

**STATE OF TENNESSEE  
COUNTY OF HAMBLEN  
CORPORATION OF MORRISTOWN  
JULY 17, 2018**

The City Council for the City of Morristown, Hamblen County, Tennessee, met in regular session at the regular meeting place of the Council in the Morristown City Center at 5:00 p.m., Tuesday, July 17, 2018, with the Honorable Mayor Gary Chesney, presiding and the following Councilmembers present; Bob Garrett, Chris Bivens, Kay Senter, Dennis Alvis, Ken Smith, and Tommy Pedigo.

Dr. Cynthia Thompson, Chaplain, Morristown Police Department led in the invocation and Councilmember Alvis led in the "Pledge of Allegiance".

Councilmember Smith made a motion to approve the July 3, 2018, minutes as circulated. Councilmember Alvis seconded the motion and upon roll call; all voted "aye".

Mayor Chesney presented a proclamation to Barbara Garrow, Crossroads Downtown Partnership, declaring the week of August 5<sup>th</sup> – 11<sup>th</sup> 2018, as Farmers Market Week in the City of Morristown.

Councilmember Alvis made a motion to approve Ordinance No. 3612 on second and final reading. Councilmember Smith seconded the motion and upon roll call; all voted "aye".

**Ordinance No. 3612**

**An Ordinance of the City Council of Morristown, Tennessee, Amending Title 9, Business, Peddlers, Solicitors, Etc., Chapter 5 Mobile Food Vending.**

Councilmember Senter made a motion to approve Ordinance No. 3613 on second and final reading. Councilmember Pedigo seconded the motion and upon roll call; all voted "aye".

**Ordinance No. 3613**

**An Ordinance of the City Council of Morristown, Tennessee, Amending Title 14, Zoning and Land Use Control, Chapter 2 General Zoning Provisions, Short-Term Rental Units.**

Councilmember Alvis made a motion to approve Resolution No. 08-18. Councilmember Smith seconded the motion and upon roll call; all voted "aye".

**Resolution No. 08-18**

**A Resolution of the City of Morristown, Directing Payment of Electric Tax Equivalent.**

**Whereas**, Chapter 84, Public Acts of 1987, Tennessee Code Annotated, empowers the City Council to be paid revenues in lieu of taxes by the Morristown Utility Commission; and

**Whereas**, these bodies will consult regarding the amount of tax equivalents to be paid to taxing jurisdictions in the service areas of the electric system; and

**Whereas**, necessary data have been supplied by The Morristown Utility Commission and calculations of tax equivalents payable have been made in accordance with the provisions of Chapter 84, Public Acts of 1987, the TVA Power Contract with the City of Morristown and other relevant contracts between the taxing jurisdictions;

**Now, Therefore, Be it Resolved**, by the Mayor and City Council of the City of Morristown, Tennessee that the Morristown utility Commission is hereby directed to pay the following amount of tax equivalents to the respective taxing jurisdictions for the fiscal year beginning July 1, 2017 and ending June 30, 2018.

Jurisdiction	Amount
City of Morristown	\$1,291,721.93 (77.5%)
Hamblen County	\$ 375,016.05 (22.5%)
<b>Total In-Lieu Tax Payable</b>	<b>\$1,666,737.98</b>

Adopted this the 17<sup>th</sup> day of July 2018.

  
MAYOR

ATTEST:

  
CITY ADMINISTRATOR

Councilmember Pedigo made a motion to approve Resolution 09-18.  
Councilmember Alvis seconded the motion and upon roll call; all voted "aye".


**Resolution No. 09-18**

**A Resolution of the City of Morristown, Directing Payment of Wastewater Tax Equivalent.**

**Be It Resolved** by the Morristown Utility Commission that the Morristown Utility Commission hereby agrees to pay the following amount of wastewater tax equivalents to the City of Morristown for the fiscal year beginning July 1, 2018 and ending June 30, 2019:

Total In-Lieu Tax Payable	\$571,815
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Adopted this the 17<sup>th</sup> day of July 2018.

  
MAYOR

ATTEST:

  
CITY ADMINISTRATOR

Councilmember Alvis made a motion to approve Resolution No. 10-18.  
Councilmember Bivens seconded the motion and upon roll call; Councilmembers Garrett, Bivens, Alvis, Smith, Pedigo and Mayor Chesney voted "aye",  
Councilmember Senter voted "no".

**Resolution No. 10-18**

**Initial Resolution Authorizing the Issuance of Not to Exceed Twenty-four million Five Hundred Thousand Dollars (\$24,500,000) General Obligation Bonds of the City of Morristown, Tennessee.**

**Be It Resolved** by the City Council (the "Council") of the City of Morristown, Tennessee (the "Municipality") that for the purpose of financing, in whole or in part, the (i) acquisition of land for and the construction, improvement, renovation, equipping and/or repair of roads, bridges, streets, highways, sidewalks and related equipment, parks and recreation facilities, public buildings, storm water drainage systems, water system, sewer system, electric distribution system, cable television and internet system, fire department equipment and buildings, law enforcement buildings and equipment, libraries, and the acquisition of related vehicles and equipment including, but not limited to, lighting, computers and other technological equipment (the "Projects"); (ii) acquisition of all property, real and personal, appurtenant to the Projects, (iii) payment of legal, fiscal, administrative, architectural and engineering costs incident to the Projects and incident to the indebtedness described herein and (iv) payment of capitalized interest during construction of the Projects and for up to six months thereafter, there shall be issued bonds, in one or more emissions, of said Municipality in the aggregate principal amount of not to exceed \$24,500,000 which shall bear interest at a rate or rates not to exceed five percent (5.00%) per annum. The bonds shall be payable from ad valorem taxes to be levied on all taxable property within the corporate limits of the Municipality, provided that the portions of the bonds that finance improvements to storm water drainage systems, the water system, the sewer system, the electric distribution system and the cable television and internet system of the Municipality shall also be payable from but not secured by the revenues of such respective systems.

