

A RESOLUTION AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF A GENERAL OBLIGATION BOND IN THE PRINCIPAL AMOUNT OF \$190,000 FOR THE PURPOSE OF CONSTRUCTING AND EQUIPPING A FIRE HALL FOR THE TOWN OF SPRING HILL, TENNESSEE: PRESCRIBING THE BOND FORM, THE TERMS AND CONDITIONS OF ISSUE AND RETIREMENT AND MAKING PROVISIONS FOR PAYMENT THEREOF, AND AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF INTERIM CERTIFICATES OR BOND ANTICIPATION NOTES (the "RESOLUTION").

WHEREAS, on March 18, 1991, the Board of Mayor and Aldermen (hereinafter referred to as the "Board") of the Town of Spring Hill (hereinafter referred to as the "Town") passed a resolution (hereinafter referred to as the "Initial Resolution") authorizing the issuance of bonds in the maximum principal amount of \$190,000.00 for the purpose of raising funds to be used for the construction and equipping of a fire hall on property located on Beechcroft Road (hereinafter referred to as the "Fire Hall"); and

WHEREAS, the Initial Resolution directed that it be published in The Daily Herald and The Spring Hill Morning Sun, newspapers of general circulation in the Town, together with notice that the Initial Resolution had been adopted and that the bonds would be issued as proposed unless within ten (10) days from the date of the publication a petition signed by at least ten percent (10%) of the registered voters of the Town was filed with the Recorder protesting the issuance of the bonds; and

WHEREAS, no petition protesting the issuance of the bonds was filed with the Recorder within the permitted time period; and

WHEREAS, it is necessary to defray a portion of the cost of constructing said Fire Hall, including engineering and legal fees and other necessary and related expenses, by obtaining such financial assistance as is available from the United States of America, acting through the Farmers Home Administration, United States Department of Agriculture (hereinafter referred to as the "Farmers Home Administration" or "Government"), in accordance with the applicable provisions of the Consolidated Farm and Rural Development Act, it being determined that the Town is unable to obtain sufficient credit elsewhere to finance the construction of the Fire Hall taking into consideration prevailing private and cooperative rates and terms currently available;

NOW, THEREFORE, BE IT RESOLVED by the Board as follows:

Section 1. That the Town proceed with the construction of the Fire Hall and, for defraying the cost thereof, obtain such financial assistance as is available by a loan, made or insured by the Farmers Home Administration, and the Mayor and Recorder are hereby authorized to enter into such agreements and execute such documents as may be required by the Farmers Home Administration in connection therewith.

Section 2. That pursuant to the authority contained in Title 9, Chapter 21, Tennessee Code Annotated, as amended, the Town is hereby authorized to borrow \$190,000.00 and issue as evidence thereof a General Obligation Bond (the "Bond"). The Bond shall be dated as of the date of delivery, and shall bear interest at rate equal to the lower of (a) seven percent (7.0%) per annum (which is

the rate which was determined pursuant to 7 C.F.R. §1942.113 and 7 C.F.R. §1942.17(f) as of the date the Farmers Home Administration approved the loan to be represented by the Bond) and (b) the rate of interest determined pursuant to 7 C.F.R. §1942.113 and 7 C.F.R. §1942.17(f) on the date the Bond is issued. Principal and interest on the Bond shall be payable in forty (40) semi-annual amortized installments on payment dates during each year which shall be approximately six months and one year, respectively, from the date on which the Bond is issued, until the face amount of the Bond plus interest thereon is fully paid; except that the final payment of the entire indebtedness represented by the Bond if not sooner paid, shall be due and payable on or about the twentieth anniversary of the issuance of the Bond. The Mayor is hereby authorized to determine such interest rate, such payment dates, such final maturity date and the amount of such semi-annual payments in cooperation with the Farmers Home Administration and in compliance with the provisions of this Resolution and applicable law, and the action taken by the Mayor in making such determinations shall be binding upon the Town and no further action is required to be taken by the Town for such purposes. The Bond shall be issued in fully registered form without interest coupons; it shall be registered as to principal and interest by the Recorder of the Town in a Bond Registration Book and a certificate of such registration shall be endorsed on the Bond. Both the principal of, and interest on, the Bond shall be payable to the registered owner at its address appearing on the Bond Registration Book.

