

LOUDON COUNTY COMMISSION

Monday, July 15, 2013

Annex Building

6:00 pm

SPECIAL CALLED MEETING

- 1. Opening of Meeting, Pledge of Allegiance, and Invocation**
- 2. Roll Call**
- 3. Adoption of Agenda – July 15, 2013**
- 4. This is the time for any visitor or delegation to come forward and state the business for which he/she may wish to address concerning any item of interest on the planned agenda.**
- 5. Reports of County Officials, Departments and Committees:**
 - A. Loudon County Budget Director, Tracy Blair**
 1. A Resolution Making Appropriations for the Various Funds, Departments, Institutions, Offices and Agencies of Loudon County, Tennessee for the Year Beginning July 1, 2013 and Ending June 30, 2014.
 2. A Resolution Fixing the Tax Levy in Loudon County, Tennessee for the Fiscal Year Beginning July 1, 2013.
 3. A Resolution Making Appropriations to NonProfit Organizations Serving Loudon County, Tennessee for the Year Beginning July 1, 2013 and Ending June 30, 2014.
 4. A Resolution Authorizing the Issuance of Interest Bearing Taxable General Obligation Capital Outlay Notes of Loudon County, Tennessee, in an Aggregate Principal Amount of Not to Exceed One Million Three Hundred Thousand Dollars (\$1,300,000).
- 6. Adjournment**

DRAFT

RESOLUTION #

RESOLUTION MAKING APPROPRIATIONS FOR THE VARIOUS FUNDS, DEPARTMENTS, INSTITUTIONS, OFFICES AND AGENCIES OF LOUDON COUNTY, TENNESSEE, FOR THE YEAR BEGINNING JULY 1, 2013 AND ENDING JUNE 30, 2014

SECTION 1. BE IT RESOLVED by the Board of County Commissioners of Loudon County, Tennessee, assembled in regular session on the 15th day of July, 2013, that the amounts hereafter set out are hereby appropriated for the purpose of meeting the expenses of the various funds, departments, institutions, offices and agencies of Loudon County, Tennessee, for the capital outlay, and for meeting the payment of principal and interest on the County's debt maturing during the year beginning July 1, 2013 and ending June 30, 2014 according to the following schedule:

101 GENERAL FUND	Budget Request	Amds to Budget	Amended Budget
51100 County Commission	141,292		141,292
51210 Board of Equalization	2,900		2,900
51220 Beer Board	3,500		3,500
51240 Other Boards & Committees (Planning/BZA)	5,000		5,000
51300 County Mayor	176,577		176,577
51310 Personnel Office	59,690		59,690
51400 Legal Fees	155,000		155,000
51500 Election Commission	278,929		278,929
51600 Register of Deeds	273,724		273,724
51720 Planning and Codes Enforcement	374,347		374,347
51750 Codes Compliance (Bldg Comm)			0
51760 Geographical Information System	62,092		62,092
51800 County Buildings	1,259,552		1,259,552
51900 Other General Administration	279,000		279,000
52100 Accounting and Budgeting	542,365		542,365
52200 Purchasing	235,094		235,094
52300 Property Assessor's Office	386,012		386,012
52400 County Trustee's Office	320,908		320,908
52500 County Clerk's Office	511,720		511,720
52600 Data Processing	147,604		147,604
53100 Circuit Court	330,795		330,795
53300 General Sessions	528,001		528,001
53310 General Sessions Judge	281,259		281,259
53400 Chancery Court	247,913		247,913
53500 Juvenile Court	345,883		345,883
53900 Other Administration of Justice	15,500		15,500
54110 Sheriff's Department	4,113,140		4,113,140
54120 Special Patrol	16,000		16,000
54130 Traffic Control	1,500		1,500
54160 Administration of Sexual Offender	1,800		1,800
54210 Jail	1,878,202		1,878,202
54240 Juvenile Services	32,201		32,201

54320 Rural Fire Protection	180,000	180,000
54410 Homeland Security & Emergency Management	156,472	156,472
54420 Rescue Squad	2,000	2,000
54490 Other Emergency Mgmt (HLS/DOE)	16,000	16,000
54610 County Coroner/Medical Examiner	59,000	59,000
54710 Public Safety Grants (GHSO)		0
54900 Other Public Safety	550,871	550,871
55110 Health Department	128,887	128,887
55120 Rabies and Animal Control	354,649	354,649
55190 Other Local Health Services (DGA)	389,000	389,000
55590 Other Local Welfare Services		0
56100 Adult Activities	2,500	2,500
56300 Senior Citizens Assistance	207,754	207,754
56500 Libraries		0
57100 Agriculture Extension Service	147,527	147,527
57300 Forest Service		0
57500 Soil Conservation	17,626	17,626
57700 Flood Control	2,000	2,000
57800 Storm Water Management	4,000	4,000
58110 Tourism	110,000	110,000
58120 Economic and Industrial Agencies	171,430	171,430
58130 General Welfare Assistance	5,000	5,000
58300 Veteran's Service	21,139	21,139
58500 Contributions to Other Agencies	57,200	57,200
58600 Employee Benefits	9,525	9,525
58802 Byrne Memorial Justice Grant		0
58900 Miscellaneous	311,500	311,500
82110 General Gov't Principal	35,000	35,000
99400 Transfers to Other Funds	0	0
Total General Fund	<u>15,946,580</u>	<u>0</u> <u>15,946,580</u>

