

Resolution

The City Council of City of Crossville, Tennessee met in a regular session at the Crossville City Hall in Crossville, Tennessee, at 6:00 o'clock p.m. on December 10, 2019, with the Honorable James Mayberry, Mayor of Crossville, Tennessee presiding.

The following members of the City Council of City of Crossville, Tennessee were present:

James Mayberry, Mayor
J. H. Graham III, Councilmember
Rob Harrison, Councilmember
Scot Shanks, Councilmember
Art Gernt, Mayor Pro-Tem

The following members of the City Council of City of Crossville, Tennessee were absent:

None

There were also present:

Valerie Hale, City Clerk
Larry W. Kidwell, Financial Advisor to the City
Greg Wood, City Manager
Fred Houston, Finance Director
William T. Ridley, Issuer's Counsel
Benjamin C. Regen, Bond Counsel

The following resolution was introduced by _____, seconded by _____ and, after due deliberation, was adopted by the following vote:

AYE: _____

NAY: _____

CITY OF CROSSVILLE, TENNESSEE

Resolution No. _____

A RESOLUTION AUTHORIZING THE ISSUANCE OF TAX-EXEMPT SERIES 2019A GENERAL OBLIGATION REFUNDING BONDS, TAXABLE SERIES 2019B GENERAL OBLIGATION REFUNDING BONDS, AND TAX-EXEMPT SERIES 2019C WATER AND SEWER REVENUE AND TAX REFUNDING BONDS, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED TWENTY-EIGHT MILLION ONE HUNDRED THOUSAND DOLLARS (\$28,100,000) OF CITY OF CROSSVILLE, TENNESSEE; MAKING PROVISION FOR THE ISSUANCE, SALE, AND PAYMENT OF SAID BONDS; ESTABLISHING THE TERMS THEREOF AND THE SECURITY THEREFOR, THE DISPOSITION OF PROCEEDS THEREFROM, AND PROVIDING FOR THE LEVY OF TAXES FOR THE PAYMENT OF PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS

WHEREAS City of Crossville, Tennessee (the “City”) is a municipal corporation and political subdivision of the State of Tennessee, located in Cumberland County, Tennessee, lawfully organized and existing under the laws of the State of Tennessee, originally incorporated pursuant to State of Tennessee Private Acts 1901, Chapter 362 and presently incorporated pursuant to State of Tennessee Private Acts 1953, Chapter 519, of which the five (5)-member City Council, or such other board or body, by whatever name known (the “Council”), is the City’s legislative body; and

WHEREAS pursuant to the Act, municipalities in Tennessee are authorized through their respective governing bodies to issue and sell bonds of said municipalities to finance public works projects and to issue bonds to refund outstanding municipal obligations; and

WHEREAS the Council hereby determines that it is in its best interest and is necessary and advisable to issue not to exceed \$28,100,000 in aggregate principal amount of General Obligation Refunding Bonds, Tax-Exempt Series 2019A (the “Series 2019A Bonds”), General Obligation Refunding Bonds, Taxable Series 2019B (the “Series 2019B Bonds”) and the Water and Sewer Revenue and Tax Refunding Bonds, Tax-Exempt Series 2019C (the “Series 2019C Bonds”) (collectively, the Series 2019A Bonds, the Series 2019B Bonds, and the Series 2019C Bonds are hereinafter referred to as the “Series 2019 Bonds” or the or a “Bonds” or “Bond”), which Bonds are to be issued for the purpose of providing funds for refunding the entire remaining balance, principal and interest, and otherwise paying all remaining sums due and payable under or with respect to, the Refunded Obligations (as hereinafter defined) and paying the costs of issuance of the Bonds; and

WHEREAS prior to the adoption of the Resolution, the City provided a plan of refunding, together with a copy of the Resolution in draft form and a plan of balloon indebtedness, to the Tennessee Comptroller of the Treasury or his designee for review, report, and approval pursuant to Tenn. Code Ann. §§ 9-21-134, 903, and 1003, together with a request, pursuant to Tenn. Code Ann. § 9-21-910, to approve sale of the Bonds, if deemed expedient, by private negotiated sale; and

WHEREAS by correspondence dated October 30, 2019, the Tennessee Comptroller of the Treasury issued its report on the City’s plan of refunding; approved the City’s issuance of the Bonds as balloon indebtedness; and approved sale of the Bonds by private negotiated sale, and a copy of the said report on plan of refunding was distributed to the members of the Council prior to adoption of this Resolution; and

WHEREAS it is the intention of the Council to adopt this Resolution for the purpose of authorizing the Series 2019 Bonds, providing for the issuance, sale and payment of the Series 2019 Bonds, establishing the terms thereof, and the disposition of proceeds therefrom, providing for the levy of a tax under certain conditions for the payment of principal of, premium, if any, and interest thereon, and payment of Costs of Issuance of the Series 2019 Bonds.

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

Section 1. Authority. The Bonds authorized by this resolution are issued pursuant to the provisions of Tenn. Code Ann. § 9-21-101 *et seq.* (the “Act”) and other applicable provisions of the Public Laws. The

Council hereby finds and determines that the issuance of the Series 2019 Bonds is necessary and advisable for the purpose of refunding and redeeming the entire remaining outstanding balance, principal and interest, of all remaining outstanding maturities of the Refunded Obligations and financing the costs of issuance of the Series 2019 Bonds.

Section 2. Definitions. The following terms shall have the following meanings in this resolution unless the text expressly or by necessary implication requires otherwise:

“Acquired System” means any water procurement, treatment, storage, or distribution system acquired by the City and/or any sewer treatment and/or transmission facilities hereafter constructed, acquired, or otherwise established by the City.

“Act” means the Local Government Public Obligations Law of 1986 (as amended), Tenn. Code Ann. § 9-21-101 *et seq.*, and to all amendments subsequently hereto enacted to such statute.

“Beneficial Owners” shall have the meaning set forth in Section 3.h hereof.

“Bond Purchase Agreement” means the bond purchase agreement providing for the purchase and sale of the Bonds, by and between the Original Purchaser and the City, in the form as shall be necessary to properly describe the Bonds being purchased, approved by the Mayor and the City Manager, or either of them.