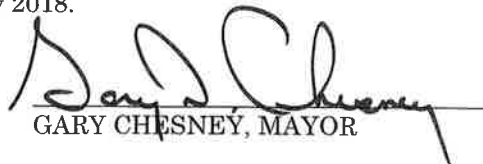
**Be It Further Resolved** by the City Council of the City of Morristown, Tennessee that the City Recorder of the Municipality be, and is, hereby directed and instructed to cause the foregoing initial resolution relative to the issuance of not to exceed \$24,500,000 in general obligation bonds to be published in full in a newspaper having a general circulation in the Municipality, for one issue of said paper followed by the statutory notice:

#### NOTICE

The foregoing resolution has been adopted. Unless within twenty (20) days from the date of publication hereof a petition signed by at least ten percent (10%) of the registered voters of the Municipality shall have been filed with the City Recorder of the Municipality protesting the issuance of the bonds, such bonds will be issued as proposed.

Anthony W. Cox, City Administrator

Adopted and approved this 17<sup>th</sup> day of July 2018.

  
GARY CHESNEY, MAYOR

ATTEST:

  
ANTHONY W. COX, CITY ADMINISTRATOR

Councilmember Smith made a motion to approve Resolution No. 11-18. Councilmember Alvis seconded the motion and upon roll call; Councilmembers Garrett, Bivens, Alvis, Smith, Pedigo and Mayor Chesney voted "aye", Councilmember Senter voted "no".

**Resolution No. 11-18**

**A Resolution Authorizing the Issuance of General Obligation Bonds of the City of Morristown, Tennessee, in the Aggregate Principal Amount of Not to Exceed \$70,000,000, in One or More Series; Making Provision for the Issuance, Sale and Payment of Said Bonds, Establishing the Terms Thereof and 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**, 9-21-101, et seq., inclusive, Tennessee Code Annotated, as amended, authorizes the City of Morristown, Tennessee (the "Municipality"), by resolution of its City Council, to issue and sell bonds to finance public works projects and to refund and refinance outstanding indebtedness; and

**Whereas**, the Municipality has previously incurred indebtedness pursuant to a Loan Agreement dated as of May 2, 2008, between The Public Building Authority of the City of Clarksville, Tennessee (the "Clarksville Authority") and the Municipality, two Loan Agreements dated as of September 1, 2008, between the Clarksville Authority and the Municipality, a Loan Agreement dated as of November 26, 2008, between the Clarksville Authority and the Municipality, and a Loan Agreement dated as of January 3, 2013, between the Clarksville Authority and the Municipality and a Loan Agreement dated as of July 9, 2008, between The Public Building Authority of the County of Montgomery, Tennessee (the "Montgomery Authority") and the Municipality (collectively, the "Outstanding Loans "); and

**Whereas**, in order to fund the Outstanding Loans, the Clarksville Authority and the Montgomery Authority, respectively, issued bonds (the "Prior Bonds") under Indentures of Trust (the "Authority Indentures") between the Clarksville Authority or the Montgomery Authority, as the case may be, and corporate trustees acting under such Authority Indentures (the "Prior Trustees");

**Whereas**, all or a portion of the Outstanding Loans can now be refunded for the purpose of reducing the exposure of the Municipality to variable rate indebtedness; and

**Whereas**, the Municipality has also determined that it is necessary and advisable to issue its bonds for the purpose of financing in whole or in part, (i) acquisition of land for and the construction, improvement, renovation, equipping and/or repair of roads, bridges, streets, highways, sidewalks and related equipment, parks and recreation facilities, public buildings, storm water drainage systems, water system, sewer system, electric distribution system, cable television and internet system, fire department equipment and buildings, law enforcement buildings and equipment, libraries, and the acquisition of related vehicles and equipment including, but not limited to, lighting, computers and other technological equipment; (ii) the acquisition of all property, real or personal, appurtenant thereto, or connected with such public works projects; (iii) payment of architectural, engineering, legal, fiscal and administrative costs incident to the foregoing; (iv) reimbursement of the Municipality for funds previously expended for any of the foregoing; and (v) payment of costs incident to the issuance and sale of the bonds authorized herein; and

**Whereas**, contemporaneously with the adoption of this resolution, the Governing Body has adopted an Initial Resolution proposing the issuance of not to exceed \$24,500,000 in the aggregate principal amount of general obligation bonds, the proceeds of which shall be used to finance the public works project described above; and

**Whereas**, the Initial Resolution, together with the notice required by Section 9-21-206, Tennessee Code Annotated, as amended, will be published as required by law; and

**Whereas**, a plan of refunding relating to refinancing of the Outstanding Loans has been filed with the Director of State and Local Finance (the "State Director") as required by Section 9-21-903, Tennessee Code Annotated, as amended, and the State Director has submitted to the Municipality a report thereon (the "Refunding Report"), a copy of which has been made available to the members of the City Council of the Municipality and is attached hereto as Exhibit A; and

**Whereas**, it is the intention of the City Council of the Municipality to adopt this resolution for the purpose of authorizing not to exceed \$70,000,000 in aggregate principal amount of bonds for the above-described purposes, providing for the issuance, sale and payment of said bonds, establishing the terms thereof, and the disposition of proceeds therefrom, and providing for the levy of a tax for the payment of principal thereof, premium, if any, and interest thereon.

