not inconsistent with this Resolution.

(d) The Mayor is authorized to sell the Notes, or any emission thereof, simultaneously with any other bonds or notes authorized by resolution or resolutions of the Governing Body. The Mayor is further authorized to sell the Notes, or any emission thereof, as a single issue of notes with any other general obligation capital outlay notes with substantially similar terms authorized by resolution or resolutions of the Governing Body, in one or more emissions or series as he shall deem to be advantageous to the Municipality; provided, however, that the total aggregate principal amount of combined notes to be sold does not exceed the total aggregate principal amount of Notes authorized by this resolution or notes authorized by any other resolution or resolutions adopted by the Governing Body.

(e) The Mayor is authorized to sell the Notes, or any emission thereof, to a purchaser pursuant to negotiated sale, provided the rate or rates on any of the Notes does not exceed seven percent (7.00%) per annum. The Mayor is authorized to enter into a purchase agreement with the purchaser of the Notes consistent with the terms of this resolution. Such agreement shall be binding on the Municipality, and no further action of the Governing Body with respect thereto shall be required. The form of the Note set forth in Section 5 hereof, shall be conformed to reflect any changes made pursuant to this Section 7 hereof.

(f) The Mayor and City Recorder, or either of them, are authorized to cause the Notes to be authenticated and delivered by the Registration Agent to the original purchaser and to execute, publish, and deliver all certificates and documents, including an official statement and closing certificates, as they shall deem necessary in connection with the sale and delivery of the Notes. The Mayor and City Recorder are hereby authorized to enter into a contract with Stephens Inc. as Financial Advisor for financial advisory services in connection with the sale of the Notes.

(g) The Notes, nor any emission thereof, shall not be issued until after the approval of the State Director of Local Finance shall have been obtained as required by Sections 9-21-101 et seq., Tennessee Code Annotated.

Section 8. Disposition of Note Proceeds.

(a) All accrued interest, if any, shall be deposited to the appropriate fund of the Municipality to be used to pay interest on the Notes on the first interest payment date following delivery of the Notes.

(b) The remainder of the proceeds of the sale of the Notes shall be paid to the City Recorder to be deposited with a financial institution regulated by the Federal Deposit Insurance Corporation or similar or successor federal agency in a special fund known as the 2008 Note Fund (the "Note Fund") to be kept separate and apart from all other funds of the Municipality. The monies in the Note Fund shall be solely used by the Municipality to pay the costs of the Projects, to pay the costs incident to the sale and issuance of the Notes and, if applicable, to reimburse the Municipality for any funds previously expended for Project costs. Moneys in the Note Fund shall be invested at the direction of the City Recorder in such investments as shall be permitted by applicable law. Earnings from such investments shall be retained in the Note Fund and used as other proceeds of the Notes. Funds remaining in the Note Fund after the completion of the Projects and reimbursement to the Municipality for funds previously expended for Project costs, if any, shall be used to pay principal and interest on the Notes.

(c) In accordance with state law, the various department heads responsible for the fund or funds receiving and disbursing funds are hereby authorized to amend the budget of the proper fund or funds for the receipt of proceeds from the issuance of the obligations authorized by this resolution including bond and note proceeds, accrued interest, reoffering premium and other receipts from this transaction. The department heads responsible for the fund or funds are further authorized to amend the proper budgets to reflect the appropriations and expenditures of the receipts authorized by this resolution.

Section 9. Official Statement. The Mayor, working with Stephens Inc., Nashville, Tennessee (the "Financial Advisor"), is hereby authorized to provide for the preparation and distribution of a Preliminary Official Statement or Preliminary Offering Circular describing the Notes. No Official Statement or Offering Circular need be prepared if the Notes are sold to a purchaser that does not intend to reoffer the Notes to the public. After bids have been received and the Notes have been awarded, if sold at public sale or informal bid process, or after the Notes have been sold, if sold at negotiated sale, the Mayor shall make such completions, omissions, insertions and changes in the Preliminary Official Statement or Preliminary Offering Circular not inconsistent with this resolution as are necessary or desirable to complete it as a final Official Statement or final Offering Circular for purposes of Rule 15c2-12(e)(3) of the Securities and Exchange Commission. The Mayor shall arrange for the delivery to the successful bidder, if sold at public sale or informal bid process, or to the original purchaser, if sold at negotiated sale, of the Notes of a reasonable number of copies of the Official Statement or Offering Circular within seven business days after the Notes have been awarded, if sold at public sale or informal bid process, or sold, if sold at negotiated sale, for delivery, by the successful bidder, if sold at public sale or informal bid process, or, if sold at negotiated sale, the original purchaser, on the Notes, to each potential investor requesting a copy of the Official Statement or Offering Circular and to each person to whom such bidder and members of his bidding group, if sold at public sale or informal bid process, or, if sold at negotiated sale, to each person to whom its selling group, initially sell the Notes.

