

JUSTIN HANSON  
Mayor



TINA DUNN  
Recorder-Treasurer

# *City of Covington*

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THE MEETING OF THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF COVINGTON,  
TENNESSEE ON MARCH 24, 2020 at 5:30 p.m.

1. Meeting to be called to order by Mayor Justin Hanson.
2. Invocation to be given by Alderman C H Sullivan.
3. Pledge of Allegiance to the Flag to be led by Alderman Danny Wallace.
4. Minutes of the Preceding Meetings to be approved.
5. Report from Committees:
  - Minutes of the Beer Board Meeting
  - Minutes of the General Welfare – Public Relations Committee Meeting
  - Minutes of the Finance & Administration Committee Meeting
6. Additions to the Agenda.
7. Welcome to visitors and grievances from citizens.
8. Report from Mayor Justin Hanson:
  - Proclamation – Junior Auxiliary Week
  - Updates
9. Report from Recorder-Treasurer Tina Dunn:
  - Sales Tax Report
10. Report from City Attorney Rachel Witherington:
11. Old Business:
12. New Business:
  - Resolution – Home Program THDA – Housing Inspection Services
  - Resolution – 2020 General Obligation Refunding Bonds
  - Bills Over/Under \$1,000.00 ready for Board Approval

The Board of Mayor and Aldermen met at City of Covington on March 10, 2020 at 5:30 p.m. with the following members present: Mayor Justin Hanson, Aldermen: Danny Wallace, Johnetta Yarbrough, Jeff Morris, Minnie Bommer, C H Sullivan, and Keith Phelps. Also present were Police Chief Larry Lindsey, Fire Chief Richard Griggs, Public Works Director David Gray, Personnel Director Tiny Rose, Building Official Lessie Fisher, Parks & Recreation Director Joe Mack, City Attorney Rachel Witherington and Recorder-Treasurer Tina Dunn.

Meeting was called to order by Mayor Justin Hanson.

Invocation was given by Alderman Danny Wallace.

Pledge of Allegiance to the Flag was led by Alderman C H Sullivan.

Motion was made by Alderman C H Sullivan and seconded by Alderwoman Johnetta Yarbrough that the Minutes of the Preceding Meeting be approved as distributed to the Board with the correction of \$5,000,000 for the funding of the police facility vs. \$500,000(See Attached). Motion passed.

Motion was made by Alderman C H Sullivan and seconded by Alderman Jeff Morris that the Minutes of the Beer Board Meeting be approved (See Attached). Motion passed.

Motion was made by Alderman Keith Phelps and seconded by Alderman Danny Wallace that the Minutes of the General Welfare – Public Safety Committee Meeting be approved (See Attached). Motion passed.

Motion was made by Alderman Jeff Morris and seconded by Alderwoman Minnie Bommer that the Minutes of the Public Works Committee Meeting with the correction of Alderwoman Bommer seconding the motion be approved (See Attached). Motion passed.

Mayor Justin Hanson reported there will be a Special Called Planning Commission Meeting on March 17, 2020 at 12:00 p.m.

Mayor Justin Hanson presented the Resolution to select A2H, Inc. to provide Engineering Services in the implementation of City's FY 2020 Select Tennessee Site Development Grant Project (See Attached).

Motion was made by Alderman Keith Phelps and seconded by Alderman C H Sullivan to approve the Resolution selecting A2H to provide Engineering Services in the implementation of City's FY 2020 Select Tennessee Site Development Grant Project. Motion passed.

Mayor Justin Hanson presented the Resolution to select Community Development Partners, LLC to provide assistance in the administration of the City's FY 2020 Select Tennessee Site Development Grant Project (See Attached).

Motion was made by Alderman C H Sullivan and seconded by Alderman Jeff Morris to approve the Resolution selecting Community Development Partners, LLC to provide assistance in the

administration of the City's FY 2020 Select Tennessee Site Development Grant Project. Motion passed.

The following bills over/under \$1,000.00 were presented for approval:

A-1 Door Co	Gas	Garage Door Repair	\$ 2,095.00
Amazon	Various Depts	Supplies	\$ 1,907.82
BancorpSouth	Various Depts	Travel / Misc	\$ 3,709.42
Barge Waggoner	Airport	LED Lighting Project	\$ 1,127.55
BFI North Shelby Landfill	WWTP	Sludge Disposal	\$ 3,092.93
BNY Mellon	PB Acct	Interest Pymt on Bond	\$ 1,060.85
Brenntag Mid-south	WWTP	Chemicals	\$ 1,770.00
Brenntag Mid-south	WWTP	Chemicals	\$ 2,510.00
Brenntag Mid-south	WWTP	Chemicals	\$ 3,025.00
Burleigh Consulting	Various Depts	Actuarial Valuation	\$ 20,850.00
Burleigh Consulting	Various Depts	Benefit Certifications	\$ 5,600.00
Data Driven	Police	Watson Cloud Base - 50%	\$ 16,095.50
Dell Marketing	Codes / Maint	Computers	\$ 2,271.75
Hub City Tire	Gas	Tires	\$ 1,062.15
Hub City Tire	Police	Tires	\$ 1,089.20
Huckwagons	Parks & Rec	Bike Trailer	\$ 8,907.70
Larry Lindsey	Police	Travel	422.45
Local Government	Gas	Printer	\$ 1,122.75
McKee Construction	Parks & Rec	Install Drain Line for Washer	\$ 2,000.00
Memphis Grizzlies	Parks & Rec	Jerseys / Shorts	\$ 1,504.00
Memphis Grizzlies	Parks & Rec	Jerseys / Shorts	\$ 4,312.00
Richard Griggs	Fire	Travel	\$ 112.00
Sarah Maclin	Police	Travel	\$ 228.00
Shapiro Uniforms	Police	Carrier Vests	\$ 1,139.90
Sullivan Natural Gas Service	Gas	SCADA System Annual Fee	\$ 1,455.00
TAUD	Various Depts	Cram Sessions Registrations	\$ 1,100.00
Titan Aviation Fuels	Airport	Jet Fuel	\$ 15,564.98
Tri-State Meter	Gas	Meters /Regulators	\$ 5,785.96
University of Tennessee	General	Mayor - 1/2 Class Registration	\$ 1,750.00
Verizon	Police	Telephone	\$ 1,408.26
Wall's	Cemetery	Blower	\$ 11,900.00
Wal-Mart	Various Depts	Supplies	\$ 2,988.56
Wascon	Sewer	Pump Repair	\$ 1,102.38
White Construction	Sewer	2018 CDBG	\$ 89,731.16
		<b>TOTAL</b>	<b>219,802.27</b>

Motion was made by Alderman Danny Wallace and seconded by Alderman C H Sullivan that the preceding bills over/under \$1000.00 be paid when properly approved. Motion passed.