112 COURTHOUSE & JAIL MAINTENANCE FUND

54210 Jail		0
58900 Miscellaneous	2,000	2,000
Total Law Library Fund	<u>2,000</u>	<u>0</u> <u>2,000</u>

114 LAW LIBRARY

56500 Libraries	4,000	4,000
58900 Miscellaneous	150	150
Total Law Library Fund	<u>4,150</u>	<u>0</u> <u>4,150</u>

115 PUBLIC LIBRARIES				
S/F COU	56500 Libraries (County)	248,290		248,290
S/F COU	58900 Miscellaneous	6,500		6,500
S/F LEN	56500 Libraries (Lenoir City)	10,950		10,950
S/F LOU	56500 Libraries (Loudon)	14,076		14,076
S/F PHI	56500 Libraries (Philadelphia)	1,875		1,875
S/F GRE	56500 Libraries (Greenback)	2,285		2,285
S/F TEL	56500 Libraries (Tellico Village)	9,800		9,800
Total Public Library Fund		<u>293,776</u>	0	<u>293,776</u>
116 SOLID WASTE/SANITATION FUND				
	55720 Sanitation Education (Litter Grant)	40,700		40,700
	55732 Convenience Center	854,762		854,762
	58900 Miscellaneous	10,000		10,000
	82110 General Gov't Debt	0		0
Total Solid Waste/Sanitation Fund		<u>905,462</u>	<u>0</u>	<u>905,462</u>
119 INDUSTRIAL/ECONOMIC DEVELOPMENT FUND				
	58120 Industrial Development	5,000		5,000
	58900 Miscellaneous	300		300
Total Industrial/Economic Development Fund		<u>5,300</u>	<u>0</u>	<u>5,300</u>
122 DRUG CONTROL FUND				
	54150 Drug Enforcement	96,400		96,400
Total Drug Control Fund		<u>96,400</u>	<u>0</u>	<u>96,400</u>
128 OTHER SPECIAL REVENUES (FEDERAL DRUG FUND)				
	54150 Drug Enforcement	12,000		12,000
Total Drug Control Fund		<u>12,000</u>	<u>0</u>	<u>12,000</u>

131 HIGHWAY/PUBLIC WORKS FUND

61000 Administration	752,997		752,997
62000 Highway and Bridge Maintenance	600,503		600,503
63100 Equipment Operation and Maintenance	299,000		299,000
65000 Other Charges	172,889		172,889
66000 Employee Benefits	386,146		386,146
68000 Capital Outlay	420,920		420,920
99100 Transfers Out	91,937		91,937
			0
Total Highway/Public Works Fund	<u>2,724,392</u>	<u>0</u>	<u>2,724,392</u>

141 GENERAL PURPOSE SCHOOL FUND

71100 Regular Instruction Program	20,710,893		20,710,893
71200 Special Education Program	2,771,897		2,771,897
71300 Vocational Education Program	993,909		993,909
72120 Health Services	283,508		283,508
72130 Other Student Support	1,052,902		1,052,902
72210 Regular Instruction Program	1,352,846		1,352,846
72220 Special Education Program	374,322		374,322
72230 Vocational Education Program	143,569		143,569
72310 Board of Education	626,151		626,151
72320 Office of Superintendent	320,239		320,239
72410 Office of the Principal	942,608		942,608
72510 Fiscal Services	65,696		65,696
72610 Operation of Plant	2,536,240		2,536,240
72620 Maintenance of Plant	200,000		200,000
72710 Transportation	1,855,068		1,855,068
72810 Central and Other	762,363		762,363
73300 Community Services	212,318		212,318
73400 Early Childhood Education	795,471		795,471
			0
Total General Purpose School Fund	<u>36,000,000</u>	<u>0</u>	<u>36,000,000</u>

142 SCHOOL FEDERAL PROJECTS

71100 Instruction Program	668,558		668,558
71200 Special Education Program	678,899		678,899
71300 Vocational Education Program	53,152		53,152
72130 Other Student Support	41,848		41,848
72210 Regular Instruction Program	370,902		370,902
72220 Special Education Program	230,285		230,285
72230 Vocational Education Program	3,326		3,326
72710 Transportation	107,295		107,295
99100 Transfers to Other Funds			0
			0
Total School Federal Projects	<u>2,154,265</u>	<u>0</u>	<u>2,154,265</u>

BE IT FURTHER RESOLVED, that the budget for the School Federal Projects Fund shall be the budget approved for separate projects within the fund by the Tennessee Department of Education and the local Board of Education.

