RESOLUTION 17-2011

RESOLUTION AUTHORIZING A LOAN PURSUANT A LOAN AGREEMENT BETWEEN THE CITY OF MILLINGTON, TENNESSEE, AND THE PUBLIC BUILDING AUTHORITY OF THE CITY OF CLAKSVILLE, TENNESSEE IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED $5,000,000; AUTHORIZING THE EXECUTION AND DELIVERY OF SUCH LOAN AGREEMENT AND OTHER DOCUMENTS RELATING TO SAID LOAN; APPROVING THE ISSUANCE OF A BOND BY THE PUBLIC BUILDING AUTHORITY; PROVIDING FOR THE APPLICATION OF THE PROCEEDS OF SAID LOAN AND THE PAYMENT OF SUCH INDEBTEDNESS; AND, CONSENTING TO THE ASSIGNMENT OF THE CITY'S OBLIGATION UNDER SUCH LOAN AGREEMENT

WHEREAS, the Board of Mayor and Aldermen (the "Board") of the City of Millington, Tennessee (the "Municipality"), has heretofore determined that it was necessary to provide for the financing of certain "public works projects", as defined in Title 9, Chapter 21, Tennessee Code Annotated, as from time to time amended and supplemented, consisting of paying a portion of the costs of the construction of Veteran's Parkway from Highway 51 to Paul Barrett Parkway, the acquisition of all property real and personal appurtenant thereto and connected with such work, and to pay all legal, fiscal, administrative, and engineering costs incident thereto, reimbursement for expenditures related to the foregoing project, and costs incident to incurring the indebtedness (collectively, the "Project");

WHEREAS, the Board, on February 23, 2009, adopted an Initial Resolution (the "Initial Resolution"), authorizing and directing, among other things, the borrowing of funds and the incurring of general obligation indebtedness by the Municipality in the amount of not to exceed $5,000,000, for the purpose of financing the Project and to pay costs incident to the financing thereof;

WHEREAS, the Initial Resolution authorized payment of the principal of and interest on such indebtedness from any and all funds of the Municipality legally available therefor, including, but not necessarily limited to, ad valorem taxes to be levied for such purpose on all taxable property within the corporate limits of the Municipality, without limitation as to time, rate, or amount;

WHEREAS, the City Clerk of the Municipality published the Initial Resolution and the Notice required by Section 9-21-206, Tennessee Code Annotated, as amended, in a newspaper of general circulation within the Municipality;

WHEREAS, the Board adopted a resolution on June 18, 2009, authorizing the execution, issuance, sale, payment, and delivery of a bond anticipation note to provide temporary financing for the Project in anticipation of borrowing funds and incurring indebtedness to provide long-term financing for such Project;

WHEREAS, the Municipality issued that certain General Obligation Bond Anticipation Note, Series 2009, dated June 30, 2009 (the "Series 2009 Note"), in the amount of $5,000,000, for the purpose of providing temporary financing of the Project;

WHEREAS, the Series 2009 Note matures June 1, 2011 in the amount of $5,000,000 plus interest accrued thereon to the date of maturity;

WHEREAS, it has been determined by the Board of the Municipality to be in the best interests of the Municipality to provide long-term financing for the Project through The Tennessee Municipal Bond Fund fixed rate loan program by means of a loan from The Public Building Authority of the City of Clarksville, Tennessee (the "Authority");

WHEREAS, pursuant to the provisions of 12-10-116(b) of the Act, as hereinafter defined, the City has filed a request for approval from the Office of State and Local Finance to enter into a refunding loan agreement with the Authority for the purpose of paying and refunding the outstanding principal of the Series 2009 Note, and a report thereon has been received from such office;

WHEREAS, the Authority has been established pursuant to the provisions of Title 12, Chapter 10, Tennessee Code Annotated, as amended (the "Act"), and is authorized pursuant to

the provisions of the Act to issue its bonds from time to time, in one more series, and to loan the proceeds thereof to the Municipality for the above described purposes;

WHEREAS, in order to effectuate the program, the Issuer has authorized and approved by its Resolution, adopted October 14, 2009, the issuance of its Local Government Loan Program Bonds, in an aggregate principal amount not to exceed $300,000,000;