There being no further business, the meeting adjourned at 5:55 p.m.

Attest:

\_\_\_\_\_  
Recorder-Treasurer

\_\_\_\_\_  
Mayor

The Beer Board of the City of Covington, Tennessee met at City Hall on December 10, 2019 at 5:30 p.m. with the following members present: Mayor Justin Hanson Aldermen: Danny Wallace, Keith Phelps, Johnetta Yarbrough, Minnie Bommer, and Jeff Morris. Also present were Public Works Director David Gray, Building Official Lessie Fisher, Fire Chief Richard Griggs, Personnel Director Tiny Rose, Police Chief Larry Lindsey, MD Shanna Ullaha, and Recorder-Treasurer Tina Dunn.

Meeting was called to order by Mayor Justin Hanson.

Public Hearing to consider the revocation, suspension or civil penalty in lieu of suspension of the beer permit of MD Shana Ullaha, owner of the Exxon Food Mart located at 1725 Highway 51 South for selling beer to a minor was called to order.

Motion was made by Alderwoman Bommer and seconded by Alderman Wallace to impose a fine of \$1,500.00 to MD Shana Ullaha, owner of the Exxon Food Mart located at 1725 Highway 51 South to be paid within seven days contingent on the determination of responsible vendor. If it is proven Exxon Food Mart is a responsible vendor, the fine will be \$1,000.00.

There being no further business, the meeting adjourned at 5:42 p.m.

The General Welfare – Public Relations Committee met at City Hall at 4:00 p.m. with the following members present: Chairman Alderwoman Minnie Bommer, Mayor Justin Hanson, Alderman Keith Phelps, and Alderman C H Sullivan. Also present were Alderman Jeff Morris, Alderman Danny Wallace, Parks and Recreation Director Joseph Mack, Museum Director Barrie Foster, Airport Manager Robin Anderson, Assistant to the Mayor Rebecca Ray, and Recorder-Treasurer Tina Dunn.

Chairman Alderwoman Minnie Bommer called meeting to order.

Airport Manager Anderson reported total fuel sales of 2,565 gallons for the month of February. The airport conference will be March 16<sup>th</sup> – March 18<sup>th</sup>. The contract for the fuel farm in the amount of \$28,600.00 has been signed and work will begin in March, 2020.

Motion was made by Alderman Keith Phelps and seconded by Alderman C H Sullivan to accept the report from Airport Manager Anderson. Motion passed.

Park and Recreation Director Joe Mack reported there will be a Community Service Opportunity from March 23 – March 27 for the Bicycle Park Build. He discussed the precautionary procedures the department is using for the corona virus. Director Mack reported on the possibility of the use of city tourism & health taxes. These would be additional taxes that could be reserved for the Parks & Recreation Department. He presented examples of these taxes such as a tobacco tax and soda tax. The revenue from these taxes could be used to fund and promote healthy living and physical activity throughout the city. Recorder-Treasurer Dunn will research the process to have these taxes approved with the Tipton County Election Office.

Motion was made by Alderman C H Sullivan and seconded by Alderman Keith Phelps to approve the report from Park and Recreation Director Mack. Motion passed.

Museum Director Barrie Foster reported the Veteran of the Month for March is Brenda Cooper and she will be honored on March 10, 2020. The May Festival will be Saturday, May 2, 2020. The Men of Valor Exhibit will continue through June 30, 2020. There will be a class with Sheryl Rose on how to Certify your Yard on Saturday, April 18, 2020 from 10 a.m. to 11:30 p.m. Dr. Claudia Chapman will present “Women in the Civil War” on March 28, 2020 from 10:00 a.m. to 11:00 a.m.

Motion was made by Alderman C H Sullivan and seconded by Alderwoman Minnie Bommer to approve the report from Museum Director Foster. Motion passed.

There being no further business, the meeting adjourned at 5:05 p.m.

The Finance and Administration Committee met at City of Covington on March 17, 2020 at 4:00 p.m. with the following members present: Mayor Justin Hanson, Aldermen: Keith Phelps, Johnetta Yarbrough, Danny Wallace, and Jeff Morris. Also present were: Building Official Lessie Fisher, Public Works Director David Gray, City Attorney Rachel Witherington, Police Chief Larry Lindsey, Personnel Director Tiny Rose, Assistant Fire Chief Jeremy Channell, Parks & Recreation Director Joe Mack, Senior Accountant Kristin Mathis, Assistant to the Mayor Rebecca Ray, and Recorder-Treasurer Tina Dunn.

Motion was made by Alderman Morris and seconded by Alderman Wallace to elect Mayor Hanson as Chairman due to Alderman Sullivan's absence. Motion passed.

Frank Carney, Pension Attorney, discussed the City's Defined Benefit Plan as compared to the City's TCRS Hybrid Plan. A summary of the comparison of benefits between the two plans were given to review. These comparisons were completed for the consideration in putting in place an optional program to permit current participants in the City's Defined Benefit Plan to transfer to the City's TCRS Hybrid Plan. Also, TCRS can be the third party administrator for the present city plan. A comparison of TCRS administrative costs to Regions administrative costs was reviewed. TCRS can administer the plan, invest the assets, and pay checks to the current retirees. However, the city would have to retain actuary services. There would be a savings to the City if the administration was changed to TCRS. Personnel Director Rose will conduct an employee survey to see if there is an interest in changing from the existing city plan to TCRS.