143 CENTRAL CAFETERIA FUND			
73100 Food Service	2,649,709		2,649,709
Total Central Cafeteria Fund	<u>2,649,709</u>	<u>0</u>	<u>2,649,709</u>
151 GENERAL DEBT SERVICE FUND			
82110 Principal-General Government Debt Service	1,219,000		1,219,000
82120 Principal-Highways and Streets			0
82210 Interest- General Government-Debt	332,815		332,815
82220 Interest-Highways and Streets			0
82310 Other Debt Service	271,920		271,920
Total General Debt Service Fund	<u>1,823,735</u>	<u>0</u>	<u>1,823,735</u>
156 EDUCATION DEBT SERVICE FUND			
82130 Education Debt Principal	3,035,000		3,035,000
82230 Education Debt Interest	1,878,718		1,878,718
82330 Education Debt Other	115,000		115,000
Total Education Debt Service Fund	<u>5,028,718</u>	<u>0</u>	<u>5,028,718</u>
171 GENERAL CAPITAL PROJECTS FUND			
S/F 014 58900 Miscellaneous	9,500		9,500
S/F 014 91110 General Administration Projects	622,000		622,000
S/F 014 91120 Administration of Justice Projects	5,000		5,000
S/F 014 91130 Public Safety Projects	303,730		303,730
S/F 014 91140 Public Health & Welfare Projects	8,000		8,000
S/F 014 91190 Other General Government Projects	176,900		176,900
S/F 014 91200 Highway and Street Capital Projects	120,000		120,000
S/F CLD 91200 Highway and Street Capital Projects	19,049		19,049
S/F FLO 99100 Transfers Out	1,000,000		1,000,000
Total General Capital Projects Fund	<u>2,264,179</u>	<u>0</u>	<u>2,264,179</u>
176 HIGHWAY CAPITAL PROJECTS FUND			
91200 Highway and Street Capital Projects	287,618		287,618
Total Highway Capital Projects Fund	<u>287,618</u>	<u>0</u>	<u>287,618</u>

177 EDUCATION CAPITAL PROJECTS FUND

39000 Undesignated Fund Balance	0		0
Total Education Capital Projects Fund	<u>0</u>	<u>0</u>	<u>0</u>

Loudon County Commission approves receipt of revenue from Adequate Facilities/ Development Tax to Fund 177 Education Capital Projects. Revenue is not appropriated at the time of FY 2013-2014 budget adoption; therefore, increase in fund balance is hereby acknowledged. Requests for expenditures will be reviewed and considered for approval as part of the regular budget amendment process.

SECTION 2. BE IT FURTHER RESOLVED, that there are also hereby appropriated certain portions of the commissions and fees for collection taxes and licenses and for administering other funds which the Trustee, County Clerk, Circuit Court Clerk, Clerk and Master, Register, and the Sheriff and their officially authorized deputies and assistants may severally be entitled to receive under State Laws heretofore or hereafter enacted. Expenditures out of commissions, and/or fees collected by the Trustee, County Clerk, Circuit Court Clerk, Clerk and Master, Register, and the Sheriff may be made for such purposes and in such amounts as may be authorized by existing law or by valid order of any Court having power to make such appropriations. Any excess commissions and/or fees collected over and above the expenditures duly and conclusively authorized shall be paid over to the Trustee and converted into the General Fund as provided by law.

SECTION 3. BE IT FURTHER RESOLVED, that if any fee officials, as enumerated in Section 8-22-101 TCA, operate under provisions of Section 8-22-104, TCA, provisions of the preceding paragraph shall not apply to those particular officials.

SECTION 4. BE IT FURTHER RESOLVED, that any amendments to the budget, except for amendments to the budget for funds under supervision of the Superintendent of Schools, shall be approved as provided in Section 5-9-407. The Superintendent of Schools must receive approval of the Board of Education for transfers within each major category of the budget, and approval of both the Board of Education and Board of County Commissioners for transfers between major categories as required by law.

One copy of each amendment shall be filed with the County Clerk, one copy with the Chairman of the Budget Committee, and one copy with each divisional or departmental head concerned. The reason(s) for each transfer shall be clearly stated; however, this section shall in no case whatsoever be construed as authorizing transfer from one fund to another, but shall apply solely to transfers within a certain fund.

Provided further that only the Loudon County Legislative Body as a whole shall give approval for transfer to or from any line item involving salaries and between Functions. The detailed printout: " Loudon County Fiscal Year 2014 Budget " dated July 1, 2013, is adopted by reference for line item details.

SECTION 5. BE IT FURTHER RESOLVED, that in the Budget for the Road or Highway Fund, approximately \$605,564 is anticipated to be produced by the local tax levy. Such portion of this money as is needed shall be used for the required "match money" in order to receive the maximum allocation of State Road monies; the liability insurance will likewise be paid for out of this money.

SECTION 6. BE IT FURTHER RESOLVED, that payments in lieu of taxes received from Kimberly-Clark Corporation as described in Resolution #110308-M will be receipted to County General Fund 101. Section 2 of Resolution #110308-M indicates the five year payments in lieu of taxes shall not be less than fifty percent (50%) of the ad valorem taxes that would otherwise be payable with respect to the project. The first payment was received in FY 2012; final payment should be received in FY 2016.