**Now, Therefore, Be it Resolved** by the City Council of the City of Morristown, Tennessee, as follows:

Section 1. Authority. The bonds authorized by this resolution are issued pursuant to 9-21-101, et seq., Tennessee Code Annotated, as amended, and other applicable provisions of law.

Section 2. Definitions. In addition to the terms defined in the preamble above, the following terms shall have the following meanings in this resolution unless the text expressly or by necessary implication requires otherwise:

(a) "Bonds" means the not to exceed \$70,000,000 General Obligation Bonds of the Municipality, to be dated their date of issuance, and having such series designation or such other dated date as shall be determined by the Mayor pursuant to Section 8 hereof.

(b) "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 Municipality or the Registration Agent, constitute the written record that identifies, and records the transfer of, the beneficial "book-entry" interests in those bonds.

(c) "Code" means the Internal Revenue Code of 1986, as amended, and all regulations promulgated thereunder.

(d) "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.

(e) "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.

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

(g) "Financial Advisor" for the Bonds authorized herein means Cumberland Securities Company, Inc., Knoxville, Tennessee.

(h) "Mayor" shall mean the Mayor of the Municipality.

(i) "Governing Body" means the City Council of the Municipality.

(j) "Projects" means, in whole or in part, (i) the acquisition of land for and the construction, improvement, renovation, equipping and/or repair of roads, bridges, streets, highways, sidewalks and related equipment, parks and recreation facilities, public buildings, storm water drainage systems, water system, sewer system, electric distribution system, cable television and internet system, fire department equipment and buildings, law enforcement buildings and equipment, libraries, and the acquisition of related vehicles and equipment including, but not limited to, lighting, computers and other technological equipment and (ii) the acquisition of all property, real or personal, appurtenant thereto, or connected with such public works projects.

(k) "Refunded Indebtedness" means the maturities or portions of maturities of the Outstanding Loans designated for refunding by the Mayor pursuant to the terms hereof.

(l) "Registration Agent" means the registration and paying agent appointed by the Mayor pursuant to the terms hereof, or any successor designated by the Governing Body.

### Section 3. Findings of the Governing Body: Compliance with Debt Management Policy.

(a) In conformance with the directive of the State Funding Board of the State of Tennessee, the Municipality has heretofore adopted its Debt Management Policy. The Governing Body hereby finds that the issuance and sale of the Bonds, as proposed herein, is consistent with the Municipality's Debt Management Policy.

(b) The estimated interest expense and costs of issuance of the Bonds have been made available to the Governing Body.

(c) The refunding of the Refunded Indebtedness authorized herein through the issuance of the Bonds is expected to result in the reduction of the debt service payable by the Municipality over the term of the Refunded Indebtedness as well as reducing the Municipality's exposure to variable rate indebtedness, thereby effecting a cost savings to the public.

(d) The Refunding Report of the State Director has been presented to the members of the Governing Body in connection with their consideration of this resolution and is attached hereto as Exhibit A.

### Section 4. Authorization and Terms of the Bonds.

(a) For the purpose of providing funds to finance, in whole or in part, the cost of the Projects and costs incident thereto; reimbursement to the appropriate fund of the Municipality for prior expenditures for the foregoing costs, if applicable; the refunding of the Refunded Indebtedness; and payment of costs incident to the issuance and sale of the Bonds, there is hereby authorized to be issued bonds, in one or more series, of the Municipality in the aggregate principal amount of not to exceed \$70,000,000. The Bonds shall be issued in one or more series, in fully registered, book-entry form (except as otherwise set forth herein), without coupons, and subject to the adjustments permitted hereunder, shall be known as "General Obligation Bonds", shall be dated their date of issuance, and shall have such series designation or such other dated date as shall be determined by the Mayor pursuant to the terms hereof. The Bonds shall bear interest at a rate or rates not to exceed five percent (5.00%), payable (subject to the adjustments permitted hereunder)

semi-annually on June 1 and December 1 in each year, commencing December 1, 2018. The Bonds shall be issued initially in \$5,000 denominations or integral multiples thereof, as shall be requested by the original purchaser thereof. Subject to the adjustments permitted pursuant to the terms hereof, the Bonds shall mature serially or be subject to mandatory redemption and shall be payable on June 1 of each year, subject to prior optional redemption as hereinafter provided, in the years 2019 through 2042, inclusive; provided, however, such amortization may be adjusted in accordance with the terms hereof.

(b) Subject to the adjustments permitted under Section 8 hereof, the Bonds maturing on June 1, 2029 and thereafter shall be subject to redemption prior to maturity at the option of the Municipality on June 1, 2028 and thereafter, as a whole or in part at any time at the redemption price of par plus accrued interest to the redemption date.

