

RESOLUTION NO. 88-09

A RESOLUTION OF THE BOARD OF MAYOR AND ALDERMEN OF THE TOWN OF SPRING HILL, TENNESSEE, AUTHORIZING THE ISSUANCE, SALE, AND PAYMENT OF INTEREST-BEARING CITY PARK CAPITAL OUTLAY NOTES NOT TO EXCEED ONE HUNDRED THOUSAND AND NO/100 DOLLARS (\$100,000).

WHEREAS, the Board of Mayor and Aldermen of the Town of Spring Hill, Tennessee, has determined that it is necessary and desirable to purchase an interest in certain real property located within the corporate limits of the Town of Spring Hill and currently owned by the First Farmers and Merchants National Bank of Columbia (the "Project") for use as a library for the benefit of the citizens of the Town of Spring Hill.

WHEREAS, under the provisions of Parts I, IV and VI of Chapter 770, 1986 Tennessee Public Acts (Chapter 21 of Title 9, Parts 1, 2, and 4 of the Tennessee Code Annotated) (the "Act"), local governments in Tennessee are authorized to finance the cost of projects such as the Project through the issuance and sale of interest bearing capital outlay notes upon the approval of the State of Director of Local Finance; and

WHEREAS, the Board of Mayor and Aldermen of the Town of Spring Hill, Tennessee finds that it is advantageous to the Town of Spring Hill to authorize the issuance of capital outlay notes to finance the cost of the Project;

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

Section 1: That, for the purpose of providing funds to finance the costs of the Project in and for the Town of Spring Hill, the Recorder of the Town of Spring Hill is hereby authorized to issue and sell interest-bearing capital

outlay notes in a principal amount not to exceed One Hundred Thousand Dollars (\$100,000) (the "Notes") at either a competitive public sale or at a private negotiated sale and upon approval of the State Director of Local Finance pursuant to the terms, provisions, and conditions of the Act. The Notes shall be designated "City Park Capital Outlay Notes, Series 1988"; 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 nine percent (9%) 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 three (3) years after the date of issuance and that the Notes and any extension or renewal notes shall not exceed the reasonably expected economic life of the Project, which is hereby certified by the Board of Mayor and Aldermen of the Town of Spring Hill to be at least 40 years. Provided, however, that each year the Notes are outstanding, one-third (1/3) of the original principal amount of the Notes shall mature without renewal but subject to prior redemption.

Section 3: That, the Notes shall be subject to redemption at the option of the Town of Spring Hill, 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 Town of Spring Hill and the Town of Spring Hill hereby pledges its taxing power as to all taxable property in the Town of Spring Hill for the purpose of providing funds for the payment of principal and interest on the Notes. The Board of Mayor and Aldermen of the Town of Spring Hill, Tennessee hereby authorizes the levy and collection of a special tax on all taxable property of the Town of Spring Hill over and above all other taxes authorized by the Town of Spring Hill to create a sinking fund to retire the Notes with interest as they mature in an amount necessary for that purpose.

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

Section 6: That, the Notes will be issued in fully registered form and that at all times during which any Note remains outstanding and unpaid, the Town of Spring Hill or its agent shall keep or cause to be kept at its office a note register for the registration, exchange or transfer of the

Notes. The note register, if held by an agent of the Town of Spring Hill, shall at all times be open for inspection by the Town of Spring Hill or any duly authorized officer of the Town of Spring Hill. Each Note shall have the qualities and incidents of a negotiable instrument and shall be transferable only upon the note register kept by the Town of Spring Hill 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 Town of Spring Hill or its agent together with a written instrument of transfer satisfactory to the Town of Spring Hill duly executed by the registered owner or the registered owner's duly authorized attorney. Upon the transfer of any such Note, the Town of Spring Hill 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 Note. The Town of Spring Hill shall not be obligated to make any such Note transfer during the fifteen (15) days next preceding an interest payment date on the Notes or, in the case of any redemption of the Notes, during the forty-five (45) days next preceding the date of redemption.

Section 7: That, the Notes shall be in substantially the form attached hereto and shall recite that the Notes are issued pursuant to the Act.

Section 8: 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 9: That, after the issuance and sale of the Notes, and for each year that any of the Notes are outstanding, the Town of Spring Hill shall submit its annual budget to the State Director of Local Finance for approval immediately upon the Town of Spring Hill adoption of the budget.

Section 10: That, if any of the Notes shall remain unpaid at the end of three (3) years from the issue date, then the unpaid Notes shall be renewed or extended as permitted by law, or retired from the funds of the Town of Spring Hill 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 State Director of Local Finance.

Section 11: 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 25th day of August, 1988.

TOWN OF SPRING HILL, TENNESSEE

By:

George C. Jones
GEORGE C. JONES, Mayor

ATTEST:

June Quirk
June Quirk, Recorder

LEGAL FORM APPROVED:

Robin Courtney
ROBIN COURTNEY, TOWN ATTORNEY