Motion was made by Alderman Keith Phelps and seconded by Alderman Jeff Morris to draft a sample resolution to move the administrative services to TCRS from Regions Bank for the existing city defined benefit plan. Motion passed.

City Attorney Rachel Witherington began the discussion on the minimum mandatory training requirements for employees of the beer permit holders. An example of an ordinance was given for review. Attorney Witherington recommended to set amounts for each offense so there is consistency.

Motion was made by Alderman Jeff Morris and seconded by Alderman Danny Wallace to set the fine to \$2,500.00 for the first offense and suspend the license for 60 days on the second offense. Motion was amended by Alderman Morris and seconded by Alderman Wallace in addition to the first motion to revoke the license on the 3<sup>rd</sup> offense with a 24 month period of review of beer permit holder record. Motion passed.

Police Chief Larry Lindsey requested the amendment of the drug budget to purchase a drug dog at a cost of \$8,750.00. This cost will be split between the general fund and the drug fund. Shelby County will provide training at no cost.

Motion was made by Alderman Wallace and seconded by Alderman Morris to amend the drug fund budget to include the purchase of this drug dog at a cost of \$4,400.00 to the drug fund. Motion passed.

There being no further business, the meeting adjourned at 5:55 p.m.

# **PROCLAMATION**

## **TO RECOGNIZE NATIONAL JUNIOR AUXILIARY WEEK ON APRIL 5-11, 2020.**

**WHEREAS, The Covington – Tipton County Junior Auxiliary has been an integral part of our community ever since it was organized in the Thornwell Howard Room at the First Presbyterian Church in Covington in 1975. This organization received their charter in 1976, and**

**WHEREAS, The Covington-Tipton County Junior Auxiliary is a part of the National Association of Junior Auxiliaries (NAJA), a non-profit organization founded in 1941 with headquarters in Greenville, Mississippi. This organization has 15,621 active, associate, and life members in ninety-six Chapters located in Alabama, Arkansas, Florida, Kentucky, Louisiana, Mississippi, Missouri, and Tennessee. Junior Auxiliary members have volunteered a total of 238,242 hours in their communities and invested \$2,747,171 in eight southeastern States during the past year, and**

**WHEREAS, The Covington-Tipton County Junior Auxiliary is ever mindful of their motto, “Care Today, Character Tomorrow” by making it their mission to offer services that are beneficial to enhancing the lives of children. In order to accomplish these goals, the Covington – Tipton County Junior Auxiliary raises money throughout the year principally by hosting the Fall Shopping Frenzy held annually in November to fund their service projects. Currently the Junior Auxiliary provides more than 250 snack packs each Friday to elementary school students to give them something extra to eat over the weekend. The Junior Auxiliary also has a traveling library project which is designed to promote literacy. Junior Auxiliary members read books to children whose parents are eligible to participate in the Bread of Life Ministry through the First United Methodist Church and Storytime at the Tipton County Public Library. Books are purchased and distributed to the children at both these events, and**

**NOW, THEREFORE, BE IT PROCLAIMED that I, Justin M. Hanson, Mayor of the City of Covington, Tennessee, do hereby designate the week of April 5 - 11, 2020 as**

## **JUNIOR AUXILIARY WEEK**

**In the City of Covington and urge all citizens to recognize the Covington-Tipton County Junior Auxiliary and their volunteers for their philanthropic endeavors to improve the overall quality of life of our community for more than forty-four years. This the 24<sup>th</sup> day of March 2020.**



**MONTH TO DATE (2.75%)**

REC/SALE	ACTUAL 2018-19	ACTUAL 2019-20	MONTH INC/(DEC)	MONTH INC/DEC %
SEPT/JUL	\$ 305,803	\$ 312,834	\$ 7,031	2.3
OCT/AUG	\$ 304,241	\$ 317,982	\$ 13,741	4.5
NOV/SEP	\$ 293,470	\$ 287,969	\$ (5,501)	-1.9
DEC/OCT	\$ 293,024	\$ 318,516	\$ 25,492	8.7
JAN/NOV	\$ 310,643	\$ 310,079	\$ (564)	-0.2
FEB/DEC	\$ 380,475	\$ 398,735	\$ 18,260	4.8
MAR/JAN	\$ 280,318	\$ 281,452	\$ 1,134	0.4
APRIL/FEB	\$ 281,071	\$ -	\$ -	
MAY/MAR	\$ 332,855	\$ -	\$ -	
JUNE/APR	\$ 325,078	\$ -	\$ -	
JULY/MAY	\$ 335,012	\$ -	\$ -	
AUG/JUNE	\$ 313,072	\$ -	\$ -	

TOTAL

**YEAR TO DATE (2.75%)**

REC/SALE	ACTUAL 2018-19	ACTUAL 2019-20	MONTH INC/(DEC)	MONTH INC/DEC %
SEPT/JUL	\$ 305,803	\$ 312,834	\$ 7,031	2.3
OCT/AUG	\$ 610,044	\$ 630,816	\$ 20,772	3.4
NOV/SEP	\$ 903,514	\$ 918,785	\$ 15,271	1.7
DEC/OCT	\$ 1,196,538	\$ 1,237,301	\$ 40,763	3.4
JAN/NOV	\$ 1,507,181	\$ 1,547,380	\$ 40,199	2.7
FEB/DEC	\$ 1,887,656	\$ 1,946,115	\$ 58,459	3.1
MAR/JAN	\$ 2,167,974	\$ 2,227,567	\$ 59,593	2.7
APRIL/FEB	\$ 2,449,045	\$ -	\$ -	
MAY/MAR	\$ 2,781,900	\$ -	\$ -	
JUNE/APR	\$ 3,106,978	\$ -	\$ -	
JULY/MAY	\$ 3,441,990	\$ -	\$ -	
AUG/JUNE	\$ 3,755,062	\$ -	\$ -	



Department of Revenue

City/County Clerk Monthly Summary

Welcome, Tina Dunn

Settings

Help

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Customer City/County Clerk Monthly Summary

If you are looking for historical data reports for periods prior to May 2018 for business tax and March 2017 for sales tax, please go to the Business Intelligence Portal and use your existing login information.