WHEREAS, the Authority will issue its Local Government Loan Program Bond, Series 2010 (City of Millington Loan) (the "Bond"), in the principal amount of not to exceed $5,000,000, and loan the proceeds thereof to the Municipality pursuant to the provisions of a Loan Agreement, between the Municipality and the Authority, to be dated the date of issuance and delivery (the "Loan Agreement"),

WHEREAS, the indebtedness evidenced by the Loan Agreement shall be payable from any and all funds of the Municipality legally available therefor, including, but not necessarily limited to, ad valorem taxes to be levied for such purpose on all taxable property within the corporate limits of the Municipality, without limitation as to time, rate, and amount and for the punctual payment of said principal of, premium, if any, and interest on, the Loan Agreement, the full faith and credit of the Municipality will be irrevocably pledged; and,

WHEREAS, the Bond is to be secured by and contain such terms and provisions as set forth in a Bond Purchase Agreement, entered into between the Authority and the purchaser of the Bond (the "Purchaser").

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF MILLINGTON, TENNESSEE:

Section 1. Approval of the Loan. (a) For the purpose of providing funds to pay and refund the outstanding principal of the Series 2009 Note, the proceeds of which were used for the purpose of financing the Project, the loan to the Municipality from the Authority is hereby authorized in the principal amount of not to exceed $5,000,000 and the Municipality is hereby authorized to borrow such funds from the Authority.

(b) The Bond to be issued by the Authority shall bear interest at a fixed rate to be determined at the time of the issuance of the Bond, as provided in the Loan Agreement. The Mayor and City Clerk are authorized to enter into the Loan Agreement, such Loan Agreement to bear interest at a fixed rate, as the Mayor and City Clerk shall determine is in the best interest of the Municipality. The Municipality shall make payments of interest and principal in the amounts and on the dates set forth in the Loan Agreement from the sources and funds described herein and in the Loan Agreement. The final rate of interest payable on the Loan Agreement shall not to exceed the maximum rate of interest permitted by applicable law. The Loan Agreement shall be for a term of not exceed twenty-five years. The final principal and interest payment dates, final interest rate payable, amortization of principal amounts of the loan evidenced by the Loan Agreement, and prepayment provisions of such Loan Agreement, may be established by the Mayor and the City Clerk and the purchaser of the Bond, at the time of the sale of the Bond and the execution and delivery of the Loan Agreement, as shall be determined to be in the best interests of the Municipality, in accordance with the terms of this Resolution and the Loan Agreement.

Section 2. Approval of Loan Agreement. The form, terms, and provision of the Loan Agreement, presented at this meeting, are in the best interest of the Municipality and are hereby approved and the Board hereby authorizes the Mayor and the City Clerk of the Municipality to execute and deliver such Loan Agreement, such Loan Agreement to be in substantially the form of the Loan Agreement presented to this meeting, the execution of such Loan Agreement by the Mayor and the City Clerk to evidence their approval of any and all changes to such Loan Agreement, and any related documents necessary to the consummation of the transactions contemplated by the Loan Agreement.

To the extent the Loan Agreement can be designated as a "qualified tax-exempt obligation" pursuant to Section 265 of the Internal Revenue Code of 1986, as amended (the "Code"), it shall be so designated in the Loan Agreement.

Section 3. Fulfillment of Obligations. The Board of the Municipality is authorized and directed to fulfill all obligations of the Municipality under the terms of the Loan Agreement.

Section 4. Tax Levy. There shall be levied and collected in the same manner as other ad valorem taxes of the Municipality on all taxable property within the corporate limits of the Municipality without limitation as to time, rate, or amount, to the extent necessary in the event funds of the Municipality legally available to pay the indebtedness evidenced by the Loan Agreement are insufficient, a tax sufficient to pay when due the amounts payable under the Loan Agreement, as and when they become due, and to pay any expenses of maintaining and operating the Project required to be paid by the Municipality under the terms and provisions of the Loan Agreement. For the prompt payment of the Loan Agreement, both principal and interest, as the same shall become due, the full faith and credit of the Municipality are irrevocably pledged.