“Bonds” or “Series 2019 Bonds” means, collectively, not to exceed \$28,100,000 in aggregate principal amount of (i) not to exceed \$4,300,000 General Obligation Refunding Bonds, Series 2019A (Tax-Exempt); (ii) not to exceed \$2,550,000 General Obligation Refunding Bonds, Series 2019B (Federally Taxable; and (iii) not to exceed \$21,250,000 Water and Sewer Tax and Revenue Refunding Bonds, Series 2019C (Tax-Exempt), each such series dated the date of issuance, or such other series designation and dated date or dates as shall be determined by the Mayor and the City Manager, or either of them, pursuant to Section 8 hereof, authorized to be issued by this resolution.

“Bond Counsel” shall mean White & Regen, PLC.

“Book-Entry Form” or “Book-Entry System” means a form or system, as applicable, under which physical bond certificates in fully registered form are issued to a Depository, or to its nominee as registered owner, with the certificate of bonds being held by and "immobilized" in the custody of such Depository, and under which records maintained by persons, other than the City or the Registration Agent, constitute the written record that identifies, and records the transfer of, the beneficial “book-entry” interests in those bonds.

“Code” means the Internal Revenue Code of 1986 (as amended), 26 U.S.C. § 1 *et seq.*, and any lawful regulations promulgated or proposed thereunder.

“City” means City of Crossville, Tennessee.

“City Manager” means the City Manager of the City, duly appointed and lawfully serving pursuant to Article VIII of the City’s charter, 1953 Private Acts ch. 519 of the Tennessee General Assembly.

“Clerk” or “City Clerk” means the City Clerk of the City, duly appointed and lawfully serving pursuant to Article IX Section 3 of the City’s charter, or any other person lawfully acting in the capacity of City Clerk when the appointed and serving City Clerk of City of Crossville, Tennessee is unavailable or incapable of acting, or is incompetent to act as provided by applicable law.

“Council” means the City Council of City of Crossville, Tennessee, as from time to time lawfully constituted.

“Credit Facility” means any municipal bond insurance policy, letter of credit, surety bond, line of credit, guarantee, or other agreement under which any person other than the City provides additional security for any Bonds and guarantees timely payment of or purchase price equal to the principal of and interest on all or a portion of any Bond.

“Defeasance Obligations” means direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, or any agency thereof, obligations of any agency or instrumentality of the United States or any other obligations which at the time of the purchase thereof are permitted investments under Tennessee law for the purposes described in Section 12, which bonds or other obligations shall not be subject to redemption prior to their maturity other than at the option of the registered owner thereof;

“Depository” means any securities depository that is a clearing agency under federal laws operating and maintaining, with its participants or otherwise, a Book-Entry System, including, but not limited to, DTC.

“Director” means the duly appointed Finance Director of the City, or any other employee of the City acting in the capacity of Finance when the appointed and serving Finance Director is unavailable or incapable of acting.

“DTC” means the Depository Trust Company, a limited purpose company organized under the laws of the State of New York, and its successors and assigns.

“DTC Participant(s)” means securities brokers and dealers, banks, trust companies, and clearing corporations that have access to the DTC System.

“Extraordinary Event” means, in respect only of any Bond or series of Bonds payment of the principal of, interest on, and premium, if any, in respect to which is secured by a pledge of the revenues of the System, a change or transfer in the ownership or control of the System by, including but not limited to, acquisition, privatization, merger, consolidation, or transfer.

“Fiscal Year” means the twelve-month period commencing July 1 of each year and ending June 30 of the following year.

“Mayor” means the duly elected and serving Mayor of City of Crossville, Tennessee, or any other person lawfully acting in the capacity of Mayor when the elected and serving Mayor is unavailable or incapable of acting, or is incompetent to act as provided by applicable law.

“Municipal Advisor” means Kidwell & Company, or other person who or which is retained by the City for the purpose of passing on questions relating to the availability and terms of specified types of debt obligations and is actively engaged in and, in the good faith opinion of the City, has a favorable reputation for skill and experience in providing financial advisory services of the type with respect to which the Municipal Advisor has been retained.

“Original Purchaser” means the investment bank, commercial bank or other financial institution or group thereof selected by the Mayor and the City Manager, or either of them, to be the initial purchaser of the Bonds.

“Rating” means a rating in one of the categories by a Rating Agency, disregarding pluses, minuses, and numerical gradations.

“Rating Agencies” or “Rating Agency” means Fitch, Inc., Moody’s Investors Service, Inc., and Standard & Poor’s Rating Group (a division of McGraw-Hill Financial Services Company, Inc.) or any successors thereto and any other nationally recognized credit rating agency.

“Refunded Obligations” means all principal of, interest on, and other sums due and payable in respect of, all outstanding maturities of the following indebtedness of the City:

- a. \$4,205,000 General Obligation Refunding and Improvement Bonds, Series 2012A (Tax-Exempt);
- b. \$3,780,000 General Obligation Refunding and Improvement Bonds, Series 2012B (Federally Taxable);
- c. \$8,660,000 Water and Sewer Revenue and Tax Refunding and Improvement Bonds, Series 2012C (Tax-Exempt);
- d. 00-020 SRF Drinking Water Loan;
- e. 2009-087 SRF Drinking Water Loan;
- f. 2009-225 SRF Clean Water Loan;
- g. \$6,374,593 Loan Agreement dated October 1, 2014, which was funded by The Public Building Authority of Clarksville, Tennessee Local Government Loan Program Bonds, Series 2014; and,
- h. \$3,747,350 Loan Agreement dated July 31, 2014, which was funded by The Public Building Authority of Clarksville, Tennessee Local Government Loan Program Bonds, Series 2014

“Regulations” means those regulations promulgated by the Secretary of the Treasury under and pursuant to the Code.

“Registration Agent” means the registration and paying agent for the Bonds appointed by the Mayor and City Manager, or either of them, pursuant to Section 4 hereof, or any successor thereto designated by the Governing Body.

“State” means the State of Tennessee.

“System” means the complete water procurement, treatment, storage, and distribution system of the City, together with the complete wastewater collection, transmission, treatment, and disposal system of the City, together with and including all properties (and interests in properties) of every nature hereafter owned or held by the City for use in connection with either such water or wastewater system, including all improvements and extensions made by the City while the Bonds remain outstanding, and including all real and personal property of every nature comprising part of or used or useful in connection with the foregoing, and including all easements, appurtenances, fixtures, equipment, contracts, leases, franchises, and other intangibles; provided, however, at the election of the Council, an Acquired System may be included within the System as defined herein and become a part thereof or, at the election of the Council, not become a part of the System but be operated as a separate and independent system by the Council with the continuing right, upon the election of the City, to incorporate such separately Acquired System within the System.

