

AN INITIAL RESOLUTION AUTHORIZING THE ISSUANCE OF NOT IN EXCESS OF SIXTY FIVE MILLION DOLLARS (\$65,000,000) OF TAX-EXEMPT GENERAL OBLIGATION BONDS OF CITY OF CROSSVILLE, TENNESSEE PURSUANT TO TENN. CODE ANN. § 9-21-101 *et seq.* OR ALTERNATIVELY THE INCURRING THE INDEBTEDNESS OF A LOAN FROM THE PUBLIC BUILDING AUTHORITY OF THE CITY OF CROSSVILLE, TENNESSEE IN AN ORIGINAL PRINCIPAL AMOUNT NOT IN EXCESS OF SIXTY FIVE MILLION DOLLARS (\$65,000,000), AS THE CITY COUNCIL SHALL DETERMINE, IN EITHER EVENT FOR THE PURPOSE OF FINANCING THE ACQUISITION, DESIGN, AND CONSTRUCTION OF A PUBLIC RECREATION CENTER INCLUDING ANCILLARY AND RELATED STRUCTURES AND FACILITIES, REIMBURSING THE CITY CERTAIN EXPENDITURES PREVIOUSLY MADE IN CONNECTION THEREWITH, AND PAYING COSTS RELATED THERETO AND INCIDENT TO THE ISSUANCE OF THE BONDS OR THE CONSUMMATION OF THE LOAN

BE IT RESOLVED by the City Council of City of Crossville, Tennessee (the “City”) as follows:

1. It is hereby determined and authorized for the City to incur indebtedness in connection with the acquisition, design, and construction of a public recreation center for the use and benefit of the City, the City’s citizens and residents, and other members of the general public as determined by the City, together with ancillary and related facilities, structures, and improvements (all of the foregoing collectively and severally referred to herein as the “Project”), in an amount not to exceed Sixty Five Million Dollars (\$65,000,000).

2. It is hereby determined and authorized that the indebtedness contemplated by this resolution may be incurred by the City, as determined pursuant to further resolution of the City’s governing body, in either of the following alternative forms, in either event in compliance with and pursuant to applicable law:

a. The issuance of tax-exempt general obligation bonds of the City, to be issued in an aggregate amount not in excess of Sixty Five Million Dollars (\$65,000,000)

(collectively, the “Bonds”), pursuant to the provisions of the Local Government Public Obligations Act of 1986 (as amended), Tenn. Code Ann. § 9-21-101 *et seq*; or,

b. The proceeds of a loan (the “Loan”) from The Public Building Authority of the City of Crossville, Tennessee (the “Authority”) in the original principal amount not in excess of Sixty Five Million Dollars (\$65,000,000), pursuant to the provisions of the Public Building Authorities Act of 1971 (as amended), Tenn. Code Ann. § 12-10-101 *et seq*.

2. The indebtedness of the Bonds or the Loan, as the case may be, shall be issued for the purposes of --

a. Reimbursing the City for “original expenditures” and “preliminary expenditures” heretofore expended by the City in connection with the Project;

b. Paying costs of acquisition of land and/or interests in land for use in connection with the Project;

c. Financing the costs of design and construction of the Project and infrastructure improvements necessitated by the Project’s construction or operation;

d. Financing expenditures incurred by the City in connection with development of business operating plans and parameters in connection with the Project; and,

e. paying costs and expenses incident to the issuance of the Bonds or the consummation of the Loan, as the case may be.

3. The Bonds or any instrument evidencing the indebtedness of the Loan, as the case may be, shall bear interest at such rate or rates not to exceed the lesser of six and one-half percent and No/100 percent (6.50%) per annum or the maximum rate permitted by law at the time of sale thereof, payable in such manner and at such times as shall hereafter be determined by or pursuant

to a subsequent resolution of the City's governing body and/or by loan agreement between the City and the Authority, as applicable.

4. The Bonds if issued shall be payable in the first instance from revenues received by the City in connection with operation of the Project, and to the extent of a deficiency in such revenues for such purposes, the Bonds shall be payable from and secured by the *ad valorem* taxes levied on all taxable property in the City without limitation as to rate or amount; and in all events the full faith and credit and unlimited taxing power of the City, together with all revenues from the Project, shall be pledged for that purpose.

5. The indebtedness of the Loan, if incurred, shall be payable by the City to the Authority in the first instance from revenues received by the City in connection with operation of the Project, and to the extent of a deficiency in such revenues for such purposes, the indebtedness of the Loan shall be payable from and secured by the *ad valorem* taxes levied on all taxable property in the City without limitation as to rate or amount; and in all events the full faith and credit and unlimited taxing power of the City, together with all revenues from the Project, shall be pledged for that purpose.

6. The City's mayor and city manager, or either of them, are herewith authorized to execute all contracts and documents associated with the issuance of Bonds or the extension of credit of the Loan from the Authority to the City, as the case may be; selection and engagement of transaction participants and professionals; sale and closing of the Bonds or consummation of the Loan, as the case may be; and, all other matters related thereto.

7. This resolution shall be published in full once in a newspaper of general circulation in Cumberland County, Tennessee.

8. This resolution shall take effect immediately upon its adoption.

