

RESOLUTION AUTHORIZING, AMONG OTHER THINGS,  
THE ISSUANCE AND SALE OF TAX ANTICIPATION NOTES  
IN THE AGGREGATE PRINCIPAL AMOUNT OF \$10,000,000

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

WHEREAS, the Mayor and Council of the Issuer (the "Governing Body") has determined that it is in the best interest of the Issuer to borrow money to pay current expenses for calendar year 2006 in anticipation of the receipt of taxes levied or to be levied for the General Fund; and

WHEREAS, the Issuer is authorized by Article IX, Section V, Paragraph V of the Constitution of the State of Georgia and Section 36-80-2 of the Official Code of Georgia Annotated, to borrow money to pay current expenses during any calendar year and to evidence such borrowing by issuing tax anticipation notes in anticipation of the receipt of taxes levied or to be levied for the General Fund for expenses payable in such calendar year; and

WHEREAS, the Issuer proposes to issue its Tax Anticipation Notes in the aggregate principal amount of \$10,000,000 to pay the current expenses of the Issuer.

NOW, THEREFORE, BE IT RESOLVED by the Governing Body of the Issuer and it is hereby resolved 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 Issuer in calendar year 2006; (b) the aggregate principal amount of the tax anticipation notes authorized herein does not exceed 75% of the total gross income from taxes which would have been collected by the Issuer in calendar year 2005 for the General Fund if the Issuer had been in existence during all of 2005; (c) the aggregate principal amount of the tax anticipation notes herein authorized, together with other contracts, notes, warrants or obligations of the Issuer for current expenses in calendar year 2006 for the General Fund, do not exceed the total anticipated tax revenues of the Issuer for the General Fund for calendar year 2006; (d) no temporary loan or other contract, note, warrant or other obligation for current expenses incurred in calendar year 2005 or any prior calendar year remains unpaid as of the date hereof; and (e) a need exists for the Issuer to borrow \$10,000,000 to pay current expenses of the Issuer in calendar year 2006 prior to the receipt of sufficient revenues from taxes levied or to be levied for the General Fund for 2006.

Section 2. Authorization of Note. There is hereby authorized to be issued tax anticipation notes in the aggregate principal face amount of \$10,000,000 which shall be designated "City of Sandy Springs (Georgia) Tax Anticipation Notes, Series 2006" (the "Notes"). The Notes shall be dated as of their date of issuance; shall bear interest at the rate per annum specified in Exhibit 1 attached hereto and made a part, calculated on the basis of a 360-day year (comprised of twelve 30 day months), until maturity; shall be payable as to principal

and interest by wire transfer upon surrender of the Notes to the persons who are the registered owners on December 15, 2006, and shall be payable as to principal and interest in lawful money of the United States of America; shall be issued in \$100,000 denominations, or any integral multiple of \$5,000 in excess thereof; shall be numbered R-1 and upward; and shall mature and interest shall be payable on December 29, 2006. The Notes shall be issued in the form of fully registered notes. The Notes shall be executed by the manual or facsimile signature of the Mayor and by the manual or facsimile signature of the Clerk, and the corporate seal of the Issuer shall be impressed or imprinted thereon. In case any officer whose signature shall be affixed to the Notes or who shall have sealed the Notes shall cease to be such officer before the Notes so signed and sealed shall have been actually delivered, the Notes, nevertheless, shall be valid Notes of the Issuer 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 Issuer when the Notes shall be actually delivered.

Notwithstanding the foregoing, if the Notes are issued in Book-Entry Form, the Notes shall be payable as provided in Section 13 hereof.

Section 3. Approval of Form of Notes. The Notes as initially issued shall be issued in substantially the form attached hereto as Exhibit 2 with such changes, insertions or omissions as may be approved by the Mayor, and the execution and delivery of the Notes shall be conclusive evidence of such approval.

Section 4. Designation of Paying Agent. SunTrust Bank is hereby designated as Paying Agent, Note Registrar and Authenticating Agent with respect to the Notes.

Section 5. Tax Revenues Used to Repay Notes. The Issuer agrees to use for payment of the Notes and the interest thereon a sufficient portion of the revenues received by the Issuer from taxes levied or to be levied for calendar year 2006 for the General Fund and other funds available for such purpose.