Month: 02 - February Year: 2020 Search

Table with columns: Collected In, Collections Type, Amount. Total: 10 Rows -603,309.80

Handwritten calculation: 392,421.20 / 2 = 196,210.60. 10% (1,942.11) = \$ 194,248.49

Handwritten calculation: 194,248.49 + 87,204.00 = 281,452.49



**RESOLUTION  
COVINGTON, TENNESSEE  
FOR HOUSING INSPECTION SERVICES**

WHEREAS, the City of Covington, Tennessee has been awarded financial grant assistance as provided under the HOME Program from the Tennessee Housing Development Agency; and

WHEREAS, the Board of Aldermen of the City of Covington, finds it in the City's best interest to secure the assistance of an experienced and qualified housing inspection services firm, also known as Rehabilitation Coordinator, to assist in the implementation for the HOME Program grant;

WHEREAS, in compliance with pertinent State regulations, the City has solicited and evaluated statements of qualifications of interested professional housing inspection firms; and

WHEREAS, the Board of Aldermen has determined that Crossroads Home Inspection, Tim Wood Inspection, and Jim Pillow Consulting all have appropriate experience, background and qualifications to provide said services.

NOW, THEREFORE BE IT RESOLVED, by the Board of Aldermen of the City of Covington, that Mayor Justin Hanson, and successors in title, is hereby authorized to negotiate and enter into a contract with any or all of the following Housing Inspectors: Crossroads Home Inspection, Tim Wood Inspection, and Jim Pillow Consulting – to provide professional Housing Rehab Coordinator services as required to implement the FY 2018 HOME Program Grant.

READ AND ADOPTED this the \_\_\_\_\_ day of \_\_\_\_\_, 2020.

CITY OF COVINGTON

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ATTEST:

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Signature, Title

**RESOLUTION**

**RESOLUTION AUTHORIZING THE EXECUTION, TERMS, ISSUANCE, SALE, AND PAYMENT OF NOT TO EXCEED \$485,200 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2020, OF THE CITY OF COVINGTON, TENNESSEE, AND PROVIDING THE DETAILS THEREOF**

**WHEREAS**, the City of Covington, Tennessee (the "Municipality"), pursuant to resolutions adopted by the Board of Mayor and Aldermen (the "Board"), of the Municipality, has heretofore entered into that certain Loan Agreement, dated December 22, 1995, in the original amount of \$2,500,000 (the "Loan Agreement"), with a public building authority, the proceeds of such loan having been used by the Municipality to finance various public works projects, including a fire station, parks and recreational facilities, renovation of municipal buildings, and to pay costs incident to incurring the indebtedness, of which \$485,200 maturing May 25, 2021 through May 25, 2023 is outstanding (the "Outstanding Indebtedness");

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

**WHEREAS**, the Municipality desires to prepay the Outstanding Indebtedness in order to lock in a fixed rate of interest due to fixed rates being low at this time;

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

**WHEREAS**, the Board of the Municipality has determined that it is in the best interests of the Municipality to now prepay such Outstanding Indebtedness on the earliest practicable date;

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

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

**WHEREAS**, the Board finds that it is now, therefore, necessary and desirable to provide for the execution, terms, issuance, sale, and payment of not to exceed \$485,200 General Obligation Refunding Bonds, Series 2020 (the "Bonds"); and,

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

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF COVINGTON, TENNESSEE, AS FOLLOWS:**

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

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

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

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

"Bond" means individually, or "Bonds" means collectively, the General Obligation Refunding Bonds, Series 2020, of the Municipality authorized by this Resolution of the Board.

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

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

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

"City Recorder" means the duly appointed, qualified, and acting City Recorder of the Municipality, or his or her successors.

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

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

"Board" means the Board of Mayor and Aldermen of the Municipality.

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

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

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

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

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

"State" means the State of Tennessee.

Section 3. Authorization. For the purpose of providing funds to prepay the Outstanding Indebtedness and to pay costs of issuance in connection with the Bonds, there is hereby authorized to be issued general obligation refunding bonds of the Municipality in the aggregate principal amount of not to exceed Four Hundred Eighty-Five Thousand Two Hundred Dollars (\$485,200). No Bonds may be issued under the provisions of this Resolution except in accordance herewith. The Board hereby finds that it is advantageous to the Municipality to issue the Bonds to prepay the Outstanding Indebtedness.

Section 4. Form of Bonds; Execution. (a) The Bonds are issuable only as fully registered bonds, without coupons. All Bonds issued under this Resolution shall be substantially in the form set forth in

Exhibit "A" attached hereto, and by this reference incorporated herein as fully as though copied, with such appropriate variations, omissions, and insertions as are permitted or required by this Resolution, the blanks therein to be appropriately completed when the Bonds are prepared, and may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law with respect thereto or as otherwise desired by the Municipality. The Bonds shall be numbered consecutively from one upwards.

(b) The Bonds shall be executed in such manner as may be prescribed by applicable law in the name, and on behalf, of the Municipality with the manual signature of the Mayor and attested with the manual signature of the City Recorder, and with the official seal of the Municipality impressed or imprinted thereon. The Bonds shall not be valid for any purpose unless authenticated by the manual signature of the Bond Registrar on the certificate set forth on the Bonds.

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

Section 5. Terms, Payment, and Certain Other Provisions of the Bonds. (a) The Bonds shall be designated "General Obligation Refunding Bonds, Series 2020". Each Bond shall be dated the date of issuance and delivery, or such other date as the Authorized Representatives of the Municipality executing the Bonds shall determine; shall be sold at the price of par; shall bear interest from the date thereof at a rate or rates to be hereafter determined by the officials of the Municipality executing the Bonds when said Bonds are sold, but not exceeding 3.50% per annum, such interest being payable semiannually on the first day of June and December of each year, commencing December 1, 2020; and, shall be payable on the first day of June in the principal amounts set forth in the Bond Purchase Agreement with the final maturity date of June 1, 2023; provided, however, that the Mayor and the City Recorder are hereby authorized to make such adjustments in the principal amounts as are necessary to provide the most effective overall debt service for the Municipality.

