

RESOLUTION 11-17

**A RESOLUTION REPLACING RESOLUTION 11-07,
OF THE CITY OF SPRING HILL, TENNESSEE,
AUTHORIZING THE ISSUANCE, SALE AND PAYMENT OF
GENERAL OBLIGATION ROAD IMPROVEMENT
CAPITAL OUTLAY EXTENSION NOTES, SERIES 2011
NOT TO EXCEED
[\$1,000,000]**

WHEREAS, pursuant to Title 9, Chapter 21, Tennessee Code Annotated, Parts I, IV, VI, the Mayor and Board of Aldermen (the "Governing Body") of the City of Spring Hill, Tennessee, (the "Local Government") duly adopted a resolution dated October 20, 2008, authorizing the issuance of interest-bearing capital outlay notes (the "Original Notes") not to exceed Two Million Five Hundred Thousand Dollars (\$2,500,000) to finance the cost of the Project referenced therein, (the "Resolution"); and

WHEREAS, Two Million Five Hundred Thousand Dollars (\$2,500,000) of the Original Notes have been issued, sold, and dated November 5, 2008; and

WHEREAS, Title 9, Chapter 21, Tennessee Code Annotated provides that local governments in Tennessee are authorized to extend or renew the maturity date 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 and sale of capital outlay extension notes to extend and renew the maturity of [One Million Dollars (\$1,000,000)] of the Original Notes maturing on April 1, 2011;

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

Section 1. That, for the purpose of providing funds to retire the outstanding Original Notes, the Mayor of the Local Government is hereby authorized in accordance with the terms of this resolution, and upon approval of the State Director of Local Finance, to issue and sell interest-bearing capital outlay extension notes in the principal amount not to exceed [One Million Dollars (\$1,000,000)] (the "Extension Notes") at either a competitive public sale or at a private negotiated sale pursuant to the terms, provisions, and conditions permitted by law. The Extension Notes shall be designated "General Obligation Road Improvement Capital Outlay Extension Notes, Series 2011"; 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 four per cent (4%) per annum, and in no event shall the rate exceed the legal limit provided by law.

Section 2. That, the Extension Notes shall mature not later than three (3) years after the date of issuance and that the term of the Original Notes, Extension Notes and any further

extension or renewal notes, in combination, shall not exceed the reasonably expected economic life of the Project, as certified by the Governing Body in the Resolution. Subject to the above, the Mayor is authorized to determine the amount of Extension Notes to mature in any year and the interest rate and such other details as shall be required to finalize the sale of the Extension Notes, and the Mayor and City Recorder are authorized to execute and deliver all documents and certificates as they shall deem necessary in connection with the sale of Extension Notes, and no further action shall be required by the Governing Body.

Section 3. That, the Extension 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.

Section 4. That, the Extension 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 Extension 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 Extension Notes with interest as they mature in an amount necessary for that purpose.

Section 5. That, the Extension 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 Extension Notes will be issued in fully registered form and that at all times during which any Extension 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 Extension Notes. The note transfer, 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 Extension 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 Extension 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 instruction of 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 Extension 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 Extension Note. The Local Government shall not be obligated to make any such Extension Note transfer during the fifteen (15) days next preceding an interest payment date on the Extension Notes, or in the case of any redemption of Extension Notes, during the forty-five (45) days next preceding the date of redemption.

Section 7. That, the Extension Notes shall be in substantially the form attached hereto and shall recite that the Extension Notes are issued pursuant to Title 9, Chapter 21, Tennessee Code Annotated. Without further act or consent of the Governing Body, the Mayor is authorized to modify the form of the Extension Notes to conform such notes to the terms of the sale, subject to the parameters set forth herein, and the execution thereof by the Mayor shall be conclusive proof of all required approvals of such changes.

Section 8. That, the Extension Notes shall be sold only after the receipt of the written approval of the State Director of Local Finance for the sale of the Extension Notes.

Section 9. That, after the sale of the Extension 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 Director of State and Local Finance (the "Director"). The budget shall be kept balanced during the life of the Extension 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 10. That, if any of the Extension Notes shall remain unpaid at the end of three (3) years from the issue date, then the unpaid Extension Notes shall be renewed or extended as permitted by law or retired from the funds of the Local Government or be converted into bonds pursuant to Chapter 11 of Title 9 of the Tennessee Code Annotated, or any other law, or be otherwise liquidated as approved by the Director of State and Local Finance.

Section 11. 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 Extension Notes. No Official Statement or Offering Circular need be prepared if the Extension Notes are sold to a purchaser that does not intend to reoffer the Extension Notes to the public. After bids have been received and the Extension Notes have been awarded, if sold at public sale or informal bid process, or after the Extension 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 Extension Notes of a reasonable number of copies of the Official Statement or Offering Circular within seven business days after the Extension 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, of the Extension 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 Extension Notes.

