

**AN ORDINANCE AUTHORIZING, AMONG OTHER THINGS,
THE ISSUANCE AND SALE OF A TAX ANTICIPATION NOTE**

WHEREAS, the City of Dunwoody (the "City") has been duly created and is validly existing as a municipal corporation of the State of Georgia; and

WHEREAS, the Mayor and City Council are charged with the duties of contracting debts and managing the affairs of the City (the "Governing Body"); and

WHEREAS, the Governing Body of the City has determined that it is in the best interest of the City to borrow money to pay current expenses of the City for calendar year 2009 in anticipation of the receipt of taxes levied or to be levied for its general fund (the "General Fund"); and

WHEREAS, the City is authorized by the Constitution and laws of the State of Georgia to borrow money to pay current expenses during any calendar year and to evidence such loan by issuing tax anticipation notes in anticipation of the receipt of taxes levied or to be levied for expenses payable in such calendar year; and

WHEREAS, the City proposes to issue its tax anticipation note to pay the current expenses of the City to evidence a non-revolving line of credit in an amount up to \$6,000,000 (the "Authorized Amount"); and

WHEREAS, said tax anticipation note shall be sold to SunTrust Bank (the "Purchaser"); and

WHEREAS, the tax anticipation note shall bear interest from the date and at the rate per annum hereinafter set forth and interest shall be payable quarterly on March 31, 2009, June 30, 2009, September 30, 2009 and December 31, 2009;

NOW, THEREFORE, BE IT ORDAINED by the Governing Body of the City and it is hereby ordained by authority of the same, as follows:

Section 1. Findings. The Governing Body hereby finds and determines as follows: (a) there are no other temporary loans or other contracts, notes, warrants or obligations for current expenses which have been issued by the City in calendar year 2009; (b) the aggregate principal amount of the tax anticipation note herein authorized does not exceed 75% of the total gross income from taxes which would have been collected by the City in calendar year 2008 if the City had been in existence during all of calendar year 2008; (c) the tax anticipation note herein authorized, together with other contracts, notes, warrants or obligations of the City for current expenses in calendar year 2009 do not exceed the total anticipated tax revenues of the City for calendar year 2009; (d) no temporary loan or other contract, note, warrant or other obligation for current expenses incurred in calendar year 2008 or any prior calendar year remains unpaid as of the date hereof; (e) the money authorized to be borrowed will become part of the general revenues of the City and deposited into the General Fund; and (f) a need exists for the

City to borrow up to the Authorized Amount to pay current expenses of the City in calendar year 2009 prior to the receipt of sufficient revenues from taxes levied or to be levied for 2009.

Section 2. Authorization of Note. There is hereby authorized to be issued a tax anticipation note of the City to evidence a non-revolving line of credit in a principal amount of up to the Authorized Amount which shall be designated "City of Dunwoody, Georgia Tax Anticipation Note, Series 2009" (the "Note"). The Note shall be dated as of the date of delivery thereof to the Purchaser; shall be payable as to principal and interest in lawful money of the United States of America; and shall mature on December 31, 2009. The Note shall be issued in the form of an individual fully registered note, registered in the name of the Purchaser. The Note shall bear interest at a monthly variable rate of Libor Rate plus 0.90% per annum and shall contain the other terms set forth in the form of Note incorporated herein. The execution and delivery of the Note to the Purchaser is hereby authorized.

The Note shall be executed by the manual signature of the Mayor and by the manual or facsimile signature of the City Manager, and the corporate seal of the City shall be impressed or imprinted thereon after January 1, 2009. In case any officer whose signature shall be affixed to the Note or who shall have sealed the Note shall cease to be such officer before the Note so signed and sealed shall have been actually delivered, the Note, nevertheless, shall be a valid note of the City and may be delivered as such notwithstanding the fact that such officer or officers may have ceased to be such officer or officers of the City when the Note shall be actually delivered. The Mayor is authorized to request advances on the Note from time to time on behalf of the City.