If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be selected by the Governing Body in its discretion. If less 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 Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

(c) Pursuant to the terms hereof, the Mayor is authorized to sell the Bonds, or any maturities thereof, as term bonds ("Term Bonds") with mandatory redemption requirements corresponding to the maturities set forth herein or as determined by the Mayor. In the event any or all the Bonds are sold as Term Bonds, the Municipality shall redeem Term Bonds on redemption dates corresponding to the maturity dates set forth herein, in aggregate principal amounts equal to the maturity amounts established pursuant to the terms hereof for each redemption date, as such maturity amounts may be adjusted pursuant to the terms hereof, at a price of par plus accrued interest thereon to the date of redemption.

If less than all of the Bonds within a single maturity of Term Bonds 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 Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

At its option, to be exercised on or before the forty-fifth (45<sup>th</sup>) day next preceding any such mandatory redemption date, the Municipality may (i) deliver to the Registration Agent for cancellation Bonds to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption

obligation under this mandatory redemption provision for any Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and cancelled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the Municipality on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Bonds to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced. The Municipality shall on or before the forty-fifth (45<sup>th</sup>) day next preceding each payment date furnish the Registration Agent with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this subsection are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.

Notice of any call for redemption shall be given by the Registration Agent on behalf of the Municipality not less than twenty (20) 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. The notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to effect the redemption with the Registration Agent no later than the redemption date ("Conditional Redemption"). 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 Municipality 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 Municipality pursuant to written instructions from an authorized representative of the Municipality (other than for a mandatory sinking fund redemption, notices of which shall be given on the dates provided herein) 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. In the case of a Conditional Redemption, the failure of the Municipality to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository, if applicable, or the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain outstanding.

(d) The Governing Body hereby authorizes and directs the Mayor to appoint the Registration Agent for the Bonds and hereby authorizes 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 Municipality at least annually a certificate of destruction with respect to Bonds cancelled and destroyed, and to furnish the Municipality at



least annually an audit confirmation of Bonds paid, Bonds outstanding and payments made with respect to interest on the Bonds. The Mayor is hereby authorized to execute and the City Administrator is hereby authorized to attest such written agreement between the Municipality 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.

(e) 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 Municipality 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 three hundred sixty (360) day year composed of twelve (12) months of thirty (30) days each. In the event the Bonds are no longer registered in the name of DTC, or a successor Depository, if requested by the Owner of at least \$1,000,000 in aggregate principal amount of the Bonds, payment of interest on such Bonds shall be paid by wire transfer to a bank within the continental United States or deposited to a designated account if such account is maintained with the Registration Agent and written notice of any such election and designated account is given to the Registration Agent prior to the record date.

(f) 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 Municipality 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 Municipality 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 Municipality 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 (10) 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 date shall be not more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment to the registered Owners. The Registration Agent shall promptly notify the Municipality of such Special Record Date and, in the name and at the expense of the Municipality, not less than ten (10) 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

Municipality to punctually pay or duly provide for the payment of principal of, premium, if any, and interest on the Bonds when due.

(g) The Bonds are transferable only by presentation to the Registration Agent by the registered owner, or his 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 the Bond 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 Municipality 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 Municipality 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.

(h) The Bonds shall be executed in such manner as may be prescribed by applicable law, in the name, and on behalf, of the Municipality with the signature of the Mayor and the attestation of the City Administrator.

(i) 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 or a custodian of DTC. The Bond Registrar is a custodian and agent for DTC, and the Bond will be 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 DTC is the only owner of the Bonds, 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 Bonds from the Municipality and the Registration Agent to DTC (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 Municipality 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 (1) DTC determines not to continue to act as securities depository for the Bonds, or (2) to the extent permitted by the rules of DTC, the Municipality determines that the continuation of the Book-Entry System of evidence and transfer of ownership of the Bonds would adversely affect their interests or the interests of the Beneficial Owners of the Bonds, then the Municipality shall discontinue the Book-Entry System with DTC or, upon request of such original purchaser, deliver the Bonds to the original purchaser in the form of fully-registered Bonds, as the case may be. If the Municipality fails to identify another qualified securities depository to replace DTC, the Municipality shall cause the Registration Agent to authenticate and deliver replacement Bonds in the form of fully-registered Bonds to each Beneficial Owner. If the purchaser(s) certifies that it intends to hold the Bonds for its own account, then the Municipality may issue certificated Bonds without the utilization of DTC and the Book-Entry System.

**The Municipality and the Registration Agent Shall Not Have Any Responsibility or Obligations to Any 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 or 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 or 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 Owner.**

(j) 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.

(k) The Registration Agent is hereby authorized to authenticate and deliver the Bonds to the original purchaser, upon receipt by the Municipality 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.

(l) In case any Bond shall become mutilated, or be lost, stolen, or destroyed, the Municipality, in its discretion, shall issue, and the Registration Agent, upon written direction from the Municipality, 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 able to mature, instead of issuing a substituted Bond the Municipality may pay or authorize payment of such Bond without surrender thereof. In every case, the applicant shall furnish evidence satisfactory to the Municipality and the Registration Agent of the destruction, theft or loss of such Bond, and indemnify satisfactory to the Municipality and the Registration Agent; and the Municipality may charge the applicant for the issue of such new Bond an amount sufficient to reimburse the Municipality for the expense incurred by it in the issue thereof.

**Section 5. Source of Payment.** The Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the Municipality. For the prompt payment of the principal of, premium, if any, and interest on the Bonds, the full faith and credit of the Municipality are hereby irrevocably pledged. The portions of the Bonds (based on allocation of Bonds and Bond proceeds as determined by the Municipality) that finance, respectively, improvements to the storm water drainage systems, water system, sewer system, electric distribution system and cable television and internet system of the Municipality shall be additionally payable from but not secured by the respective revenues of such systems.

