

HARTSVILLE/TROUSDALE COUNTY METROPOLITAN GOVERNMENT

RESOLUTION #2023-20-789

**RESOLUTION AUTHORIZING THE EXECUTION, TERMS, ISSUANCE, SALE, AND PAYMENT OF
NOT TO EXCEED \$3,264,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2023,
OF THE HARTSVILLE/TROUSDALE COUNTY GOVERNMENT (TENNESSEE), AND
PROVIDING THE DETAILS THEREOF**

WHEREAS, the Hartsville/Trousdale County Government (the "County"), has heretofore entered into (i) that certain Loan Agreement, dated October 28, 2016, in the original principal amount of \$2,650,062, by and among the PBA City of Clarksville (the "Authority"), the County, and First Horizon Bank (formerly First Tennessee Bank National Association (the "Bank"), which matures May 25, 2024 through May 25, 2037, outstanding in the principal amount of \$1,964,000 (the "2016 School Loan"), the proceeds of the 2016 School Loan having been used to finance energy system improvements at the Hartsville/Trousdale Elementary School; and, (ii) that certain Loan Agreement, dated December 16, 2016, in the original principal amount of \$1,750,000, by and among the Authority, the County, and the Bank, which matures May 25, 2024 through May 25, 2037, outstanding in the principal amount of \$1,300,000 (the "2016 CJC Loan"), the proceeds of the 2016 CJC Loan having been used to finance the renovation of a County owned building for use as a criminal justice center (the 2016 School Loan and 2016 CJC Loan being herein called, collectively, the "Outstanding Indebtedness")

WHEREAS, the Outstanding Indebtedness bears interest at a variable rate;

WHEREAS, the County desires to prepay the Outstanding Indebtedness in order to lock in a fixed rate of interest due to the uncertainty and risk of variable rate debt and in order to better budget for debt service;

WHEREAS, the Outstanding Indebtedness evidenced by the Loan Agreements may be prepaid at any time with no prepayment penalty;

WHEREAS, the County Commission of the County has determined that it is in the best interests of the County to prepay such Outstanding Indebtedness on the earliest practicable date;

WHEREAS, the County is authorized by Title 9, Chapter 21, Tennessee Code Annotated, as amended (the "Act"), to issue and sell refunding bonds for the purpose of prepaying the Outstanding Indebtedness prior to its maturity;

WHEREAS, a plan of refunding for the Outstanding Indebtedness and a request to sell the refunding bonds by negotiated sale have been submitted to the Director of the Division of Local Government Finance for review as required by Sections 9-21-903, and 9-21-910, respectively, Tennessee Code Annotated, as amended, and the Director of the Division of Local Government Finance has issued a report thereon;

WHEREAS, the County Commission finds that it is now, therefore, necessary and desirable to provide for the execution, terms, issuance, sale, and payment of not to exceed \$3,264,000 General Obligation Refunding Bonds, Series 2023 (the "Bonds"); and,

WHEREAS, it is necessary to authorize the form of, terms, and execution of, an agreement for the purchase of the Bonds (the "Bond Purchase Agreement"), to be entered into by and between the purchaser of the Bonds and the County (the "Purchaser"), in connection with the purchase of the Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNTY COMMISSION OF THE HARTSVILLE/TROUSDALE COUNTY GOVERNEMENT, AS FOLLOWS:

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

Section 2. **Definitions.** Without limiting any other definitions of terms and words in other sections of this Resolution, the following words and terms shall have the meanings indicated unless otherwise plainly apparent from the context:

"Act" means Title 9, Chapter 21, Tennessee Code Annotated, as amended.

"Authorized Representative of the County" means the then County Mayor or the then County Clerk of the County, authorized by resolution or by law to act on behalf of and bind the County.

"Bond" means individually, or "Bonds" means collectively, the General Obligation Refunding Bonds, Series 2023, of the County authorized by this Resolution of the County Commission.

"Bond Counsel" means an attorney or firm of attorneys recognized as having experience in matters relating to the issuance of municipal obligations.

"Bond Purchase Agreement" means that certain Bond Purchase Agreement, dated the date of the sale of the Bonds, between the County and the Purchaser.

"Bond Registrar" means the County Clerk of the County, or his or her successor, or successors hereafter appointed in the manner provided in this Resolution.

"Closing Date" means the date of delivery and payment of the Bonds.

"Code" means the Internal Revenue Code of 1986, as amended, and the applicable regulations of the United States Department of the Treasury promulgated thereunder, as in effect on the date of issuance of the Bonds and as hereafter amended, supplemented, or revised insofar as such amendments, supplements, or revisions shall pertain to or affect the Bonds.

"County Clerk" means the duly appointed, qualified, and acting County Clerk of the County, or his or her successors.

"County Commission" means the County Commission of the County.

"County Mayor" means the duly elected, qualified, and acting County Mayor of the County, or his or her successors.

"Interest Payment Date" means each date on which interest shall be payable on any of the Bonds, according to their respective terms so long as any of the Bonds shall be Outstanding.

"Owner", when used with reference to the Bonds, means any entity who shall be the registered owner of any then outstanding Bond or Bonds.

"Principal Payment Date" means such date on which principal shall be payable on any of the Bonds, according to their respective terms so long as any of the Bonds shall be outstanding.

"Resolution" means this Resolution, as supplemented and amended.

"Scheduled Put Option Date" means the fifth anniversary of the date of the closing of the Bonds, subject to extension as set forth in Section 5(c) hereof, and if extended, the fifth anniversary of the prior Scheduled Put Option Date.

"State" means the State of Tennessee.

