**Bond Anticipation Note Resolution**

Resolution No.

RESOLUTION OF THE GOVERNING BODY OF

, TENNESSEE,

AUTHORIZING THE ISSUANCE, SALE, AND PAYMENT OF

BOND ANTICIPATION NOTES

NOT TO EXCEED $

WHEREAS, the Governing Body of , Tennessee (the Local Government) has determined that it is necessary and desirable to provide funds for the following public works project (the “Project”):

(If multiple projects are involved, attach separate sheet identifying each project, its estimated economic life, and the portion of the Notes to be applied to the cost of such project ;) and

WHEREAS, the Governing Body has determined that the Project will promote or provide a traditional governmental activity or otherwise fulfill a public purpose; and

WHEREAS, the Local Government intends to issue and sell general obligation bonds (the “Bonds”) pursuant to the provisions of Title \_\_\_\_\_\_, Tennessee Code Annotated, to finance the cost of the Project; and, if required by law, has duly adopted an initial resolution authorizing the issuance of the Bonds; and

WHEREAS, under the provisions of Parts I, IV, and VI of Title 9, Chapter 21, Tennessee Code Annotated (the “Act”), local governments in Tennessee are authorized to issue and sell interest bearing bond anticipation notes for the purpose of providing funds in anticipation of the issuance of bonds upon the approval of the Comptroller of the Treasury or the Comptroller's designee; and

WHEREAS, the Governing Body finds that it is advantageous to the Local Government to authorize the issuance of bond anticipation notes at this time:

NOW THEREFORE, BE IT RESOLVED by the Governing Body of

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, Tennessee, as follows:

**Section 1.** For the purpose of providing funds in anticipation of the issuance of the Bonds, the chief executive officer of the Local Government is hereby authorized in accordance with the terms of this resolution, and upon approval of the Comptroller of the Treasury or Comptroller’s designee for the sale of the Notes, to issue and sell interest-bearing bond anticipation notes in a principal amount not to exceed \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Dollars ($\_\_\_\_\_\_\_\_\_\_\_\_\_) (the “Notes”) at either a competitive public sale or at a private negotiated sale pursuant to the terms, provisions, and conditions permitted by law. The Notes shall be designated “\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Bond Anticipation Notes, Series 20\_\_”, shall be numbered serially from 1 upwards; shall be dated as of the date of issuance; shall be in denomination(s) as agreed upon with the purchaser; shall be sold at not less than 99% of par value and accrued interest; and shall bear interest at a rate or rates not to exceed \_\_\_\_\_\_\_\_ percent (\_\_\_\_\_\_\_\_%) per annum, and in no event shall the rate exceed the legal limit provided by law.

**Section 2.** The Notes shall mature not later than two (2) years after the date of issuance. If any of the Notes shall remain unpaid at the end of two (2) years from the original issue date, then the unpaid Notes shall be renewed or extended as permitted by law or retired from the funds of the Local Government or be converted into bonds pursuant to state law or be otherwise liquidated as approved by the Comptroller of the Treasury or Comptroller’s designee.

**Section 3.** The Notes shall be subject to redemption at the option of the Local Government, in whole or in part, at any time, at the principal amount an accrued interest to the date of redemption, without a premium, or, if sold at par, with or without a premium of not exceeding one percent (1%) of the principal amount.

**Section 4.** The Notes shall be direct general obligations of the Local Government and, for the purpose of providing funds for the payment of principal of and interest on the Notes, the Local Government hereby pledges its taxing power as to all taxable property in the Local Government for the purpose of providing funds for the payment of principal of and interest on the Notes. The Governing Body of the Local Government hereby authorizes the levy and collection of a special tax on all taxable property of the Local government over and above all other taxes authorized by the Local government to create a sinking fund to retire the Notes with interest as they mature in an amount necessary for that purpose.

If applicable, the Notes shall be further secured by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(If the revenues generated by the Project are to be applied as additional security for the Notes, describe such revenues here.)

