

RESOLUTION 25-69

A RESOLUTION TO AUTHORIZE THE PRE-PAYMENT OF PROMISSORY NOTE

WHEREAS, The City of Spring Hill purchased real estate for recreational use as approved in resolution 24-48; and

WHEREAS, proper financial procedure was not followed, resulting in appropriate parties not being notified; and

WHEREAS, it is the recommendation of city staff, bond counsel, and Cumberland Securities to pay off the full amount of the promissory note.

NOW, THEREFORE BE IT RESOLVED, that the City of Spring Hill Board of Mayor and Aldermen authorize the pre-payment of the promissory note in the amount of \$2,080,000.00 with \$2,000,000 being principal and the remaining being the interest.

BE IT FURTHER RESOLVED that this pre-payment is subject to verification of the seller's attorney.

BE IT FURTHER RESOLVED that funds are available in the general fund's fund balance and will be placed in the budget in the next budget amendment.

Passed and Adopted by the Board of Mayor and Aldermen of the City of Spring Hill, Tennessee on the 3rd day of March 2025.


Jim Hagaman, Mayor

ATTEST:


April Goad, City Recorder

LEGAL FORM APPROVED:


Patrick Carter, City Attorney



DEBT SERVICE

**Spring Hill, Tennessee
\$2,000,000 2841 Hurt Road Park Capital Outlay Note, Series 2024**

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
04/24/2025	2,000,000.00	4.000%	80,000.00	2,080,000.00	
04/30/2025					2,080,000.00
	2,000,000.00		80,000.00	2,080,000.00	

Date Structure

Date 04/24/2024
First Coupon Date 04/24/2025

PROMISSORY NOTE

\$2,000,000.00

Spring Hill, Tennessee

April 24, 2024

1. **Promise to Pay.** FOR VALUE RECEIVED, the undersigned **The City of Spring Hill** ("**Borrower**"), hereby promises to pay in lawful money of the United States of America to the order of **Danny C. Allen, Trustee of the Danny C. Allen Family Trust** ("**Lender**") at 2837 Hurt Road, Spring Hill, TN 37174 or at such other place as Lender may designate, the principal sum of Two Million and No/100 Dollars (\$2,000,000.00) (the "**Loan Amount**") together with interest thereon at the rate as set forth herein.

2. **Purpose.** The purpose for this loan is to fund the acquisition certain real property in Williamson County, commonly known as 2841 Hurt Road, Spring Hill, Tennessee (the "**Property**").

3. **Term and Payments.** The term of this Note shall be four (4) years (the "**Term**"). On the first anniversary and each subsequent anniversary thereafter during the Term, Borrower shall pay Five Hundred Thousand and No/100 Dollars (\$500,000.00) of principal plus interest accrued thereon to Lender. The date of the last payment of principal and interest to Lender shall be the "**Satisfaction Date**."

4. **Interest.** Interest shall accrue on the unpaid principal balance at the rate of four percent (4%) per annum calculated like simple interest.

5. **Late Charges.** Borrower acknowledges that if any payment under this Note is not made when due, the damage suffered by Lender will be extremely difficult or impracticable to ascertain. Accordingly, Borrower hereby agrees to pay to Lender with respect to such payment which is not received by Lender within five (5) business days after such payment is due under this Note, a late charge in the amount of \$500.00 shall be paid by Borrower to Lender. Borrower and Lender agree that such late charge is fair and reasonable estimate of the costs Lender will incur by reason of such late payment. Acceptance of such late charge by Lender shall in no event constitute a waiver of the default with respect to the overdue amount and shall not prevent Lender from exercising any of the other rights and remedies available to Lender.

6. **Pre-Payment.** The principal indebtedness evidenced by this Note may, at Borrower's option, be prepaid in full at any time, without penalty or premium, provided that all outstanding principal and interest due thereon shall be paid at one time or as otherwise agreed by Borrower and Lender.

7. **Waiver of Presentment, Etc.** Borrower and any endorsers or guarantors hereby waive presentment and demand for payment, notice of dishonor, protest, and notice of protest.

8. **Default.** If this Note is not paid when due or any event of default has occurred, the entire principal balance of the Loan Amount, interest then accrued, and all other indebtedness, whether or not otherwise then due, shall at the option of Lender, become immediately due and payable without demand or notice.