Section 3. Authorization. For the purpose of providing funds, together with funds of the County, to prepay the Outstanding Indebtedness, there is hereby authorized to be issued General Obligation Refunding Bonds of the County in the aggregate principal amount of not to exceed \$3,264,000. No Bonds may be issued under the provisions of this Resolution except in accordance herewith. The County Commission hereby finds that it is advantageous to the County to issue the Bonds to prepay the Outstanding Indebtedness.

Section 4. Form of Bonds; Execution.

(a) The Bonds are issuable only as fully registered bonds, without coupons. All Bonds issued under this Resolution shall be substantially in the form set forth in Exhibit "A" attached hereto, and by this reference incorporated herein as fully as though copied, with such appropriate variations, omissions, and insertions as are permitted or required by this Resolution, the blanks therein to be appropriately completed when the Bonds are prepared, and may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law with respect thereto or as otherwise desired by the County. The Bonds shall be numbered consecutively from one upwards.

(b) The Bonds shall be executed in such manner as may be prescribed by applicable law in the name, and on behalf, of the County with the manual signature of the County Mayor and attested with the manual signature of the County Clerk. The Bonds shall not be valid for any purpose unless authenticated by the manual signature of the Bond Registrar on the certificate set forth on the Bonds.

(c) In the event any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes as if he or she had remained in office until such delivery. Any Bond may bear the signature of such individuals who, at the actual time of the execution of such Bond, were the proper officers of the County to sign such Bond, although on the date of the adoption by the County of this Resolution, such individuals may not have been such officers.

Section 5. Terms, Payment, and Certain Other Provisions of the Bonds.

(a) The Bonds shall be designated "General Obligation Refunding Bonds, Series 2023". Each Bond shall be dated the date of issuance and delivery, or such other date as the Authorized Representatives of the County executing the Bonds shall determine; shall be sold at the price of par; shall bear interest from the date thereof at a rate or rates to be hereafter determined by the officials of the County executing the Bonds when said Bonds are sold, but not exceeding 4.50% per annum, such interest being payable semiannually on the first day of June and December of each year, commencing December 1, 2023; and, shall be payable on the first day of June in the principal amounts set forth in the Bond Purchase Agreement with the final maturity date of June 1, 2037; provided, however, that the County Mayor is

hereby authorized to make such adjustments in the principal amounts as are necessary to provide the most effective overall debt service for the County. If the Bonds are issued through the Tennessee Municipal Bond Fund ("TMBF"), fixed rate loan program, the rate of interest will include an annual fee equal to 15 basis points (0.15%), payable to TMBF by the bank, to be paid from each periodic payment of interest on the Bonds, based on the outstanding principal amount of the Bonds.

In the event that any amount payable on any Bond 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 Bond as a prepayment thereof without penalty, and such excess shall not be considered to be interest.

The principal of, and all installments of interest on, any Bond shall bear interest from and after their respective due dates at a rate of interest equal to the rate of interest payable on the principal of such Bond. 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.

(b) Interest on the Bonds shall be payable by wire transfer, electronic means, or by check or other form of draft of the Bond Registrar, deposited by the Bond Registrar in the United States mail, first class postage prepaid, in sealed envelopes, addressed to the Owner of such Bonds, as of the applicable Interest Payment Date, at its address as shown on the Registration Books of the County maintained by the Bond 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 Bonds 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.

(c) The Purchaser, at its sole option, may (i) extend the Scheduled Put Option Date for purposes of the Bonds for an additional five (5) years, upon such terms as may be mutually agreed upon by the Purchaser, the County, and the Tennessee Municipal Bond Fund (the "Administrator"), or (ii) put the Bonds to the County for purchase on such Scheduled Put Option Date; provided, however, unless on or before one hundred eighty (180) days prior to the Scheduled Put Option Date, the Purchaser shall have notified the County and the Administrator, in writing, that it intends to put the Bonds to the County for purchase on the next Scheduled Put Option Date, then the Purchaser shall be obligated to extend the Scheduled Put Option Date for an additional five (5) year term, from the then stated Scheduled Put Option Date.

If the Purchaser elects (or is deemed to have elected) to extend the Scheduled Put Option Date, its obligation to do so shall nevertheless be conditioned on no default under the Bonds existing on the Scheduled Put Option Date.

Further, if the Purchaser elects (or is deemed to have elected) to extend the Scheduled Put Option Date, it may at its sole option, elect to modify the interest rate on the Bonds, by notice delivered to the County and the Administrator, not less than eighty-five (85) days prior to the Scheduled Put Option Date.

(d) The County Commission of the County understands and is aware that the Purchaser has the option to put the Bond for purchase to the County during the term of the Bonds (the "Put Option"), at certain intervals upon not less than one hundred eighty days' written notice to the County, the Administrator, and the County.

The County Commission is aware of the risks and benefits associated with the Bonds and the Put Option. The County Commission finds that the repayment structure of the Bonds (including the Put Option) is in the public interest of the County.

The County Commission further agrees that it is willing to pay additional issuance costs associated with the refunding of the Bonds 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 County is unable to pay the Bonds in full on such date and no subsequent holder can be determined, the County Commission commits to refund the Bonds in the following manner:

- (x) the County Commission 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 Bonds; 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 Bonds.**

The County Commission has not retained an independent municipal advisor in connection with the issuance of the Bonds. The County Commission understands and acknowledges that the Purchaser does not owe a fiduciary duty to the County and that the Purchaser is acting for its own business and commercial interests. The County Commission has consulted with such advisors and experts as it deems appropriate before the consideration and adoption of this Resolution.

Section 6. **Redemption.** The Bonds shall not be subject to redemption, in whole or in part, during the first five years from the date of closing. Thereafter, the Bonds shall be subject to redemption, in whole or in part, at the option of the County, upon thirty (30) days written notice to the Purchaser, at the price of par plus accrued interest to the date of redemption.