Section 3. Findings of the Council. It is hereby found and determined by the Council that the refunding of the Refunded Obligations, as set forth in this Resolution, through the issuance of the Series 2019 Bonds will result in favorable debt service savings to the City and favorable restructuring of its debt portfolio.

Section 4. Authorization and Terms of the Bonds.

a. For the purpose of providing funds to (i) redeem and refund the Refunded Obligations and (ii) pay costs of issuance of the Series 2019 Bonds, there is hereby authorized to be issued general obligation refunding bonds and water and sewer tax and revenue refunding bonds of the City in the aggregate principal amount of not to exceed \$28,100,000. The Series 2019 Bonds shall be issued in one or more series as herein provided for, in Book-Entry-Form, without coupons, and subject to the adjustments permitted under Section 8, shall be dated their date of issuance, or having such other designation or such other dated date as shall be determined by the Mayor and the City Manager, or either of them, pursuant to Section 8 hereof. Subject to the changes permitted in Section 8 hereof, the Series 2019 Bonds shall bear interest at a rate or rates not to exceed the maximum rate permitted by law, payable (subject to the adjustments permitted under Section 8) semi-annually on June 1 and December 1 in each year, with interest commencing December 1, 2019 and first principal due June 1, 2020. The Series 2019 Bonds shall be issued initially in \$5,000 denominations or integral multiples thereof, as shall be requested by the Original Purchaser. The Series 2019 Bonds may be issued as bonds the interest on which is excluded from gross income for federal income tax purposes (“Tax-Exempt Bonds”), or as bonds the interest on which is included in gross income for federal income tax purposes (“Taxable Bonds”), or in part as Tax-Exempt Bonds and in part as Taxable Bonds.

b. Subject to the adjustments permitted under Section 8 hereof, Bonds maturing June 1, 2020 through June 1, 2024 shall mature without option of prior redemption. Bonds maturing on June 1, 2025 and thereafter shall be subject to redemption prior to maturity at the option of the City on or after June 1, 2024 as a whole or in part at any time at the redemption price of par, plus interest accrued to the redemption date. Notwithstanding the provisions of the two immediately preceding sentences, any Bonds payment of the principal of, interest on, and premium, if any, in respect of which is secured by a pledge of the revenues of the System shall be subject to redemption prior to maturity at the option of the City upon the occurrence of an Extraordinary Event.

If fewer than all the Bonds shall be called for redemption, the maturities to be redeemed shall be selected by the City in its discretion (except that if at any time fewer than all of the Bonds of a given maturity are called for redemption, the particular Bonds or portions thereof shall be selected by lot, in the case of Tax-Exempt Bonds, or by lot or *pro rata* or a combination thereof, in the case of Taxable Bonds), at a fixed price or prices not to exceed 100%, in the case of Tax-Exempt Bonds, or at a fixed price or prices not to exceed 100%, in the case of Taxable Bonds, in each case together with the interest accrued on the principal amount to be redeemed to the date fixed for the redemption thereof. The Tax-Exempt Bonds or Taxable Bonds also may be made not redeemable prior to maturity in their entirety. The redemption provisions, if any, shall be determined by the Mayor and/or City Manager, subject to the foregoing limitations. If fewer

than all of the Bonds within a single maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

i. If the Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

ii. If the Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Bonds within the maturity to be redeemed shall be selected by the Registrar by lot or such other random manner as the Registrar in its discretion shall determine.

Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent on behalf of the City not less than twenty (20) days nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for redemption of any of the Bonds for which proper notice was given. As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the City nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant or Beneficial Owner will not affect the validity of such redemption. The Registration Agent shall mail said notices as and when directed by the City pursuant to written instructions from an authorized representative of the City (other than for a mandatory sinking fund redemption, notices of which shall be given on the dates provided herein and in the Bond Purchase Agreement) given at least forty-five (45) days prior to the redemption date (unless a shorter notice period shall be satisfactory to the Registration Agent). From and after the redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth herein.

c. The City hereby authorizes the Mayor and the City Manager, or either of them, to appoint the Registration Agent and hereby authorizes and directs the Registration Agent so appointed to maintain Bond registration records with respect to the Bonds, to authenticate and deliver the Bonds as provided herein, either at original issuance or upon transfer, to effect transfers of the Bonds, to give all notices of redemption as required herein, to make all payments of principal and interest with respect to the Bonds as provided herein, to cancel and destroy Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer, to furnish the City at least annually a certificate of destruction with respect to Bonds canceled and destroyed, and to furnish the City at least annually an audit confirmation of Bonds paid, Bonds outstanding, and payments made with respect to interest on the Bonds. The Mayor and the City Manager, or either of them, are hereby authorized to execute, and the City Clerk is hereby authorized to attest, such written agreement between the City and the Registration Agent as they shall deem necessary and proper with respect to the obligations, duties, and rights of the Registration Agent. The payment of all reasonable fees and expenses of the Registration Agent for the discharge of its duties and obligations hereunder or under any such agreement is hereby authorized and directed.

d. The Bonds shall be payable, both principal and interest, in lawful money of the United States of America at the main office of the Registration Agent. The Registration Agent shall make all interest payments with respect to the Bonds by check or draft on each interest payment date directly to the registered owners as shown on the Bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by depositing said payment in the United States mail, postage prepaid, addressed to such owners at their addresses shown on said Bond registration records, without, except for final payment, the presentation or surrender of such registered Bonds, and all such payments shall discharge the obligations of the City in respect of such Bonds to the extent of the payments so made. Payment of principal of and premium, if any, on the Bonds shall be made upon presentation and surrender of such Bonds to the Registration Agent as the same shall become due and payable. All rates of interest specified herein shall be computed on the basis of a 360-day year composed of twelve months of thirty (30) days each.