Section 5. Approval of Bond. For the purpose of providing funds to make the loan to the Municipality evidenced by the Loan Agreement, as provided herein and in the Loan Agreement, and to pay legal, fiscal, and administrative costs incident thereto, including costs incident to the issuance and sale of the Bond related to the Loan Agreement, the issuance and sale of the Bond by the Authority in connection with the Loan Agreement is hereby approved and the allocation of such Bond to the Municipality for purposes of Section 265 of the Code is hereby accepted and approved.

Section 6. Disposition of Proceeds. The proceeds from the sale of the Bond shall be paid to the official of the Municipality designated by law as the custodian of the funds thereof and used, together with certain other funds of the City, to pay the principal of, and interest on, the Series 2009 Note on the date of maturity thereof, or as soon thereafter as practicable.

Section 7. Consent to Assignment. The Municipality hereby consents to the assignment of all of the Authority's right, title, and interest in and to the Loan Agreement as security for the Bond to which such Loan Agreement relates, except for certain reserved rights of the Authority, to the Purchaser.

Section 8. Arbitrage Certification. The Municipality recognizes that the purchaser and owner of the Bond will have accepted it on, and paid therefor a price that reflects the understanding that interest thereon is excludable from gross income for purposes of federal income taxation under laws in force on the date of delivery of the Bond. In this connection, the Municipality agrees that it shall take no action which may cause the interest on said Bond to be included in gross income for federal income taxation. It is the reasonable expectation of the Board of the Municipality that the proceeds of the Bond will not be used in a manner which will cause the Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code, and to this end the said proceeds of the Bond and other related funds established for the purposes herein set out shall be used and spent expeditiously for the purposes described herein. The Board 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 Bond 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 Bond from becoming taxable. The Mayor and City Clerk, or either of them, are authorized and directed to make such certifications in this regard in connection with the sale of the Bond as either or both shall deem appropriate, and such certifications shall constitute a representation and certification of the Municipality.

Section 9. Miscellaneous Acts. The Mayor, the City Clerk, the Finance Director, the City Attorney, and all other appropriate officials of the Municipality are hereby authorized, empowered, and directed to do any and all such acts and things, and to execute, acknowledge, and deliver all such documents, instruments, and certifications, in connection with the execution of the Loan Agreement and the issuance of the Bond by the Authority, in addition to those acts, things, documents, instruments, and certifications hereinbefore authorized and approved, as may in their discretion, be necessary or desirable to implement or comply with the intent of this Resolution; or any of the documents herein authorized and approved.

Section 10. Captions. The captions or headings in this Resolution are for convenience only and shall in no way define, limit, or describe the scope or intent of any provision hereof.

Section 11. Severability. Should any provision or provisions of this Resolution be declared invalid or unenforceable in any respect by final decree of any court of competent jurisdiction, the invalidity or unenforceability of such section, paragraph, ordinance, or provisions shall not affect the remaining provisions of such Resolution.

Section 12. Repeal of Conflicting Resolutions. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed.

Section 13. Effective Date. This Resolution shall take effect upon its adoption, the welfare of the Municipality requiring it.

Adopted this 16th day of May, 2011.

MAYOR

ATTEST:

CITY CLERK

STATE OF TENNESSEE)
COUNTY OF SHELBY)

I, Bruce Rasmussen, hereby certify that I am the duly qualified and acting City Clerk of the City of Millington, Tennessee (the "Municipality"), and, as such official, I further certify as follows: (1) that attached hereto is a copy of a resolution excerpted from the minutes of the meeting of the Board of Mayor and Aldermen (the "Board") of said Municipality held on May 16, 2011; (2) that I have compared said copy with the original minute record of said meeting in my official custody; (3) that said copy is a true, correct, and complete transcript from said original record insofar as said original record relates, to, among other matters, the incurring of indebtedness in the amount of not to exceed $5,000,000 by said Municipality; (4) that the actions by said Board including the aforementioned, at said meeting were promptly and duly recorded by me in a book kept for such purpose; and, (5) that a quorum of the members of said Board was present and acting throughout said meeting.

WITNESS my official signature and the seal of said Municipality this 16th day of May, 2011.

City Clerk

(SEAL)