**Section 5.** The Notes shall be executed in the name of the Local Government and bear the signature of the chief executive officer of the Local Government and the signature of the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ with the Local Government seal affixed thereon; and shall be payable as to principal and interest at the office of the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ of the Local Government or the paying agent duly appointed by the Local Government. Proceeds of the Notes shall be deposited with the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ of the Local Government and shall be paid out for the purpose of providing funds in anticipation of the issuance of the Bonds pursuant to this Resolution and as required by law.

**Section 6.** The Notes will be issued in fully registered form and that at all times during which any Notes remains outstanding and unpaid, the Local Government or its agent shall keep or cause to be kept at its office a note register, if held by an agent of the Local Government, shall at all times be open for inspection by the Local Government or any duly authorized officer of the Local Government. Each Note shall have the qualities and incidents of a negotiable instrument and shall be transferable only upon the note register kept by the Local Government or its agent, by the registered owner of the Note in person or by the registered owner’s attorney duly authorized in writing, upon presentation and surrender to the Local Government or its agent together with a written instrument of transfer satisfactory to the Local Government duly executed by the registered owner of the registered owner’s duly authorized attorney. Upon the transfer of any such Note, the Local Government shall issue in the name of the transferee a new registered note or notes of the same aggregate principal amount and maturity as the surrendered Notes. The Local Government shall not be obligated to make any such Note transfer during the fifteen (15) days next preceding an interest payment date of the Notes or, in the case of any redemption of the Notes, during the forty-five (45) days next preceding the date of redemption.

**Section 7.** The Notes shall be in substantially the form attached as Attachment 1 with only changes as are necessary or appropriate to comply with the requirements of the purchaser thereof.

**Section 8.** The Bonds will be issued under the authority of Title \_\_\_\_\_\_\_\_\_ of Tennessee Code Annotated.

**Section 9.** This Resolution shall not be effective until the initial resolution authorizing the issuance of the Bonds, if required by law, shall have been adopted and published, and no petition protesting the issuance of the Bonds shall have been filed as permitted by law.

**Section 10.** The Notes may be renewed or extended as permitted by law.

**Section 11.** The Notes shall not be sold until receipt of written approval for the sale of the Notes from the Comptroller of the Treasury or the Comptroller's designee.

**Section 12.** After the sale of the Notes, and for each year that any of the Notes are outstanding, the Local Government shall prepare an annual budget and budget ordinance in a form consistent with accepted governmental standards and as approved by the Comptroller of the Treasury or Comptroller’s designee. The budget shall be kept balanced during the life of the Notes and shall appropriate sufficient monies to pay all annual debt service. The annual budget and ordinance shall be submitted to the Comptroller of the Treasury or Comptroller’s designee immediately upon its adoption; however, it shall not become the official budget for the fiscal year until such budget is approved by the Comptroller of the Treasury or Comptroller’s Designee in accordance with Title 9, Chapter 21, Tennessee Code Annotated (the “Statutes”). If the Comptroller of the Treasury or Comptroller’s Designee determines that the budget does not comply with the Statutes, the Governing Body shall adjust its estimates or make additional tax levies sufficient to comply with the Statutes, or as directed by the Comptroller of the Treasury or Comptroller’s designee.

**Section 13.** That, all orders or resolutions in conflict with this Resolution are hereby repealed insofar as such conflict exists and this Resolution shall become effective immediately upon its passage and the satisfaction of all conditions referenced in this Resolution.

Duly passed and approved this \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Local Government Chief Executive)

ATTESTED:

(Recording Officer)

Attachment 1

BOND ANTICIPATION NOTE FORM

Registered Note No.

