

RESOLUTION NO. 2023 - 007

**RESOLUTION OF THE CITY OF EAGLEVILLE, TENNESSEE, AUTHORIZING THE ISSUANCE OF INTEREST BEARING TAXABLE GENERAL OBLIGATION BOND ANTICIPATION NOTES, SERIES 2023, IN AN AMOUNT NOT TO EXCEED \$525,000, AND PROVIDING FOR THE PAYMENT OF SAID NOTES**

**WHEREAS**, the City Council (the "City Council") of the City of Eagleville, Tennessee (the "City" of the "Municipality"), has determined that it is necessary and desirable to authorize, issue, sell, and provide for the payment of its interest bearing taxable bond anticipation notes for the purpose of financing and refinancing the costs of the acquisition of land for use by the City in connection with the construction, renovation, and equipping of a new Public Safety Center for the City (collectively, the "Project");

**WHEREAS**, the City Council adopted an Initial Resolution (the "Initial Resolution"), on September 20, 2022, authorizing the issuance of General Obligation Bonds in a par amount of not to exceed \$4,500,000 (the "Bonds"), for the purpose of financing and refinancing the construction, improvement, repair, renovation, and equipping of a public safety building;

**WHEREAS**, the Initial Resolution authorized payment of the principal of and interest on such Bond from ad valorem taxes to be levied for such purpose on all taxable property within the corporate limits of the Municipality, without limitation as to time, rate, or amount;

**WHEREAS**, the Initial Resolution was published on September 25, 2022, in the *Daily News Journal*, which is a newspaper of general circulation within the City;

**WHEREAS**, the City Recorder has certified that no petition signed by the registered voters of the City was filed protesting the issuance of the Bonds;

**WHEREAS**, the Municipality is authorized by Title 9, Chapter 21, Parts 4 and 5, Tennessee Code Annotated, as amended, to issue and sell bond anticipation notes for the purpose of providing funds to finance the Project in anticipation of the issuance of general obligation bonds; and,

**WHEREAS**, the United States Department of Agriculture, acting through Rural Housing Services ("USDA"), has issued to the City, its Letter of Conditions, dated March 29, 2022, as may be amended (the "Letter of Conditions"), in which it has agreed to purchase the general obligation bonds on terms and conditions favorable to the City and its citizen (the "USDA Bonds");

**WHEREAS**, pursuant to Section 9-21-505, Tennessee Code Annotated, the approval of the Comptroller's office is not required for the issuance of the notes because the Bonds will be issued to a federal agency; and,

**WHEREAS**, the City Council finds that it is necessary and desirable to provide for the execution, terms, issuance, sale, and payment of not to exceed \$525,000 Taxable General Obligation Bond Anticipation Notes, Series 2023 (the "Notes");

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EAGLEVILLE, TENNESSEE, AS FOLLOWS:**

Section 1. Authority. The Notes herein authorized shall be issued pursuant to Title 9, Chapter 21, Tennessee Code Annotated, as amended, and other applicable provisions of law.

Section 2. Authorization. For the purpose of providing funds for the costs of the Project, there shall be issued pursuant to, and in accordance with, the provisions of Title 9, Chapter 21, Tennessee Code Annotated, as amended, and other applicable provisions of law, the interest bearing taxable general obligation bond anticipation notes of the City, in the aggregate principal amount of not to exceed \$525,000, or such lesser amount as may be determined by the Mayor of the Municipality (the "Mayor") at the time of sale (collectively, the "Notes", individually, the "Note"). The term of the Notes shall not exceed the reasonably expected economic life of the Project which is hereby certified to be at least the term of the Notes.

Section 3. Terms of the Notes. The Notes shall be designated "Taxable General Obligation Bond Anticipation Notes, Series 2023". The Notes shall be issued in registered form, without coupons. The Notes shall be numbered from 1 upwards, shall be dated the date of issuance and delivery, shall be sold at not less than the par amount thereof, shall bear interest at a rate not to exceed 6% per annum, such interest being payable at such times as agreed upon with the purchaser of such Notes, but in no event less than annually on such date as shall be designated by the Mayor (the "Interest Payment Date"), and shall mature not later than two years from the date of issuance of the Notes. The Notes shall contain such terms, conditions, and provisions other than as expressly provided or limited herein as may be agreed upon by the Mayor of the City and the purchaser of the Notes.

Interest on the Notes shall be payable by wire transfer, electronic means, or by check or other form of draft of the "Note Registrar," as such term is hereinafter defined, deposited by the Note Registrar in the United States mail, first class postage prepaid, in sealed envelopes, addressed to the owner of such Notes, as of the applicable Interest Payment Date, at its address as shown on the Registration Books of the Municipality maintained by the Note Registrar as of the close of business fifteen (15) calendar days preceding the next Interest Payment Date. All payments of the principal of and interest on the Notes shall be made in any coin or currency of the United States of America which, on the date of payment thereof, shall be legal tender for the payment of public and private debts. No presentment of the Note shall be required for the payment of principal of, or interest on, such Note.

Section 4. Redemption. The Notes shall be subject to redemption, in whole or in part, prior to maturity, at the option of the Municipality, upon thirty (30) calendar days written notice to the registered owner, in a minimum amount of at least \$100,000 and \$5,000 increments above \$100,000, at the price of par plus accrued interest to the date of redemption

Section 5. Execution. The Notes shall be executed in the name of the Municipality; shall bear the manual signature of the Mayor and shall be countersigned by the City Recorder of the Municipality (the "City Recorder"), with his or her manual signature. In the event any officer whose signature appears on the Notes shall cease to be such officer, such signature shall nevertheless be valid and sufficient for all purposes. The Notes shall be issued in typed, printed, or photocopied form, or any combination thereof, substantially in the form attached hereto as Exhibit "A", with such minor changes therein or such variations thereof as the Mayor may deem necessary or desirable, the blanks to be appropriately completed by the Mayor prior to the issuance of the Notes.

Section 6. Registration, Negotiability, and Payment. (a) The City Recorder of the Municipality is hereby appointed the note registrar and paying agent (the "Note Registrar"), and as such shall establish and maintain suitable books (the "Registration Books"), for recording the registration and payment of the Notes, and shall also perform such other duties as may be required in connection with the foregoing. The Note Registrar is hereby authorized to authenticate and deliver the Notes to the original purchaser thereof, or it may designate, upon receipt by the Municipality of the proceeds of the sale thereof and to authenticate and deliver Notes in exchange for Notes of the same principal amount delivered for transfer upon receipt of the Notes to be transferred in proper form with proper documentation as herein

described. The Notes shall not be valid for any purpose unless authenticated by the Note Registrar by the manual signature of the Note Registrar on the certificate set forth in Exhibit "A" hereto. The Notes shall be fully registered as to both principal and interest and shall be fully negotiable upon proper endorsement by the registered owner thereof. No transfer of any Notes shall be valid unless such transfer is noted upon the Registration Books and until such Note is surrendered, cancelled, and exchanged for a new Note which shall be issued to the transferee, subject to all the conditions contained herein.

(b) In the event that any amount payable on any Note as interest shall at any time exceed the rate of interest lawfully chargeable thereon under applicable law, then any such excess shall, to the extent of such excess, be applied against the principal of such Note as a prepayment thereof without penalty, and such excess shall not be considered to be interest. All rates of interest specified herein shall be computed on the basis of a three hundred sixty (360) day year composed of twelve (12) months of thirty (30) days each.

Section 7. Transfer of Notes. Each Note shall be transferable only on the registration books maintained by the Note Registrar at the principal office of the Note Registrar, upon the surrender for cancellation thereof at the principal office of the Note Registrar, together with an assignment of such Note duly executed by the owner thereof, or its attorney or legal representative, and upon payment of the charges hereinafter provided, and subject to such other limitations and conditions as may be provided therein or herein. Upon the cancellation of any such Note, the Note Registrar shall, in exchange for the surrendered Note or Notes, deliver in the name of the transferee or transferees a new Note or Notes of authorized denominations, of the same aggregate principal amount, maturity, and rate of interest as such surrendered Note or Notes, and the transferee shall take such new Note or Notes subject to all of the conditions herein contained.

Section 8. Regulations with Respect to Transfers. In all cases in which the privilege of transferring Notes is exercised, the Municipality shall execute, and the Note Registrar shall deliver, Notes in accordance with the provisions of this Resolution. For every transfer of Notes, whether temporary or definitive, the Municipality and the Note Registrar may make a charge, unless otherwise herein to the contrary expressly provided, sufficient to pay for any tax, fee, or other governmental charge required to be paid with respect to such transfer, all of which taxes, fees, and other governmental charges shall be paid to the Municipality by the entity requesting such transfer as a condition precedent to the exercise of the privilege of making such transfer. Neither the Municipality nor the Note Registrar shall be obligated to transfer any Note during the fifteen (15) calendar days next preceding the maturity date of the Notes or any call for redemption.