Section 7. **Registration, Negotiability, and Payment.** The County Clerk of the County is hereby appointed the Bond Registrar and paying agent (the "Bond Registrar"), and as such shall establish and maintain suitable books (the "Registration Books"), for recording the registration, conversion, and payment of the Bonds, and shall also perform such other duties as may be required in connection with any of the foregoing. The Bond Registrar is hereby authorized to authenticate and deliver the Bonds to the original purchaser thereof, or as it may designate, upon receipt by the County 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 Bonds to be transferred in proper form with proper documentation as herein described. The Bonds shall not be valid for any purpose unless authenticated by the Bond Registrar by the manual signature of the Bond Registrar on the certificate set forth in Exhibit "A" hereto. The Bonds 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 Bonds shall be valid unless such transfer is noted upon the Registration Books and until such Bond is surrendered, cancelled, and exchanged for a new Bond which shall be issued to the transferee, subject to all the conditions contained herein.

Section 8. **Transfer of Bonds.**

- (a) Each Bond shall be transferable only on the Registration Books maintained by the Bond Registrar at the office of the Bond Registrar, upon the surrender for cancellation thereof at the office of the Bond

Registrar, together with an assignment of such Bond 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 Bond, the Bond Registrar shall, in exchange for the surrendered Bond or Bonds, deliver in the name of the transferee or transferees a new Bond or Bonds of authorized denominations, of the same aggregate principal amount and maturity and rate of interest as such surrendered Bond or Bonds, and the transferee or transferees shall take such new Bond or Bonds subject to all of the conditions herein contained.

(b) The County and the Bond Registrar may deem and treat the entity in whose name any Bond shall be registered upon the Registration Books maintained by the Bond Registrar as the absolute owner thereof, whether such Bond shall be overdue or not, for the purpose of receiving payment of the principal of, and the interest on, such Bond and for all other purposes. All such payments so made to the registered Owner thereof shall be valid and effectual to satisfy and discharge the liability of the County or the Bond Registrar upon such Bond to the extent of the sum or sums so paid. Neither the County nor the Bond Registrar shall be affected by any notice to the contrary.

Section 9. **Regulations with Respect to Transfers.** In all cases in which the privilege of transferring Bonds is exercised, the County shall execute, and the Bond Registrar shall deliver, Bonds in accordance with the provisions of this Resolution. For every transfer of Bonds, whether temporary or definitive, the County and the Bond 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 exchange or transfer, all of which taxes, fees, and other governmental charges shall be paid by the person or entity requesting such transfer as a condition precedent to the exercise of the privilege of making such transfer. Neither the County nor the Bond Registrar shall be obligated to transfer any Bond after the fifteenth (15th) calendar day of the month next preceding an Interest Payment Date.

Section 10. **Mutilated, Lost, Stolen, or Destroyed Bonds.** In the event any Bond issued hereunder shall become mutilated, or be lost, stolen, or destroyed, such Bond shall, at the written request of the Owner, be cancelled on the Registration Books and a new Bond shall be authenticated and delivered, corresponding in all aspects but number to the mutilated, lost, stolen, or destroyed Bond. Thereafter, should such mutilated, lost, stolen, or destroyed Bond or Bonds come into possession of the Owner, such Bonds shall be returned to the Bond Registrar for destruction by the Bond Registrar. If the principal on said mutilated, lost, stolen, or destroyed Bond shall be due within fifteen (15) calendar days of receipt of the written request of the Owner for authentication and delivery of a new Bond, payment therefor shall be made as scheduled in lieu of issuing a new Bond. In every case the Owner shall certify in writing as to the destruction, theft, or loss of such Bond, and shall provide indemnification satisfactory to the County and to the Bond Registrar, if required by the County and the Bond Registrar.

Section 11. **Authentication.** Only such of the Bonds as shall have endorsed thereon a certificate of authentication, substantially in the form set forth in Exhibit "A" hereto duly executed by the Bond Registrar shall be entitled to the rights, benefits, and security of this Resolution. No Bond shall be valid or obligatory for any purpose unless, and until, such certificate of authentication shall have been duly executed by the Bond Registrar. Such executed certificate of authentication by the Bond Registrar upon any such Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under the Resolution as of the date of authentication.

Section 12. **Source of Payment and Security.** The Bonds, including the principal thereof and the interest thereon, shall be payable from funds of the County legally available therefor and to the extent necessary from ad valorem taxes to be levied for such purpose on all taxable property within the corporate limits of the County without limitation as to time, rate, or amount. The Bonds shall be a direct general obligation of the County, for which the punctual payment of the principal of and interest on the Bonds the full faith and credit of the County is hereby irrevocably pledged.

Section 13. **Levy of Taxes.** For the purpose of providing for the payment of the principal of, and interest on, the Bonds, there shall be levied in each year in which such Bonds shall be outstanding, to the extent necessary, a direct tax on all taxable property in the County, 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 County, shall be in addition to all other taxes, and shall be without limitation as to time, rate, or amount. The County Commission of the County is required by law and shall and does hereby pledge to levy such tax. Principal and interest, or either of the foregoing, 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 County, but reimbursement therefor may be made from the taxes herein provided when the same shall have been collected.

Section 14. **Sale of Bonds.**

(a) The Bonds herein authorized are authorized to be sold by the County Mayor at a private negotiated sale at a price of not less than par in accordance with the provisions of the Bond Purchase Agreement. The Bonds shall contain such terms, conditions, and provisions other than as expressly provided or limited herein as may be agreed upon by the County Mayor of the County and the purchaser of the Bonds, as set forth in such Bond Purchase Agreement.