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

(Form of Bond)

REGISTERED      REGISTERED  
Number \_\_\_\_\_ \$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF TENNESSEE  
COUNTY OF HAMBLEN  
CITY OF MORRISTOWN, TENNESSEE  
GENERAL OBLIGATION BOND, SERIES 2018

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

Registered Owner:

Principal Amount:

**For Value Received**, the City of Morristown, Tennessee (the "Municipality") 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 interest hereinabove set forth from the date hereof until said maturity date or redemption date, said interest being payable on December 1, 2018, 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 \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, as registration and agent and paying agent (the "Registration Agent"). The Registration Agent 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 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 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 Municipality 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 Registration Agent, 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 Registration Agent.

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 shall be issued to DTC and immobilized in its custody or a custodian of DTC. The Bond Registrar is a custodian and agent for DTC, and the Bond will be 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 effected 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 Municipality and the Registration Agent 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 Municipality nor the Registration Agent 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) to the extent permitted by the rules of DTC, the Municipality 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 Municipality may discontinue the book-entry system with DTC. If the Municipality fails to identify another qualified securities depository to replace DTC, the Municipality shall cause the Registration Agent to authenticate and deliver replacement Bonds in the form of fully-registered Bonds to each Beneficial Owner. Neither the Municipality nor the Registration Agent shall have any responsibility or obligations to DTC Participant or any Beneficial Owner with respect to (i) the Bonds; (ii) the accuracy or 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 of the issue of which this Bond is one maturing on June 1, 2029 and thereafter shall be subject to redemption prior to maturity at the option of the Municipality on June 1, 2028 and thereafter, as a whole or in part at any time at the redemption price of par plus accrued interest to the redemption date.

If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be designated by the City Council of the Municipality, in its discretion. If less than all the principal amount of the Bonds of a 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 amount of the interest of each DTC Participant in 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 Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

[Subject to the credit hereinafter provided, the Municipality shall redeem Bonds maturing \_\_\_\_\_ on the redemption dates set forth below opposite the maturity dates, in aggregate principal amounts equal to the respective dollar amounts set forth below opposite the respective redemption dates at a price of par plus accrued interest thereon to the date of redemption. DTC, as securities depository for the series of Bonds of which this Bond is one, or such Person as shall then be serving as the securities depository for the Bonds, shall determine the interest of each Participant in the Bonds to be redeemed using its procedures generally in use at that time. If DTC or another securities depository is no longer serving as securities depository for the Bonds, the Bonds to be redeemed within a maturity shall be selected by the Registration Agent in the same manner as is provided above for optional redemptions. The dates of redemption and principal amount of Bonds to be redeemed on said dates are as follows:

<u>Final Maturity</u>	<u>Redemption Date</u>	<u>Principal Amount of Bonds Redeemed</u>
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\*Final Maturity

At its option, to be exercised on or before the forty-fifth (45<sup>th</sup>) day next preceding any such redemption date, the Municipality may (i) deliver to the Registration Agent for cancellation Bonds to be redeemed, in any aggregate



principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and cancelled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the Municipality on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Bonds to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced. The Municipality shall on or before the forty-fifth (45<sup>th</sup>) day next preceding each payment date furnish the Registration Agent with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this subsection are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.]

Notice of any call for redemption shall be given by the Registration Agent not less than twenty (20) 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 the redemption of any of the Bonds for which proper notice was given. The notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to effect the redemption with the Registration Agent no later than the redemption date ("Conditional Redemption"). 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 Municipality 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 will not affect the validity of such redemption. From and after any 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 it notice has been duly provided as set forth in the Resolution, as hereafter defined. In the case of a Conditional Redemption, the failure of the Municipality to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository (or if no Depository the affected Bondholders) that the redemption did not occur and that the Bond called for redemption and not so paid remain outstanding.

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 Registration Agent 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 Municipality nor the Registration Agent 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 Registration Agent, 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 Registration Agent 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, nor to transfer or exchange any Bond after the notice calling such Bond for redemption has been made, nor during a period following the receipt of instructions from the Municipality to call such Bond for redemption.

This Bond is one of a total authorized issue aggregating \$\_\_\_\_\_ and issued by the Municipality to finance the cost, in whole or in part, of (i) the acquisition of land for and the construction, improvement, renovation, equipping and/or repair of roads, bridges, streets, highways, sidewalks and related equipment, parks and recreation facilities, public buildings, storm water drainage systems, water system, sewer system, electric distribution system, cable television and internet system, fire department equipment and buildings, law enforcement buildings and equipment, libraries, and the acquisition of related vehicles and equipment including, but not limited to, lighting, computers and other technological (collectively, the "Projects") (ii) the acquisition of all property, real or personal, appurtenant thereto, or connected with such Projects; (iii) payment of architectural, engineering, legal, fiscal and administrative costs incident to the foregoing; (iv) refinancing the Municipality's outstanding indebtedness under a Loan Agreement dated as of May 2, 2008, between The Public Building Authority of the City of Clarksville, Tennessee (the "Clarksville Authority") and the Municipality, two Loan Agreements dated as of September 1, 2008, between the Clarksville Authority and the Municipality, a Loan Agreement dated as of November 26, 2008, between the Clarksville Authority and the Municipality, and a Loan Agreement dated as of January 3, 2013, between the Clarksville Authority and the Municipality and a Loan Agreement dated as of July 9, 2008, between The Public Building Authority of the County of Montgomery, Tennessee and the Municipality; and (vi) the issuance costs of the Bonds, pursuant to 9-21-101, et seq., Tennessee Code Annotated, as amended, and pursuant to a resolution adopted by the City Council of the Municipality on July 17, 2018 (the "Resolution").

The Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the Municipality. For the prompt payment of the principal of, premium, if any, and interest on the Bonds, the full faith and credit of the Municipality are hereby irrevocably pledged.

This Bond and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) 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 (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Bond in 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, 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 Municipality, does not exceed any limitation prescribed by the constitution and statutes of the State of Tennessee.

**In Witness Whereof**, the Municipality has caused this Bond to be signed by its Mayor and attested by its City Administrator as of the date hereinabove set forth.



July 17, 2018

City of Morristown, Tennessee

  
MAYOR

ATTEST:

  
CITY ADMINISTRATOR

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.

\_\_\_\_\_  
Registration Agent

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 City of  
Morristown, 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 enlargement or any change whatsoever.

Signature guaranteed:

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

Section 7. Levy of Tax. The Municipality, through its Governing Body,  
shall annually levy and collect a tax upon all taxable property within the  
Municipality, in addition to all other taxes authorized by law, sufficient to pay  
principal of, premium, if any, and interest on the Bonds when due, and for that  
purpose there is hereby levied a direct annual tax in such amount as may be found

necessary each year to pay principal and interest coming due on the Bonds in said year. Principal and interest falling due at any time when there are insufficient funds from this tax levy on hand shall be paid from the current funds of the Municipality and reimbursement therefor shall be made out of the taxes hereby provided to the levied when the same shall have been collected. The tax herein provided may be reduced to the extent of any direct appropriations from other funds, taxes and revenues of the Municipality to the payment of debt service on the Bonds including revenues of the systems as described in Section 5 hereof.

#### Section 8. Sale of Bonds.

(a) The Bonds shall be offered for competitive public sale in one or more series, at a price of not less than 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 Financial Advisor. The Bonds, or any series thereof, shall be sold by delivery of bids via physical delivery, mail, fax, or telephone or by electronic bidding means of an internet bidding service as shall be determined by the Mayor, in consultation with the Financial Advisor.

(b) If the Bonds are sold in more than one series, the Mayor 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, 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 is further authorized with respect to each series of Bonds to:

(1) change the dated date of the Bonds, or any series thereof, to a date other than the date of issuance of the Bonds;

(2) change the designation of the Bonds, or any series thereof, to a designation other than "General Obligation Bonds" and to specify the series designation of the Bonds, or any series thereof;

(3) change the first interest payment date on the Bonds, or any series thereof, to a date other than December 1, 2018, provided that such date is not later than twelve months from the dated date of such series of Bonds;

(4) establish and adjust the principal and interest payment dates and the maturity amounts of the Bonds, or any series thereof, 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 final maturity date of each series shall not exceed the calendar year of the final maturity described in Section 4 hereof; (C) the debt service schedule for that portion of the Bonds refunding the Refunded Bonds shall not be materially different than what was presented to the State Director in connection with the Refunding Report and (D) the debt service payments on the Bonds shall not result in the Bonds being balloon indebtedness requiring the approval of the State Director;

(5) adjust or remove the Municipality's optional 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;

(6) refund less than all of the Outstanding Loans;

(7) 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, as he shall deem most advantageous to the Municipality; and

(8) cause all or a portion of the Bonds to be insured by a bond insurance policy issued by a nationally recognized bond insurance company if such insurance is requested and paid for by the winning bidder of the Bonds, or any series thereof.

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.

(d) The Mayor is authorized to sell the Bonds, or any series thereof, simultaneously with any other bonds or notes authorized by resolution or resolutions of the Governing Body. The Mayor 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 Governing Body, in one or more series as the Mayor shall deem to be advantageous to the Municipality and in doing so, the Mayor is authorized to change the designation of the Bonds to a designation other than "General Obligation 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 Governing Body.

(e) The Mayor is authorized to award the Bonds, or any series thereof, in each case to the bidder whose bid results in the lowest true interest cost to the Municipality, provided the rate or rates on the Bonds does not exceed the maximum rate prescribed by Section 4 hereof. The award of the Bonds by the Mayor to the lowest bidder shall be binding on the Municipality, and no further action of the Governing Body with respect thereto shall be required.

(f) The Mayor and City Administrator are authorized to cause the Bonds, in book-entry form (except as otherwise permitted herein), to be authenticated and delivered by the Registration Agent 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. The Mayor is hereby authorized to enter into a contract with the Financial Advisor, for financial advisory services in connection with the sale of the Bonds and to enter into an engagement letter with Bass, Berry & Sims PLC to serve as bond counsel in connection with the Bonds, and all actions heretofore taken by the officers of the Municipality in that regard are hereby ratified and approved.

(g) No Bonds shall be issued until the passage of twenty (20) days from the date of publication of the Initial Resolution, and in no event shall the Bonds be issued if a legally sufficient petition, as defined by Section 9-21-207, Tennessee Code Annotated, is filed within such twenty-day period.