e. Any interest on any Bond that is payable but is not punctually paid or duly provided for on any interest payment date (hereinafter "Defaulted Interest") shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such Defaulted Interest shall be paid by the City to the persons in whose names the Bonds are registered at the close of business on a date (the "Special Record Date") for the payment of such Defaulted Interest, which shall be

fixed in the following manner: the City shall notify the Registration Agent in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment, and at the same time the City shall deposit with the Registration Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Registration Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this Section provided. Thereupon, not less than ten days after the receipt by the Registration Agent of the notice of the proposed payment, the Registration Agent shall fix a Special Record Date for the payment of such Defaulted Interest which Special Record Date shall be not more than 15 nor less than ten days prior to the date of the proposed payment to the registered owners. The Registration Agent shall promptly notify the City of such Special Record Date and, in the name and at the expense of the City, not less than ten days prior to such Special Record Date, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each registered owner at the address thereof as it appears in the Bond registration records maintained by the Registration Agent as of the date of such notice. Nothing contained in this Section or in the Bonds shall impair any statutory or other rights in law or in equity of any registered owner arising as a result of the failure of the City to punctually pay or duly provide for the payment of principal of, premium, if any, and interest on the Bonds when due.

f. The Bonds are transferable only by presentation to the Registration Agent by the registered owner, or his or her legal representative duly authorized in writing, of the registered Bond(s) to be transferred with the form of assignment on the reverse side thereof completed in full and signed with the name of the registered owner as it appears upon the face of the Bond(s) accompanied by appropriate documentation necessary to prove the legal capacity of any legal representative of the registered owner. Upon receipt of the Bond(s) in such form and with such documentation, if any, the Registration Agent shall issue a new Bond or Bonds to the assignee(s) in \$5,000 denominations, or integral multiples thereof, as requested by the registered owner requesting transfer. The Registration Agent shall not be required to transfer or exchange any Bond during the period commencing on a Regular or Special Record Date and ending on the corresponding interest payment date of such Bond, nor to transfer or exchange any Bond after the publication of notice calling such Bond for redemption has been made, nor to transfer or exchange any Bond during the period following the receipt of instructions from the City to call such Bond for redemption; provided, the Registration Agent, at its option, may make transfers after any of said dates. No charge shall be made to any registered owner for the privilege of transferring any Bond, provided that any transfer tax relating to such transaction shall be paid by the registered owner requesting transfer. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and neither the City nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Bonds shall be overdue. The Bonds, upon surrender to the Registration Agent, may, at the option of the registered owner, be exchanged for an equal aggregate principal amount of the Bonds of the same maturity in any authorized denomination or denominations.

g. The Bonds shall be executed in such manner as may be prescribed by applicable law, in the name, and on behalf, of the City with the manual or facsimile signature of the Mayor, and attested by the manual or facsimile signature of the City Clerk.

h. Except as otherwise provided in this resolution, the Bonds shall be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Bonds. References in this Section to a Bond or the Bonds shall be construed to mean the Bond or the Bonds that are held under the Book-Entry System. One Bond for each maturity shall be issued to DTC and immobilized in its custody. A Book-Entry System shall be employed, evidencing ownership of the Bonds in authorized denominations, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants pursuant to rules and procedures established by DTC.

Each DTC Participant shall be credited in the records of DTC with the amount of such DTC Participant's interest in the Bonds. Beneficial ownership interests in the Bonds may be purchased by or through DTC Participants. The holders of these beneficial ownership interests are hereinafter referred to as the "Beneficial Owners". The Beneficial Owners shall not receive the Bonds representing their beneficial ownership interests. The ownership interests of each Beneficial Owner shall be recorded through the records of the DTC Participant from which such Beneficial Owner purchased its Bonds. Transfers of ownership interests in the Bonds shall be accomplished by book entries made by DTC and, in turn, by DTC Participants acting on behalf of Beneficial Owners. SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE REGISTERED OWNER OF THE BONDS, THE REGISTRATION AGENT SHALL TREAT CEDE & CO., AS THE ONLY HOLDER OF THE BONDS FOR ALL PURPOSES UNDER THIS RESOLUTION, INCLUDING RECEIPT OF ALL PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS, RECEIPT OF NOTICES, VOTING AND REQUESTING OR DIRECTING THE

REGISTRATION AGENT TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THIS RESOLUTION.

Payments of principal, interest, and redemption premium, if any, with respect to the Bonds, so long as the Bonds shall be registered in the name of Cede & Co., as nominee of DTC, shall be paid by the Registration Agent directly to DTC or its nominee, Cede & Co., as provided in the Letter of Representation relating to the City (the "Letter of Representation"). DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners. The City and the Registration Agent shall not be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising, or reviewing records maintained by DTC or DTC Participants.

In the event that (i) DTC determines not to continue to act as securities depository for the Bonds or (ii) the City determines that the continuation of the Book-Entry System of evidence and transfer of ownership of the Bonds would adversely affect its interests or the interests of the Beneficial Owners of the Bonds, the City shall discontinue the Book-Entry System with DTC. If the City fails to identify another qualified securities depository to replace DTC, the City shall cause the Registration Agent to authenticate and deliver replacement Bonds in the form of fully registered Bonds to each Beneficial Owner.

THE CITY AND THE REGISTRATION AGENT SHALL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY DTC PARTICIPANT OR ANY BENEFICIAL OWNER WITH RESPECT TO (i) THE BONDS; (ii) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (iii) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS; (iv) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY DTC PARTICIPANT OF ANY NOTICE DUE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED UNDER THE TERMS OF THIS RESOLUTION TO BE GIVEN TO BENEFICIAL OWNERS, (v) THE SELECTION OF BENEFICIAL OWNERS TO RECEIVE PAYMENTS IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR, (vi) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC, OR ITS NOMINEE, CEDE & CO., AS REGISTERED OWNER.

i. The Registration Agent is hereby authorized to take such action as may be necessary from time to time to qualify and maintain the Bonds for deposit with DTC, including but not limited to, wire transfers of interest and principal payments with respect to the Bonds, utilization of electronic book entry data received from DTC in place of actual delivery of Bonds and provision of notices with respect to Bonds registered by DTC (or any of its designees identified to the Registration Agent) by overnight delivery, courier service, telegram, telecopy, or other similar means of communication. No such arrangements with DTC may adversely affect the interest of any of the owners of the Bonds; provided, however, that the Registration Agent shall not be liable with respect to any such arrangements it may make pursuant to this section.

j. The Registration Agent is hereby authorized to authenticate and deliver the Bonds to the Original Purchaser, upon receipt by the City of the proceeds of the sale thereof, and to authenticate and deliver Bonds in exchange for Bonds of the same principal amount delivered for transfer upon receipt of the Bond(s) to be transferred in proper form with proper documentation as hereinabove described. The Bonds shall not be valid for any purpose unless authenticated by the Registration Agent by the manual signature of an officer thereof on the certificate set forth herein on the Bond form.