The County Mayor, in consultation with the Purchaser of the Bonds, is authorized, prior to the sale of the Bonds and the execution of the Bond Purchase Agreement, to make such changes in the structuring of the terms of the Bonds as the County Mayor shall deem necessary to provide for the most efficient refunding of the Outstanding Indebtedness, as may be in the best interests of the County. In this regard, the County Mayor, in consultation with the Purchaser of the Bonds, is authorized to cause to be sold an aggregate principal amount of the Bonds less than that authorized herein and to change the redemption provisions set forth in Section 6 hereof; provided, however, that no redemption premium shall be greater than two percent (2%).

(b) The form, content, and provisions of the Bond Purchase Agreement as presented to this meeting of the County Commission and attached hereto as Exhibit "B," are in all particulars approved, and the County Mayor and the County Clerk are hereby authorized, empowered, and directed to execute, acknowledge, and deliver said Bond Purchase Agreement in the name, and on behalf of the County.

The Bond Purchase Agreement is to be in substantially the form now before this meeting of the County Commission, or with such changes therein as shall be approved by the County Mayor and County Clerk executing the same, their execution thereof to constitute conclusive evidence of the approval of any and all such changes or revisions.

The Authorized Representatives of the County are hereby authorized, empowered, and directed, from and after the execution and delivery of the Bond Purchase Agreement to do all acts and things, and execute all documents, as may be necessary or convenient to carry out, and comply with, the provisions of said Bond Purchase Agreement, as executed and delivered.

Section 15. **Disposition of Bond Proceeds.** The proceeds from the sale of the Bonds shall be paid to the official of the County designated by law as the custodian of the funds thereof. Said proceeds shall be used, together with other available funds of the County to prepay the Outstanding Indebtedness, such prepayment to occur on the first available date, but in no event later than eighty-nine (89) days from the date of issuance of the Bonds and to pay costs of issuance in connection with the Bonds.

Section 16. **Prepayment of the Outstanding Indebtedness.** Upon the adoption of the Resolution, the Outstanding Indebtedness maturing May 25, 2024 through May 25, 2037, inclusive, is hereby authorized to be prepaid, in accordance with the provisions of the respective Loan Agreements.

Section 17. **Non-Arbitrage Certification.** The County certifies and covenants with the Owner of the Bonds that so long as the principal of any Bond remains unpaid, monies on deposit in any fund or account in connection with the Bonds, whether or not from any other source, will not be used in a manner which will cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code. The County reserves the right, however, to make any investment of such monies permitted by Tennessee law and this Resolution if, when, and to the extent that said Section 148 or regulations promulgated thereunder shall be repealed or relaxed or shall be held void by final decision of a court of competent jurisdiction, but only if any investment made by virtue of such repeal, relaxation, or decision would not, in the opinion of Bond Counsel, result in making the interest on the Bonds subject to federal income taxation.

The County covenants that it shall comply with Section 148(f) of the Code, unless legally exempted therefrom, and the County represents that in the event it shall be required by Section 148(f) of the Code to pay "Rebatable Arbitrage," as such term is defined and used in the Code, pursuant to the Code, 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 Bonds from becoming subject to inclusion in the gross income of the Owner of the Bonds for purposes of federal income taxation.

Section 18. **Designation of Bonds Qualified Tax-Exempt Obligations.** The County hereby designates the Bonds as "qualified tax-exempt obligations" within the meaning and for the purpose of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. The County reasonably anticipates that the amount of tax-exempt obligations (other than obligations described in Section 265(b)(3)(C)(ii)) which will be issued during the calendar year by the County (i) any issuer with respect to which the County is deemed to be an "on behalf of" issuer, and (ii) all subordinate entities which are treated as one issuer under Section 265(b)(3)(E) of the Code, will not exceed \$10,000,000, and not more than \$10,000,000 of obligations issued by the County (together with those issued by any other issuers that are treated as on issuer under such Section 265(b)(3)) during the 2023 calendar year will be designated as "qualified tax-exempt obligations".

Section 19. **Resolution a Contract; Amendments.** The provisions of this Resolution shall constitute a contract between the County and the Owner of the Bonds and after the issuance of the Bonds, no change, variation, or alteration of any kind in the provisions of this Resolution which would impair the rights of the Owner shall be made in any manner, until such time as all installments of the principal of and interest on the Bonds shall have been paid in full unless the consent of all of the Owner of all then outstanding Bonds has been obtained; provided, however, that the County is hereby authorized to make such amendments to this Resolution as will not impair the rights of the Owner. The laws of the State of Tennessee shall govern this Resolution.

Section 20. **Remedies.** Any Owner of the Bonds shall have such remedies as provided by Title 9, Chapter 21, Section 216, Tennessee Code Annotated, as amended.

Section 21. **Failure to Present Bonds.** In the event any Bond shall not be presented for payment when the principal becomes due at maturity and in the event monies sufficient to pay such Bond shall be held by the Bond Registrar for the benefit of the Owner thereof, all liability of the County to such Owner for the payment of such Bond shall forthwith cease, terminate, and be completely discharged. Thereupon, the Bond Registrar shall hold such monies, without liability for interest thereon, for the benefit of the Owner of such Bond who shall thereafter be restricted exclusively to such monies for any claim under this Resolution or on, or with respect to, said Bond, subject to escheat or other similar law, and any applicable statute of limitation.

Section 22. **Payments Due on Saturdays, Sundays, and Holidays.** In any case where the date of maturity or interest on or principal of any Bond shall be a Saturday or Sunday or shall be, at the place designated for payment, a legal holiday or a day on which banking institutions in the State of Tennessee are authorized by law to close, then the payment of the interest on, or the principal of such Bond 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 in the State of Tennessee 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 23. **No Action to be Taken Affecting Validity of the Bonds.** The County Commission hereby covenants and agrees that it will not take any action, that would in any manner affect the validity of the Bonds or limit the rights and remedies of the Owner from time to time of such Bonds or affect the exclusion of interest thereon from the gross income of the Owner thereof for federal income tax purposes.

