

RESOLUTION NO. 26187

A RESOLUTION AUTHORIZING SIX MILLION SEVEN HUNDRED AND TWENTY-FIVE THOUSAND DOLLARS (\$6,725,000.00) CITY OF CHATTANOOGA, TENNESSEE GENERAL OBLIGATION BONDS, SERIES 2010A, AND AUTHORIZING CERTAIN ACTIONS RELATED THERETO.

WHEREAS, pursuant to Notice of Sale dated January 14, 2010 for the City Of Chattanooga, Tennessee General Obligation Bonds, Series 2010A (the "Bonds"), the following proposals have been received:

<u>BIDDER</u>	<u>TRUE INTEREST RATE</u>
Morgan Keegan & Co., Inc.	3.671672
Hutchinson, Shockey, Erley & Co.	3.696991
BB&T Capital Markets	3.716943
Wachovia Bank, National Association	3.756038
Citigroup Global Markets Inc.	3.807610
Morgan Stanley & Co. Inc.	3.810965

WHEREAS, the proposal of Morgan Keegan & Co., Inc. ("Purchaser") offering to pay the principal sum of \$6,725,000.00 plus premium in the amount of \$107,110.75, less underwriters discount of \$76,732.25 bearing a true interest rate of 3.671672 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 the proposal of said Purchaser, referred to in the preamble hereof, is accepted, and said \$6,725,000.00 City Of Chattanooga, Tennessee General Obligation Bonds, Series 2010A, dated January 28, 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>Feb.1</u>	<u>Principal Amount</u>	<u>Rate</u>	<u>Feb. 1</u>	<u>Principal Amount</u>	<u>Rate</u>
2011	340,000	2.000%	2021	335,000	3.500%
2012	340,000	2.000%	2022	335,000	4.000%
2013	340,000	2.000%	2023	335,000	4.000%
2014	340,000	2.000%	2024	335,000	4.000%
2015	340,000	2.000%	2025	335,000	4.000%
2016	335,000	2.500%	2026	335,000	4.000%
2017	335,000	2.750%	2027	335,000	4.000%
2018	335,000	3.000%	2028	335,000	4.000%
2019	335,000	3.250%	2030	670,000	4.000%
2020	335,000	3.250%			

Interest on the Bonds is payable on August 1, 2010 and each February 1 and August 1 thereafter.

The Bonds maturing on or after February 1, 2019 are subject to optional redemption prior to maturity by the City, or on after February 1, 2018, 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.

The Bonds maturing on February 1, 2030 are subject to mandatory redemption in the following principal amounts without premium on the following dates:

<u>Date</u> <u>(November 1)</u>	<u>Principal</u> <u>Amount</u>
2029	\$335,000
*2030	335,000

(*Final Maturity)

SECTION 2. 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 3. That the City Finance Office be and is hereby authorized and directed to return forthwith the good faith checks of all unsuccessful bidders.

SECTION 4. That the Official Statement dated January 20, 2010, 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 January 14, 2010, and Notice of Sale of the City, dated December 23, 2008, 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 6. That U.S. Bank National Association is hereby appointed registrar and paying agent for said Bonds.

SECTION 7. That this Resolution shall take effect from and after its adoption, the public welfare requiring it.

ADOPTED: January 20, 2010