Section 9. Mutilated, Lost, Stolen, or Destroyed Notes. In the event any Note issued hereunder shall become mutilated, or be lost, stolen, or destroyed, such note shall, at the written request of the registered owner, be cancelled on the Registration Books and a new Note shall be authenticated and delivered, corresponding in all aspects but number to the mutilated, lost, stolen, or destroyed Note. Thereafter, should such mutilated, lost, stolen, or destroyed Note or Notes come into possession of the registered owner, such Notes shall be returned to the Note Registrar for destruction by the Note Registrar. If the principal on said mutilated, lost, stolen, or destroyed Note shall be due within fifteen (15) calendar days of receipt of the written request of the registered owner for authentication and delivery of a new Note, payment therefor shall be made as scheduled in lieu of issuing a new Note. In every case the registered owner shall certify in writing as to the destruction, theft, or loss of such Note, and shall provide indemnification satisfactory to the Municipality and to the Note Registrar, if required by the Municipality and the Note Registrar.

Any notice to the contrary notwithstanding, the Municipality and all of the officials, employees, and agents thereof, including the Note Registrar, may deem and treat the registered owner of the Notes as the absolute owner thereof for all purposes, including, but not limited to, payment of the principal thereof, and the interest thereon, regardless of whether such payment shall then be overdue.

Section 10. Authentication. Only such of the Notes as shall have endorsed thereon a certificate of authentication, substantially in the form set forth in Exhibit "A" hereto duly executed by the Note Registrar shall be entitled to the rights, benefits, and security of this Resolution. No Note shall be valid or obligatory for any purpose unless, and until, such certificate of authentication shall have been duly executed by the Note Registrar. Such executed certificate of authentication by the Note Registrar upon any such Note shall be conclusive evidence that such Note has been duly authenticated and delivered under the Resolution as of the date of authentication.

Section 11. Source of Payment and Security. The Notes, as to both principal and interest, shall be payable from the proceeds of the general obligation bonds in anticipation of when they are issued, and from funds of the Municipality legally available therefor, and to the extent necessary, from ad valorem taxes to be levied on all taxable property within the corporate limits of the Municipality without limitation as to time, rate, or amount. Said Notes shall be a direct general obligation of the Municipality, for which the punctual payment of the principal of and interest on the Notes, the full faith and credit of the Municipality is irrevocably pledged. It is the intention of the City that the Notes be paid from the proceeds of the USDA Bonds upon substantial completion of the Project.

Section 12. Levy of Taxes. For the purpose of providing for the payment of the principal of and interest on the Notes, to the extent required, there shall be levied in each year in which such Notes shall be outstanding a direct tax on all taxable property in the Municipality, fully sufficient to pay all such principal and interest falling due prior to the time of collection of the next succeeding tax levy. Said tax shall be assessed, collected, and paid at the time, and in the same manner, as the other taxes of said Municipality, shall be in addition to all other taxes, and shall be without limitation as to time, rate, or amount, and for that purpose there is hereby levied a direct annual tax in such amount as may be found necessary each year to pay said principal of and interest on the Notes maturing in said year. Principal or interest falling due at any time when there shall be insufficient funds on hand from such tax levy for the payment thereof shall be paid from the general fund or other available funds of the Municipality, but reimbursement therefor may be made from the taxes herein provided when the same shall have been collected. Such taxes levied and collected therefor shall be deposited in the debt service fund of the Municipality, and used solely for the payment of principal of and interest on the Notes as the same shall become due.

Section 13. Sale of Notes. The Notes herein authorized are authorized to be sold by the Mayor by private negotiated sale at a price of not less than par and accrued interest.

Section 14. Disposition of Note Proceeds. The proceeds from the sale of the Notes shall be paid to the official of the Municipality designated by law as the custodian of the funds thereof to be deposited in a special fund known as the "Taxable General Obligation Bond Anticipation Notes, Series 2023, Project Fund" (the "Project Fund"), which is hereby authorized to be created, to be kept separate and apart from all other funds of the Municipality. The monies in the Project Fund shall be used for costs of the Project, including retiring a portion of certain outstanding debt of the City incurred for the purpose of financing the acquisition of land upon which the Public Safety Center will be constructed and renovated.

Section 15. Resolution a Contract. The provisions of this Resolution shall constitute a contract between the Municipality and the owner of the Notes, and after the issuance of the Notes, no change, variation, or alteration of any kind in the provisions of this Resolution shall be made in any manner, until such time as all installments of the principal of and interest on the Notes shall have been paid in full or the consent of the registered owner of the Notes has been obtained; provided, however, that the Municipality is hereby authorized to make such amendments to this Resolution as will not impair the rights or security of the owner of the Notes.