SECTION 7. BE IT FURTHER RESOLVED, that the Loudon County Sheriff shall be paid the minimum annual compensation certified by the State of Tennessee each year, plus an additional \$4,915 for services as a workhouse superintendent.

SECTION 8. BE IT FURTHER RESOLVED, that the Loudon County Highway Official shall be paid the minimum annual compensation certified by the State of Tennessee each year, plus an additional \$4,915 for services as a road engineer.

SECTION 9. BE IT FURTHER RESOLVED, that the annual compensation of Loudon County Commission members shall be frozen at the amount received in FY 2012-2013; i.e., \$8,021.

SECTION 10. BE IT FURTHER RESOLVED, that revenues from the collection of Loudon County's portion of Adequate Facilities/Developmental Tax shall be receipted to Education Capital Projects Fund 177. Requests for expenditures will be reviewed and considered for approval as part of the regular budget amendment process.

SECTION 11. BE IT FURTHER RESOLVED, that Loudon County will appropriate funds for debt service payments associated with Qualified Zone Academy Bonds (Resolution #100305-U) and a Local Government Energy Loan (Resolution #100305-V) without reimbursement from Loudon Board of Education, as had been practiced according to the Memorandum of Understanding between Loudon County and Loudon County Board of Education dated December 5, 2005. According to the debt service schedule, the Local Government Energy Efficiency Loan will be paid in full in June 2013; and the Qualified Zone Academy bonds will be paid in full in June 2021.

SECTION 12. BE IT FURTHER RESOLVED, that Loudon County will appropriate funds for wages and benefits of School Resource Officers without contribution from Loudon County Board of Education, as had been practiced according to an informal understanding between Loudon County and Loudon County Board of Education for several years prior to Fiscal Year 2013-2014. Loudon County shall bear the total cost beginning Fiscal Year 2013-2014.

SECTION 13. BE IT FURTHER RESOLVED, that various revenues shall be accrued as follows:

Investment interest: Fund 141 shall earn interest from investments in Funds 141 and 142; Fund 143 shall earn interest from investments in Fund 143; Fund 156 shall earn interest from Funds 177 and 156; Fund 151 shall earn interest from Fund 151; and all other investment interest shall accrue to Fund 101.

One-half of the Rural Sales Tax (this is the only discretionary portion) shall be accrued as follows: fifteen percent (15%) to Fund 116 Solid Waste Fund and eighty-five percent (85%) to Fund 101 General Fund.

Hotel/Motel Tax shall accrue to Fund 101 General Fund as required in Private Act 1972 Chapter 232 with an annual appropriation set to assist in funding the Loudon County Visitors Bureau. Distribution to the Visitors Bureau shall be 29% of hotel/motel tax collections.

SECTION 13. BE IT FURTHER RESOLVED, that any appropriations made by this resolution which cover the same purpose for which a specific appropriation is made by statute is made in lieu of but not in addition to said statutory appropriation. The salary, wages, or remuneration of each officer, employee, or agent of the County shall not be in excess of the amounts authorized by existing law or as set forth in the estimate of expenditures which accompanies this resolution. Provided, however, that appropriations for such salaries, wages, or other remuneration hereby authorized shall in no case be construed as permitting expenditures for an office, agency, institution, division or department for the year ending June 30, 2014. The aggregate expenditures for any item of appropriation shall in no instance be more than the amount herein appropriated for such item.

SECTION 14. BE IT FURTHER RESOLVED, that any resolution which may hereafter be presented to the Board of County Commissioners providing for appropriations in addition to those made by this Budget Appropriation Resolution shall specifically provide sufficient revenue or other funds, actually to be provided during the year in which the expenditure is to be made, to meet such additional appropriation. Said appropriating resolution shall be submitted to and approved by the State Director of Local Finance after its adoption as provided by section 9-21-403, TCA.

SECTION 15. BE IT FURTHER RESOLVED, that the County Mayor and County Clerk are hereby authorized to borrow money on revenue anticipation notes, provided such notes are first approved by the Director of Local Finance, to pay for the expenses herein authorized until the taxes and other revenue for the year 2013-2014 have been collected. The proceeds of loans for each individual fund shall not exceed 60% of the appropriations of each individual fund and shall be used only to pay the expenses and other requirements of the fund for which the loan is made. The loan shall be paid out of revenue from the fund for which money is borrowed. The notes evidencing the loans authorized under this section shall be issued under the applicable sections of Title 9, Chapter 21, Tennessee Code Annotated. Said notes shall be signed by the County Mayor and counter-signed by the County Clerk and shall mature and be paid in full without renewal not later than June 30, 2014.

SECTION 16. BE IT FURTHER RESOLVED, that the Trustee's Prior year taxes shall be distributed based on the proration of taxes in place at the time of the tax levy. The Clerk and Master's collections of taxes shall be prorated based on the Current Year Tax rate in effect. Interest/Penalties shall be prorated based on the respective proration of taxes.

SECTION 17. BE IT FURTHER RESOLVED, that all unencumbered balances of appropriations remaining at the end of the year shall lapse, and be of no further effect at the end of the year at June 30, 2014.