The Mayor and the City Recorder are authorized, on behalf of the Municipality, to deem the Preliminary Official Statement or Preliminary Offering Circular and the Official Statement or Offering Circular in final form, each to be final as of its date within the meaning of Rule 15c2-12(b)(1), except for the omission in the Preliminary Official Statement or Preliminary Offering Circular of certain pricing and other information allowed to be omitted pursuant to such Rule 15c2-12(b)(1). The distribution of the Preliminary Official Statement or Preliminary Offering Circular and the Official Statement or Offering Circular in final form shall be conclusive evidence that each has been deemed in final form as of its date

by the Municipality except for the omission in the Preliminary Official Statement or Preliminary Offering Circular of such pricing and other information.

If the Notes, or any emission thereof, are sold to a purchaser that does not intend to reoffer the Notes to the public as evidenced by a certificate executed by the purchaser, then an Official Statement is authorized, but not required, as shall be determined by the Mayor.

Section 10. Tax Covenants. The Municipality recognizes that the purchasers and owners of the Notes will have accepted them on, and paid therefor a price that reflects, the understanding that interest thereon is excluded from gross income for purposes of federal income taxation under laws in force on the date of delivery of the Notes. In this connection, the Municipality covenants that it shall take no action or omit to take any action which may render the interest on any of said Notes subject to inclusion in gross income for purposes of federal income taxation. It is the reasonable expectation of the Governing Body of the Municipality that the proceeds of the Notes will not be used in a manner which will cause the Notes to be "arbitrage bonds" within the meaning of Section 148 of the Code including any lawful regulations promulgated or proposed thereunder, and to this end the said proceeds of the Notes and other related funds established for the purposes herein set out, shall be used and spent expeditiously for the purposes described herein. The Governing Body further covenants and represents that in the event it shall be required by Section 148(f) of the Code to pay any investment proceeds of the Notes to the United States government, it will make such payments as and when required by said Section 148(f) and will take such other actions as shall be necessary or permitted to prevent the interest on the Notes from becoming taxable. The Mayor and City Recorder, or either of them, are authorized and directed to make such certifications in this regard in connection with the sale of the Notes as either or both shall deem appropriate, and such certifications shall constitute a representation and certification of the Municipality.

Section 11. Discharge and Satisfaction of Notes. If the Municipality shall pay and discharge the indebtedness evidenced by any of the Notes in any one or more of the following ways:

(a) By paying or causing to be paid, by deposit of sufficient funds as and when required with the Registration Agent, the principal of and interest on such Notes as and when the same become due and payable;

(b) By depositing or causing to be deposited with any trust company or bank whose deposits are insured by the Federal Deposit Insurance Corporation and which has trust powers ("a Trustee"), in trust, on or before the date of maturity, sufficient money or Federal Obligations, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay such Notes and to pay interest thereon when due until the maturity date;

(c) By delivering such Notes to the Registration Agent, for cancellation by it; and if the Municipality shall also pay or cause to be paid all other sums payable hereunder by the Municipality with respect to such Notes, or make adequate provision therefor, and by resolution of the Governing Body instruct any such Trustee to pay amounts when and as required to the Registration Agent for the payment of principal of and interest on such Notes when due, then and in that case the indebtedness evidenced by such Notes shall be discharged and satisfied and all covenants, agreements and obligations of the Municipality to the owners of such Notes shall be fully discharged and satisfied and shall thereupon cease, terminate and become void.

If the Municipality shall pay and discharge the indebtedness evidenced by any of the Notes in the manner provided in either clause (a) or clause (b) above, then the registered owners thereof shall thereafter be entitled only to payment out of the money or Federal Obligations deposited as aforesaid.