Section 24. **Miscellaneous Acts.** The County Mayor, the County Clerk, the County Trustee, and the County Attorney, and all other appropriate officials of the County, 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 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 Bonds and for the redemption of the Outstanding Indebtedness.

Section 25. **No Recourse Under Resolution or on Bonds.** All stipulations, promises, agreements, and obligations of the County contained in this Resolution shall be deemed to be the stipulations, promises, agreements, and obligations of the County and not of any officer, director, or employee of the County in his or her individual capacity, and no recourse shall be had for the payment of the principal of or interest on the Bonds or for any claim based thereon or on this Resolution against any officer, director, or employee of the County or against any official or individual executing the Bonds.

Section 26. **Partial Invalidity.** If any one or more of the sections, paragraph, or provisions of this Resolution, or of any exhibit or attachment hereto, shall be held invalid, illegal, or unenforceable in any respect, by final decree of any court of lawful jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, or of any exhibit or attachment hereto, but this Resolution, and the exhibits and attachments hereto, shall be construed the same as if such invalid, illegal, or unenforceable provision had never been contained herein or therein, as the case may be.

Section 27. **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 immediate effect from and after its adoption, the welfare of the County requiring it.

Motion: To approve RES 2023-20-789 Debt issuance up to 1.9M


Motion to approve: Landon Gulley **Roll Call Vote**
Second motion: Amber Russell YES 18 NO 0 ABSENT 2

RESOLVED AND APPROVED JUNE 26, 2023 IN REGULAR SESSION

APPROVED:

ATTEST:


Jack McCall
Commission Chair


Rita Crowder
County Clerk

**STATE OF TENNESSEE)
COUNTY OF TROUSDALE)**

I, Rita Crowder, hereby certify that I am the duly qualified and acting County Clerk of the Hartsville/Trousdale County Government (the "County"), 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 County Commission (the "County Commission"), of said County held on June 26, 2023; (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 authorization of the issuance of not to exceed \$3,264,000 General Obligation Refunding Bonds, Series 2023, by said County; (4) that the actions by said County Commission, 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 County Commission was present and acting throughout said meeting.

WITNESS my official signature and the seal of said County this 26th day of June, 2023.

County Clerk

(SEAL)

EXHIBIT A - FORM OF BOND

**Registered
No. _____**

**Registered
\$ _____**

**UNITED STATES OF AMERICA
STATE OF TENNESSEE
HARTSVILLE/TROUSDALE COUNTY GOVERNMENT
GENERAL OBLIGATION REFUNDING BOND,
SERIES 2023**

Dated Date:

Registered Owner:

Principal Amount:

THE HARTSVILLE/TROUSDALE COUNTY METROPOLITAN GOVERNMENT (the "County"), a lawfully organized and existing public corporation, for value received, hereby acknowledges itself indebted and promises to pay, as hereinafter set forth, in the manner hereinafter provided, to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Principal Payment Dates and in the Principal Amounts set forth on Exhibit A attached hereto and incorporated herein as fully as though copied, and to pay interest on said Principal Amounts from the date hereof, or such later date as to which interest has been paid, to the Principal Payment Dates set forth on Exhibit A, semiannually on June 1 and December 1 of each year, commencing December 1, 2023, at the Interest Rate per annum set forth on Exhibit A, with principal and interest being payable by wire transfer, check, draft, or warrant to the Registered Owner hereof at the address shown on the registration books of the County Clerk maintained at the principal office of the County Clerk, Hartsville, Tennessee, or his or her successor as registrar and paying agent (the "Bond Registrar"), on the fifteenth (15th) calendar day next preceding an interest payment date, in any coin or currency of the United States of America which on the date of payment thereof is legal tender for the payment of public and private debts.

In the event that any amount payable hereunder as interest shall at any time exceed the rate of interest lawfully chargeable on this bond under applicable law, any such excess shall, to the extent of such excess, be applied against the principal hereof 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.

The principal hereof and all installments of interest hereon, shall bear interest from and after their respective due dates at the same rate of interest payable on the principal hereof.

This Bond is authorized and issued pursuant to and in full compliance with, the Constitution and the statutes of the State of Tennessee, including, but not limited to, Title 9, Chapter 21, Tennessee Code

Annotated, as amended. Section 9-21-117, Tennessee Code Annotated, as amended, provides that this Bond and the income therefrom shall be exempt from all state, county, and municipal taxation in the State of Tennessee, except inheritance, transfer, and estate taxes, and except as otherwise provided in said Code.

This Bond is known as "General Obligation Refunding Bond, Series 2023" (the "Bond"), issued by the County in the original principal amount of \$3,264,000. The Bond, which is issued for the purpose of providing funds to prepay (i) the outstanding principal of that certain Loan Agreement, dated October 28, 2016, in the original amount of \$2,650,062, the proceeds of such loan having been used by the County to finance energy system improvements at the Hartsville/Trousdale County Elementary School, which is outstanding in the principal amount of \$1,964,000, maturing May 25, 2024 through May 25, 2037, and (ii) the outstanding principal of that certain Loan Agreement, dated December 16, 2016, in the original amount of \$1,750,000, the proceeds of such loan having been used by the County to finance the renovation of a County owned building for use as a Criminal Justice Center, which is outstanding in the principal amount of \$1,300,000, maturing May 25, 2024 through May 25, 2037, is authorized by appropriate resolutions of the County Commission and particularly that certain Resolution of the County Commission, adopted on June 26, 2023, as such resolution may be from time to time amended or supplemented in accordance with its terms (such resolution as so amended or supplemented, being herein called the "Resolution"), and are issued pursuant to, and in full compliance with, the Constitution and the statutes of the State of Tennessee, including, but not limited to, Title 9, Chapter 21, Tennessee Code Annotated, as amended (the "Act"). Copies of said Resolution are on file at the office of the County Clerk of the County, and reference is hereby made to said Resolution and the Act, for a more complete statement of the terms and conditions upon which the Bond is issued thereunder, the rights, duties, immunities, and obligations of the County, and the rights of the Registered Owner hereof.