SECTION 18. BE IT FURTHER RESOLVED, that any resolution or part of a resolution which has heretofore been passed by the Board of County Commissioners which is in conflict with any provision in this resolution be and the same is hereby repealed.

SECTION 19. BE IT FURTHER RESOLVED, that this resolution shall take effect from and after its passage and its provisions shall be in force from and after July 1, 2013. This resolution shall be spread upon the minutes of the Board of County Commissioners.

Passed the 15th day of July, 2013.

Attest:

County Clerk

County Chairman

County Mayor

REVISED DRAFT

RESOLUTION

RESOLUTION FIXING THE TAX LEVY IN LOUDON COUNTY, TENNESSEE FOR THE FISCAL YEAR BEGINNING JULY 1, 2013

Whereas, Loudon County received notice from the State Board of Equalization on June 14, 2013 that the certified tax rate is \$1.8987; and

Whereas, Loudon County hereby adopts the certified tax rate as verified by the State Board of Equalization.

SECTION 1. BE IT RESOLVED by the Board of County Commissioners of Loudon County, Tennessee, assembled in session on the 15th of July 2013, that the combined property tax rate for Loudon County, Tennessee for the year beginning July 1, 2013, shall be \$1.8987 on each \$100.00 of taxable property outside the city limits of Lenoir City, and \$1.5390 on each \$100.00 of taxable property inside the city limits of Lenoir City, which is to provide revenue for each of the following funds and otherwise conform to the following levies:

<u>Fund</u>	<u>Outside Rate</u>	<u>1. Inside Rate</u>
General	0.4789	0.4789
Public Libraries	0.0130	0.0130
Highway/Public Works	0.0327	0.0327
General Purpose School	0.9121	0.9121
General Debt Service	0.0690	0.0690
General Capital Projects	0.0154	0.0154
Highway Capital Projects	0.0179	0.0179
Education Debt Service	0.3597	0.0000
Total	1.8987	1.5390

1. Within corporate city limits of Lenoir City.

SECTION 2. BE IT FURTHER RESOLVED, that all resolutions of the Board of County Commissioners of Loudon County, Tennessee, which are in conflict with this resolution are hereby repealed.

SECTION 3. BE IT FURTHER RESOLVED, that this resolution take effect from and after its passage, the public welfare requiring it. This resolution shall be spread upon the minutes of the Board of County Commissioners.

Passed this 15th day of July, 2013.

County Chairman

Attest:

County Clerk

County Mayor

Draft Document
RESOLUTION #

**A RESOLUTION MAKING APPROPRIATIONS TO NONPROFIT
ORGANIZATIONS SERVING LOUDON COUNTY, TENNESSEE
FOR THE YEAR BEGINNING JULY 1, 2013 AND ENDING JUNE 30, 2014**

WHEREAS, Section 5-9-109, Tennessee Code Annotated, authorizes the Loudon County Legislative Body to make appropriations to various nonprofit charitable and civic organizations; and

WHEREAS, Section 5-9-101, Tennessee Code Annotated, authorizes the Loudon County Legislative Body to make appropriations for various miscellaneous purposes; and

WHEREAS, the Loudon County Legislative Body recognizes the various nonprofit charitable organizations providing services in Loudon County have great need of funds to carry on their nonprofit charitable work.

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners of Loudon County on this 15th day of July, 2013.

SECTION 1. That one million, eighty-eight thousand, five hundred forty-five (\$1,088,545) be appropriated to nonprofit organizations serving Loudon County as reflected below.

	<u>Agency</u>	<u>Amount</u>
101-54320-316	Philadelphia Fire Department	25,000
101-54320-316	Greenback Fire Department	30,000
101-54320-316	Tellico Village Fire Department	25,000
101-54320-316	Loudon County Fire Rescue	100,000
101-54420-316	Greenback Rescue Squad	2,000
101-54900-316	Loudon County Emergency Communications District	540,000
101-54900-316	Rarity Bay First Responders	1,500
101-54900-316	Loudon County Dive Rescue	4,000
101-56100-316	Adult Community Training	2,500
101-57500-316	Loudon County Soil Conservation District	2,000
101-57700-316	Sweetwater Creek Water Shed District	2,000
101-58110-316	Loudon County Visitors Bureau	110,000
	(29% Hotel/Motel Tax)	
101-58120-316	Loudon County Economic Development Agency	162,545
101-58120-316	Innovation Valley	5,000
101-58300-316	Loudon County Veteran's Honor Guard	1,800
101-58500-316	Loudon County Health Improvement Council	0
101-58500-316	Child Advocacy Center of the 9th Judicial District	30,000
101-58500-316	Mid-East Community Action Agency	0
101-58500-316	Little Tennessee Valley Educational Coop	3,000
101-58500-316	Loudon County Community Channel	9,200
101-58500-316	Iva's Place Crisis Center for Women	5,000
101-58500-316	Good Samaritan Center of Loudon County	10,000
115-56500-316	Loudon County Library Board	18,000
	Total	<u>1,088,545</u>

BE IT FURTHER RESOLVED, that all appropriations enumerated in Section 1 above are subject to the following conditions:

- 1) That the nonprofit organizations to which funds are appropriated shall file with the County Clerk and the disbursing officials a copy of any annual report of its business affairs and transactions and the proposed use of the county's funds in accordance with rules promulgated by the Comptroller of the Treasury, Chapter 0380-2-7. Such annual report shall be prepared and certified by the chief financial officer of such nonprofit organization in accordance with Section 5-9-109(c), Tennessee Code Annotated.
- 2) That said funds must only be used by the named nonprofit charitable organizations in furtherance of their nonprofit charitable purposes benefiting the general welfare of the residents of Loudon County.
- 3) That it is the expressed interest of the County Commission of Loudon County in providing these funds to the above named nonprofit charitable organizations to be fully in compliance with Chapter 0380-2-7 of the rules of the Comptroller of the Treasury, and Section 5-9-109, Tennessee Code Annotated, and any and all other laws which may apply to county appropriations to nonprofit organizations and so this appropriation is made subject to compliance with any and all of these laws and regulations.

BE IT FINALLY RESOLVED that this resolution shall take effect from and after its passage and its provisions shall be in force from and after July 1, 2013. This resolution shall be spread upon the minutes of the Board of County Commissioners.

Passed the 15th day of July, 2013.

County Chairman

Attest:

County Clerk

County Mayor

**DRAFT ONLY
NOT A
PUBLIC DOCUMENT**

RESOLUTION _____

A RESOLUTION AUTHORIZING THE ISSUANCE OF INTEREST BEARING TAXABLE GENERAL OBLIGATION CAPITAL OUTLAY NOTES OF LOUDON COUNTY, TENNESSEE, IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED ONE MILLION THREE HUNDRED THOUSAND DOLLARS (\$1,300,000); MAKING PROVISION FOR THE ISSUANCE, SALE AND PAYMENT OF SAID NOTES, ESTABLISHING THE TERMS THEREOF AND THE DISPOSITION OF PROCEEDS THEREFROM; AND PROVIDING FOR THE LEVY OF TAX FOR THE PAYMENT OF PRINCIPAL THEREOF AND INTEREST THEREON.

WHEREAS, pursuant to authority granted by Sections 9-21-101 et seq., and 9-21-408 Tennessee Code Annotated, and other applicable provisions of law subject to the approval of the Director of State and Local Finance, counties in Tennessee are authorized to issue interest bearing capital outlay notes for all purposes for which general obligation bonds can be legally authorized and issued for a period of not to exceed nine (9) years; and

WHEREAS, the Board of County Commissioners of Loudon County, Tennessee (the "County") has determined that it is necessary and desirable to issue not to exceed \$1,300,000 in aggregate principal amount of capital outlay notes to provide funds for the purpose of (i) the acquisition, construction, renovation and equipping of public buildings and facilities; (ii) the acquisition of public safety and public works equipment (iii) the payment of legal, fiscal, administrative, architectural and engineering costs incident to the foregoing (the "Projects"); (iv) reimbursement for funds previously expended for Project costs, if any; and (v) the payment of costs incident to the issuance and sale of the Notes authorized herein; and

WHEREAS, it appears to the Board of County Commissioners of the County that it will be advantageous to the County to issue not to exceed \$698,587 in aggregate principal amount of capital outlay notes for said purposes; and

WHEREAS, under the provisions of Sections 9-21-408, Tennessee Code Annotated, counties in Tennessee are authorized to make interfund loans in accordance with procedures for issuance of notes or bonds; and

WHEREAS, it appears the County Trustee of the County will purchase said notes authorized herein; and

WHEREAS, the County Commission of the County finds that it is advantageous to the County to issue the bond anticipation notes at this time as interfund loans to finance the cost of the Project; and

WHEREAS, it is the intention of the Board of County Commissioners of the County to adopt this resolution for the purpose of authorizing such notes, establishing the terms thereof, providing for the issuance, sale and payment of the notes and disposition of proceeds therefrom, and providing for the levy of a tax for the payment of principal thereof and interest thereon.

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

Section 1. Authority. The notes authorized by this resolution are issued pursuant to Sections 9-21-101 et seq., and 9-21-408 Tennessee Code Annotated, and other applicable provisions of law.

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

- (a) "Code" shall mean the Internal Revenue Code of 1986, as amended, and all regulations promulgated or proposed thereunder;
- (b) "County" shall mean Loudon County, Tennessee;
- (g) "Governing Body" shall mean the Board of County Commissioners of the County;
- (c) "Notes" shall mean the not to exceed \$1,300,000 General Obligation Capital Outlay Notes, Series 2013 (Taxable) of the County, to be dated their date of issuance, or having such other designation or such other dated date as shall be determined by the County Mayor, authorized to be issued by this resolution;
- (d) "Projects" shall mean the (i) the acquisition, construction, renovation and equipping of public buildings and facilities; (ii) the acquisition of public safety and public works equipment (iii) the payment of legal, fiscal, administrative, architectural and engineering costs incident to the foregoing and (iv) reimbursement for funds previously expended for Project costs, if any; and
- (e) "Registration Agent" shall mean the Finance Director or County Clerk or County Trustee.