Section 6. Authentication of Notes. Only such Notes as shall have endorsed thereon a certificate of authentication substantially in the form set forth below duly executed by the Note Registrar shall be deemed to be validly issued hereunder. No Notes shall be valid or obligatory for any purpose unless and until such certificate of authentication shall have been executed by the Note Registrar, and such executed certificate of the Note Registrar upon any such Note shall be conclusive evidence that such Note has been authenticated and delivered hereunder. Said certificate of authentication on any Note shall be deemed to have been executed by the Note Registrar, but it shall not be necessary that the same authorized signatory sign the certificate of authentication on all of the Notes.

Section 7. Transfer and Exchange of Notes. The Note Registrar shall cause to be kept books for the registration of transfer of the Notes. The Notes may be registered as transferred on the books of registration by the registered owner thereof in person or by his duly authorized attorney, upon surrender thereof, together with a written instrument of transfer executed by the owner or his duly authorized attorney. Upon surrender for registration of transfer of any Note to the principal corporate office of the Note Registrar, the Issuer shall

execute, and the Note Registrar shall authenticate and deliver in the name of the transferee or transferees, a new Note or Notes of the same aggregate principal amount and tenor and of any authorized denomination or denominations, numbered consecutively in order of issuance according to the records of the Note Registrar.

The Notes may be exchanged at the principal corporate office of the Note Registrar for an equal aggregate principal amount of Notes of the same aggregate principal amount and tenor and of any authorized denomination or denominations. The Issuer shall execute, and the Note Registrar shall authenticate and deliver, Notes which the owner of Notes making such exchange is entitled to receive, bearing numbers not contemporaneously then outstanding.

Such transfers of registration or exchanges of Notes shall be without charge to the owner of such Notes, but any tax or other governmental charge, required to be paid with respect to the same shall be paid by the owner of the Note requesting such transfer or exchange as a condition precedent to the exercise of such privilege.

All Notes surrendered upon any transfer provided for in this resolution shall be promptly cancelled by the Note Registrar and shall not be reissued. Upon request of the Issuer a certificate evidencing such cancellation shall be furnished by the Note Registrar to the Issuer.

Notwithstanding the foregoing, if the Notes are issued in Book-Entry Form, the Notes shall be transferred and exchanged as provided in Section 13 hereof.

Section 8. Registered Owners. The person in whose name any Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of either principal or interest shall be made only to or upon the order of the registered owner thereof or his duly authorized attorney, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent of the sum or sums so paid.

Section 9. Mutilated or Destroyed Notes. In case any Note shall become mutilated or be destroyed or lost, the Issuer, may cause to be executed, authenticated and delivered a new Note of like date and tenor in exchange or substitution for any such Note upon, in the case of a mutilated Note, surrender of such Note, or in the case of destroyed or lost Note, the owners filing with the Issuer, the Paying Agent and the Note Registrar evidence satisfactory to them that such Note was destroyed or lost and providing indemnity satisfactory to them. If any such Note shall have matured, instead of issuing a new Note, the Issuer may pay the same.

Section 10. Redemption. The Notes shall be subject to redemption or prepayment, without penalty, as is more fully provided in Exhibit 1.

Section 11. General Authority. From and after the date of adoption of this resolution, the Mayor and the officers of the Issuer are hereby authorized to do such acts and things, and to execute and deliver all such certificates or agreements as may be necessary or desirable in connection with the issuance of the Notes. All actions of the Governing Body,

officers or agents of the Issuer taken in connection therewith prior to the date hereof are hereby ratified and confirmed.

Section 12. Bank Qualification Designation. The Notes are hereby designated as a “qualified tax exempt obligations” for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), and the Issuer hereby certifies that the Issuer, together with its subordinate entities (as defined in the Code), has not issued nor does it intend to issue more than \$10,000,000 of qualified tax-exempt obligations (other than private activity bonds as defined in Section 141 of the Code) during the calendar year in which the Notes are issued.

Section 13. Global Form; Securities Depository; Ownership of Notes.

(a) Upon the initial issuance, the ownership of each Note shall be registered in the name of the Securities Depository or the Securities Depository Nominee, and ownership thereof shall be maintained in Book-Entry Form by the Securities Depository for the account of the Agent Members thereof. Initially, each Note shall be registered in the name of Cede & Co., as the nominee of The Depository Trust Company. Beneficial Owners will not receive Notes from the Paying Agent evidencing their ownership interests. Except as provided in subsection (c) of this Section 13, the Notes may be transferred, in whole but not in part, only to the Securities Depository or the Securities Depository Nominee, or to a successor Securities Depository selected or approved by the Issuer or to a nominee of such successor Securities Depository.