This Bond is further issued pursuant to the provisions of that certain Bond Purchase Agreement, dated of even date herewith, by and between the County and the purchaser of the Bond (the "Bank"). This Bond shall be subject to the provisions set forth in the Bond Purchase Agreement.

The Bank, as the purchaser of the Bond, at its sole option, may (i) extend the Scheduled Put Option Date, as hereinafter defined, for purposes of the Bond for an additional term of five (5) years, upon such terms as may be mutually agreed upon by the Bank, the County, and the Tennessee Municipal Bond Fund (the "Administrator"), or (ii) put the Bond to the County for purchase on such Scheduled Put Option Date; provided, however, unless on or before one hundred eighty (180) days prior to the Scheduled Put Option Date, the Bank shall have notified the County and the Administrator, in writing, that it intends to put the Bond to the County for purchase on the next Scheduled Put Option Date, then the Bank shall be obligated to extend the Scheduled Put Option Date for an additional five year term another five (5) year term, from the then stated Scheduled Put Option Date..

If the Bank elects (or is deemed to have elected) to extend the Scheduled Put Option Date, its obligation to do so shall nevertheless be conditioned on no default under the Bond existing on the Scheduled Put Option Date.

Further, if the Bank elects (or is deemed to have elected) to extend the Scheduled Put Option Date, it may at its sole option, elect to modify the interest rate on the Bonds by notice delivered to the County and the Administrator not less than eighty-five (85) days prior to the Scheduled Put Option Date.

"*Scheduled Put Option Date*" means the fifth anniversary of the date of the dated date of the Bonds, and if extended, the fifth anniversary of the prior Scheduled Put Option Date.

This Bond is payable from funds of the County 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 County without limitation as to time, rate, or amount. For the prompt payment of this Bond, both principal and interest, as the same shall become due, the full faith, and credit of the County is hereby irrevocably pledged.

The County has designated the Bond as a "qualified tax-exempt obligation" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

Subject to the provisions for registration and transfer contained herein and in the Resolution, this Bond is transferable by the Registered Owner hereof by its attorney or legal representative at the office of the Bond Registrar, but only in the manner and subject to the limitations and conditions provided in the Resolution and upon surrender and cancellation of this Bond. Upon any such transfer, the County shall execute and the Bond Registrar shall authenticate and deliver in exchange for this Bond a new fully registered bond or bonds, registered in the name of the transferee, of authorized denominations, in an aggregate principal amount equal to the principal amount of this Bond, of the same maturity and bearing interest at the same rate. For every exchange or transfer of bonds, whether temporary or definitive, the County and the Bond 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 exchange or transfer, all of which taxes, fees, or other governmental charges shall be paid by the person or entity requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer.

The County and the Bond Registrar may deem and treat the entity in whose name this Bond is registered as the absolute owner hereof, whether such Bond shall be overdue or not, for the purpose of receiving payment of the principal of, and interest on, this Bond and for all other purposes. All such payments so made shall be valid and effectual to satisfy and discharge the liability upon this Bond to the extent of the sum or sums so paid, and neither the County nor the Bond Registrar shall be affected by any notice to the contrary.

The Bond is issuable only as a fully registered Bond, without coupons, in the denomination of \$3,264,000. At the principal office of the Bond Registrar, in the manner and subject to the limitations, conditions, and charges provided in the Resolution, the Bond may be exchanged for an equal principal amount of bonds of the same maturity, of authorized denominations, and bearing interest at the same rate.

The Bond shall not be subject to redemption, in whole or in part, during the first five years from the Dated Date, set forth above. Thereafter, the Bond shall be subject to redemption, in whole or in part, at the option of the County, upon thirty (30) days written notice to the Registered Owner, at the price of par plus accrued interest to the date of redemption.

This Bond shall have all the qualities and incidents of, and shall be a negotiable instrument under, the Uniform Commercial Code of the State of Tennessee, subject only to provisions respecting registration of such Bond. This Bond is issued with the intent that the laws of the State of Tennessee shall govern its construction.

It is hereby certified, recited, and declared that all acts and conditions required to be done and to exist precedent to, and in the issuance of, this Bond in order to make this Bond a legal, valid, and binding obligation of the County, have been done, and did exist in due time and form as required by the Constitution and statutes of the State of Tennessee, and that this Bond and the issue of which it is a part, together with all other indebtedness of such County, does not exceed any limitation prescribed by the Constitution or statutes of the State of Tennessee.

IN WITNESS WHEREOF, THE HARTSVILLE/TROUSDALE COUNTY GOVERNMENT (TENNESSEE), by its County Commission has caused this Bond to be executed by the manual signature of the County Mayor and attested by the manual signature of the County Clerk, all as of _____, 2023.

EXHIBIT B – FORM OF BOND PURCHASE AGREEMENT

**HARTSVILLE/TROUSDALE COUNTY GOVERNEMENT
(TENNESSEE)**

AND

[BANK]

BOND PURCHASE AGREEMENT

Dated: July ____, 2023

**\$3,264,000
GENERAL OBLIGATION REFUNDING BOND,
SERIES 2023**

BOND PURCHASE AGREEMENT

Hartsville/Trousdale County Government (Tennessee)
\$3,264,000
General Obligation Refunding Bond, Series 2023

THIS BOND PURCHASE AGREEMENT (the "Bond Purchase Agreement"), dated July ____, 2023, is by and between the **HARTSVILLE/TROUSDALE COUNTY GOVERNMENT (TENNESSEE)**, a public corporation duly organized and existing under the laws of the State of Tennessee (the "County"), and _____ (the "Purchaser" or the "Bank"):

Section 1. Background.