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

(a) An amount sufficient, together with such other Municipality funds as may be identified by the Mayor and, if applicable, investment earnings on the foregoing, to refinance the Outstanding Loans shall be applied to the refinancing thereof by complying with the terms of prepayment thereof and by taking such actions as are required under the Prior Indentures to cause the redemption of the outstanding Prior Bonds, including giving such notices as are required for such prepayment and redemption to the Prior Trustees.

(b) The remainder of the proceeds of the sale of the Bonds shall be deposited with a financial institution regulated by the Federal Deposit Insurance Corporation or similar federal agency in a special fund known as the 2018 Project Fund (the "Project Fund"), or such other designation as shall be determined by the Mayor to be kept separate and apart from all other funds of the Municipality. The Municipality shall disburse funds in the Project Fund to pay costs of issuance of the Bonds, including necessary legal, accounting and fiscal expenses, printing, engraving, advertising and similar expenses, administrative and clerical costs, Registration Agent fees, bond insurance premiums, if any, and other necessary miscellaneous expenses incurred in connection with the issuance and sale of the Bonds. Notwithstanding the foregoing, costs of issuance of the Bonds may be withheld from the good faith deposit or purchase price of the Bonds and paid to the Financial Advisor to be used to pay costs of issuance of the Bonds. The remaining funds in the Project Fund shall be disbursed solely to pay the costs of the Projects and to reimburse the Municipality for any funds previously expended for costs of the Projects. Money in the Project Fund shall be invested, to the extent possible, in such investments as shall be permitted by applicable law.

**Section 10. Official Statement.** The officers of the Municipality, or any of them, are hereby authorized and directed to provide for the preparation and distribution of a Preliminary Official Statement describing the Bonds. After bids have been received and the Bonds have been awarded, the officers of the Municipality, or any 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 officers of the Municipality, or any of them, shall arrange for the delivery to the successful bidder on the Bonds of a reasonable number of copies of the Official Statement within seven (7) business days after the Bonds have been awarded for delivery, by the successful bidder on the Bonds, to each potential investor requesting a copy of the Official Statement and to each person to whom such bidder and members of his bidding group initially sell the Bonds.

The officers of the Municipality, or any of them, are authorized, on behalf of the Municipality, 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 Municipality except for the omission in the Preliminary Official Statement of such pricing and other information.

Notwithstanding the foregoing, no Official Statement is required to be prepared if the Bonds, or any series thereof, are purchased by a purchaser that certifies that such purchaser intends to hold the Bonds, or any series thereof, for its own account and has no present intention to reoffer the Bonds, or any series thereof.

**Section 11. Discharge and Satisfaction of Bonds.** If the Municipality shall pay and discharge the indebtedness evidenced by any series of the Bonds in any one or more of the following ways:

(a) By paying or causing to be paid, by deposit of sufficient funds as and when required with the Registration Agent, 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 may be the Registration Agent) 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); or

(c) By delivering such Bonds to the Registration Agent for cancellation by it;

and if the Municipality shall also pay or cause to be paid all other sums payable hereunder by the Municipality with respect to such Bonds, or make adequate provision therefor, and by resolution of the Governing Body instruct any such Agent to pay amounts when and as required to the Registration Agent 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 Municipality to the holders of such Bonds shall be fully discharged and satisfied and shall thereupon cease, terminate and become void.

If the Municipality 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 Defeasance Obligations deposited as aforesaid.

Except as otherwise provided in this Section, neither Defeasance Obligations nor moneys deposited with the Registration Agent 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 Registration Agent, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to the Municipality as received by the Registration Agent 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 Municipality, as received by the Registration Agent. For the purposes of this Section, "Defeasance Obligations" shall mean 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 at the time of the purchase thereof are permitted investments under Tennessee law for the purposes described in this Section, 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.

#### Section 12. Federal Tax Matters Related to the Bonds.

(a) The Bonds are expected to be issued as federally tax-exempt bonds. If so issued, the Municipality hereby covenants that it will not use, or permit the use of, any proceeds of the Bonds in a manner that would cause the Bonds to be subjected to treatment under Section 148 of the Code, and applicable regulations thereunder, as an "arbitrage bond." To that end, the Municipality shall comply with applicable regulations adopted under said Section 148. The Municipality further covenants with the registered owners from time to time of the Bonds that it will,

throughout the term of the Bonds and through the date that the final rebate, if any, must be made to the United States in accordance with Section 148 of the Code, comply with the provisions of Sections 103 and 141 through 150 of the Code and all regulations proposed and promulgated thereunder that must be satisfied in order that interest on the Bonds shall be and continue to be excluded from gross income for federal income tax purposes under Section 103 of the Code.

(b) It is reasonably expected that the Municipality will reimburse itself for certain expenditures made by it in connection with the Projects by issuing the Bonds. This resolution shall be placed in the minutes of the Governing Body and shall be made available for inspection by the general public at the office of the Governing Body. This resolution constitutes a declaration of official intent under Treas. Reg. §1.150-2.

(c) The appropriate officers of the Municipality are authorized and directed, on behalf of the Municipality, to execute and deliver all such certificates and documents that may be required of the Municipality in order to comply with the provisions of this Section related to the issuance of the Bonds.

**Section 13. Continuing Disclosure.** The Municipality hereby covenants and agrees that it will provide annual financial information and event notices if and as required by Rule 15c2-12 of the Securities Exchange Commission for the Bonds. The Mayor is 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 event notices to be provided and its obligations relating thereto. Failure of the Municipality 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 Municipality to comply with their undertaking as set forth herein and in said agreement, including the remedies of mandamus and specific performance.