k. In case any Bond shall become mutilated, or be lost, stolen, or destroyed, the City, in its discretion, shall issue, and the Registration Agent, upon written direction from the City, shall authenticate and deliver, a new Bond of like tenor, amount, maturity, and date, in exchange and substitution for, and upon the cancellation of, the mutilated Bond, or in lieu of and in substitution for such lost, stolen, or destroyed Bond, or if any such Bond shall have matured or shall be about to mature, instead of issuing a substituted Bond the City may pay or authorize payment of such Bond without surrender thereof. In every case the applicant shall furnish evidence satisfactory to the City and the Registration Agent of the destruction, theft, or loss of such Bond, and indemnity satisfactory to the City and the Registration Agent, and the City may charge the applicant for the issue of such new Bond an amount sufficient to reimburse the City for the expense incurred by it in the issue thereof.

l. The members of the Council have received, prior to the adoption of this Resolution, a copy of the "Report of the Director of the Office of State and Local Finance Concerning the Proposed Issuance of General Obligation Refunding Bonds, Series 2019 [of] City of Crossville, Tennessee" dated October 30, 2019, together with copies of the documents and reports referenced therein, and the Council has reviewed the same pursuant to the terms and conditions thereof.

Section 5. Security and Source of Payment. The Series 2019A Bonds and Series 2019B Bonds will 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. For the prompt payment of principal of, premium, if any, and interest on, the Series 2019A Bonds and Series 2019B Bonds, the full faith and credit and unlimited taxing power of the City are irrevocably pledged. The Series 2019C Bonds are payable primarily from the net revenues of the System and in the event of a deficiency in such revenues, then from the *ad valorem* taxes levied on all taxable property in the City without limitation as to rate or amount. For the prompt payment of the principal of, premium if any, and interest on, the Series 2019C Bonds, the full faith and credit and unlimited taxing power of the City are irrevocably pledged.

Section 6. Form of Bonds. The Bonds shall be in substantially the following form, the omissions and alternative provisions to be appropriately completed when the Bonds are prepared and delivered:

(Form of Face of Bond)

REGISTERED
Number _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF TENNESSEE
CITY OF CROSSVILLE
GENERAL OBLIGATION AND REVENUE REFUNDING BONDS
SERIES 2019 [SERIES A, B OR C]

Interest Rate: Maturity Date: Date of Bond: CUSIP
No:

Registered Owner: CEDE & CO.

Principal Amount:

FOR VALUE RECEIVED, City of Crossville, Tennessee (the "City") hereby promises to pay to the registered owner hereof, hereinabove named, or registered assigns, in the manner hereinafter provided, the principal amount hereinabove set forth on the maturity date hereinabove set forth (or upon earlier redemption as set forth herein), and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on said principal amount at the annual rate of interest hereinabove set forth from the date hereof until said maturity date or redemption date, said interest being payable on December 1, 2019, and semi-annually thereafter on the first day of June and December in each year until this Bond matures or is redeemed. The principal hereof and interest hereon are payable in lawful money of the United States of America by check or draft at the principal corporate trust office of U.S. Bank National Association, as Registrar and paying agent (the "Registrar"). The Registrar shall make all interest payments with respect to this Bond on each interest payment date directly to the registered owner hereof shown on the Bond registration records maintained by the Registrar as of the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by check or draft mailed to such owner at such owner's address shown on said Bond registration records, without, except for final payment, the presentation or surrender of this Bond, and all such payments shall discharge the obligations of the City to the extent of the payments so made. Any such interest not so punctually paid or duly provided for on any interest payment date shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such defaulted interest shall be payable to the person in whose name this Bond is registered at the close of business on the date (the "Special Record Date") for payment of such defaulted interest to be fixed by the Registrar, notice of which shall be given to the owners of the Bonds of the issue of which this Bond is one not less than ten (10) days prior to such Special Record Date. Payment of principal of and premium, if any, on this Bond shall be made when due upon presentation and surrender of this Bond to the Registrar.

Except as otherwise provided herein or in the Resolution, as hereinafter defined, this Bond shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds of the series of which this Bond is one. One Bond for each maturity of the Bonds shall be issued to DTC and immobilized in its custody. A book-entry system shall be employed, evidencing ownership of the Bonds in \$5,000 denominations, or multiples thereof, with transfers of beneficial ownership affected on the records of DTC and the DTC Participants, as defined in the Resolution, pursuant to rules and procedures established by DTC. So long as Cede & Co., as nominee for DTC, is the registered owner of the Bonds, the City and the Registrar shall treat Cede & Co., as the only

owner of the Bonds for all purposes under the Resolution, including receipt of all principal and maturity amounts of, premium, if any, and interest on the Bonds, receipt of notices, voting and requesting or taking or not taking, or consenting to, certain actions hereunder. Payments of principal, maturity amounts, interest, and redemption premium, if any, with respect to the Bonds, so long as DTC is the only owner of the Bonds, shall be paid directly to DTC or its nominee, Cede & Co. DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners, as defined in the Resolution. Neither the City nor the Registrar shall be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants. In the event that (1) DTC determines not to continue to act as securities depository for the Bonds or (2) the City determines that the continuation of the book-entry system of evidence and transfer of ownership of the Bonds would adversely affect its interests or the interests of the Beneficial Owners of the Bonds, the City may discontinue the book-entry system with DTC. If the City fails to identify another qualified securities depository to replace DTC, the City shall cause the Registrar to authenticate and deliver replacement Bonds in the form of fully registered Bonds to each Beneficial Owner. Neither the City nor the Registrar shall have any responsibility or obligations to any DTC Participant or any Beneficial Owner with respect to (i) the Bonds; (ii) the accuracy of any records maintained by DTC or any DTC Participant; (iii) the payment by DTC or any DTC Participant of any amount due to any Beneficial Owner in respect of the principal or maturity amounts of and interest on the Bonds; (iv) the delivery or timeliness of delivery by DTC or any DTC Participant of any notice due to any Beneficial Owner that is required or permitted under the terms of the Resolution to be given to Beneficial Owners, (v) the selection of Beneficial Owners to receive payments in the event of any partial redemption of the Bonds; or (vi) any consent given or other action taken by DTC, or its nominee, Cede & Co., as owner.