In the event that any amount payable on any Bond as interest shall at any time exceed the rate of interest lawfully chargeable thereon under applicable law, then any such excess shall, to the extent of such excess, be applied against the principal of such Bond as a prepayment thereof without penalty, and such excess shall not be considered to be interest.

The principal of, and all installments of interest on, any Bond shall bear interest from and after their respective due dates at a rate of interest equal to the rate of interest payable on the principal of such Bond. All rates of interest specified herein shall be computed on the basis of a three hundred sixty (360) day year composed of twelve (12) months of thirty (30) days each.

(b) Interest on the Bonds shall be payable by wire transfer, electronic means, or by check or other form of draft of the Bond Registrar, deposited by the Bond Registrar in the United States mail, first class postage prepaid, in sealed envelopes, addressed to the Owner of such Bonds, as of the applicable Interest Payment Date, at its address as shown on the Registration Books of the Municipality maintained by the Bond Registrar as of the close of business fifteen (15) calendar days preceding the next Interest Payment Date. All payments of the principal of and interest on the Bonds shall be made in any coin or currency of the United States of America which, on the date of payment thereof, shall be legal tender for the payment of public and private debts.

Section 6. Redemption. The Bonds shall not be subject to redemption prior to maturity; provided however, at the option of the Municipality, upon thirty (30) calendar days written notice to the

Owner, and with the consent of the Owner, the Municipality may prepay the Bonds in full at the price of par plus a 1% premium, and accrued interest to the date of redemption. Notwithstanding the above, the Municipality may pay additional principal payments on the Bonds, from its own funds on hand, not borrowed funds, upon fifteen (15) calendar days written notice to the Owner; provided, however, not more than twenty percent (20%) of the current outstanding principal of the Bonds may be paid in any twelve month period.

Section 7. Registration, Negotiability, and Payment. (a) The City Recorder of the Municipality is hereby appointed the Bond Registrar and paying agent (the "Bond Registrar"), and as such shall establish and maintain suitable books (the "Registration Books"), for recording the registration, conversion, and payment of the Bonds, and shall also perform such other duties as may be required in connection with any of the foregoing. The Bond Registrar is hereby authorized to authenticate and deliver the Bonds to the original purchaser thereof, or as it may designate, upon receipt by the 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 Bonds to be transferred in proper form with proper documentation as herein described. The Bonds shall not be valid for any purpose unless authenticated by the Bond Registrar by the manual signature of the Bond Registrar on the certificate set forth in Exhibit "A" hereto. The Bonds shall be fully registered as to both principal and interest and shall be fully negotiable upon proper endorsement by the registered owner thereof. No transfer of any Bonds shall be valid unless such transfer is noted upon the Registration Books and until such Bond is surrendered, cancelled, and exchanged for a new Bond which shall be issued to the transferee, subject to all the conditions contained herein.

(b) The Municipality may from time to time at its discretion remove the Bond Registrar and appoint a successor Bond Registrar to whom all records, documents, and instruments relating to its duties as Bond Registrar shall be delivered. Any successor Bond Registrar shall be appointed by resolution of the Municipality, and shall be a trust company or bank having the powers of a trust company, having, at the time of such appointment, a combined capital, surplus, and undivided profits aggregating at least Fifty Million Dollars (\$50,000,000), and be willing and able to accept the office of Bond Registrar on reasonable and customary terms, and authorized by law to perform all duties imposed upon it by this Resolution.

Section 8. Transfer of Bonds. (a) Each Bond shall be transferable only on the Registration Books maintained by the Bond Registrar at the office of the Bond Registrar, upon the surrender for cancellation thereof at the office of the Bond Registrar, together with an assignment of such Bond duly executed by the Owner thereof or its attorney or legal representative, and upon payment of the charges hereinafter provided, and subject to such other limitations and conditions as may be provided therein or herein. Upon the cancellation of any such Bond, the Bond Registrar shall, in exchange for the surrendered Bond or Bonds, deliver in the name of the transferee or transferees a new Bond or Bonds of authorized denominations, of the same aggregate principal amount and maturity and rate of interest as such surrendered Bond or Bonds, and the transferee or transferees shall take such new Bond or Bonds subject to all of the conditions herein contained.

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

Section 9. Regulations with Respect to Transfers. In all cases in which the privilege of transferring Bonds is exercised, the Municipality shall execute, and the Bond Registrar shall deliver, Bonds

in accordance with the provisions of this Resolution. For every transfer of Bonds, whether temporary or definitive, the Municipality and the Bond Registrar may make a charge, unless otherwise herein to the contrary expressly provided, sufficient to pay for any tax, fee, or other governmental charge required to be paid with respect to such exchange or transfer, all of which taxes, fees, and other governmental charges shall be paid by the person or entity requesting such transfer as a condition precedent to the exercise of the privilege of making such transfer. Neither the Municipality nor the Bond Registrar shall be obligated to transfer any Bond after the fifteenth (15th) calendar day of the month next preceding an Interest Payment Date.

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

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

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

Section 13. Levy of Taxes. For the purpose of providing for the payment of the principal of, and interest on, the Bonds, there shall be levied in each year in which such Bonds shall be outstanding, to the extent necessary, a direct tax on all taxable property in the Municipality, fully sufficient, to pay all such principal and interest falling due prior to the time of collection of the next succeeding tax levy. Said tax shall be assessed, collected, and paid at the time, and in the same manner, as the other taxes of said Municipality, shall be in addition to all other taxes, and shall be without limitation as to time, rate, or amount. The Board of the Municipality is required by law and shall and does hereby pledge to levy such tax. Principal and interest, or either of the foregoing, falling due at any time when there shall be insufficient funds on hand from such tax levy for the payment thereof shall be paid from the general fund or other available funds of the Municipality, but reimbursement therefor may be made from the taxes herein provided when the same shall have been collected.