(b) With respect to Notes registered in the name of the Securities Depository or the Securities Depository Nominee, the Issuer, the Paying Agent, the Bond Registrar and the Authenticating Agent shall have no responsibility or obligation to any Agent Member or Beneficial Owner. Without limiting the foregoing, neither the Issuer, the Paying Agent, the Bond Registrar, the Authenticating Agent nor their respective affiliates shall have any responsibility or obligation with respect to:

(i) the accuracy of the records of the Securities Depository, the Securities Depository Nominee or any Agent Member with respect to any beneficial ownership interest in the Notes;

(ii) the delivery to any Agent Member, any Beneficial Owner or any other person, other than the Securities Depository or the Securities Depository Nominee, of any notice with respect to the Notes; or

(iii) the payment to any Agent Member, any Beneficial Owner or any other person, other than the Securities Depository or the Securities Depository Nominee, of any amount with respect to the principal or interest on the Notes.

So long as the Notes are registered in Book-Entry Form, the Issuer, the Paying Agent, the Bond Registrar and the Authenticating Agent may treat the Securities Depository as, and deem the Securities Depository to be, the absolute owner of such Notes for all purposes whatsoever, including without limitation:

- (i) the payment of principal of and interest on such Notes;
- (ii) giving notices of redemption (if applicable) and other matters with respect to such Notes;
- (iii) registering transfers with respect to such Notes; and
- (iv) the selection of Notes (if applicable) for redemption.

So long as the Notes are registered in Book-Entry Form, the Paying Agent shall pay all principal of and interest on the Notes only to the Securities Depository or the Securities Depository Nominee as shown in the bond register, and all such payments shall be valid and effective to fully discharge the Issuer's obligations with respect to payment of principal of and interest on the Notes to the extent so paid.

(c) If at any time (i) the Issuer determines that the Securities Depository is incapable of discharging its responsibilities described herein, (ii) if the Securities Depository notifies the Issuer that it is unwilling or unable to continue as Securities Depository with respect to the Notes, or (iii) if the Securities Depository shall no longer be registered or in good standing under the Securities Exchange Act of 1934 or other applicable statute or regulation and a successor Securities Depository is not appointed by the Issuer within 90 days after the Issuer receives notice or becomes aware of such condition, as the case may be, then this Section 13 shall no longer be applicable and the Issuer shall execute and the Bond Registrar and Authenticating Agent shall authenticate and deliver notes representing the Notes to the owners of the Notes. Notes issued pursuant to this subsection (c) shall be registered in such names and authorized denominations as the Securities Depository, pursuant to instructions from the Agent Member or otherwise, shall instruct the Bond Registrar. Upon exchange, the Bond Registrar shall deliver such notes representing the Notes to the persons in whose names such Notes are so registered on the business day immediately preceding the date of such exchange.

(d) For purposes of this Resolution, the following terms shall have the meanings set forth below:

“Agent Member” means a member of, or participant in, the Securities Depository.

“Beneficial Owner” means the owners of a beneficial interest in the Notes registered in Book-Entry Form.

“Book-Entry Form” or “Book-Entry System” means, with respect to the Notes, a form or system, as applicable, under which (i) the ownership of beneficial interests in the Notes may be transferred only through book-entry and (ii) physical Notes in fully registered form are registered only in the name of a Securities Depository or its nominee as holder, with physical Notes in the custody of a Securities Depository.

“Securities Depository” means any securities depository that is a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing

agency” registered pursuant to provisions of Section 17A of the Securities Exchange Act of 1934, operating and maintaining, with its participants or otherwise, a Book-Entry System to record ownership of beneficial interest in bonds and bond service charges, and to effect transfers of bonds in Book-Entry Form, and means, initially, The Depository Trust Company (a limited purpose trust company), New York, New York.

“Securities Depository Nominee” means any nominee of a Securities Depository and shall initially mean Cede and Co., New York, New York, as nominee of The Depository Trust Company.

Section 14. Effective Date. This resolution shall be in full force and effect immediately upon its adoption, and any and all resolutions or parts of resolutions in conflict with this resolution shall be, and they are, to the extent of such conflict, hereby repealed.

