

RESOLUTION NO. 26217

A RESOLUTION AUTHORIZING SIX MILLION EIGHT HUNDRED FORTY THOUSAND AND NO/100 DOLLARS (\$6,840,000.00) CITY OF CHATTANOOGA, TENNESSEE GENERAL OBLIGATION BONDS, SERIES 2010C (RECOVERY ZONE FACILITY BONDS) AND AUTHORIZING CERTAIN ACTIONS RELATED THERETO.

WHEREAS, pursuant to Notice of Sale dated February 18, 2010 for the City Of Chattanooga, Tennessee General Obligation Bonds, Series 2010C (the "Bonds"), the following proposals have been received:

| <u>BIDDER</u> | <u>TRUE INTEREST RATE</u> |
|----------------------------------|---------------------------|
| UBS Financial Services Inc. | 3.364180 |
| Wells Fargo Advisors | 3.415765 |
| Robert W. Baird & Co., Inc. | 3.428731 |
| Hutchinson, Shockey, Erley & Co. | 3.498107 |
| Morgan Keegan & Co., Inc. | 3.557820 |
| FirstSouthwest | 3.629899 |
| SunTrust Robinson Humphrey | 3.636862 |

WHEREAS, the proposal of UBS Financial Services Inc. ("Purchaser") offering to pay the principal sum of \$6,840,000.00 plus premium in the amount of \$109,207.90, together with accrued interest, bearing a true interest rate of 3.36418% 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 \$6,840,000.00 City Of Chattanooga, Tennessee General Obligation Bonds, Series 2010C, (Recovery Zone Facility Bonds) dated March 5, 2010 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 | 2.00 | 2022 | 340,000 | 3.125 |
| 2012 | 345,000 | 2.00 | 2023 | 340,000 | 3.250 |
| 2013 | 345,000 | 2.00 | 2024 | 340,000 | 3.50 |
| 2014 | 345,000 | 2.00 | 2025 | 340,000 | 4.00 |
| 2015 | 345,000 | 2.50 | 2026 | 340,000 | 4.00 |
| 2016 | 345,000 | 3.00 | 2027 | 340,000 | 4.00 |
| 2017 | 345,000 | 3.00 | 2028 | 340,000 | 4.00 |
| 2018 | 345,000 | 3.00 | 2029 | 340,000 | 4.00 |
| 2019 | 345,000 | 3.00 | 2030 | 340,000 | 4.00 |
| 2020 | 340,000 | 3.00 | | | |
| 2021 | 340,000 | 3.00 | | | |

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.

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 February 23, 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 February 18, 2010, and Notice of Sale of the City, dated February 18, 2010, 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. The Bonds are issued as bonds designated as Recovery Zone Facility Bonds under the provisions of the American Recovery and Reinvestment Act of 2009.

SECTION 8. That this Resolution shall take effect from and after its adoption, the public welfare requiring it.

ADOPTED: February 23, 2010