Section 3. Approval of Form of Note. The Note as initially issued shall be issued in substantially the form attached hereto as Exhibit A with such changes, insertions or omissions as may be approved by the Mayor, and the execution and delivery of the Note shall be conclusive evidence of such approval.

Section 4. Tax Revenues Used to Repay Note. The City agrees to use for payment of the Note and the interest thereon a sufficient portion of the revenues received by the City from taxes levied or to be levied for calendar year 2009 and other funds available for such purpose.

Section 5. Approval of Tax Documents. The Mayor is hereby authorized to execute on behalf of the City a Tax and Non-Arbitrage Certificate to assure the Purchaser that the interest on the Note will remain excludable from gross income for federal income tax purposes and that the proceeds of the Note will not be used in a manner which would result in the Note being an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or the regulations of the United States Treasury currently in effect or proposed with respect thereto.

Section 6. General Authority. From and after the date of adoption of this resolution, the Mayor and other officers of the City are hereby authorized to do such acts and things, and to execute and deliver such certificate or any agreements as may be necessary or desirable in connection with the issuance of the Note. All actions of the Governing Body, officers or agents

of the City taken in connection therewith prior to the date hereof are hereby ratified and confirmed.

Section 7. Bank Qualification. The Mayor is hereby authorized on behalf of the City to designate the Note as a “qualified tax-exempt obligation” within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

Section 8. Effective Date. This ordinance shall be in full force and effect immediately upon its adoption, and any and all ordinances or parts of ordinances in conflict with this ordinance shall be, and they are, to the extent of such conflict, hereby repealed.

SO ADOPTED AND APPROVED by the Governing Body of the City on the ____ day of _____, 2009.

CITY OF DUNWOODY, GEORGIA

(SEAL)

By: _____
Ken Wright, Mayor

Attest: _____
Joan C. Jones, Acting City Clerk

Approved as to Form and Content:

Brian Anderson, City Attorney

Exhibit "A"

FORM OF NOTE

January 5, 2009

\$6,000,000

UNITED STATES OF AMERICA
STATE OF GEORGIA

CITY OF DUNWOODY, GEORGIA

TAX ANTICIPATION NOTE,
SERIES 2009

The City of Dunwoody (the "City"), a municipal corporation of the State of Georgia, for value received, promises to pay on December 31, 2009, to SunTrust Bank (the "Lender"), or registered assigns, the principal sum of

SIX MILLION AND NO/100 DOLLARS,

or so much thereof as is advanced and outstanding hereunder, if less, and in like manner to pay interest on the outstanding principal balance hereof from time to time from the date hereof (the "Issuance Date") until this Note is paid in full, at the maturity hereof, at the Monthly LIBOR Rate (hereinafter defined) plus 0.90% per annum; provided, however, that when amounts hereunder shall be in default, this Note shall bear interest from the date of default until cured at a rate per annum equal to two percent (2%) above the rate otherwise borne hereby. Interest shall accrue on an actual/360-day basis.

Interest on this Note shall adjust on the first day of each calendar month to an amount equal to the Monthly LIBOR Rate plus 0.90% per annum. "Monthly LIBOR Rate" means the 30-Day LIBOR rate as published by Bloomberg (or other commercially available source providing quotations of BBA LIBOR as designated by the Lender from time to time) two business days prior to the first day of each month. Interest shall be payable quarterly on March 31, 2009, June 30, 2009, September 30, 2009 and December 31, 2009.