Except as otherwise provided in this Section, neither Federal Obligations nor moneys deposited with the Registration Agent pursuant to this Section nor principal or interest payments on any such Federal Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal and premium, if any, and interest on said Notes; provided that any cash received from such principal or interest payments on such Federal Obligations deposited with the Registration Agent, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to the Municipality as received by the Registration Agent and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Federal Obligations maturing at times and in amounts sufficient to pay when due the principal and interest to become due on said Notes and interest earned from such reinvestments shall be paid over to the Municipality, as received by the Registration Agent. For the purposes of this Section, Federal Obligations shall mean direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, or any agency thereof, obligations of any agency or instrumentality of the United States or any other obligations at the time of the purchase thereof are permitted investments under Tennessee Law for the purposes described in this Section, which bonds or other obligations shall not be subject to redemption prior to their maturity other than at the option of the registered owner thereof.

Section 12. Continuing Disclosure. The Municipality hereby covenants and agrees that it will provide annual financial information and material event notices if and as required by Rule 15c2-12 of the Securities Exchange Commission for the Notes. The Mayor is authorized to execute at the Closing of the sale of the Notes, an agreement for the benefit of and enforceable by the owners of the Notes specifying the details of the financial information and material event notices to be provided and its obligations relating thereto. Failure of the Municipality to comply with the undertaking herein described and to be detailed in said closing agreement, shall not be a default hereunder, but any such failure shall entitle the owner or owners of any of the Notes to take such actions and to initiate such proceedings as shall be necessary and appropriate to cause the Municipality to comply with their undertaking as set forth herein and in said agreement, including the remedies of mandamus and specific performance.

Section 13. Qualified Tax-Exempt Obligations. The Governing Body hereby authorizes the Mayor to designate the Notes as "qualified tax-exempt obligations", to the extent the Notes, or any emission thereof, may be designated, within the meaning of and pursuant to Section 265 of the Internal Revenue Code of 1986, as amended.

Section 14. Reasonably Expected Economic Life. The "reasonably expected economic life" of the Projects within the meaning of Section 9-21-101 et seq., Tennessee Code Annotated, is greater than three (3) years.

Section 15. Resolution a Contract. The provisions of this resolution shall constitute a contract between the Municipality and the registered owners 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 16. Separability. 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 17. Repeal of Conflicting Resolutions and Effective Date. All other resolutions and orders, or parts thereof, in conflict with the provisions of this resolution are, to the extent of such conflict, hereby repealed and this resolution shall be in immediate effect from and after its adoption.

Adopted and approved this 20th day of October, 2008.



Mayor

ATTEST:



CITY RECORDER

LEGAL FORM APPROVED:



CITY ATTORNEY

STATE OF TENNESSEE)

COUNTY OF MAURY)

I, April Goad, hereby certify that I am the duly qualified and acting City Recorder of Spring Hill, Tennessee, and as such official I further certify that attached hereto is a copy of excerpts from the minutes of a regular meeting of the governing body of the Municipality held on October 20, 2008; that these minutes were promptly and fully recorded and are open to public inspection; that I have compared said copy with the original minute record of said meeting in my official custody; and that said copy is a true, correct and complete transcript from said original minute record insofar as said original record relates to not to exceed \$2,500,000 General Obligation Road Improvement Capital Outlay Notes, Series 2008 of said Municipality.

WITNESS my official signature and seal of said Municipality this 20th day of October, 2008.



City Recorder

(SEAL)

7136561.1

The Board of Mayor and Aldermen of Spring Hill, Tennessee, met in a regular session on October 20, 2008, at 7:00 p.m., at their regular meeting place, Spring Hill, Tennessee, with Danny Leverette, Mayor, presiding.

The following Aldermen were present:

Michael Dinwiddie
Domingo Gallardo
Rick Graham
Bruce Hull
Miles Johnson
Eliot Mitchell
Charles Raines

The following Aldermen were absent:

Jonathan Duda

There was also present April Goad, City Recorder.

After the meeting was duly called to order, the following resolution was introduced by Rick Graham, seconded by Eliot Mitchell and after due deliberation, was adopted by the following vote:

AYE: 7

NAY: 1