Bonds maturing June 1, 2020, through June 1, 2024, shall mature without option of prior redemption. Bonds maturing on June 1, 2025, and thereafter shall be subject to redemption prior to maturity at the option of the City on or after June 1, 2024 as a whole or in part at any time at the redemption price of par, plus interest accrued to the redemption date. If payment of principal of, interest on, and premium, if any, in respect of this Bond is secured by a pledge of the revenues of the City's System, then this Bond shall be subject to redemption prior to maturity at the option of the City upon the occurrence of an Extraordinary Event.

If fewer than all the Bonds shall be called for redemption, the maturities to be redeemed shall be selected by the City in its discretion. If fewer than all of the Bonds within a single maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

- i. If the Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or
- ii. If the Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Bonds within the maturity to be redeemed shall be selected by the Registrar by lot or such other random manner as the Registrar in its discretion shall determine.

Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent on behalf of the City not less than twenty (20) days nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for redemption of any of the Bonds for which proper notice was given. As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the City nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant or Beneficial Owner will not affect the validity of such redemption. The Registration Agent shall mail said notices as and when directed by the City pursuant to written instructions from an authorized representative of the City (other than for a mandatory sinking fund redemption, notices of which shall be given on the dates provided herein and in the Bond Purchase Agreement) given at least forty-five (45) days prior to the redemption date (unless a shorter notice period shall be satisfactory to the Registration Agent). From and after the redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth herein. This Bond is transferable by the registered owner hereof in person or by such owner's attorney duly authorized in writing at the

principal corporate trust office of the Registrar set forth on the front side hereof, but only in the manner, subject to limitations and upon payment of the charges provided in the Resolution, as hereafter defined, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds of authorized denominations of the same maturity and interest rate for the same aggregate principal amount will be issued to the transferee in exchange therefor. The person in whose name this Bond is registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the City nor the Registrar shall be affected by any notice to the contrary whether or not any payments due on the Bond shall be overdue. Bonds, upon surrender to the Registrar, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of the Bonds of the same maturity in authorized denomination or denominations, upon the terms set forth in the Resolution. The Registrar shall not be required to transfer or exchange any Bond during the period commencing on a Regular Record Date or Special Record Date and ending on the corresponding interest payment date of such Bond.

This Bond, and the series of Bonds of which this Bond represents a maturity, is one of a total authorized issue aggregating \$28,100,000 and issued by the City for the purpose of (i) refunding on a current basis the City's Refunded Obligations as defined in the Resolution and (ii) paying costs related to the issuance and sale of the Bonds in full compliance with the Constitution and statutes of the State of Tennessee, including Title 9, Chapter 21, Tennessee Code Annotated, being the Local Government Public Obligations Act of 1986, as amended, and pursuant to a resolution duly adopted by the Council of the City on November 12, 2019 (the "Resolution").

[This Bond is payable from and secured by the *ad valorem* taxes levied on all taxable property in the City without limitation as to rate or amount. For the prompt payment of principal of, premium, if any, and interest on this Bond, the full faith and credit and unlimited taxing power of the City are irrevocably pledged.]

[This Bond is payable primarily from, and payment is secured by a pledge of, the net revenues of the System and in the event of a deficiency in such revenues, then from the *ad valorem* taxes levied on all taxable property in the City without limitation as to rate or amount. For the prompt payment of the principal of, premium if any, and interest on, this Bond, the full faith and credit and unlimited taxing power of the City are irrevocably pledged; likewise the revenues of the System are irrevocably pledged to secured such prompt payment.]

For a more complete statement of the general covenants and provisions pursuant to which this Bond is issued, reference is hereby made to the Resolution.

This Bond and the income therefrom are exempt from all present state, county, and municipal taxes in Tennessee except (a) inheritance, transfer, and estate taxes, if any such tax is then imposed by the State of Tennessee, (b) Tennessee excise taxes on interest on the Bond during the period the Bond is held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee, and (c) Tennessee franchise taxes by reason of the inclusion of the book value of the Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

It is hereby certified, recited, and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other indebtedness of the City, does not exceed any limitation prescribed by the constitution and statutes of the State of Tennessee.

IN WITNESS WHEREOF, the City has caused this Bond to be signed by its Mayor with his manual or facsimile signature and attested by its City Clerk with her manual or facsimile signature under an impression or facsimile of the corporate seal of the City, all as of the date hereinabove set forth.

CITY OF CROSSVILLE, TENNESSEE

By: _____
James Mayberry, Mayor

(SEAL)

ATTESTED:

_____, City Clerk

Transferable and payable at the principal corporate trust office of: _____

Date of Registration: _____

This Bond is one of the issue of Bonds issued pursuant to the Resolution hereinabove described.

Registrar

By: _____
Authorized Officer

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns, and transfers unto _____, whose address is _____ (Please insert Federal Identification or Social Security Number of Assignee _____), the within Bond of the City of Crossville, Tennessee, and does hereby irrevocably constitute and appoint _____, attorney, to transfer the said Bond on the records kept for registration thereof with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular, without alteration or or any change whatsoever.

enlargement

Signature guaranteed:

NOTICE: Signature(s) must be guaranteed
by a member firm of a Medallion Program
acceptable to the Registrar.

(end of bond form)

Section 7. Security and Levy of Tax. One or more series of the Bonds may be payable from a pledge to the punctual payment of the principal of, premium, if any, and interest on the Bonds of the full faith and credit and unlimited taxing power of the City as to all taxable property in the City. The Governing Body is required by law and shall and does hereby pledge itself to levy in each year in which any of the Bonds are outstanding and unpaid a tax, in addition to all other taxes on all taxable property in the City, fully sufficient to pay promptly the principal of, premium, if any, and interest on the Bonds as such principal and interest become due. Principal and interest becoming due at any time, when there shall be insufficient funds on hand from such tax levy, shall be paid from the current funds of the City and reimbursement therefor shall be made out of the taxes hereby provided to be levied when the same shall have been collected. Principal and interest becoming due at any time may also be paid from the interest earned on investment of the proceeds of the Bonds. One or more series of the Bonds may also be payable from a pledge of the revenues of the System; and to the extent so payable, such revenues of the System are hereby irrevocably pledged.