**Section 14. Reasonably Expected Economic Life.** The "reasonably expected economic life" of the Project within the meaning of Sections 9-21-101, *et seq.*, Tennessee Code Annotated, is greater than the term of the Bonds financing said Projects.

**Section 15. Resolution a Contract.** The provisions of this resolution shall constitute a contract between the Municipality 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 16. 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 17. 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 the 17<sup>th</sup> day of July 2018.

  
GARY CHESNEY, MAYOR

ATTEST:

  
ANTHONY W. COX, CITY ADMINISTRATOR

Councilmember Senter made a motion to approve Resolution No. 12-18. Councilmember Alvis seconded the motion and upon roll call; all voted "aye".

**Resolution No. 12-18**

**A Resolution Authorizing the City of Morristown to Participate in The Pool's "Safety Partners" Matching Grant Program.**

**Whereas**, the safety and well-being of the employees of the City of Morristown is of the greatest importance; and

**Whereas**, all efforts shall be made to provide a safe and hazard-free workplace for the City of Morristown employees; and

**Whereas**, The Pool seeks to encourage the establishment of a safe workplace by offering a "*Safety Partners*" Matching Grant Program; and

**Whereas**, the City of Morristown now seeks to participate in this important program.

**Now, Therefore, Be it Resolved By the Council of the City of Morristown, Tennessee, the following:**

Section 1. That the City of Morristown is hereby authorized to submit application for a "*Safety Partners*" Matching Grant Program through The Pool.

Section 2. That the City of Morristown is further authorized to provide a matching sum to serve as a match for any monies provided by this grant.

Resolved this the 17<sup>th</sup> day of July 2018.

  
MAYOR

ATTEST:

  
CITY ADMINISTRATOR

Councilmember Bivens made a motion to approve the bid from Andrews & Hoskins Construction, Inc., for a total sum of \$1,518,900 for the Heritage Park Phase I project. Councilmember Alvis seconded the motion and upon roll call; all voted "aye".

Councilmember Alvis made a motion to approve Contract Amendment No. 1 between the City of Morristown & Lose Design adjusting the fee from six point twenty five percent (6.25%) of construction cost to five point seventy five percent (5.75%) of construction cost for the Morristown Public Works Compound project. Councilmember Smith seconded the motion and upon roll call; all voted "aye".

Councilmember Alvis made a motion to approve Contract Amendment No. 1 between the City of Morristown and Lose Design adjusting the fees from \$77,826 to \$137,826 for the Morristown Park Grant projects. Councilmember Pedigo seconded the motion and upon roll call; all voted "aye".

Councilmember Pedigo made a motion to approve Change Order No. 1 between the City of Morristown and East Tennessee Turf and Landscaping in the amount of \$301,000 to install conduit necessary for electric and fiber utilities at the Public Works Compound site. Councilmember Alvis seconded the motion and upon roll call; all voted "aye".

Councilmember Alvis made a motion to approve the Contract between the City of Morristown and Lose Design for Community Center Design; Task No. 1 Concept Plan \$25,000, Task No. 2 Schematic Design twenty five percent (25%) of five-point eighty five percent (5.85%) of construction cost plus \$20,500 for aquatics design. Councilmember Smith seconded the motion and upon roll call; all voted "aye".

Councilmember Senter made a motion to approve the bid from Whaley Construction, LLC in the amount of \$591,899.40 for the Freddie Kyle Greenway project, pending approval from the Tennessee Department of Transportation (TDOT). Councilmember Pedigo seconded the motion and upon roll call; all voted "aye".

Councilmember Smith made a motion to approve the bid from King General Contractors in the amount of \$459,505.80 for the South Cumberland Stormwater Project. Councilmember Bivens seconded the motion and upon roll call; all voted "aye".

Councilmember Alvis made a motion to approve the bid from King General Contractors in the amount of \$446,758.70 for the Freshour Stormwater Project. Councilmember Senter seconded the motion and upon roll call; all voted "aye".

Councilmember Smith made a motion to approve the 2019 Airport Maintenance Grant from Tennessee Department of Transportation (TDOT) in the amount of \$19,800. Councilmember Pedigo seconded the motion and upon roll call; all voted "aye".

Councilmember Pedigo made a motion to approve Amendment No. 4 to General Engineering Services Agreement with McGill Associates for general professional engineering services in the amount of \$40,000. Councilmember Alvis seconded the motion and upon roll call; all voted "aye".

Councilmember Senter made a motion to accept Mayor Chesney's nomination to re-appoint Bryan Dickerson to the Morristown Utilities Commission Board for a five (5) year term to expire on July 31, 2023. Councilmember Pedigo seconded the motion and upon roll call; all voted "aye".

Councilmember Alvis made a motion to approve the promotion of Tim Greene to Deputy Chief, Morristown Fire Department. Councilmember Bivens seconded the motion and upon roll call; all voted "aye".

Councilmember Bivens made a motion to approve the hiring of Tillman Strange and Robert Smith, as entry-level Firefighters. Councilmember Senter seconded the motion and upon roll call; all voted "aye".



July 17, 2018

Mayor Chesney adjourned the July 17, 2018, City Council meeting at  
5:53 p.m.

  
MAYOR

ATTEST:

  
CITY ADMINISTRATOR