Section 14. Sale of Bonds. (a) The Bonds herein authorized are authorized to be sold by the Mayor at a private negotiated sale at a price of not less than par in accordance with the provisions of the Bond Purchase Agreement. The Bonds shall contain such terms, conditions, and provisions other than as



expressly provided or limited herein as may be agreed upon by the Mayor of the Municipality and the purchaser of the Bonds, as set forth in such Bond Purchase Agreement.

The Mayor, in consultation with the Purchaser of the Bonds, is authorized, prior to the sale of the Bonds and the execution of the Bond Purchase Agreement, to make such changes in the structuring of the terms of the Bonds as the Mayor shall deem necessary to provide for the most efficient refunding of the Outstanding Indebtedness, as may be in the best interests of the Municipality. In this regard, the Mayor, in consultation with the Purchaser of the Bonds, is authorized to cause to be sold an aggregate principal amount of the Bonds less than that authorized herein and to make adjustments to the maturity schedule set forth in Section 5 hereof, and to change the redemption provisions set forth in Section 6 hereof; provided, however, that no redemption premium shall be greater than two percent (2%).

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

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

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

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

Section 16. Prepayment of the Outstanding Indebtedness. Upon the adoption of the Resolution, the Outstanding Indebtedness maturing May 25, 2021 through May 25, 2023, inclusive, is hereby authorized to be prepaid and notice of such intent to prepay the Outstanding Indebtedness shall be given by the Municipality in accordance with the provisions of the Loan Agreement.

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

The Municipality covenants that it shall comply with Section 148(f) of the Code, unless legally exempted therefrom, and the Municipality represents that in the event it shall be required by Section 148(f) of the Code to pay "Rebatable Arbitrage," as such term is defined and used in the Code, pursuant to the

Code, to the United States Government, it will make such payments as and when required by said Section 148(f) and will take such other actions as shall be necessary or permitted to prevent the interest on the Bonds from becoming subject to inclusion in the gross income of the Owner of the Bonds for purposes of federal income taxation.

Section 18. Designation of Bonds Qualified Tax-Exempt Obligations. The Municipality hereby designates the Bonds as "qualified tax-exempt obligations" within the meaning and for the purpose of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. The Municipality reasonably anticipates that the amount of tax-exempt obligations (other than obligations described in Section 265(b)(3)(C)(ii)) which will be issued during the calendar year by the Municipality (i) any issuer with respect to which the Municipality is deemed to be an "on behalf of" issuer, and (ii) all subordinate entities which are treated as one issuer under Section 265(b)(3)(E) of the Code, will not exceed \$10,000,000, and not more than \$10,000,000 of obligations issued by the Municipality (together with those issued by any other issuers that are treated as on issuer under such Section 265(b)(3)) during the 2020 calendar year will be designated as "qualified tax-exempt obligations".

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

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

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

Section 22. Payments Due on Saturdays, Sundays, and Holidays. In any case where the date of maturity or interest on or principal of any Bond shall be a Saturday or Sunday or shall be, at the place designated for payment, a legal holiday or a day on which banking institutions in the State of Tennessee are authorized by law to close, then the payment of the interest on, or the principal of such Bond need not be made on such date but must be made on the next succeeding day not a Saturday, Sunday, or a legal holiday or a day upon which banking institutions in the State of Tennessee are authorized by law to close, with the same force and effect as if made on the date of maturity and no interest shall accrue for the period after such date.

Section 23. No Action to be Taken Affecting Validity of the Bonds. The Board hereby covenants and agrees that it will not take any action, that would in any manner affect the validity of the Bonds or limit the rights and remedies of the Owner from time to time of such Bonds or affect the exclusion of interest thereon from the gross income of the Owner thereof for federal income tax purposes.

Section 24. Miscellaneous Acts. The Mayor and the City Recorder, and all other appropriate officials of the Municipality, are hereby authorized, empowered, and directed to do any and all such acts and things, and to execute, acknowledge, and deliver all such documents, instruments, and certifications, in addition to those acts, things, documents, instruments, and certifications hereinbefore authorized and approved, as may in their discretion, be necessary or desirable to implement or comply with the intent of this Resolution; or any of the documents herein authorized and approved, or for the authorization, issuance, and delivery of the Bonds and for the redemption of the Outstanding Indebtedness.

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

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

Section 27. Repeal of Conflicting Resolutions and Effective Date. All resolutions and orders, or parts thereof, in conflict with the provisions of this Resolution, are, to the extent of such conflict, hereby repealed and this Resolution shall be in immediate effect from and after its adoption, the welfare of the Municipality requiring it.

Approved and adopted this 24th day of March, 2020.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Recorder

STATE OF TENNESSEE)  
COUNTY OF TIPTON)

I, Tina Dunn, hereby certify that I am the duly qualified and acting City Recorder of the City of Covington, Tennessee (the "Municipality"), and, as such official, I further certify as follows: (1) that attached hereto is a copy of a resolution excerpted from the minutes of the meeting of the Board of Mayor and Aldermen (the "Board"), of said Municipality held on March 24, 2020; (2) that I have compared said copy with the original minute record of said meeting in my official custody; (3) that said copy is a true, correct, and complete transcript from said original record insofar as said original record relates to, among other matters, the authorization of the issuance of not to exceed \$485,200 General Obligation Refunding Bonds, Series 2020, by said Municipality; (4) that the actions by said Board, including the aforementioned, at said meeting were promptly and duly recorded by me in a book kept for such purpose; and, (5) that a quorum of the members of said Board was present and acting throughout said meeting.

WITNESS my official signature and the seal of said Municipality this 24th day of March, 2020.

