

RESOLUTION NO _____

RESOLUTION AUTHORIZING A LOAN PURSUANT TO A LOAN AGREEMENT BETWEEN THE CITY OF CROSSVILLE, TENNESSEE, AND THE PUBLIC BUILDING AUTHORITY OF THE CITY OF CLARKSVILLE, TENNESSEE, IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$2,000,000; AUTHORIZING THE EXECUTION AND DELIVERY OF SUCH LOAN AGREEMENT AND OTHER DOCUMENTS RELATING TO SAID LOAN; APPROVING THE ISSUANCE OF A BOND BY THE PUBLIC BUILDING AUTHORITY; PROVIDING FOR THE APPLICATION OF THE PROCEEDS OF SAID LOAN AND THE PAYMENT OF SUCH INDEBTEDNESS; AND, CONSENTING TO THE ASSIGNMENT OF THE CITY'S OBLIGATION UNDER SUCH LOAN AGREEMENT, AND CERTAIN OTHER MATTERS

WHEREAS, the City Council (the "Council"), of the City of Crossville, Tennessee (the "Municipality" or the "City"), has determined that it is necessary to finance the costs of certain "public works projects", as defined in Title 9, Chapter 21, Tennessee Code Annotated, as from time to time amended and supplemented, consisting of street and road improvements, including paving, and park and recreational facilities improvements and upgrades, the acquisition of all property real and personal appurtenant thereto or connected with such work, to pay all legal, fiscal, administrative, planning, and engineering costs incident thereto, and, to pay costs incident to the issuance of the Bond and the loan of the proceeds thereof to the City (collectively, the "Project"), by obtaining a loan from The Public Building Authority of the City of Clarksville, Tennessee (the "Authority");

WHEREAS, it has been determined by the Council of the City to be in the best interests of the City to finance the Project through The Tennessee Municipal Bond Fund variable rate loan program;

WHEREAS, the City is authorized by Title 9, Chapter 21, Tennessee Code Annotated, as amended, to borrow funds and incur indebtedness for the purpose of financing the Project;

WHEREAS, the Authority has been established pursuant to the provisions of Title 12, Chapter 10, Tennessee Code Annotated, as amended (the "Act"), and is authorized pursuant to the provisions of the Act to issue its bonds from time to time, in one more series, and to loan the proceeds thereof to the City for the above described purposes;

WHEREAS, in order to effectuate the program, the Issuer has authorized and approved by its Resolution, adopted November 5, 2013, the issuance of its Local Government Loan Program Bonds, in an aggregate principal amount not to exceed \$300,000,000;

WHEREAS, the Authority will issue its Variable Rate Local Government Loan Program Bond, Series 2015 (City of Crossville Loan) (the "Bond"), in the principal amount of not to exceed Two Million Dollars (\$2,000,000), and loan the proceeds thereof to the City pursuant to the provisions of a Loan Agreement, by and among the City, the Authority, and the Purchaser, as hereinafter defined, to be dated the date of issuance and delivery (the "Loan Agreement");

WHEREAS, the Council of the City has on the date hereof adopted an Initial Resolution authorizing the borrowing of funds and the incurring of indebtedness for the purpose of financing the Project in the amount of not to exceed \$2,000,000, and the City Clerk has been instructed to publish such Initial Resolution, together with the Notice required by Section 9-21-206 of Tennessee Code Annotated, as amended, in a local newspaper in the City;

WHEREAS, the indebtedness evidenced by the Loan Agreement shall be payable from any and all funds of the City legally available therefor, including, but not necessarily limited to, ad valorem taxes to be levied for such purpose on all taxable property within the corporate limits of the City, without limitation as to time, rate, and amount and for the punctual payment of said principal of, and interest on, the Loan Agreement, the full faith and credit of the City will be irrevocably pledged; and,

WHEREAS, the Bond is to be secured by and contain such terms and provisions as set forth in (i) that certain Indenture of Trust (the "Indenture"), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), and (ii) that certain Bond Purchase Agreement, to be entered into between the Authority and the purchaser of the Bond (the "Purchaser").

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Crossville, Tennessee:

Section 1. Approval of the Loan. (a) For the purpose of providing funds to finance the Project and to pay costs incident to the issuance and sale of the Bond and the loan of the proceeds thereof to the City, the loan to the City from the Authority is hereby authorized in the principal amount of not to exceed \$2,000,000 and the City is hereby authorized to borrow such funds from the Authority (the "Loan").