The Mayor and the City Recorder are authorized, on behalf of the Local Government, 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 Local Government except for the omission in the Preliminary Official Statement or Preliminary Offering Circular of such pricing and other information.

If the Extension Notes, or any emission thereof, are sold to a purchaser that does not intend to reoffer the Extension 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 12. Tax Covenants. The Local Government recognizes that the purchasers and owners of the Extension Notes will have accepted them on, and paid therefore 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 Extension Notes. In this connection, the Local Government covenants that it shall take no action or omit to take any action which may render the interest on any of said Extension Notes subject to inclusion in gross income for purposes of federal income taxation. It is the reasonable expectation of the Governing Body of the Local Government that the proceeds of the Extension Notes will not be used in a manner which will cause the Extension Notes to be "arbitrage bonds" within the meaning of Section 148 of the Code including ally lawful regulations promulgated or proposed thereunder, and to this end the said proceeds of the Extension 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 Extension 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 Extension 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 Extension Notes as either or both shall deem appropriate, and such certifications shall constitute a representation and certification of the Local Government.

Section 13. Continuing Disclosure. The Local Government 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 Extension Notes. The Mayor is authorized to execute at the Closing of the sale of the Extension Notes, an agreement for the benefit of and enforceable by the owners of the Extension Notes specifying the details of the financial information and material event notices to be provided and its obligations relating thereto. Failure of the Local Government 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 Extension Notes to take such actions and to initiate such proceedings as shall be necessary and appropriate to cause the Local Government to comply with their undertaking as set forth herein and in said agreement, including the remedies of mandamus and specific performance.

Section 14. Qualified Tax-Exempt Obligations. The Governing Body hereby authorizes the Mayor to designate the Extension Notes as “qualified tax-exempt obligations”, to the extent the Extension 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.

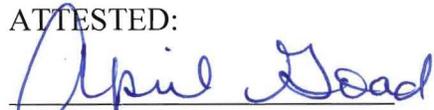
Section 15. That, all orders or resolutions in conflict with this resolution are hereby repealed insofar as such conflict exists and this resolution shall become effective immediately upon its passage.

Duly passed and approved this 22nd day of February, 2011.



Mayor

ATTESTED:



City Recorder

FORM OF THE NOTE

Registered
No. 1

Registered
\$ _____

UNITED STATES OF AMERICA
STATE OF TENNESSEE
COUNTY OF MAURY
CITY OF SPRING HILL
GENERAL OBLIGATION ROAD IMPROVEMENT
CAPITAL OUTLAY EXTENSION NOTE,
SERIES 2011

Dated Date: _____, 2011

Registered Owner: _____

THE CITY OF SPRING HILL, TENNESSEE (the "City"), a lawfully organized and existing municipal corporation, for value received, hereby acknowledges itself indebted and promises to pay, as hereinafter set forth, in the manner hereinafter provided, to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Principal Payment Dates set forth on **Exhibit A** attached hereto and incorporated herein as fully as if though copied, unless this Note shall have been duly called for prior redemption and payment of the redemption price shall have been paid, the Principal Amounts set forth on **Exhibit A**, and to pay interest on said Principal Amounts from the date hereof, or such later date as to which interest has been paid, to the Principal Payment Dates set forth on **Exhibit A**, semiannually on April 1 and October 1 of each year, commencing October 1, 2011, at the Interest Rate per annum set forth on **Exhibit A**, with principal and interest being payable by wire transfer, check, draft, or warrant to the Registered Owner hereof at the address shown on the registration books of the City Recorder maintained at the Spring Hill City Hall, Spring Hill, Tennessee, or its successor as registrar and paying agent (the "Note Registrar"), on the fifteenth (15th) calendar day next preceding an interest payment date, in any coin or currency of the United States of America which on the date of payment thereof is legal tender for the payment of public and private debts.

In the event that any amount payable hereunder as interest shall at any time exceed the rate of interest lawfully chargeable on this note under applicable law, any such excess shall, to the extent of such excess, be applied against the principal hereof as a prepayment thereof without penalty, and such excess shall not be considered to be interest. 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.

The principal hereof and interest hereon shall bear interest from and after their respective due dates (whether by acceleration, demand, or otherwise) at the same rate of interest payable on the principal hereof.

Section 9-21-117, Tennessee Code Annotated, as amended, provides that this note and the income therefrom is exempt from all state, county, and municipal taxation in the State of Tennessee, except inheritance, estate, and transfer taxes and except as otherwise provided in said Code.