Registered $

(*Name of Local Government*)

of the State of Tennessee

Bond Anticipation Notes, Series 20\_\_

Bond Anticipation Notes, Extension Note Series 20\_\_

DATED:

INTEREST RATE:

MATURITY DATE:

Registered Owner:

Principal Sum:

The \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Governing Body) of Tennessee (the Local Government) hereby acknowledges itself indebted, and for value received hereby promises to pay to the Registered Owner hereof (named above), or registered assigns, the Principal Sum (specified above) on the Maturity Date (specified above) (unless this note shall have been duly called for prior redemption and payment of the redemption price shall have been duly made or provided for), upon presentation and surrender to the Local Government or its agent, and to pay interest on the Principal Sum on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and thereafter on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ of each year at the Interest Rate per annum (specified above), by check, draft, or warrant mailed to the Registered Owner at the address of the Registered Owner as it appears on the fifteenth (15th) calendar day of the month next preceding the applicable payment date in the note register maintained by or on behalf of the Local Government. Both principal of and interest on this note are payable at the office of the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_of the Local Government or a paying agent duly appointed by the Local Government in lawful money of the United States of America.

This note is a direct obligation of the Local Government for the payment of which as to both principal and interest the full faith and credit of the Local Government is pledged.

This note is subject to redemption prior to its stated maturity in whole or in part at any time at the option of the Local Government upon payment of the principal amount of the note together with the interest accrued thereon to the date of redemption with a premium of \_\_\_\_\_\_\_\_\_\_\_\_\_\_ % of par value.

This note is issued under the authority of Parts I, IV, and V of Title 9, Chapter 21, Tennessee Code Annotated, and a Resolution duly adopted by the Governing Body of the Local Government meeting in session on the \_\_\_\_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_\_ (the "Resolution") to provide funds in anticipation of the issuance of the bonds referenced in the Resolution.

This note shall have the qualities and incidents of a negotiable instrument and shall be transferable only upon the note register kept by the Local Government or its agent, by the Registered Owner of the note in person or by the Registered Owner's attorney duly authorized in writing, upon presentation and surrender to the Local Government or its agent of the note together with a written instrument of transfer satisfactory to the Local Government duly executed by the Registered Owner or the Registered Owner's duly authorized attorney but only in the manner as provided in the Resolution of the Local Government authorizing the issuance of this note and upon surrender hereof for cancellation. Upon the transfer of any such note, the Local Government or its agent shall issue in the name of the transferee a new registered note or notes of the same aggregate principal amount and maturity as the surrendered note. The Local Government shall not be obligated to make any such Note transfer during the fifteen (15) days next preceding an interest payment date on the Notes or, in the case of any redemption of the Notes, during the forty-five (45) days next preceding the date of redemption.

Title 9, Chapter 21, Section 117, Tennessee Code Annotated provides that this note and interest thereon are exempt from taxation by the State of Tennessee or by any county, municipality, or taxing district of the State, except for inheritance, transfer, and estate taxes and except as otherwise provided under the laws of the State of Tennessee.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this note exist, have happened and have been performed in due time, form and manner as required by the Constitution and laws of the State of Tennessee, and that the amount of this note, together with all other indebtedness of the Local Government, does not exceed any constitutional or statutory limitation thereon, and that this note is within every constitutional and statutory limitation.

IN WITNESS WHEREOF, the Governing Body of the Local Government has caused this note to be executed in the name of the Local Government by the signature of the , and attested by the signature of the with the Seal of the Local Government affixed hereto or imprinted hereon, and this note to be dated as of the \_\_\_\_\_\_\_\_\_\_\_\_ day of 20\_\_\_\_.

(Local Government Chief Executive)

ATTESTED:

(Recording Officer)

ASSIGNMENT

Note No.

Amount: $

For value received, the undersigned hereby sells, assigns, and transfers unto

(Name and Address of assignee)

(Please indicate social security or other tax identifying number of assignee)

The within-mentioned note and hereby irrevocably constitutes and appoints attorney-in-fact, to transfer the same on the note register in the office of the or the agent of the Local Government with full power of substitution in the premises.

Date:

Assignor:

Address: