

Sponsored by: Commissioners Jared Anderson, Mike Caylor and Tom Stinnett

**A RESOLUTION AUTHORIZING THE ISSUANCE OF REVENUE ANTICIPATION NOTES, SERIES 2020, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$5,000,000 OF BLOUNT COUNTY, TENNESSEE; MAKING PROVISION FOR THE ISSUANCE, SALE AND PAYMENT OF SAID NOTES; ESTABLISHING THE TERMS THEREOF AND THE DISPOSITION OF PROCEEDS THEREFROM.**

WHEREAS, by Sections 9-21-101 et seq., Tennessee Code Annotated, counties in Tennessee are authorized through their respective governing bodies to issue and sell revenue anticipation notes of said counties for the purpose of meeting appropriations in anticipation of the collection of revenues; and

WHEREAS, by Sections 9-13-201 et seq., Tennessee Code Annotated, the maturity date of such revenue anticipation notes may, with the approval of the comptroller, be established beyond the end of the current fiscal year in the case of economic distress due to natural disaster certified by the federal emergency management agency or such other conditions as may be identified by the comptroller; and

WHEREAS, the Board of County Commissioners of Blount County, Tennessee, has heretofore determined that it is necessary and advisable to issue up to \$5,000,000 in aggregate principal amount of Revenue Anticipation Notes for the purpose of meeting appropriations from its Employee Health Insurance Fund (the "Insurance Fund"); and

WHEREAS, it is the intention of the Board of County Commissioners to adopt this resolution for the purpose of authorizing the issuance of up to \$5,000,000 in aggregate principal amount of said notes, providing for the issuance, sale and payment of said notes, establishing the terms thereof and the disposition of proceeds therefrom.

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners of Blount County, Tennessee as follows:

Section 1. Authority. The notes authorized by this resolution will be issued pursuant to Sections 9-13-201 et seq. 9-21-101 et seq., Tennessee Code Annotated, and other applicable provisions of law.

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

- (a) "Code" means the Internal Revenue Code of 1986, as amended;
- (b) "County" means Blount County, Tennessee;
- (c) "Governing Body" means the Board of County Commissioners of the County; and
- (d) "Notes" means the not to exceed \$5,000,000 Revenue Anticipation Notes, Series 2020 of the County, authorized to be issued by this resolution; and
- (e) "Registration Agent" means the County Trustee of the County or such other person or entity as may be appointed by the County Mayor to act as registration and paying agent for the Notes.

Section 3. Authorization and Terms of the Notes. For the purpose of providing funds to meet appropriations from the County's Insurance Fund and, at the option of the County, to pay costs incident to the issuance and sale of the Notes as more fully set forth in Section 7 hereof, there are hereby authorized to be issued Revenue Anticipation Notes of the County in the aggregate principal amount of not to exceed \$5,000,000. The Notes shall be issued in fully registered form, without coupons, shall be designated as "Revenue Anticipation Notes, Series 2020", and shall be dated the date of their issuance. The Notes shall bear interest at a rate or rates not to exceed four percent (4%) per annum, payable with such frequency, not more often than monthly, as is agreed upon with the purchaser of the Notes, and the Notes shall mature on such date as is agreed upon with the purchaser thereof but not later June 30, 2022. Subject to Section 7 hereto, the Notes may be prepaid at any time. In no event shall the principal amount of the Notes and any other revenue anticipation notes payable from the Insurance Fund exceed 60% of the appropriations to be made from the Insurance Fund in the fiscal year during which the Notes are issued.

The Registration Agent is hereby authorized and directed to maintain a note registration record with respect to the Notes, to authenticate and deliver the Notes as provided herein, either at original issuance, upon transfer, or as otherwise directed by the County, to effect transfers of the Notes, to give all notices of redemption as required herein, to make all payments of principal and interest with respect to the Notes as provided herein and to cancel and destroy Notes which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer.