Section 8. Sale of Bonds. a. The Bonds may be sold at either competitive or negotiated sale such as is authorized by Section 9-21-910 of the Act, as determined by the Mayor, in consultation with the Underwriter and Financial Advisor, based on market conditions and other factors deemed relevant at the time in one or more series, at a price of not less than ninety-eight percent (98%) of par, plus accrued interest, as a whole or in part from time to time as shall be determined by the Mayor, in consultation with the Underwriter and Financial Advisor. (i) If the Bonds are to be sold at a public, competitive sale, the following provisions shall apply: The Mayor is hereby authorized to publish a Summary Notice of Sale of the Bonds and to distribute to purchasers of and investors in the Bonds a Detailed Notice of Sale of the Bonds. The forms of Summary Notice of Sale and Detailed Notice of Sale as published and distributed shall be in such form as shall be approved by the Mayor, upon the advice of counsel (including the City Attorney and Bond Counsel) and the Financial Advisor, which approval shall be conclusively evidenced by their publication and distribution, as applicable. (ii) If the Bonds are to be sold at a negotiated sale, the following provisions shall apply: The Mayor and the City Manager, or either of them, is hereby authorized to negotiate with such underwriter or underwriters as may be recommended to the City by the Municipal Advisor, with respect to the purchase and sale of the Bonds. The Mayor or the City Manager, or either of them, is hereby authorized and directed to execute and deliver to the underwriter or underwriters a Bond Purchase Agreement substantially in the form, and having such terms as shall be determined by the Mayor or the City Manager, or either of them, in accordance with the terms of this Resolution, together with such changes as shall be approved by the Mayor or the City Manager, or either of them, upon the advice of counsel (including the City Attorney and Bond Counsel) and the Municipal Advisor, such approval to be conclusively evidenced by the execution thereof.

b. If the Bonds are sold in more than one series, the Mayor and/or City Manager is authorized to cause to be sold in each series an aggregate principal amount of Bonds less than that shown in Section 4 hereof for each series, and to make corresponding adjustments to the maturity schedule of each series designated in Section 4 hereof, so long as the total aggregate principal amount of all series issued does not exceed the total aggregate of Bonds authorized to be issued herein.

c. The Mayor and/or City Manager are further authorized:

i. to change the dated date of the Bonds or any series thereof, to a date other than their date of issuance;

ii. to change the designation of the Bonds, or any series thereof, to a designation other than "Series 2019 Bonds" or "Bonds";

iii. to change the first interest payment date on the Bonds or any series thereof to a date other than December 1, 2019, provided that such date is not later than twelve months from the dated date of the Bonds;

iv. to adjust the principal and interest payment dates and maturity amounts of the Bonds or any series thereof and to sell less than the full par amount of the Bonds herein authorized, provided that (A) the total principal amount of all series of the Bonds does not exceed the total amount of Bonds authorized herein, (B) the first maturity date of the Bonds or any series thereof is a date not earlier than June 1, 2020, and (C) the final maturity date of each series shall not exceed thirty (30) years plus increment from the dated date of its series;

v. to change the City's redemption provisions of the Bonds, provided that the premium amount to be paid on Bonds or any series thereof does not exceed two percent (2%) of the principal amount thereof;

vi. to sell the Bonds, or any series thereof, or any maturities thereof as term bonds with mandatory redemption requirements corresponding to the maturities set forth herein or as otherwise determined by the Mayor and/or City Manager, as shall be deemed most advantageous to the City; and

vii. to cause all or a portion of the Bonds to be insured by a bond insurance policy issued by a nationally recognized bond insurance company to achieve the purposes set forth herein and to serve the best interests of the City and to enter into agreements with such insurance company with respect to any series of Bonds to the extent not inconsistent with this Resolution.

d. The Mayor and/or City Manager is authorized to sell the Bonds, or any series thereof, simultaneously with any other bonds or notes authorized by resolution or resolutions of the Council. The Mayor and/or City Manager is further authorized to sell the Bonds, or any series thereof, as a single issue of bonds with any other bonds with substantially similar terms authorized by resolution or resolutions of the Council, in one or more series as he shall deem to be advantageous to the City and in doing so, the Mayor and/or City Manager is authorized to change the designation of the Bonds to a designation other than "Series 2019 Bonds" or "Bonds"; provided, however, that the total aggregate principal amount of combined bonds to be sold does not exceed the total aggregate principal amount of Bonds authorized by this Resolution or bonds authorized by any other resolution or resolutions adopted by the City.

e. The Mayor and/or City Manager is authorized to award the Bonds, or any series thereof, to the bidder whose bid results in the lowest true interest cost to the City, provided the rate or rates on the Bonds does not exceed the maximum rate permitted by law. The award of the Bonds by the Mayor to the lowest bidder shall be binding on the City, and no further action of the City with respect thereto shall be required. The form of the Bond set forth in Section 6 hereof shall be conformed to reflect any changes made pursuant to this Section 8 hereof.

e. The Mayor, City Manager, and City Clerk, or any of them, are authorized to cause the Bonds, in book-entry form (except as otherwise permitted herein), to be authenticated and delivered by the Registrar to the successful bidder and to execute, publish, and deliver all certificates and documents, including an official statement and closing certificates, as they shall deem necessary in connection with the sale and delivery of the Bonds.

f. The City acknowledges receipt from the Municipal Advisor or Underwriter of pertinent fee information and estimated expenses associated with the negotiated sale and issuance of the Bonds.

g. Without limiting the foregoing provisions of this Section 8, the Mayor and the City Manager, or either of them, in consultation with the Original Purchaser and Municipal Advisor, based on market conditions and other factors deemed relevant at this time, are authorized to determine whether the Bonds shall be issued or not.

h. The Mayor and the City Manager, and either of them, are authorized to engage the services of the Municipal Advisor, the Registration Agent, Bond Counsel, and such other advisors as he shall deem expedient to the consummation of the transactions authorized by this resolution, and to execute in the City's name and on its behalf such contracts for their services as he shall determine necessary or advisable in connection therewith.

i. If any of the determinations made by the Mayor and the City Manager, or either of them, as contemplated in this Section 8, are not set forth in the Bond Purchase Agreement or another closing document, there shall be included in the transcript of closing documents for the Bonds a written certification specifying and evidencing all such determinations which have been made.

Section 9. Disposition of Bond Proceeds. The proceeds of the sale of the Bonds shall be disbursed as follows:

- a. all accrued interest shall be deposited to the appropriate fund of the City to be used to pay interest on the Bonds on the first interest payment date following delivery of the Bonds;
- b. an amount, which together with other available funds and investment earnings thereon, if any, and legally available funds of the City, if any, will be sufficient to pay principal of and interest on the Refunded Obligations shall be used to redeem the Refunded Obligations on the date of issuance of the Bonds.
- c. the remainder of the proceeds of the sale of the Bonds shall be used by the City to pay costs of issuance.