Section 16. No Action to be Taken Affecting Validity of the Notes. The Municipality hereby covenants and agrees that it will not take any action, that would in any manner affect the validity of the Notes or limit the rights and remedies of the owner from time to time of such Notes.

Section 17. Miscellaneous Acts. The Mayor, the City Recorder, the City Manager, and all other appropriate officials of the Municipality are hereby authorized, empowered, and directed to do any and all such acts and things, and to execute, acknowledge, and deliver all such documents, instruments, and certifications in connection with the issuance and sale of the Notes, in addition to those acts, things, documents, instruments, and certifications hereinbefore authorized and approved, as may in their discretion, be necessary or desirable to implement or comply with the intent of this Resolution; or any of the documents herein authorized and approved; or for the authorization, issuance, and delivery of the Notes.

Section 18. Failure to Present Notes. In the event any Note shall not be presented for payment when the principal becomes due at maturity and in the event monies sufficient to pay such Note shall be held by the Note Registrar for the benefit of the owner thereof, all liability of the Municipality to such owner for the payment of such Note shall forthwith cease, terminate, and be completely discharged. Thereupon, the Note Registrar shall hold such monies, without liability for interest thereon, for the benefit of the owner of such Note who shall thereafter be restricted exclusively to such monies for any claim under this Resolution or on, or with respect to, said Note, subject to escheat or other similar law, and any applicable statute of limitation.

Section 19. Payments Due on Saturdays, Sundays, and Holidays. Whenever the interest on or principal of any Note is due on a Saturday or Sunday or, at the place designated for payment, a legal holiday or a day on which banking institutions are authorized by law to close, then the payment of the interest on, or the principal of, such Note need not be made on such date but must be made on the next succeeding day not a Saturday, Sunday, or a legal holiday or a day upon which banking institutions are authorized by law to close, with the same force and effect as if made on the date of maturity; and no interest shall accrue for the period after such date.


Section 20. No Recourse Under Resolution or on Notes. All stipulations, promises, agreements, and obligations of the Municipality contained in this Resolution shall be deemed to be the stipulations, promises, agreements, and obligations of the Municipality and not of any officer, director, or employee of the Municipality in his or her individual capacity, and no recourse shall be had for the payment of the principal of or interest on the Notes or for any claim based thereon or under this Resolution against any officer, director, or employee of the Municipality or against any official or individual executing the Notes.

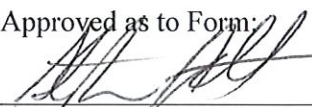
Section 21. Severability. If any section, paragraph, or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, or provision shall not affect any of the remaining provisions hereof.

Section 22. Repeal of Conflicting Resolutions and Effective Date. All resolutions and orders, or parts thereof, in conflict with the provisions of this Resolution, are, to the extent of such conflict, hereby repealed, and this Resolution shall be in effect as of the date of its adoption the welfare of the Municipality requiring it.

Adopted and approved this 13th day of April, 2023.

  
\_\_\_\_\_  
Chad Leeman, Mayor

Attest:  
  
\_\_\_\_\_  
Catherine Sanderson, Acting City Recorder

Approved as to Form:  
  
\_\_\_\_\_  
J. Stephen Aymett, Jr., City Attorney

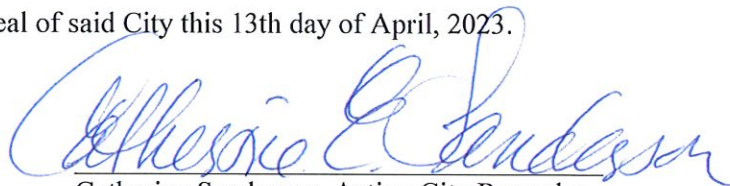
STATE OF TENNESSEE)  
COUNTY OF RUTHERFORD)

I, Catherine Sanderson , hereby certify that I am the duly qualified and Acting City Recorder of the City of Eagleville, Tennessee (the "City"), and, as such official, I further certify as follows: (1) that attached hereto is a true and complete copy of a resolution, adopted by the City Council (the "Council"), of said City, at a meeting held on April 13, 2023, authorizing the issuance of taxable general obligation bond anticipation notes in the amount of not to exceed \$525,000 by said City; and, (2) that a quorum of the members of said Council was present and acting throughout said meeting.

WITNESS my official signature and the Seal of said City this 13th day of April, 2023.



(SEAL)

  
Catherine Sanderson, Acting City Recorder