(b) The Bond to be issued by the Authority shall bear interest at a variable rate, such variable rate to be based on the Securities Industry and Financial Markets Association Rate ("SIFMA"), plus an initial purchasing bank spread of eighty-five basis points (0.85%), plus any additional fees, all as provided in the Indenture and Loan Agreement; provided, however, that such rate shall not exceed the maximum rate of interest permitted under the laws of the State of Tennessee. The Mayor and City Clerk are authorized to enter into the Loan Agreement. The Municipality shall make payments of interest and principal in the amounts and on the dates set forth in the Loan Agreement from the sources and funds described herein and in the Loan Agreement. The Loan Agreement shall be for a term of twelve years. The final amortization of principal amounts of the loan evidenced by the Loan Agreement may be established by the Mayor, at the time of the sale of the Bond and the execution and delivery of the Loan Agreement, as shall be determined to be in the best interests of the Municipality.

(c) **The Council of the City understands and is aware that the Purchaser has the option to put the Bond for purchase to the Authority during the term of the Loan (the "Put Option"), at certain intervals upon not less than one hundred eighty days' written notice to the Authority, the Tennessee Municipal Bond Fund, as administrator, and the City.**

The Council is aware of the risks and benefits associated with the Loan and the Put Option. The Council finds that the repayment structure of the Loan (including the Put Option) is in the public interest of the City.

The Council further agrees that it is willing to pay additional issuance costs associated with the refunding of the Loan and related Bond in the event the Put Option is exercised by the Purchaser. In the event that the Put Option is exercised by the Purchaser, and the City is unable to pay the Loan amount in full on such date and no subsequent holder can be determined, the Council commits to refund the Loan in the following manner:

(x) **the Council shall submit a plan of refunding to the Comptroller or Comptroller's designee;**

(y) **the final maturity of the refunding debt obligation will not extend beyond the final maturity of the original Loan; and,**

(z) **the debt service structure of the refunding debt obligation will be substantially similar to or more declining than the debt structure of the original Loan.**

The Council has not retained an independent municipal advisor in connection with the Loan. The Council understands and acknowledges that the Purchaser does not owe a fiduciary duty to the City and that the Purchaser is acting for its own business and commercial interests. The Council has consulted

with such advisors and experts as it deems appropriate before the consideration and adoption of this Resolution.

Section 2. Approval of Loan Agreement. The form, terms, and provisions of the Loan Agreement are in the best interest of the Municipality and are hereby approved and the Council hereby authorizes the Mayor and the City Clerk of the Municipality to execute and deliver such Loan Agreement, such Loan Agreement to be in substantially the form of the Loan Agreement presented to this meeting, the execution of such Loan Agreement by the Mayor and the City Clerk to evidence their approval of any and all changes to such Loan Agreement, and any related documents necessary to the consummation of the transactions contemplated by the Loan Agreement. The Municipality further agrees to comply with, and to enable the Authority to comply with, all covenants and requirements contained in the Indenture, the Bond Purchase Agreement, and that certain Tax Exemption Certificate to be executed by the Authority at the time of the issuance of the Bond.

Section 3. Fulfillment of Obligations. The Council of the Municipality is authorized and directed to fulfill all obligations of the Municipality under the terms of the Loan Agreement.

Section 4. Tax Levy. There shall be levied and collected in the same manner as other ad valorem taxes of the Municipality on all taxable property within the corporate limits of the Municipality without limitation as to time, rate, or amount, to the extent necessary in the event funds of the Municipality legally available to pay the indebtedness evidenced by the Loan Agreement are insufficient, a tax sufficient to pay when due the amounts payable under the Loan Agreement, as and when they become due, and to pay any expenses of maintaining and operating the Project required to be paid by the Municipality under the terms and provisions of the Loan Agreement. For the prompt payment of the Loan Agreement, both principal and interest, as the same shall become due, the full faith and credit of the Municipality are irrevocably pledged.

