

1 RESOLUTION NO. 683

RESOLUTION AUTHORIZING A TAXABLE LOAN PURSUANT A LOAN AGREEMENT BETWEEN THE CITY OF CLINTON, TENNESSEE, AND THE PUBLIC BUILDING AUTHORITY OF THE CITY OF CLARKSVILLE, TENNESSEE, IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$3,500,000; AUTHORIZING THE EXECUTION AND DELIVERY OF SUCH LOAN AGREEMENT AND OTHER DOCUMENTS RELATING TO SAID LOAN; APPROVING THE ISSUANCE OF A TAXABLE BOND BY SUCH 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 City Council (the "Council") of the City of Clinton, Tennessee (the "Municipality"), has determined that it is necessary to finance the costs 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 (i) financing a portion of the costs of the construction and equipping of a new fire station for the Municipality, the acquisition of vehicles and equipment for the police department and the public works department of the Municipality, the renovation and improvement of certain parks and recreational facilities within the Municipality, the resurfacing of streets and roads within the Municipality, 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 (collectively, the "Project"), (ii) reimbursing the Municipality for capital expenditures for projects at the Municipality's industrial park (collectively, the "Industrial Park Project"), and (iii) paying costs incident to incurring the indebtedness;

WHEREAS, it has been determined by the Council of the Municipality to be in the best interests of the Municipality to finance the Project and the Industrial Park Project through The Tennessee Municipal Bond Fund fixed rate loan program, by obtaining a loan from The Public Building Authority of the City of Clarksville, Tennessee (the "Authority");

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 Taxable Local Government Loan Program Bond, Series 2011 (City of Clinton Taxable Loan) (the "Bond"), in the principal amount of not to exceed Three Million Five Hundred Thousand Dollars (\$3,500,000), 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 Council of the Municipality has heretofore adopted an Initial Resolution authorizing the borrowing of funds and the incurring of indebtedness for the purpose of financing the Project and reimbursing the Municipality for the costs of the Industrial Park Project in the amount of not to exceed \$8,900,000, and the City Recorder has published such Initial Resolution together with the Notice required by Section 9-21-206 of Tennessee Code Annotated, as amended, in a local newspaper in the Municipality;

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 CITY COUNCIL OF THE CITY OF CLINTON, TENNESSEE:

Section 1. Approval of the Loan. (a) For the purpose of providing funds to finance the Project, to reimburse the Municipality for costs of the Industrial Park Project, and to pay costs incident to the issuance and sale of the Bond and the loan of the proceeds thereof to the Municipality, the loan to the Municipality from the Authority is hereby authorized in the principal amount of not to exceed \$3,500,000 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 the City Recorder are authorized to enter into the Loan Agreement, such Loan Agreement to bear interest at a fixed rate, as the Mayor and City Recorder 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 to exceed fifteen 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 Recorder, 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 Council hereby authorizes the Mayor and the City Recorder 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 Recorder 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.

Section 3. Fulfillment of Obligations. The Council 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 projects 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.

Section 6. Disposition of Proceeds. The proceeds of the sale of the Bond and the loan of the proceeds thereof to the Municipality together with certain other funds shall be used and applied as follows:

(a) The principal proceeds from the loan to be used to reimburse the Municipality for the costs of the Industrial Park Project shall be paid to the official of the Municipality designated by law as the custodian of the funds thereof to be deposited in the Municipality's general fund;

(b) The proceeds of the loan to be used to finance the Project shall be paid to the official of the Municipality designated by law as the custodian of the funds thereof to be deposited in a special fund known as the "2011 Taxable Loan Project Fund" (the "2011 Taxable Project Fund"), which is hereby authorized to be created, to be kept separate and apart from all other funds of the Municipality.

The monies in the 2011 Taxable Project Fund shall be disbursed solely to finance a portion of the Project and to pay costs of issuance incurred in connection with the issuance of the Bond and the loan of the proceeds thereof to the Municipality. Monies in

the 2011 Taxable Project Fund may be invested and shall be secured in the manner prescribed by applicable statutes relative to the investment and securing of public or trust funds. Any monies remaining in the 2011 Taxable Project Fund after completion of the Project shall be used to pay debt service on the Bond.

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. Miscellaneous Acts. The Mayor, the City Recorder, the City Attorney, the City Manager, 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 9. 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 10. 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 11. Repeal of Conflicting Resolutions. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed.

Section 12. Effective Date. This Resolution shall take effect upon its adoption, the welfare of the Municipality requiring it.

Adopted this 28th day of March, 2011.

Mayor

ATTEST:

City Recorder

STATE OF TENNESSEE)
COUNTY OF ANDERSON)

I, Regina Ridenour, hereby certify that I am the duly qualified and acting City Recorder of the City of Clinton, 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 City Council (the "Council") of said Municipality held on March 28, 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 taxable indebtedness in the amount of not to exceed \$3,500,000, by said Municipality; (4) that the actions by said Council 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 Council was present and acting throughout said meeting.

WITNESS my official signature and the seal of said Municipality this 28th day of March, 2011.

CITY RECORDER

(SEAL)