1.1 (a) The County will issue its \$3,264,000 General Obligation Refunding Bond, Series 2023, dated the date of issuance and delivery (the "Refunding Bond"), for the purpose of providing funds to prepay (i) the outstanding principal of that certain Loan Agreement, dated October 28, 2016, in the original amount of \$2,650,062, the proceeds of such loan having been used by the County to finance energy system improvements at the Hartsville/Trousdale County Elementary School, which is outstanding in the principal amount of \$1,964,000, maturing May 25, 2024 through May 25, 2037, and (ii) the outstanding principal of that certain Loan Agreement, dated December 16, 2016, in the original amount of \$1,750,000, the proceeds of such loan having been used by the County to finance the renovation of a County owned building for use as a Criminal Justice Center, which is outstanding in the principal amount of \$1,300,000, maturing May 25, 2024 through May 25, 2037 (the "Outstanding Indebtedness");

(b) The Refunding Bond is issued pursuant to that certain resolution, adopted by the County Commission of the County, on June 26, 2023 (the "Resolution").

(c) In accordance with the Resolution, the proceeds of the Refunding Bond will be used on July 10, 2023, to prepay the Outstanding Indebtedness.

1.2 The Refunding Bond shall be in substantially the form set forth in the Resolution; shall be issuable as a fully registered bond, in the denomination of \$3,264,000; shall be dated the date of issuance and delivery; shall bear interest from such date payable semiannually on June 1 and December 1 of each year, with the first interest payment to be made on December 1, 2023; shall bear interest at the rate of 4.12%, subject to adjustment as set forth below, and shall mature on the first day of June in the years and in the principal amounts set forth on the debt payment schedule attached hereto as Exhibit "A".

The Bank, as the purchaser of the Refunding Bond, at its sole option, may (i) extend the Scheduled Put Option Date, as hereinafter defined, for purposes of the Refunding Bond for an additional five (5) year term, upon such terms as may be mutually agreed upon by the Bank, the County, and the Tennessee Municipal Bond Fund (the "Administrator"), or (ii) put the Refunding Bond to the County for purchase on such Scheduled Put Option Date; provided, however, unless on or before one hundred eighty (180) days prior to the Scheduled Put Option Date, the Bank shall have notified the County and the Administrator, in writing, that it intends to put the Refunding Bond to the County for purchase on the next Scheduled Put

Option Date, then the Bank shall be obligated to extend the Scheduled Put Option Date for an additional five (5) year term from the then Scheduled Put Option Date.

If the Bank elects (or is deemed to have elected) to extend the Scheduled Put Option Date, its obligation to do so shall nevertheless be conditioned on no default under the Refunding Bond existing on the Scheduled Put Option Date.

Further, if the Bank elects (or is deemed to have elected) to extend the Scheduled Put Option Date, it may at its sole option, elect to modify the interest rate on the Refunding Bond by notice delivered to the County and the Administrator not less than eighty-five (85) days prior to the Scheduled Put Option Date.

"*Scheduled Put Option Date*" means the fifth anniversary of the date of the dated date of the Refunding Bond, subject to extension as set forth herein, and if extended, the fifth anniversary of the prior Schedules Put Option Date.

1.3 The Refunding Bond shall not be subject to redemption, in whole or in part, during the first five (5) years from the date of closing. Thereafter, at the option of the County, upon thirty (30) days calendar days' written notice, to the Bank, the County may prepay the Refunding Bond, in whole or in part, at the price of par plus accrued interest to the date of redemption.

Section 2. Representations and Warranties of the County.

The County represents and warrants to the Bank (which representations and warranties will survive the purchase and delivery of the Refunding Bond) that:

2.1 The County is a municipal corporation duly organized and validly existing under the laws of the State of Tennessee, and is authorized and empowered by the provisions of Title 9, Chapter 21, Tennessee Code Annotated, as the same may be from time to time supplemented and amended (the "Act"), and its Charter to enter into the transactions contemplated by this Bond Purchase Agreement and to carry out its obligations hereunder.

2.2 The County has complied with the provisions of the Act and its Charter and has full power and authority to issue and sell the Refunding Bond as provided herein and in the Resolution and has full power and authority to enter into and has duly authorized the execution and delivery of the Resolution and this Bond Purchase Agreement.

2.3 The Resolution duly adopted by the County and still in force and effect authorizes (1) the execution, delivery, and due performance of this Bond Purchase Agreement and the Refunding Bond, and (ii) the taking of any and all action as may be required on the part of the County to carry out, give effect to and consummate the transactions contemplated by this Bond Purchase Agreement.

2.4 This Bond Purchase Agreement upon its effective date, will, assuming due execution by the other parties hereto, constitute a legal, valid, and binding obligation of the County in accordance with its terms.

2.5 The Refunding Bond, when issued, delivered, and paid for as provided in this Bond Purchase Agreement is the valid and binding obligation of the County enforceable in accordance with and entitled to the benefits and security of the Resolution and the other security therefor.

2.6 There is no action, suit, proceeding, or investigation at law or in equity or before or by any court, public board or body pending or, to the knowledge of the County, threatened against or affecting the County (or, to the knowledge of the County, any basis therefor) wherein an unfavorable decision, ruling, or finding would adversely affect (i) the transactions contemplated by this Bond Purchase Agreement or the validity of the Refunding Bond, the Resolution, this Bond Purchase Agreement, or any agreement or instrument to which the County is a party and which is used or contemplated for use in the completion of the transactions contemplated hereby or (ii) the exclusion of interest on the Refunding Bond from gross income of the holders thereof for federal income tax purposes.