Section 10. Official Statement. The Mayor and the City Manager, or either of them, are hereby authorized and directed to provide for the preparation and distribution, which may be through electronic methods, of a Preliminary Official Statement describing the Bonds and the City. The Mayor and the City Manager, or either of them, shall make such completions, omissions, insertions and changes in the Preliminary Official Statement not inconsistent with this resolution as are necessary or desirable to complete it as a final Official Statement for purposes of Rule 15c2-12(e)(3) of the Securities and Exchange Commission. The Mayor and the Director, or either of them, shall arrange for the delivery, which may be through electronic methods, to the Original Purchaser of the Bonds of a reasonable number of copies of the Official Statement within seven business days after the Bonds have been sold for delivery by the Original Purchaser to each potential investor requesting a copy of the Official Statement.

The Mayor and the City Manager, or either of them, are authorized, on behalf of the City, to deem the Preliminary Official Statement and the Official Statement in final form, each to be final as of its date within the meaning of Rule 15c2-12(b)(1), except for the omission in the Preliminary Official Statement of certain pricing and other information allowed to be omitted pursuant to such Rule 15c2-12(b)(1). The distribution of the Preliminary Official Statement and the Official Statement in final form shall be conclusive evidence that each has been deemed in final form as of its date by the County except for the omission in the Preliminary Official Statement of such pricing and other information.

No Official Statement need be prepared if the Bonds are sold to a purchaser that does not intend to re-offer the Bonds to the public.

Section 11. Federal Tax Covenants. The City recognizes that the purchasers and holders of the Bonds will have accepted them on, and paid therefor a price that reflects, the understanding that, except as may appear on the faces of any series of bonds designated federally-taxable, interest thereon is excluded from gross income for purposes of federal income taxation under laws in force on the date of delivery of the Bonds. Accordingly, the City covenants and agrees to comply with the provisions of Sections 103 and 141 through 150 of the Code and the applicable Treasury Regulations promulgated thereunder or otherwise applicable thereto, in each case whether prospective or retroactive, that must be satisfied in order that interest on the Tax-Exempt Bonds shall be and continue to be excluded from gross income for federal income tax purposes under said Sections 103 and 141 through 150. It is the reasonable expectation of the Council that the proceeds of the Bonds will not be used in a manner which will cause the Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Code, and to this end the said proceeds of the Bonds 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 Bonds to the United States government, it will make such payments as and when required thereby and will take such other actions as shall be necessary or permitted to prevent the interest on the Bonds from becoming subject to inclusion in the gross income for purposes of federal income taxation. The Mayor and the City Manager, or either of them, are authorized and directed to make such certifications in this regard in connection with the sale of the Bonds as any or all shall deem appropriate, and such certifications shall constitute a representation and certification of the City.

Section 12. Discharge and Satisfaction of Bonds. If the City shall pay and discharge the indebtedness evidenced by any of the Bonds in any one or more of the following ways, to wit:

a. By paying or causing to be paid, by deposit of sufficient funds as and when required with the Registrar, the principal of and interest on such Bonds as and when the same become due and payable;

b. By depositing or causing to be deposited with any trust company or financial institution whose deposits are insured by the Federal Deposit Insurance Corporation or similar federal agency and which has trust powers (an "Agent"; which Agent may be the Registrar) in trust or escrow, on or before the date of maturity or redemption, sufficient money or Defeasance Obligations, as hereafter defined, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Bonds and to pay interest thereon when due until the maturity or redemption date (provided, if such Bonds are to be redeemed prior to maturity thereof, proper notice of such redemption shall have been given or adequate provision shall have been made for the giving of such notice);

c. By delivering such Bonds to the Registrar, for cancellation by it; and if the City shall also pay or cause to be paid all other sums payable hereunder by the City with respect to such Bonds, or make adequate provision therefor, and by resolution of the Council instruct any such Escrow Agent to pay amounts when and as required to the Registrar for the payment of principal of and interest on such Bonds when due, then and in that case the indebtedness evidenced by such Bonds shall be discharged and satisfied and all covenants, agreements and obligations of the City to the holders of such Bonds shall be fully discharged and satisfied and shall thereupon cease, terminate and become void.

If the City shall pay and discharge the indebtedness evidenced by any of the Bonds in the manner provided in either clause a. or clause b. above, then the registered owners thereof shall thereafter be entitled only to payment out of the money or Federal Obligations deposited as aforesaid.

Except as otherwise provided in this Section, neither Defeasance Obligations nor moneys deposited with the Registrar pursuant to this Section nor principal or interest payments on any such Defeasance Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal and interest on said Bonds; provided that any cash received from such principal or interest payments on such Defeasance Obligations deposited with the Registrar, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to the City as received by the Registrar and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Defeasance Obligations maturing at times and in amounts sufficient to pay when due the principal and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the City, as received by the Registrar.

Section 13. Continuing Disclosure. The City hereby covenants and agrees that it will provide financial information and material event notices if and as required by Rule 15c2-12 of the Securities and Exchange Commission for the Bonds. The Mayor and the City Manager, or either of them, are authorized to execute at the closing of the sale of the Bonds, an agreement for the benefit of and enforceable by the owners of the Bonds specifying the details of the financial information and material event notices to be provided and its obligations relating thereto. Failure of the City to comply with the undertaking herein described and to be detailed in said closing agreement shall not be a default hereunder, but any such failure shall entitle the owner or owners of any of the Bonds to take such actions and to initiate such proceedings as shall be necessary and appropriate to cause the City to comply with its undertaking as set forth herein and in said agreement, including the remedies of mandamus and specific performance. The Mayor and the City Manager, or either of them, are authorized to engage the services of a dissemination agent to facilitate the County's continuing compliance with its obligations in respect of continuing disclosure pursuant to Rule 15c2-12.

Section 14. Resolution a Contract. The provisions of this Resolution shall constitute a contract between the City and the registered owners of the Bonds, and after the issuance of the Bonds, no change, variation or alteration of any kind in the provisions of this Resolution shall be made in any manner until such time as the Bonds and interest due thereon shall have been paid in full.

Section 15. Separability. 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 of this Resolution.

Section 16. Repeal of Conflicting Resolutions and Effective Date. All other 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 immediate effect from and after its adoption.

Adopted and approved this ____ day of December, 2019.

James Mayberry, Mayor

ATTEST:

City Clerk