This Note is entered into on the basis that the interest hereon is not includable in the gross income of the Lender for federal income tax purposes. For purposes hereof, the following terms are defined as follows: (1) "Taxable Rate" means the rate of interest that must be applied to the principal of this Note so as to preserve the same after-tax economic yield with respect to the interest on the Note as the Lender would have had, had the interest on this Note been excludable from gross income for federal income tax purposes; (2) "Event of Taxability" means a determination by the Internal Revenue Service or any court of competent jurisdiction or a determination by bond counsel acceptable to the Lender, that the interest on this Note is includable in gross income for federal income purposes; (3) "Federal Tax Rate" means the

maximum marginal federal income tax rate applicable to corporations. Upon the occurrence of an Event of Taxability the City shall pay to the Lender a sum equal to (A) the increase in the interest on this Note when computed at the Taxable Rate, and (B) all interest, penalties and other similar charges payable by the Lender (or members of its affiliated group) to the Internal Revenue Service as a result of the Event of Taxability. The provisions of the preceding sentence shall survive the payment in full and satisfaction, cancellation and surrender of this Note.

Payment of principal and interest on this Note shall be made in immediately available funds to the Lender at its offices, or by bank wire or bank transfer, as the payee hereof shall specify. Both principal of and interest on this Note are payable in lawful money of the United States of America. This Note is prepayable in whole or in part without penalty.

This Note evidences a non-revolving line of credit in a principal amount up to \$6,000,000. Advances under the line of credit in minimum amounts of \$_____ for the purpose of paying operating expenses of the City shall be available upon written request of the City to the Lender at least one (1) business day prior to the date of the advance. No more than ____ such requests shall be made. The Lender shall be authorized to record the date and amount of advances on the schedule of advances attached hereto.

The City shall deliver to the Lender such information as the Lender may reasonably request from time to time, including without limitation, monthly cash flow statements for the previous three months to be delivered within thirty (30) days of the end of each quarter ending March 31, 2009, June 30, 2009, September 30, 2009 and December 31, 2009. Such information shall be true, complete, and accurate.

Any transfer of this Note must be registered on the books of the City in accordance with the provisions set forth below in this Note.

This Note is issued pursuant to and in full compliance with the Constitution and the laws of the State of Georgia, and pursuant to a resolution of the Mayor and the City Council, which authorizes the execution and delivery of this Note.

This Note is issued with the intent that the laws of the State of Georgia shall govern its construction.

This Note is issued in anticipation of the receipt of taxes levied or to be levied by the City in calendar year 2009. It is hereby certified and recited that all acts, conditions and things required by the Constitution or statutes of the State of Georgia to exist, be done or happen precedent to or in the issuance of this Note exist, have been done and have happened as required, that the tax levies in anticipation of which this Note is issued are or will be valid and legal levies, that the City will use a sufficient amount of the proceeds of such tax levies and other available funds for the payment of this Note and the interest hereon, and that the total indebtedness of the City, including this Note, does not exceed the limitation prescribed by said Constitutional and statutory provisions.

IN WITNESS WHEREOF, the City has caused this Note to be executed in its name by its Mayor and its seal to be impressed or imprinted hereon, this ____ day of January, 2009.

By: _____
Ken Wright, Mayor

[SEAL]

SCHEDULE OF ADVANCES
UNDER CITY OF DUNWOODY, GEORGIA
TAX ANTICIPATION NOTE, SERIES 2009

<u>Date</u>	<u>Amount of Advance</u>	<u>Lender Signature</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

CERTIFICATE OF AUTHENTICATION

The undersigned Clerk of the City of Dunwoody, Georgia, DOES HEREBY CERTIFY that the foregoing pages constitute a true and correct copy of the Ordinance duly adopted by the City of Dunwoody, Georgia at an open public meeting duly noticed and called and lawfully assembled on _____, 2009, in connection with the authorization of the up to \$6,000,000 City of Dunwoody, Georgia Tax Anticipation Note, Series 2009, the original of said Ordinance being duly recorded in the Minute Book of the City Clerk, which Minute Book is in my custody and control.

WITNESS my hand and seal of the City, this ____ day of _____, 200_.

(SEAL)

Joan C. Jones, Dunwoody Acting City Clerk