2.7 The execution and delivery of this Bond Purchase Agreement, the Refunding Bond, the Resolution, and the other agreements contemplated hereby and in compliance with the provisions thereof will not conflict with or constitute on the part of the County a breach of or a default under any existing agreement, indenture, mortgage, lease, or other instrument to which the County is subject or by which it is or may be bound or, to the best knowledge of the County, any law, regulation, order, or decree applicable to the County, of any court, regulatory body or administrative body having jurisdiction over the County or its Refunding Bond.

2.8 Any certificate signed by an authorized officer of the County delivered to any other party hereto shall be deemed a representation and warranty by the County to any such party as to the statements made by the County herein.

2.9 No further approval, consent, authorization or order of, or filing, registration or declaration with, or withholding of objection on the part of, any court or regulatory body, federal, state or local, is required in connection with (i) the issuance and delivery of the Refunding Bond by the County, or (ii) the execution or delivery of or compliance by the County with the terms and conditions of this Bond Purchase Agreement, the Resolution, or the Refunding Bond.

2.10 The County will apply the proceeds from the sale of the Refunding Bond as provided in and subject to all the terms of the Resolution and will observe all covenants of County in such Resolution.

2.11 The County will not take any action or permit any action to be taken on its behalf, or cause or permit any circumstances within its control to arise or continue, if such action or circumstances will adversely affect the exclusion from gross income of the interest on the Refunding Bonds for federal tax purposes.

Section 3. Representations and Warranties of the Bank.

3.1 The Bank has received all necessary information with respect to the County necessary in order to purchase the Refunding Bond.

3.2 The Resolution, the Refunding Bond, and this Bond Purchase Agreement have been approved by the Bank and contain the terms agreed to by the Bank.

3.3 The Bank has made its own independent investigation and evaluation of the financial position of the County, or has caused such investigation and evaluation of the County to be made by persons it deems competent to do so.

Section 4. Purchase, Sale, and Closing.

4.1 Subject to the terms and conditions herein set forth, the County agrees to sell to the Bank and the Bank agrees to purchase from the County the Refunding Bond in the principal amount of \$3,264,000 at the price of par.

The closing for the Refunding Bond (the "Closing") will be held on July __, 2023 (the "Closing Date"). Payment for the Refunding Bond shall be made in a manner satisfactory to the County and the Bank in immediately available funds (unless agreed upon otherwise by the Bank) against delivery to the Bank of the Refunding Bond purchased thereby. The Refunding Bond will be delivered at the Closing to the Bank.

4.2 The Bank's obligations to pay for the Refunding Bond and the obligations of the County to issue the Refunding Bond are subject to the fulfillment of the following conditions at or before the Closing:

(a) The County's representations hereunder are true as of the date hereof.

(b) The Resolution shall be in full force and effect and shall not have been amended or modified in any way which would adversely affect the Refunding Bond or the rights of any of the Bank and there shall have been no material adverse change in the properties, business (financial or otherwise), or results of the operation of the County since the date of the adoption of the Resolution.

(c) The County shall not have defaulted in any of its respective covenants hereunder.

(d) The Refunding Bond and the Resolution, shall have been duly authorized, executed, and delivered in the form heretofore approved by the Bank with only such changes therein as the Bank and the other parties thereto shall mutually agree upon.

(e) The Bank shall have received or approved:

(i) an opinion of Bond Counsel, dated as of the Closing, in form and substance satisfactory to the Bank;

(ii) an opinion of counsel to the County, dated as of the Closing, in form and substance satisfactory to the Bank;

(iii) copy of the executed Resolution; and,

(iv) closing certificates in forms satisfactory to the Bank.

(f) As of the date hereof there shall not be any litigation or proceeding pending or threatened challenging the validity of this Bond Purchase Agreement, the Resolution, the Refunding Bond, or any other attendant documents, impairing the ability of the County to pay the Refunding Bond, or seeking to enjoin any of the transactions referred to therein, and the Bank shall have received a certificate or certificates to this effect.

Section 5. Miscellaneous.

5.1 No omission or delay by the Bank or the County in exercising any right or power under this Bond Purchase Agreement will impair such right or power or be construed to be a waiver of any default or an acquiescence therein, any single or partial exercise of any such right or power will not preclude any other or further exercise thereof or the exercise of any other right, and no waiver will be valid unless in writing and signed by the Bank or, if a waiver of default is properly waivable by the County, then signed by the County and the Bank and then only to the extent specified. All remedies herein and by law afforded will be cumulative and will be available to the Bank and the County until the Refunding Bond is paid in full.

5.2 This Bond Purchase Agreement and the rights and obligations of the parties hereunder shall not be assigned nor shall this Bond Purchase Agreement be amended without the written consent of the Bank and the County.

5.3 A written notice required or permitted by this Bond Purchase Agreement may be delivered by depositing it in the United States mail, postage prepaid, as follows:

If to the County:

Hartsville/Trousdale County Government
328 Broadway, Room 6
Hartsville, Tennessee 37074
Attention: County Mayor

If to the Bank:

Attention:

5.4 This Bond Purchase Agreement has been executed and delivered in the State of Tennessee and it is the intention of the parties hereto that such document shall be governed by and construed in accordance with the laws of such State.

5.5 All representations, warranties, and agreements of the County shall remain operative and in full force and effect, regardless of any investigations made by or on behalf of the Bank, and shall survive delivery of the Refunding Bond to the Bank.

5.6 This Bond Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

5.7 The officers of the County shall not be personally liable for any amounts, costs, losses, damages, or liabilities caused or incurred by the County, the Bank, this Bond Purchase Agreement, the Resolution, or any other document or certification whatsoever, or for the payment of any other sum or the performance of any obligation or covenant under any of the above.