Section 3. Authorization and Terms of the Notes. (a) For the purpose of funding the Projects and reimbursing the County for funds previously expended for Project costs, if any, subject to the adjustments permitted pursuant to Section 7 hereof, including the costs incident to the issuance and sale of the Notes as more fully set forth in Section 7 hereof, there are hereby authorized to be issued interest bearing capital outlay notes of the County in an aggregate principal amount of not to exceed \$1,300,000. Subject to the adjustments permitted in Section 7 hereof, the Notes shall be issued in one or more emissions, in fully registered form, without coupons, shall be known as "Capital Outlay Notes, Series 2013 (Taxable)" and shall be dated their date of issuance, or having such other designation or such other dated date as shall be determined by the County Mayor; and shall bear interest at a rate or rates not to exceed two percent (2.00%) per annum, payable, subject to the adjustments permitted pursuant to Section 7 hereof, annually on June until the Notes mature or are redeemed, commencing June 1, 2014. The Notes shall be issued initially in \$1 denominations or integral multiples thereof, as shall be requested by the original purchaser thereof. Subject to the adjustments permitted by Section 7 hereof, the Notes shall mature serially or be subject to mandatory redemption and be payable on June 1 of each year as follows (but in no event shall the Notes and any extension or renewal notes mature later than the end of the ninth fiscal year following the fiscal year in which the Notes are issued):

<u>YEAR</u>	<u>AMOUNT</u>
2014	\$145,000
2015	145,000
2016	1,010,000

(b) Subject to the adjustments permitted by Section 7 hereof, the Notes shall be subject to prior redemption at the option of the County, as a whole or in part, at any time, at the price of par, plus interest accrued to the redemption date, if any. If adjustments are made to the redemption provisions pursuant to Section 7 hereof, and if less than all the Notes shall be called for redemption, the maturities to be redeemed shall be designated by the Governing Body, in its discretion, and, if less than all of the Notes of a maturity shall be called for redemption, the Notes within the maturity to be redeemed shall be selected as by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

(c) Pursuant to Section 7 hereof, the County Mayor is authorized to sell the Notes, or any maturities thereof, as term notes ("Term Notes") with mandatory redemption requirements corresponding to the maturities set forth herein or as determined by the County Mayor. In the event any or all the Notes are sold as Term Notes, the County shall redeem Term Notes on redemption dates corresponding to the maturity dates set forth herein, in aggregate principal amounts equal to the maturity amounts established pursuant to Section 7 hereof for each redemption date, as such maturity amounts may be adjusted pursuant to Section 7 hereof, at a price of par plus accrued interest thereon to the date of redemption. The Term Notes to be redeemed within a single maturity shall be selected in the manner described in subsection (b) above.

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

(d) Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent on behalf of the County not less than one (1) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Notes to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Note registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for redemption of any of the Notes for which proper notice was given.

(e) The County hereby authorizes and directs the County Mayor to appoint the Registration Agent, which may be the County's Finance Director or County Clerk or County Trustee, and hereby authorizes and directs the Registration Agent so appointed, to maintain Note registration records with respect to the Notes, to authenticate and deliver the Notes as provided herein, either at original issuance or

upon transfer, to effect transfers of the Notes, to give all notices of redemption as required herein, to make all payments of principal and interest with respect to the Notes as provided herein, to cancel and destroy Notes which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer, to furnish the County at least annually a certificate of destruction with respect to Notes canceled and destroyed, and to furnish the County at least annually an audit confirmation of Notes paid, Notes outstanding and payments made with respect to interest on the Notes. The County Mayor is hereby authorized to execute and the County Clerk is hereby authorized to attest such written agreement between the County and the Registration Agent as they shall deem necessary and proper with respect to the obligations, duties and rights of the Registration Agent. The payment of all reasonable fees and expenses of the Registration Agent for the discharge of its duties and obligations hereunder or under any such agreement is hereby authorized and directed.

(f) The Notes shall be payable, both principal and interest, in lawful money of the United States of America at the main office of the Registration Agent. The Registration Agent shall make all interest payments with respect to the Notes by check or draft on each interest payment date directly to the registered owners as shown on the Note registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by depositing said payment in the United States mail, postage prepaid, addressed to such owners at their addresses shown on said Note registration records, without, except for final payment, the presentation or surrender of such registered Notes, and all such payments shall discharge the obligations of the County in respect of such Notes to the extent of the payments so made. Payment of principal of and premium, if any, on the Notes shall be made upon presentation and surrender of such Notes to the Registration Agent as the same shall become due and payable. All rates of interest specified herein shall be computed on the basis of a three hundred sixty (360) day year composed of twelve (12) months of thirty (30) days each.

