

RESOLUTION NO. 26846

A RESOLUTION AMENDING RESOLUTION NO. 26485 AND AUTHORIZING SEVENTEEN MILLION FIVE HUNDRED FORTY-FIVE THOUSAND AND NO/100 DOLLARS (\$17,545,000.00) CITY OF CHATTANOOGA, TENNESSEE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2011B AND AUTHORIZING CERTAIN ACTIONS RELATED THERETO.

WHEREAS, due to unfavorable market conditions in December, 2010, the sale of the Bonds authorized by Resolution No. 26485 was postponed from its original date in December, 2010 and rescheduled for September 27, 2011;

WHEREAS, the designation of the Bonds as set forth in Resolution No. 26485 is hereby amended to read and such Bonds are to be known and designated as "THE CITY OF CHATTANOOGA, TENNESSEE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2011B." All references in Resolution No. 26485 to the "Series 2010D" Bonds are hereby amended to read "Series 2011B"; and

WHEREAS, pursuant to Notice of Sale dated September 21, 2011 for the City of Chattanooga, Tennessee General Obligation Refunding Bonds, Series 2011B (the "Bonds"), the following proposals have been received:

<u>BIDDER</u>	<u>TRUE INTEREST RATE</u>
U. S. Bancorp Investments, Inc.	3.179388
Morgan Keegan & Co., Inc.	3.247706
Wells Fargo Bank, National Association	3.260007
Piper Jaffray	3.271344
J. P. Morgan Securities LLC	3.321534

UBS Financial Services Inc.

3.326559

WHEREAS, the proposal of US Bancorp Investments, Inc. (“Purchaser”) offering to pay the principal sum of \$17,545,000.00 plus premium in the amount of \$1,372,466.05, less underwriter’s discount \$255,462.20 for a purchase price of \$18,662,003.85, bearing a true interest rate of 3.192738% per annum, referred to above, is the highest and most advantageous bid for said Bonds as determined in the manner provided in said Notice of Sale, and in all other respects complies with said Notice of Sale form attached hereto as Exhibit A;

NOW THEREFORE,

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

SECTION 1. That Resolution No. 26485 is hereby amended to designate the Bonds authorized thereunder as “THE CITY OF CHATTANOOGA, TENNESSEE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2011B” and all references to “Series 2010D” therein shall be amended to “Series 2011B.”

SECTION 2. That the refunding of the City of Chattanooga’s outstanding General Obligation Bonds, Series 2002 maturing in the years 2023, 2024 and 2027 and the General Obligation Bonds, Series 2003A maturing in the years 2017 and 2018 (collectively, the “Refunded Bonds”) by the issuance of the Bonds, is hereby authorized, and that the Mayor and/or Finance Officer are hereby authorized to proceed herewith. That it is necessary, advantageous, desirable and in the best interests of the City and its residents that the Bonds be issued to refund and finance the costs of accomplishing the refunding of the Refunded Bonds and that the Bonds be sold at a competitive public sale.

SECTION 3. That the proposal of said Purchaser, referred to in the preamble hereof, is accepted, and said \$17,545,000.00 City Of Chattanooga, Tennessee General Obligation Refunding Bonds, Series 2011B, dated October 13, 2011, bearing interest and maturing as described below, be, and the same hereby are awarded to said Purchaser in accordance with the terms of their proposal.

GENERAL OBLIGATION BONDS MATURITY SCHEDULE

<u>Oct. 1</u>	<u>Principal Amount</u>	<u>Rate</u>	<u>Oct. 1</u>	<u>Principal Amount</u>	<u>Rate</u>
10/01/2017	1,135,000	3.000			
10/01/2018	25,000	2.000			
10/01/2019	25,000	2.000			
10/01/2020	30,000	2.250			
10/01/2021	30,000	2.500			
10/01/2022	30,000	2.625			
10/01/2023	2,875,000	4.000			
10/01/2024	3,055,000	4.000			
10/01/2025	3,250,000	4.000			
10/01/2026	3,445,000	4.000			
10/01/2027	3,645,000	3.250			

Interest on the Bonds is payable on April 1, 2012 and each October 1 and April 1 thereafter.

The Bonds maturing on or after October 1, 2022 are subject to optional redemption prior to maturity by the City, or on after October 1, 2021, out of money deposited with or held by the Registration Agent for such purpose, as a whole or in part at any time at the price of par.

SECTION 4. That the Mayor and City Finance Officer of the City of Chattanooga be and are hereby authorized and directed to execute said Bonds, and to deliver said Bonds to the Purchaser and to receive payment therefor without further authority from this City Council.

SECTION 5. That the City Finance Office be and is hereby authorized and directed to return forthwith the good faith checks of all unsuccessful bidders.

SECTION 6. That the Official Statement dated September 27, 2011, and the information contained therein to be used in connection with the offering and sale of said Bonds is hereby approved and further, that the City hereby ratifies, confirms and approves the use of the Preliminary Official Statement of the City, dated September 21, 2011, and Notice of Sale of the City, dated September 21, 2011, in connection with the offering and sale of said Bonds. The Official Statement may be modified in a manner not inconsistent with the substance thereof as shall be deemed advisable by the City or Financial Advisor to the City and by bond counsel to the City. The Mayor or any proper officer of the City is hereby authorized and directed to sign the Official Statement and any amendment or supplement thereto, in the name of and on behalf of the City and deliver the same and any such amendment or supplement.

SECTION 7. That U.S. Bank National Association is hereby appointed registrar and paying agent for said Bonds and as Escrow Agent for the Refunded Bonds.

SECTION 8. That the form of the Escrow Deposit Agreement attached hereto as Exhibit B is hereby approved and that the Mayor and or City Finance Officer are authorized and empowered to negotiate and execute such Escrow Deposit Agreement and

SECTION 9. That this Resolution shall take effect from and after its adoption, the public welfare requiring it.

ADOPTED: September 27, 2011