The Notes shall be payable, principal, premium, if any, and interest, in lawful money of the United States of America at the offices of the Registration Agent. The Registration Agent shall make all interest payments with respect to the Notes on each interest payment date directly to the registered owners as shown on the Note 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 owners at their addresses shown on said Note registration records or by such other means as may be approved by the County Trustee, without, except for final payment, the presentation or surrender of such registered Notes, and all such payments shall discharge the obligations of the County in respect of such Notes to the extent of the payments so made. Payment of principal of the Notes shall be made upon presentation and surrender of such Notes to the Registration Agent as the same shall become due and payable.

Any interest on any Note which 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 County to the persons in whose names the Notes 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 County shall notify the Registration Agent in writing of the amount of Defaulted Interest proposed to be paid on each Note and the date of the proposed payment, and at the same time the County 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 County of such Special Record Date and, in the name and at the expense of the County, 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 Note registration records maintained by the Registration Agent as of the date of such notice. Nothing contained in this Section or in the Notes 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 County to punctually pay or duly provide for the payment of principal of, premium, if any, and interest on the Notes when due.

The Notes are transferable only by presentation to the Registration Agent by the registered owner, or his legal representative duly authorized in writing, of the registered Note(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 Note(s) accompanied by appropriate documentation necessary to prove the legal capacity of any legal representative of the registered owner. Upon receipt of the Note(s) in such form and with such documentation, if any, the Registration Agent shall issue a new Note or Notes to the assignee(s) in \$100,000 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 Note during the period commencing on a Regular or Special Record Date and ending on the corresponding interest payment date of such Note, nor to transfer or exchange any Note after the notice calling such Note for redemption has been given, nor to transfer or exchange any Note during the period following the receipt of instructions from the County to call such Note 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 Note, provided that any transfer tax relating to such transaction shall be paid by the registered owner requesting transfer. The person in whose name any Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the County nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Notes shall be overdue. Notes, upon surrender to the Registration Agent, may, at the option of the registered owner, be exchanged for an equal aggregate principal amount of Notes of the same maturity in any authorized denomination or denominations.

The Notes shall be signed by the County Mayor and attested by the County Clerk by their respective signatures.

The Registration Agent is hereby authorized to authenticate and deliver the Notes to the original purchaser thereof upon receipt by the County of the proceeds of the sale thereof and to authenticate and deliver Notes in exchange for Notes of the same principal amount delivered for transfer upon receipt of the Note(s) to be transferred in proper form with proper documentation as hereinabove described. The Notes 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 Note form.

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

Section 4. Source of Payment. The Notes shall be payable from the revenues in the Insurance Fund during the term of the Notes. If the County overestimates the amount of revenue collected during the term of the Notes and it becomes impossible to retire the Notes at the end of such term, then the County shall apply to the Comptroller of Treasury within ten (10) days prior to the close of such fiscal year for permission to issue funding bonds to cover the unpaid Notes in the manner provided by Title 9, Chapter

11 of Tennessee Code Annotated or as otherwise provided for in a manner approved by the Comptroller of Treasury.

Section 5. Form of Notes. The Notes shall be in substantially the following form, the omissions to be appropriately completed when the Notes are prepared and delivered:

(Form of Face of Note)

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

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

UNITED STATES OF AMERICA  
STATE OF TENNESSEE  
COUNTY OF BLOUNT  
[INTERFUND] REVENUE ANTICIPATION NOTES, SERIES 2020

Interest Rate:

Maturity Date:

Date of Note:

CUSIP No.:

Registered Owner:

Principal Amount:

KNOW ALL MEN BY THESE PRESENTS: That Blount County, Tennessee (the "County"), for value received hereby promises to pay to the registered owner hereof, hereinabove named, or registered assigns, in the manner hereinafter provided, the principal amount hereinabove set forth on the maturity date hereinabove set forth or upon earlier redemption as set forth herein, and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on said principal amount at the annual rate of interest hereinabove set forth from the date hereof until said maturity date or redemption date, said interest being payable on \_\_\_\_\_ 1, 20\_\_\_\_, and upon the maturity of the Note. Both principal hereof and interest hereon are payable in lawful money of the United States of America by check or draft at the office of the County Trustee, as registration agent and paying agent (the "Registration Agent"). The Registration Agent shall make all interest payments with respect to this Note on each interest payment date directly to the registered owner hereof shown on the note 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 note registration records, without, except for final payment, the presentation or surrender of this Note, and all such payments shall discharge the obligations of the County 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 Note 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 Notes of the issue of which this Note is one not less than ten (10) days prior to such Special Record Date. Payment of principal of and premium, if any, on this Note shall be made when due upon presentation and surrender of this Note to the Registration Agent.

This Note is transferable by the registered owner hereof in person or by such owner's attorney duly authorized in writing at the office of the Registration Agent, 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 Note. Upon such transfer a new Note 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 Note is registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the County nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Note shall be overdue. Notes, 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 Notes 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 Note during the period commencing on a Regular Record Date or Special Record Date and ending on the corresponding interest payment date of such Note, nor to transfer or exchange any Note after the notice calling such Note for redemption has been made, nor during a period following the receipt of instructions from the County to call such Note for redemption.

This Note is one of a total authorized issue aggregating \$5,000,000 and issued by the County for the purpose of meeting appropriations from the County's Insurance Fund, under and in full compliance with the constitution and statutes of the State of Tennessee, including Sections 9-21-101 et seq., Tennessee Code Annotated, and pursuant to a resolution duly adopted by the Board of County Commissioners of the County on the \_\_\_\_ day of \_\_\_\_\_, 2020 (the "Resolution").

This Note is payable from the receipt of revenues in the Insurance Fund during the term hereof. For a more complete statement of the general covenants and provisions pursuant to which this Note is issued, reference is hereby made to said Resolution.

This Note 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 Note during the period the Note is held or beneficially owned by a corporation, bank, savings and loan association or any other business entity described in Section 67-4-806, Tennessee Code Annotated, and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Note in the Tennessee franchise tax base of any corporation, bank, savings and loan association or other business entity described in Section 67-4-903, Tennessee Code Annotated.

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 Note exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Note, together with all other indebtedness of the County, does not exceed any limitation prescribed by the constitution and statutes of the State of Tennessee.

IN WITNESS WHEREOF, the County has caused this Note to be signed by its County Mayor and attested by its County Clerk as of the date hereinabove set forth.

BLOUNT COUNTY, TENNESSEE

By: \_\_\_\_\_  
Ed Mitchell, County Mayor

ATTESTED:

\_\_\_\_\_  
Gaye Hasty, County Clerk

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Transferable and payable at the  
office of:

County Trustee  
Maryville, Tennessee

Date of Registration: \_\_\_\_\_

This Note is one of the issue of Notes issued pursuant to the Resolution hereinabove described.

By: \_\_\_\_\_  
Scott Graves, County Trustee

(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 note of Blount County, Tennessee, and does hereby irrevocably constitute and appoint \_\_\_\_\_, or its successor as note registration agent, to transfer the said note 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 Note in every particular, without alteration or enlargement or any change whatsoever.

Section 6. Remedies. The holder(s) of the Notes shall have all remedies provided by law in the event of a default under the Notes, including all remedies specified in Title 9, Chapter 21, Part 4 of the Tennessee Code Annotated, as amended.

Section 7. Sale of Notes. The County Mayor is hereby authorized to sell the Notes as an interfund loan from the Debt Service Fund and/or the General Fund of the County or at private negotiated sale to a financial institution determined by the County Mayor as offering the best terms to the County at a price equal to par. The County Mayor is authorized to change the dated date of the Notes, to sell fewer than all the Notes authorized herein, to approve the interest payment dates and maturity date therefor, to agree to a redemption premium relating to the prepayment of the Notes in an amount not to exceed what is permitted by law, and to agree that the Notes can be issued as draw-down notes under which the County can draw down funds as needed to pay expenses from the Insurance Fund. If any of the changes described above are made, the Note form set forth in Section 5 hereof shall be adjusted accordingly to reflect any changes made pursuant to this Section, and the County Mayor is further authorized to make such changes to reflect any purchase of the Notes as an interfund loan. The County Mayor and County Clerk, or either of them, are authorized to cause the Notes to be authenticated and delivered by the Registration Agent to the purchaser thereof and to execute, publish, and deliver all certificates, documents and supplemental agreements as they shall deem necessary in connection with the sale and delivery of the

Notes. Unless otherwise approved by the County Mayor, the Notes shall be sold as a single debt obligation, and the authorized denomination of the Notes shall be the outstanding principal amount thereof. In no event shall any Notes be sold hereunder without first obtaining the approval of the appropriate office of the Comptroller of the State of Tennessee, and in no event shall the maturity of any Note exceed the maturity date approved by the Comptroller or his designee.

**Section 8. Disposition of Note Proceeds.** The proceeds of the sale of the Notes shall be paid to the County in the manner agreed upon with the purchaser thereof and deposited and invested as required by applicable law.

**Section 9. Federal Tax Exemption.** If interest on the Notes is determined by nationally recognized bond counsel to be excludable from gross income for purposes of federal income taxation under laws in force on the date of delivery of the Notes, then the County agrees that it shall take no action which may cause the interest on any of said Notes to be included in gross income for federal income taxation. The County Mayor is authorized and directed to make such certifications in this regard in connection with the sale of the Notes as he shall deem appropriate, and such certifications shall constitute a representation and certification of the County.

**Section 10. Qualified Tax-Exempt Obligations.** The Governing Body hereby authorizes the County Mayor to designate the Notes, if applicable, as "qualified tax-exempt obligations" within the meaning of and pursuant to Section 265 of the Internal Revenue Code of 1986 to the extent permitted by applicable law.

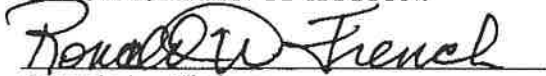
**Section 11. Resolution a Contract.** The provisions of this resolution shall constitute a contract between the County and the registered owners of the Notes, and after the issuance of the Notes, no change, variation or alteration of any kind in the provisions of this resolution shall be made in any manner until such time as the Notes and interest due thereon shall have been paid in full.

**Section 12. 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 13. 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 21<sup>st</sup> day of May, 2020.

**CERTIFICATION OF ACTION:**

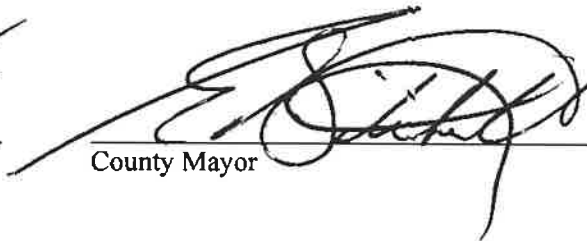
  
Commission Chairman

**ATTEST:**

  
Gaye Hasty, County Clerk

Approved: ☒

Vetoed: ☐

  
County Mayor

  
Date

STATE OF TENNESSEE        )

COUNTY OF BLOUNT        )

I hereby certify that I am the duly qualified and acting County Clerk of Blount County, Tennessee, and as such official I further certify that attached hereto is a copy of excerpts from the minutes of a regular meeting of the governing body of the County held on May 21, 2020; that these minutes were promptly and fully recorded and are open to public inspection; that I have compared said copy with the original minute record of said meeting in my official custody; and that said copy is a true, correct and complete transcript from said original minute record insofar as said original record relates to not to exceed \$5,000,000 Revenue Anticipation Notes, Series 2020, of said County.

WITNESS my official signature and seal of said County this \_\_\_\_ day of \_\_\_\_\_, 2020.

\_\_\_\_\_  
Gaye Hasty, County Clerk

(SEAL)

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