\_\_\_\_\_  
City Recorder

(SEAL)

EXHIBIT A - FORM OF BOND

Registered  
No. \_\_\_\_\_

Registered  
\$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF TENNESSEE  
CITY OF COVINGTON  
GENERAL OBLIGATION REFUNDING BOND,  
SERIES 2020

Dated Date:

Registered Owner:

Principal Amount:

THE CITY OF COVINGTON, TENNESSEE (the "Municipality"), a lawfully organized and existing municipal corporation, for value received, hereby acknowledges itself indebted and promises to pay, as hereinafter set forth, in the manner hereinafter provided, to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Principal Payment Dates and in the Principal Amounts set forth on Exhibit A attached hereto and incorporated herein as fully as though copied, and to pay interest on said Principal Amounts from the date hereof, or such later date as to which interest has been paid, to the Principal Payment Dates set forth on Exhibit A, semiannually on June 1 and December 1 of each year, commencing December 1, 2020, at the Interest Rate per annum set forth on Exhibit A, with principal and interest being payable by wire transfer, check, draft, or warrant to the Registered Owner hereof at the address shown on the registration books of the City Recorder maintained at the principal office of the City Recorder, Covington, Tennessee, or his or her successor as registrar and paying agent (the "Bond Registrar"), on the fifteenth (15th) calendar day next preceding an interest payment date, in any coin or currency of the United States of America which on the date of payment thereof is legal tender for the payment of public and private debts.

In the event that any amount payable hereunder as interest shall at any time exceed the rate of interest lawfully chargeable on this bond under applicable law, any such excess shall, to the extent of such excess, be applied against the principal hereof as a prepayment thereof without penalty, and such excess shall not be considered to be interest. All rates of interest specified herein shall be computed on the basis of a three hundred sixty (360) day year composed of twelve (12) months of thirty (30) days each.

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

This Bond is authorized and issued pursuant to and in full compliance with, the Constitution and the statutes of the State of Tennessee, including, but not limited to, Title 9, Chapter 21, Tennessee Code Annotated, as amended. Section 9-21-117, Tennessee Code Annotated, as amended, provides that this Bond and the income therefrom shall be exempt from all state, county, and municipal taxation in the State of Tennessee, except inheritance, transfer, and estate taxes, and except as otherwise provided in said Code.

This Bond is known as "General Obligation Refunding Bond, Series 2020" (the "Bond"), issued by the Municipality in the original principal amount of \$485,200. The Bond, which is issued for the purpose of providing funds to prepay the outstanding principal of that certain Loan Agreement, dated December 22, 1995, in the original amount of \$2,500,000 (the "Loan Agreement"), with a public building authority, the proceeds of such loan having been used by the Municipality to finance various public works projects, including a fire station, parks and recreational facilities, renovation of municipal buildings, and to pay costs incident to incurring the indebtedness, of which \$485,200 maturing May 25, 2021 through May 25, 2023 is outstanding, is authorized by appropriate resolutions of the Board of Mayor and Aldermen and particularly that certain Resolution of the Board of Mayor and Aldermen, adopted on March 24, 2020, as such resolution may be from time to time amended or supplemented in accordance with its terms (such resolution as so amended or supplemented, being herein called the "Resolution"), and are issued pursuant to, and in full compliance with, the Constitution and the statutes of the State of Tennessee, including, but not limited to, Title 9, Chapter 21, Tennessee Code Annotated, as amended (the "Act"). Copies of said Resolution are on file at the office of the City Recorder of the Municipality, and reference is hereby made to said Resolution and the Act, for a more complete statement of the terms and conditions upon which the Bond is issued thereunder, the rights, duties, immunities, and obligations of the Municipality, and the rights of the Registered Owner hereof.

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

This Bond is payable from funds of the Municipality legally available therefor and to the extent necessary from ad valorem taxes to be levied on all taxable property within the corporate limits of the Municipality without limitation as to time, rate, or amount. For the prompt payment of this Bond, both principal and interest, as the same shall become due, the full faith, and credit of the Municipality is hereby irrevocably pledged.

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

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

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

The Bond is issuable only as a fully registered Bond, without coupons, in the denomination of \$485,200. At the principal office of the Bond Registrar, in the manner and subject to the limitations, conditions, and charges provided in the Resolution, the Bond may be exchanged for an equal principal amount of bonds of the same maturity, of authorized denominations, and bearing interest at the same rate.

The Bond shall not be subject to redemption prior to maturity; provided however, at the option of the Municipality, upon thirty (30) calendar days written notice to the Registered Owner, and with the consent of the Registered Owner, the Municipality may prepay the Bond in full at the price of par plus a 1% premium, and accrued interest to the date of redemption. Notwithstanding the above, the Municipality may pay additional principal payments on the Bond, from its own funds on hand, not borrowed funds, upon fifteen (15) calendar days written notice to the Registered Owner; provided, however, not more than twenty percent (20%) of the current outstanding principal of the Bond may be paid in any twelve month period.

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

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

IN WITNESS WHEREOF, THE CITY OF COVINGTON, TENNESSEE, by its Board of Mayor and Aldermen has caused this Bond to be executed by the manual signature of the Mayor and attested by the manual signature of the City Recorder, to have its official seal to be impressed or imprinted hereon, all as of \_\_\_\_\_, 2020.

**EXHIBIT B – FORM OF BOND PURCHASE AGREEMENT**



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**CITY OF COVINGTON, TENNESSEE**

**AND**

**[BANK}**

**BOND PURCHASE AGREEMENT**

**Dated: May \_\_\_\_, 2020**

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**\$485,200**  
**GENERAL OBLIGATION REFUNDING BOND,**  
**SERIES 2020**

**BOND PURCHASE AGREEMENT**

**City of Covington, Tennessee  
\$485,200  
General Obligation Refunding Bond, Series 2020**

THIS BOND PURCHASE AGREEMENT (the "Bond Purchase Agreement"), dated May \_\_\_\_\_, 2020, is by and between the CITY OF COVINGTON, TENNESSEE, a municipal corporation duly organized and existing under the laws of the State of Tennessee (the "Municipality"), and \_\_\_\_\_ (the "Purchaser" or the "Bank"):

Section 1. Background.