9. **Interest Rate and Default Interest Rate.** The "Default Interest Rate" shall equal the Prime Interest Rate as published by the Wall Street Journal as of the date of default plus two (2) points. Notwithstanding anything set forth herein to the contrary, no provision contained herein, which purports to obligate Borrower to pay any amount of interest or any fees, costs or expenses, which are in excess of the maximum permitted by applicable law, shall be effective to the extent it calls for the payment of any interest or other amount in excess of such maximum. This Note and all agreements between Borrower and Lender, whether now existing or hereafter arising are hereby limited so that in no contingency, whether by reason of demand for payment or acceleration of the maturity hereof or otherwise, shall the interest contracted for, charged or received by Lender exceed the maximum amount permissible under applicable law. If, under any circumstance whatsoever, interest would otherwise be payable to Lender in excess of the maximum lawful amount, the interest payable to Lender shall be reduced to the maximum amount permitted under applicable law; and if under any circumstance, Lender shall ever receive anything of value deemed interest by applicable law in excess of the maximum lawful amount, an amount equal to any excessive interest shall, at the option of Lender, be refunded to Borrower or be applied to the reduction of the principal hereof, and not to the payment of interest or, if such excessive interest exceeds the unpaid balance of principal hereof such excess shall be refunded to Borrower.

10. **Right to Cure.** In the event of default under any provision of this Note, the non-defaulting party as a condition precedent to its remedies under this Note must give the defaulting party written notice of such default. The defaulting party shall have ten (10) business days from receipt of such notice to cure the default. If the default is timely cured, then this Note shall continue in full force and effect. If the default is not timely cured, then the non-defaulting party may pursue its applicable remedies as set forth in this Note.

11. **Costs.** If there is a default under this Note, and Lender consults an attorney regarding the enforcement of any of its rights under this Note or the Loan Agreement, or if this Note is placed in the hands of an attorney for collection, or if suit be brought to enforce this Note or the Loan Agreement, Borrower promises to pay all costs related to all such efforts by Lender.

12. **Jury Waiver.** LENDER AND BORROWER EACH AGREE TO WAIVE A TRIAL BY JURY IN ANY DISPUTE ARISING OUT OF THIS NOTE.

13. **Time of Essence.** Time is of the essence in this Note and all conditions hereof. Where a time has been specified, it is agreed by Borrower and Lender that observance of such time is material to this Note.

14. **Assignment.** Neither Borrower or Lender may assign this Note in whole or in part without the prior written approval of the other party. Any purported assignment in violation of this Section shall be null and void.

15. **Notices.** Except as otherwise provided herein, all notices, requests, approvals, consents, and other communications required or permitted under this Note must be given in writing and shall be deemed made on the date of hand delivery, the date of confirmed electronic

transmittal, or the acknowledged day of receipt if mailed by postage prepaid, certified or registered, return receipt U.S. Mail or other reputable parcel service to the party at the address or contact information set forth below. The Parties shall be responsible for notifying each other in writing of any change of address and contact information.

Lender: City of Spring Hill
Attn: Patrick Carter
8060 Station Hill Drive, 2nd Floor
Spring Hill, TN 37174
Email: pcarter@mtlawgroup.net

Borrower: Danny C. Allen, Trustee of the Danny C. Allen Trust
c/o Thomas V. White
Tune, Entrekin & White P.C.
500 11th Ave. N., STE 600
Nashville, TN 37203
Email: tvwhite@tewlawfirm.com

16. **Severability.** If any provision of this Note shall, for any reason, be held to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision hereof, but this Note shall be construed as if such invalid or unenforceable provision had never been contained herein.

17. **Modification or Termination.** This Note shall not be modified, amended or terminated except by written agreement signed by the party against whom enforcement of any waiver, modification, change or discharge is sought. All of the rights, privileges and obligations hereunder shall inure to the benefit of the heirs, successors and assigns of Lender and shall bind the heirs and permitted successors and assigns of Borrower.

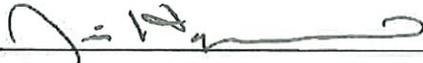
18. **Jurisdiction and Venue.** This Note shall be governed, enforced and interpreted in accordance with the laws of the State of Tennessee. Lender and Borrower agree that the appropriate jurisdiction and venue for any and all claims that may arise in connection with this Note is Williamson County, Tennessee.

[Signatures on Next Page]

IN WITNESS WHEREOF, Borrower has caused this Promissory Note to be duly executed and delivered as of the date first set forth above.

BORROWER:

City of Spring Hill

By: 

Print Name: Jim HAGAN

Its: Mayor of Spring Hill

Acknowledged and Agreed:

LENDER:

By: 
Danny C. Allen, Trustee