Section 3. The Bond shall be signed by the Mayor and Recorder and be in substantially the following form, with such insertions as are necessary to carry out the intent of this Resolution:

[Form of Bond]

REGISTERED

Number: _____ Principal Amount: \$190,000.00

UNITED STATES OF AMERICA

STATE OF TENNESSEE

TOWN OF SPRING HILL, TENNESSEE

GENERAL OBLIGATION BOND, SERIES 1991

For value received, the Town of Spring Hill (hereinafter called the "Borrower"), a lawfully organized and existing municipal corporation in Maury County, Tennessee, hereby acknowledges itself indebted to, and for value received promises to pay to UNITED STATES OF AMERICA, FARMERS HOME ADMINISTRATION, the registered owner hereof, the principal sum of ONE HUNDRED NINETY THOUSAND DOLLARS (\$190,000.00), plus interest on the unpaid balance at the rate of _____ percent (____%) per annum. Installments of principal and interest in the amount of \$_____ shall be payable on the ____ day of _____, 199_ and semi-annually thereafter on the ____ day of _____, and the ____ day of _____ during each year, until the principal and said interest are fully paid, except that the final installment of the entire indebtedness evidenced hereby, if not sooner paid, shall be due and payable on

_____, 201_. This Bond shall be registered as to principal and interest in a Bond Registration Book, such registration to be noted hereon, and no transfer shall be valid unless made on the Bond Registration Book and similarly noted hereon. Both the principal of, and interest on, this Bond shall be payable in lawful money of the United States of America to the registered owner hereof at its address appearing on the Bond Registration Book.

This Bond is issued pursuant to, and under the authority provided by, Title 9, Chapter 21, Tennessee Code Annotated, and Resolutions properly adopted on March 18, 1991, and September 16, 1991, by the Board of Mayor and Aldermen of the Town of Spring Hill, Tennessee and is issued to obtain funds to defray the cost of constructing and equipping a fire hall for the Town of Spring Hill, Tennessee. This Bond is payable, both principal and interest, from taxes to be levied on all taxable property within the Town of Spring Hill, Tennessee without limitation as to rate or amount; for the prompt payment of such principal and interest, the full faith, credit and resources of the Borrower are hereby irrevocably pledged. For a more complete statement of the general covenants and provisions pursuant to which this Bond is issued, reference is hereby made to the Resolutions referred to hereinabove.

Prepayments may be made on this Bond at any time, in whole or in part, at the option of the Borrower without premium or penalty. Any such prepayments shall be applied to the installments

last to become due under this Bond and shall not affect the obligation to pay the remaining installments as scheduled herein.

The Town has designated this Bond as a qualified tax-exempt obligation for the purpose of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

This Bond and the income herefrom are exempt from all state, county, and municipal taxation in the State of Tennessee, except inheritance, transfer and estate taxes and except that such income may not be exempt from Tennessee corporate excise tax and the privilege tax imposed on savings and loan associations.

It is hereby recited and certified that all acts, conditions and things required to be done precedent to and in the issuance of this Bond and the pledge of the full faith and credit of the Borrower therefor have been done, have happened and have been performed in due and legal time, form and manner as required by law.

IN WITNESS WHEREOF, the Town of Spring Hill, Tennessee, by its Board of Mayor and Aldermen, has caused this Bond to be signed by its Mayor and attested by its Recorder and its corporate seal to be imprinted hereon and delivered this 16th day of September, 1991.

TOWN OF SPRING HILL, TENNESSEE

By: R. A. Boyd, Jr.
Mayor

Attest:

Jane P. Smith
Recorder
(CORPORATE SEAL)

[End of Form of Bond]

There shall be included in said Bond a registration certificate in substantially the following form:

[Form of Bond Registration Certificate]

STATE OF TENNESSEE)
) SS:
COUNTY OF MAURY)

I, the undersigned, _____, Recorder within and for the Town of Spring Hill, Tennessee, do hereby certify that the within Bond has been registered as to principal and interest as indicated in the registration blank below in a book provided for that purpose in my office.


Recorder

REGISTRATION

Date of Registration Name and Address of Registered Owner

[End of Form of Bond Registration Certificate]

Section 4. The Bond hereby authorized together with interest thereon shall be a full faith and credit obligation of the Town for which the unlimited taxing power of the Town as to all

taxable property within the Town is pledged in the manner provided in Section 5 of this Resolution.

Section 5. For the purpose of providing for the payment of the principal of and interest on the Bond hereby authorized, the Town shall annually levy a tax upon all taxable property within said Town, sufficient to pay the principal and interest on said Bond as it matures, and it shall be the duty of the Town annually at the time when other annual tax levies are fixed, 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.

Section 6. The proceeds of the Bond hereby authorized, and any funds contributed by the Town for the acquisition, construction and equipping of the Fire Hall shall be deposited in an account (the "Construction Account") in an institution insured by the government of the State of Tennessee or the United States of America. Proceeds shall be withdrawn on the order of the Town of Spring Hill, Tennessee only for the purpose or purposes for which the Bond was issued. Such proceeds may be invested in readily marketable securities backed by the full faith and credit of the United States of America. Any income from the funds in the Construction Account shall be added to the balance of the Construction Account. 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 Fire Hall has been completed or all construction costs have been paid in full, any balance of loan funds or interest earned thereon remaining in the Construction Account shall be applied as an extra payment on the Bond.

Section 7. The Town covenants and agrees that so long as the Bond hereby authorized remains unpaid and the Government is the holder of such Bond, the Town will comply with the provisions of this Resolution and the Town's Resolution No. 91-7, a copy of which is attached hereto. Such Resolution No. 91-7 is incorporated herein by reference and made a part of this Resolution.

Section 8. The holder of the Bond may, in addition to all other rights, either at law or in equity, by suit, action, mandamus or other proceedings, in any court of competent jurisdiction enforce its rights against the Town, the Board and any officer, agent or employee of the Town, including, but not limited to, the right to require the Town, the Board and any proper officer, agent or employee of the Town to assess, levy and collect taxes, and to fix and collect fees, rents, tolls, or other charges adequate to carry out any agreement as to, or pledge of, such taxes, fees, rents, tolls, or other charges; and to require the local government, the governing body of the local government and any officer, agent or employee of the Town to carry out any other covenants and agreements and to perform its and their duties under Title 9, Chapter 21 of Tennessee Code Annotated; and to enjoin any acts or things which may be unlawful or a violation of the rights

of such holder or holders of general obligation bonds issued under the authority of Title 9, Chapter 21 of Tennessee Code Annotated.

Section 9. If at any time it shall appear to the Government that the Town is able to refund the amount of the Bond then outstanding, in whole or in part, by obtaining a loan for such purpose from responsible cooperative or private credit sources, at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1983(c)), the Town, upon request of the Government, will apply for and accept such loan in sufficient amount to repay the Government and will take all such actions as may be required in connection with such loan. The Town covenants and agrees that so long as the Government is the holder of the Bond herein authorized, the Town shall not issue any bonds or other obligations for the purpose of defeasing or otherwise terminating the rights of the holder of such Bond.

Section 10. Pending delivery of the Bond, interim certificates of indebtedness ("interim certificates") or bond anticipation notes ("bond anticipation notes") may be issued for the purpose of providing funds in anticipation of the issuance of the Bond. Interim certificates may be issued to the original purchaser to evidence receipt of partial advances of the purchase price of the Bond, and bond anticipation notes may be issued to evidence funds obtained on an interim basis from sources other than the original purchaser. The interim certificates if used, shall be payable within two (2) years from their date of issuance, shall

be executed by the officials authorized to execute the Bond, and shall be in such form as said officials shall approve, their execution thereof being conclusive evidence of their approval. The interim certificates shall bear interest from their date at the Bond rate. Bond anticipation notes, if used, shall be issued in fully registered form, without coupons; be known as "General Obligation Bond Anticipation Notes, Series 1991;" be dated the date of delivery thereof and mature not later than two (2) years from their date of issuance, (subject to the prepayment rights included in the form of the bond anticipation note set forth below); and bear interest at such rate or rates as may be negotiated by the Mayor on behalf of the Town with the purchaser thereof, such rate not to exceed [___%] per annum. The Mayor is authorized to fix the rate of interest on, and the maturity of, the bond anticipation notes (subject to the foregoing limitations) by designating the rate and maturity date, and the action taken by the Mayor in fixing the rate and designating the maturity shall be binding on the Town and no further action is required to be taken by the Town for such purposes.

The bond anticipation notes shall be in substantially the following form:

[Form of Bond Anticipation Note]

REGISTERED

UNITED STATES OF AMERICA

STATE OF TENNESSEE

TOWN OF SPRING HILL, TENNESSEE

GENERAL OBLIGATION BOND ANTICIPATION NOTE, SERIES 1991

Interest Rate: _____ Maturity Date: _____ Date of Note: _____

Registered Owner: _____

Principal Amount: _____

Note Number: _____

For value received, the Town of Spring Hill, Tennessee (hereinafter called the "Borrower" or the "Town"), hereby acknowledges that it is indebted to, and promises to pay to, the registered owner hereof, hereinabove named, in the manner hereinafter provided, the principal amount hereinabove set forth on the maturity date hereinabove set forth, and to pay interest on said principal amount at the annual rate of interest hereinabove set forth from the date hereof until said maturity date or until the prepayment date if this Note is prepaid. The interest hereon shall be due and payable on the maturity date, or earlier on the prepayment date in the event this Note is prepaid. 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 Town Recorder at City Hall in Spring Hill, Tennessee. The Town Recorder shall serve as registration agent and paying agent (the "Registration Agent") for this Note. Payment of principal of and interest due hereon shall be made upon presentation and surrender of this Note to the Registration Agent when due on the maturity date or on the date of prepayment in the event the Town elects to prepay this Note as hereinafter provided.

This Note may be prepaid, in whole or in part, at any time at the option of the Borrower at a price of par plus accrued interest without premium or penalty upon thirty (30) days' prior written notice to the registered owner hereof. Any such prepayments shall be applied to accrued but unpaid interest hereon until paid, and then to the principal amount hereof.

This Note is one of a total authorized issue aggregating up to \$190,000 in principal amount and issued by the Borrower pursuant to, and under the authority provided by, Title 9, Chapter 21, Tennessee Code Annotated and Resolutions properly adopted on March 18, 1991, and September 16, 1991, by the Board of Mayor and Aldermen of the Town of Spring Hill, Tennessee. This Note is being issued for the purpose of financing a portion of the costs of acquiring, constructing and equipping a fire hall to be located within the Town in anticipation of the Town's issuance of general obligation bonds to be issued by the Town under the authority of Title 9, Chapter 21, Tennessee Code Annotated and the Resolutions described in the preceding sentence.

This Note is payable, both principal and interest, from taxes to be levied on all taxable property within the Town of Spring Hill, Tennessee without limitation as to rate or amount; for the prompt payment of such principal and interest, the full faith, credit and resources of the Borrower are hereby 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 the Resolutions referred to hereinabove.

The Town has designated the issue of Notes of which this Note is a part as qualified tax-exempt obligations for the purpose of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

This Note and the income herefrom are exempt from all state, county, and municipal taxation in the State of Tennessee, except inheritance, transfer and estate taxes and except that such income may not be exempt from Tennessee corporate excise tax and the privilege tax imposed on savings and loan associations.

It is hereby recited and certified that all acts, conditions and things required to be done precedent to and in the issuance of this Note and the pledge of the full faith and credit of the Borrower therefor, have been done, have happened and have been performed in due and legal time, form and manner as required by law.

IN WITNESS WHEREOF, the Town of Spring Hill, Tennessee, by its Board of Mayor and Aldermen, has caused this Note to be signed by its Mayor and attested by its Recorder under an imprint

REGISTRATION

Date of Registration

Name and Address of Registered Owner

[End of Form of Bond Anticipation Note Registration Certificate]

The interim certificates and the bond anticipation notes shall be full faith and credit obligations of the Town for which the unlimited taxing power of the Town as to all taxable property within the Town is pledged in the same manner as provided in Section 5 of this Resolution.

The combined principal amount of interim certificates and bond anticipation notes authorized hereby shall be an amount equal to the principal amount of the Bond authorized by this Resolution.

The purchase price paid by the Government for the Bond shall be reduced by the principal amount of interim certificates held by it, including accrued interest thereon, and such interim certificates shall be delivered by the Government to the Town at the time of delivery of the Bond.

The proceeds of the sale of interim certificates or bond anticipation notes shall be deposited in the Construction Fund created pursuant to the provisions of Section 6 of this Resolution and dispersed in accordance with the provisions of such Section 6.

The State Director of Local Finance shall have approved the terms of the sale of the bond anticipation notes prior to their

issuance as provided by Section 9-21-505 of the Tennessee Code Annotated.

Section 11. The Mayor and Recorder be and they are hereby authorized and directed to execute for and on behalf of the Town Form FHA 400-1 entitled "Equal Opportunity Agreement" to be incorporated in or attached as a rider to each construction contract involving \$10,000 or more, Form FHA 400-4, entitled "Assurance Agreement", and such other agreements, instruments or documents as the Government and any purchaser of bond anticipation notes shall request in connection with the sale and issuance of the Bonds, the interim certificates and the bond anticipation notes.

Section 12. This Resolution shall take effect and be in force immediately upon its passage, the welfare of the Town requiring it.

Section 13. The provisions of this Resolution shall constitute a contract between the Town and the holder of the Bond, the interim certificates and the bond anticipation notes herein authorized to be issued, and after the issuance of any such Bond, interim certificates and bond anticipation notes, no change, variation or alteration of any kind in the provisions of this Resolution shall be made in any manner without the express written consent of holders of such instruments until such time as all amounts owed under such instruments has been paid in full.

ADOPTED AND APPROVED this 16 day of September 1991.

R. P. Boyd
Mayor

ATTEST:

June Quirk
Recorder

CERTIFICATE

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 Sep, 1991.

June Quirk
JUNE QUIRK, RECORDER