

RESOLUTION NO. 26435

A RESOLUTION OF THE CITY OF CHATTANOOGA, TENNESSEE, APPROVING THE TERMS OF BONDS TO BE ISSUED BY THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF CHATTANOOGA, APPROVING THE TERMINATION OF A CERTAIN TRANSACTION UNDER THE MASTER AGREEMENT BETWEEN WELLS FARGO BANK, N.A. (AS SUCCESSOR TO WACHOVIA BANK NATIONAL ASSOCIATION) AND CHATTANOOGA DOWNTOWN REDEVELOPMENT CORPORATION OF THE CITY OF CHATTANOOGA, TENNESSEE, AND PAYING THE TERMINATION FEE RELATED THERETO AND AUTHORIZING CERTAIN ACTIONS RELATING THERETO.

WHEREAS, pursuant to and in accordance with the provisions of the Constitution and laws of the State of Tennessee, including particularly, but without limitation, the provisions of Title 7, Chapter 53 of the Tennessee Code entitled "Industrial Development Corporations," as amended, the provisions of Title 12, Chapter 2, Part 3, of the Tennessee Code entitled "Sales and Leases by Municipalities to and from Not-for-profit Corporations," as amended (collectively, the "Act"), and the terms of an Indenture of Trust, dated as of October 1, 2000 (the "Indenture") between The Industrial Development Board of the City of Chattanooga, an industrial development corporation and a public instrumentality of the City of Chattanooga duly organized and operating under the Act (the "Issuer"), and First Tennessee Bank National Association, as trustee (the "Trustee"), the Issuer issued its lease rental revenue bonds (the "Series 2000 Bonds") to finance the cost of designing, acquiring, constructing and equipping a public conference center, a convention center expansion and refurbishing, a development resource center and a public parking garage and related infrastructure improvements and projects (which facilities

together with the land on which they are located, are hereinafter referred to collectively as the "Project"); and

WHEREAS, the Issuer loaned the proceeds of the Series 2000 Bonds to Chattanooga Downtown Redevelopment Corporation (formerly known as Southside Redevelopment Corporation) (the "Corporation") to enable the Corporation to acquire, construct, improve, and equip the Project; and

WHEREAS, pursuant to the Conference Center Complex and Parking Garage Lease Agreement, dated as of October 1, 2000 (the "Lease Agreement") between the Corporation, as lessor, and the City of Chattanooga, Tennessee (the "City"), as lessee, the Corporation leased the Project to the City for public use in return for rentals sufficient to pay, when due, principal of, premium, if any, and interest on the Series 2000 Bonds in addition to certain operating expenses of the Corporation; and

WHEREAS, the Issuer has proposed refunding certain maturities of the Series 2000 Bonds by the issuance of its Chattanooga Lease Rental Revenue Refunding Bonds, Series 2010 (the "Refunding Bonds") to be secured by rentals payable by the City pursuant to the Lease Agreement; and

WHEREAS, it is proposed that the City approve the issuance of the Refunding Bonds by the Issuer and the termination of that certain transaction with reference number 355185 (the "Transaction") under the Master Agreement between Wells Fargo Bank, N.A. (as successor to Wachovia Bank National Association) and the Corporation, dated as of March 9, 2004, related to such Bonds and payment of the termination payment related to such termination; and

WHEREAS, it is proposed that in order to participate in the savings related to the refunding, the City should approve the terms of the refunding and assist the Issuer in the refunding;

NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE:

SECTION 1. That it is necessary, advantageous, desirable and in the best interests of the City and its residents that the City Council approve the issuance and the terms of the Refunding Bonds by the Issuer as set forth in the Official Statement dated September 21, 2010 relating to the \$66,955,000 The Industrial Development Board of the City of Chattanooga, Tennessee Chattanooga Lease Rental Revenue Refunding Bonds, Series 2010.

SECTION 2 That it is necessary, advantageous, desirable, and in the best interests of the City and its residents that the City Council approves the termination of the Transaction and the payment of the termination payment related to such termination in the amount of \$15,619,000.

SECTION 3. That the Mayor and/or City Finance Officer are hereby authorized and empowered to execute and deliver, or cause to be executed and delivered such other documents and opinions, and to do all such acts and things as may be necessary or desirable in connection with the issuance of the Refunding Bonds and the refunding of a portion of the Series 2000 Bonds and the termination of the Transaction and payment of the termination payment related to such termination.

ADOPTED: September 21, 2010