Adopted and approved by the Governing Body of the Issuer on January 3, 2006.

CITY OF SANDY SPRINGS, GEORGIA

(SEAL)

By: *Eva Caballero*  
Mayor

Attest:

*Jeanette R. Marchand*  
Clerk

## EXHIBIT 1

### Terms of Notes

1. Principal Amount: \$10,000,000.
2. Interest Rate: 85% of LIBOR, as published in the *Wall Street Journal*, to be reset monthly on the first business day of each month; for the month of January, 2006, such rate shall be as it appears on the date of issuance.
3. Prepayment: At the option of the Issuer, on or after July 1, 2006, without penalty.
4. Fee payable to SunTrust Capital Markets, Inc. by the Issuer at closing: \$10,000.

EXHIBIT 2

FORM OF NOTE

UNITED STATES OF AMERICA

STATE OF GEORGIA

CITY OF SANDY SPRINGS, GEORGIA  
TAX ANTICIPATION NOTES,  
SERIES 2006

Number R-1

Maturity Date: December 29, 2006

Date of Original Issue: January \_\_\_\_, 2006

Principal Amount: \$10,000,000

CUSIP:

Registered Owner: CEDE & Co.

KNOW ALL MEN BY THESE PRESENTS: CITY OF SANDY SPRINGS, GEORGIA, a municipal corporation of the State of Georgia (the "Issuer"), for value received, hereby promises to pay the principal amount set forth above in immediately available funds, on the maturity date set forth above, to Cede & Co., or its assignee, at such location as Cede & Co., or its assignee, shall direct in writing. The Issuer also promises to pay interest on the unpaid principal amount calculated as follows.

This Note shall bear interest at a rate equal to 85% of LIBOR, as published in the Wall Street Journal, which rate shall be reset on the first business day of each month. Interest shall be calculated on the basis of a 360-day year (comprised of twelve 30-day months).

Both principal hereof and interest hereon are payable in lawful money of the United States of America. This Note is subject to redemption or prepayment at the option of the Issuer on or after July 1, 2006, without penalty.

This note is authorized by a resolution (the "Resolution") duly adopted by the Mayor and Council (the "Governing Body") of the Issuer on January 3, 2006, in accordance with Article IX, Section V, Paragraph V of the Constitution of the State of Georgia and Section 36-80-2 of the Official Code of Georgia Annotated, for the purpose of making a temporary loan to pay current expenses of the Issuer in calendar year 2006.

This Note is issued in anticipation of the receipt of taxes levied or to be levied for the General Fund in calendar year 2006. The principal amount of this Note together with all other temporary loans, notes, warrants or similar obligations does not exceed 75% of the total revenues from taxes which would have been collected for the General Fund by the Issuer in calendar year 2005 if the Issuer had been in existence during all of 2005 and does not exceed, together with other contracts, notes, warrants and obligations of the Issuer for calendar year 2006 payable from the General Fund, the total anticipated revenues from taxes of the Issuer for the General Fund for calendar year 2006.

It is hereby certified, recited and declared that all acts, conditions and things required by the Constitution and laws of the State of Georgia to be done precedent to or as a condition to the issuance of this Note have been properly done, have happened and have been performed in the manner required by the Constitution and laws of the State of Georgia; that the tax levies in anticipation of which this Note is issued are or will be valid and legal levies; that the Issuer 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 this Note, together with all other indebtedness of the Issuer, is within every debt or other limit provided by the Constitution and laws of the State of Georgia.

All capitalized terms used but not defined herein shall have the meanings assigned to them in the Resolution.

IN WITNESS WHEREOF, the Issuer acting by and through its Governing Body, has caused this Note to be executed in its corporate name by the manual signature of the Mayor, and attested by the manual signature of the Clerk and the corporate seal of the Issuer to be impressed or imprinted hereon, all as of the date of original issue as shown above.

CITY OF SANDY SPRINGS, GEORGIA

(SEAL)

By: \_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
Clerk

CERTIFICATE OF AUTHENTICATION

This is the Note described in the within mentioned authorizing resolution of Mayor and Council of the City of Sandy Springs, Georgia adopted on January 3, 2006, and is hereby authenticated.

SUNTRUST BANK

By: \_\_\_\_\_  
Title:

Date of Authentication: January \_\_, 2006

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