Section 5. Approval of Bond, Indenture, and Bond Purchase Agreement. For the purpose of providing funds to make the loan to the Municipality evidenced by the Loan Agreement, as provided herein and in the Loan Agreement, and to pay legal, fiscal, and administrative costs incident thereto, including costs incident to the issuance and sale of the Bond related to the Loan Agreement, the issuance and sale of the Bond by the Authority in connection with the Loan Agreement is hereby approved. The Municipality further approves the execution and delivery of the Indenture and the Bond Purchase Agreement by the Authority in connection with the issuance of the Bond.

Section 6. Disposition of Proceeds. The proceeds from the sale of the Bond shall be paid, from time to time, to the official of the Municipality designated by law as the custodian of the funds, upon submission of a requisition for such funds by the Municipality to the Trustee, in accordance with the terms of the Indenture and Loan Agreement. Such proceeds shall be disbursed from time to time solely to finance the costs of the Project and to pay costs of issuance incurred in connection with the issuance of the Bond and the loan of the proceeds thereof to the Municipality.

Section 7. Consent to Assignment. The Municipality hereby consents to the assignment of all of the Authority's right, title, and interest in and to the Loan Agreement to the Trustee as security for the Bond to which such Loan Agreement relates, except for certain reserved rights of the Authority.

Section 8. Reimbursement Provisions. The Municipality may have made or may hereafter make expenditures with respect to the Project from a source of funds other than proceeds of the loan from the Authority under the Loan Agreement, such expenditures occurring prior to the execution and delivery of the Loan Agreement. The Municipality reasonably expects that it will reimburse such original expenditures with proceeds of the loan from the Municipality made pursuant to the Loan Agreement to the extent permissible under Treasury Regulation 1.150-2.

Section 9. Arbitrage Certification. The Municipality recognizes that the Purchaser of the Bond will have accepted it on, and paid therefor a price which reflects the understanding that interest thereon is

excludable from gross income for purposes of federal income taxation under laws in force on the date of delivery of the Bond. In this connection, the Municipality agrees that it shall take no action which may cause the interest on said Bond to be included in gross income for federal income taxation. It is the reasonable expectation of the Council of the Municipality that the proceeds of the Bond will not be used in a manner which will cause the Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code, and to this end the said proceeds of the Bond and other related funds established for the purposes herein set out shall be used and spent expeditiously for the purposes described herein. The Council further covenants and represents that in the event it shall be required by Section 148(f) of the Code to pay any investment proceeds of the Bond to the United States government, it will make such payments as and when required by said Section 148(f) and will take such other actions as shall be necessary or permitted to prevent the interest on the Bond from becoming taxable. The Mayor and City Clerk, or either of them, are authorized and directed to make such certifications in this regard in connection with the sale of the Bond as either or both shall deem appropriate, and such certifications shall constitute a representation and certification of the Municipality.

Section 10. Miscellaneous Acts. The Mayor, the City Clerk, the City Manager, the City Attorney, 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 execution of the Loan Agreement and the issuance of the Bond by the Authority, 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.

Section 11. Captions. The captions or headings in this Resolution are for convenience only and shall in no way define, limit, or describe the scope or intent of any provision hereof.

Section 12. Severability. Should any provision or provisions of this Resolution be declared invalid or unenforceable in any respect by final decree of any court of competent jurisdiction, the invalidity or unenforceability of such section, paragraph, ordinance, or provisions shall not affect the remaining provisions of such Resolution.

Section 13. Repeal of Conflicting Resolutions. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed.

Section 14. Effective Date. This Resolution shall take effect upon its adoption, the welfare of the Municipality requiring it.

Adopted this 13th day of August, 2015

MAYOR

ATTEST:

CITY CLERK

STATE OF TENNESSEE)
COUNTY OF CUMBERLAND)

I, Sally Oglesby, hereby certify that I am the duly qualified and acting City Clerk of the City of Crossville, Tennessee (the "City"), and, as such official, I further certify as follows: (1) that attached hereto is a copy of a Resolution excerpted from the minutes of the meeting of the City Council (the "Council"), of said City held on August 13, 2015; (2) that I have compared said copy with the original minute record of said meeting in my official custody; (3) that said copy is a true, correct, and complete transcript from said original record insofar as said original record relates, to, among other matters, the incurring of indebtedness in the amount of not to exceed \$2,000,000 by said City; (4) that the actions by said Council including the aforementioned, at said meeting were promptly and duly recorded by me in a book kept for such purpose; and, (5) 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 August, 2015.

City Clerk

(SEAL)