1.1 (a) The Municipality will issue its \$485,200 General Obligation Refunding Bond, Series 2020, dated the date of issuance and delivery (the "Refunding Bond"), for the purpose of prepaying the outstanding principal of that certain Loan Agreement, dated December 22, 1995, in the original amount of \$2,500,000 (the "Loan Agreement"), with a public building authority, the proceeds of such loan having been used by the Municipality to finance various public works projects, including a fire station, parks and recreational facilities, renovation of municipal buildings, and to pay costs incident to incurring the indebtedness, of which \$485,200 maturing May 25, 2021 through May 25, 2023 is outstanding (the "Outstanding Indebtedness");

(b) The Refunding Bond is issued pursuant to that certain resolution adopted by the Board of Mayor and Aldermen of the Municipality on September 6, 2020 (the "Resolution").

(c) In accordance with the Resolution, the proceeds of the Refunding Bond will be used on or before May 25, 2020, to prepay the Outstanding Indebtedness.

1.2 The Refunding Bond shall be in substantially the form set forth in the Resolution; shall be issuable as a fully registered bond, in the denomination of \$485,200; shall be dated the date of issuance and delivery; shall bear interest from such date payable semiannually on June 1 and December 1 of each year, with the first interest payment to be made on December 1, 2020; shall bear interest at the rate of \_\_\_%, subject to adjustment as set forth below, and shall mature on the first day of June in the years and in the principal amounts set forth below:

<u>Year</u>	<u>Principal Amount</u>
2021	\$ 153,200
2022	161,600
2023	<u>170,440</u>
Total	Total \$ 485,200

1.3 The Refunding Bond may not be prepaid in whole or in part during the term of the Refunding Bond; provided, however, that with the written approval of the Bank upon thirty (30) calendar days written notice from the Municipality to the Bank of its intent to prepay, the Municipality may prepay the Refunding Bond in whole at the price of 101% of the principal amount to be prepaid, plus accrued interest to the date of prepayment. Notwithstanding the above, the Municipality may pay additional principal payments on the Refunding Bond, from its own funds on hand, not borrowed funds, upon fifteen (15) calendar days written notice to the Bank; provided, however, not more than twenty percent (20%) of the current outstanding principal of the Bonds may be paid in any twelve month period.

1.4 The Refunding Bond is payable as to both principal and interest from funds of the Municipality legally available therefor and to the extent necessary from ad valorem taxes to be levied for such purpose on all taxable property within the corporate limits of the Municipality, without limitation as to time, rate, or amount and for which the punctual payment of the principal of and interest on the Refunding Bond, the full faith and credit of the Municipality is irrevocably pledged.

## Section 2. Representations and Warranties of the Municipality.

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

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

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

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

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

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

2.6 There is no action, suit, proceeding, or investigation at law or in equity or before or by any court, public board or body pending or, to the knowledge of the Municipality, threatened against or affecting the Municipality (or, to the knowledge of the Municipality, any basis therefor) wherein an unfavorable decision, ruling, or finding would adversely affect (i) the transactions contemplated by this Bond Purchase Agreement or the validity of the Refunding Bond, the Resolution, this Bond Purchase Agreement, or any agreement or instrument to which the Municipality is a party and which is used or

contemplated for use in the completion of the transactions contemplated hereby or (ii) the exclusion of interest on the Refunding Bond from gross income of the holders thereof for federal income tax purposes.

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

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

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

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

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

### Section 3. Representations and Warranties of the Bank.

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

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

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

### Section 4. Purchase, Sale, and Closing.

4.1 Subject to the terms and conditions herein set forth, the Municipality agrees to sell to the Bank and the Bank agrees to purchase from the Municipality the Refunding Bond in the principal amount of \$485,200 at the price of par.

The closing for the Refunding Bond (the "Closing") will be held on May \_\_\_, 2020 (the "Closing Date"). Payment for the Refunding Bond shall be made in a manner satisfactory to the Municipality and the Bank in immediately available funds (unless agreed upon otherwise by the Bank) against delivery to the Bank of the Refunding Bond purchased thereby. The Refunding Bond will be delivered at the Closing to the Bank.

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

- (a) The Municipality's representations hereunder are true as of the date hereof.
- (b) The Resolution shall be in full force and effect and shall not have been amended or modified in any way which would adversely affect the Refunding Bond or the rights of any of the Bank and there shall have been no material adverse change in the properties, business (financial or otherwise), or results of the operation of the Municipality since the date of the adoption of the Resolution.
- (c) The Municipality shall not have defaulted in any of its respective covenants hereunder.
- (d) The Refunding Bond and the Resolution, shall have been duly authorized, executed, and delivered in the form heretofore approved by the Bank with only such changes therein as the Bank and the other parties thereto shall mutually agree upon.
- (e) The Bank shall have received or approved:
  - (i) an opinion of Bond Counsel, dated as of the Closing, in form and substance satisfactory to the Bank;
  - (ii) an opinion of counsel to the Municipality, dated as of the Closing, in form and substance satisfactory to the Bank;
  - (iii) copy of the executed Resolution; and,
  - (iv) closing certificates in forms satisfactory to the Bank.
- (f) As of the date hereof there shall not be any litigation or proceeding pending or threatened challenging the validity of this Bond Purchase Agreement, the Resolution, the Refunding Bond, or any other attendant documents, impairing the ability of the Municipality to pay the Refunding Bond, or seeking to enjoin any of the transactions referred to therein, and the Bank shall have received a certificate or certificates to this effect.

Section 5. Miscellaneous.

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

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

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

If to the Municipality:

City of Covington, Tennessee  
200 West Washington Avenue  
Covington, Tennessee 38019  
Attention: Mayor

If to the Bank:

Attention: W.A. Stringer

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

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

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

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

IN WITNESS WHEREOF, the parties hereto have caused this Bond Purchase Agreement to be executed in their names and on their behalf as follows:

CITY OF COVINGTON, TENNESSEE

By: \_\_\_\_\_  
Mayor

ATTEST:

By: \_\_\_\_\_  
City Recorder

\_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