This note is known as "General Obligation Road Improvement Capital Outlay Extension Note, Series 2011" (the "Note"), issued by the City in the original principal amount of \$_____. The Note which is issued for the purpose of financing certain public works projects, consisting of paying a portion of the costs of the paving and road improvements within the City, the acquisition of all other property real AND personal appurtenant thereto and connected with such work, and to pay all legal, fiscal, administrative, and engineering costs incident thereto, is authorized by an appropriate resolution of the Board of Mayor and Aldermen and particularly that certain Resolution of the Board of Mayor and Aldermen adopted on _____, 2011, authorizing the issuance of this Note, as such resolution may be from time to time amended or supplemented in accordance with its terms (such resolution, as so amended or supplemented, being herein called, the "Resolution"), and is issued pursuant to, and in full compliance with, the Constitution and the statutes of the State of Tennessee, including, but not limited to, Title 9, Chapter 21, Tennessee Code Annotated, as amended (the "Act"). Copies of the Resolution are on file at the office of the City Recorder of the City, and reference is hereby made to the Resolution and the Act, for a more complete statement of the terms and conditions upon which the Note is issued thereunder, the rights, duties, immunities, and obligations of the City, and the rights of the Registered Owner hereof.

This Note and interest hereon is payable from funds of the City legally available therefor and to the extent necessary from *ad valorem* taxes to be levied on all taxable property in the City without limitation as to time, rate or amount. For the prompt payment of this Note, both principal and interest, as the same shall become due, the full faith and credit of the City are hereby irrevocably pledged.

This Note is transferable by the Registered Owner hereof in person or by his, her or its attorney or legal representative at the office of the Note Registrar, but only in the manner and subject to the limitations and conditions provided in the Resolution and upon surrender and cancellation of this Note. Upon any such transfer, the City shall execute, and the Note Registrar shall authenticate and deliver in exchange for this Note, a new fully registered note or notes, registered in the name of the transferee, in authorized denominations, in an aggregate principal amount equal to the principal amount of this Note, of the same maturity and bearing interest at the same rate. For every exchange or transfer of notes, whether temporary or definitive, the City and the Note Registrar may make a charge, unless otherwise herein to the contrary expressly provided, sufficient to pay for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, all of which taxes, fees or other governmental charges shall be paid to the City by the person or entity requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer.

The City and the Note Registrar may deem and treat the person or entity in whose name this Note is registered as the absolute owner hereof, whether such note shall be overdue or not, for the purpose of making payment of the principal of and interest on this Note and for all other purposes. All such payments so made shall be valid and effectual to satisfy and discharge the

liability upon this Note to the extent of the sum or sums so paid, and neither the City nor the Note Registrar shall be affected by any notice to the contrary.

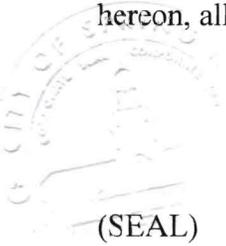
The Note is issuable only as a fully registered note, without coupons, in the original denomination of \$_____. At the office of the Note Registrar, in the manner and subject to the limitations, conditions and charges provided in the Resolution, fully registered notes may be exchanged for an equal aggregate principal amount of fully registered notes of the same maturity, of authorized denominations, and bearing interest at the same rate.

This Note shall be subject to redemption, in whole or in part, at the option of the City, at any time, at the price of par plus accrued interest to the date of redemption, upon not less than fifteen (15) calendar days written notice to the Registered Owner.

This Note shall have all the qualities and incidents of, and shall be, a negotiable instrument under, the Uniform Commercial Code of the State of Tennessee, subject only to provisions respecting registration of such note. This Note is issued with the intent that the laws of the State of Tennessee shall govern its construction.

It is hereby certified, recited and declared that all acts and conditions required to be done and to exist precedent to the issuance of, this Note in order to make this Note legal, valid and binding obligation of the City, have been done, and did exist in due time and form as required by the Constitution and statutes of the State of Tennessee; and that this Note and the issue of which it is a part, together with all other indebtedness of such City, does not exceed any limitation prescribed by the Constitution or statutes of the State of Tennessee.

IN WITNESS WHEREOF, THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF SPRING HILL, TENNESSEE, has caused this Note to be signed by the manual signatures of the Mayor and City Recorder and its official seal to be impressed or imprinted hereon, all as of 2-22-, 2011.



(SEAL)


MAYOR

Attested:


CITY RECORDER

Date of Authentication:

CERTIFICATE OF AUTHENTICATION

This Note is the Note described in the provisions of the within mentioned Resolution and is the General Obligation Road Improvement Capital Outlay Extension Note, Series 2011, of the City of Spring Hill, Tennessee.

By: 
City Recorder, as Note Registrar

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns, and transfers unto _____, whose address is _____
(Please insert Federal Identification or Social Security Number of Assignee _____),
the within Note and does hereby irrevocably constitute and appoint _____,
Attorney, to transfer the same Note on the books kept for registration hereby with full power of
substitution in the premises.

Dated: _____

SIGNATURE GUARANTEED:

SIGNATURE:

NOTICE: Signature(s) must be
guaranteed by a bank or by a brokerage
firm having a membership in one of the
major stock exchanges.

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.