(g) Any interest on any Note that is payable but is not punctually paid or duly provided for on any interest payment date (hereinafter "Defaulted Interest") shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such Defaulted Interest shall be paid by the County to the persons in whose names the Notes are registered at the close of business on a date (the "Special Record Date") for the payment of such Defaulted Interest, which shall be fixed in the following manner: the County shall notify the Registration Agent in writing of the amount of Defaulted Interest proposed to be paid on each Note and the date of the proposed payment, and at the same time the County shall deposit with the Registration Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Registration Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this Section provided. Thereupon, not less than ten (10) days after the receipt by the Registration Agent of the notice of the proposed payment, the Registration Agent shall fix a Special Record Date for the payment of such Defaulted Interest which Date shall be not more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment to the registered owners. The Registration Agent shall promptly notify the County of such Special Record Date and, in the name and at the expense of the County, not less than ten (10) days prior to such Special Record Date, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each registered owner at the address thereof as it appears in the Note registration records maintained by the Registration Agent as of the date of such notice. Nothing contained in this Section or in the Notes shall impair any statutory or other rights in law or in equity of any registered owner arising as a result of the failure of the County to punctually pay or duly provide for the payment of principal of, premium, if any, and interest on the Notes when due.

(h) The Notes are transferable only by presentation to the Registration Agent by the registered owner, or his legal representative duly authorized in writing, of the registered Note(s) to be transferred with the form of assignment on the reverse side thereof completed in full and signed with the name of the registered owner as it appears upon the face of the Note(s) accompanied by appropriate documentation necessary to prove the legal capacity County of any legal representative of the registered owner. Upon receipt of the Note(s) in such form and with such documentation, if any, the Registration Agent shall issue a new Note or the Note to the assignee(s) in \$5,000 denominations, or integral multiples thereof, as requested by the registered owner requesting transfer. The Registration Agent shall not be required to transfer or exchange any Note during the period commencing on a Regular or Special Record Date and ending on the corresponding interest payment date of such Note, nor to transfer or exchange any Note after the notice calling such Note for redemption has been made, nor to transfer or exchange any Note during the period following the receipt of instructions from the County to call such Note for redemption; provided, the Registration Agent, at its option, may make transfers after any of said dates. No charge shall be made to any registered owner for the privilege of transferring any Note, provided that any transfer tax relating to such transaction shall be paid by the registered owner requesting transfer. The person in whose name any Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the County nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Notes shall be overdue. The Notes, upon surrender to the Registration Agent, may, at the option of the registered owner, be exchanged for an equal aggregate principal amount of the Notes of the same maturity in any authorized denomination or denominations.

(i) The Notes shall be executed in such manner as may be prescribed by applicable law, in the name, and on behalf, of the County with the manual or facsimile signature of the County Mayor and with the official seal, or a facsimile thereof, of the County impressed or imprinted thereon and attested by the manual or facsimile signature of the County Clerk.

(j) The Registration Agent is hereby authorized to authenticate and deliver the Notes to the original purchaser, upon receipt by the County of the proceeds of the sale thereof and to authenticate and deliver Notes in exchange for Notes of the same principal amount delivered for transfer upon receipt of the Note(s) to be transferred in proper form with proper documentation as hereinabove described. The Notes shall not be valid for any purpose unless authenticated by the Registration Agent by the manual signature of an officer thereof on the certificate set forth herein on the Note form.

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

Section 4. Source of Payment. The Notes shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the County. For the prompt payment of principal of and interest on the Notes, the full faith and credit of the County are hereby irrevocably pledged.

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

(Form of Note)

REGISTERED
Number _____

REGISTERED

\$ _____

UNITED STATES OF AMERICA
STATE OF TENNESSEE
LOUDON COUNTY
CAPITAL OUTLAY NOTE, SERIES 2013 (Taxable)

Interest Rate:
1.00%

Maturity Date:
June 1

Date of Note:
_____, 2013

Registered Owner: Loudon County Trustee

Principal Amount: One Million Three Hundred Thousand Dollars

KNOW ALL MEN BY THESE PRESENTS: That Loudon County, Tennessee (the "County"), for value received hereby promises to pay to the registered owner hereof, hereinabove named, or registered assigns, in the manner hereinafter provided, the principal amount hereinabove set forth on the maturity date hereinabove set forth, and to pay interest (computed on the basis of a 360 day year of twelve 30 day months) on said principal amount at the rate of interest hereinabove set forth from the date hereof until this Note matures, or is redeemed, said interest being payable on June 1, 2014, and annually thereafter on June 1. Both principal hereof and interest hereon are payable in lawful money of the United States of America by check or draft at _____, Loudon County, Tennessee as registration and paying agent (the "Registration Agent"). The Registration Agent shall make all interest payments with respect to this Note on each interest payment date directly to the registered owner hereof shown on the Note registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by check or draft mailed to such owner at such owner's address shown on said note registration records, without, except for final payment, the presentation or surrender of this Note, and all such payments shall discharge the obligations of the County to the extent of the payments so made. Any such interest not so punctually paid or duly provided for on any interest payment date shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such defaulted interest shall be payable to the person in whose name this Note is registered at the close of business on the date (the "Special Record Date") for payment of such defaulted interest to be fixed by the Registration Agent, notice of which shall be given to the owners of the Notes of the issue of which this Note is one not less than ten (10) days prior to such Special Record Date. Payment of principal hereof shall be made upon presentation and surrender of this Note to the Registration Agent when due.

The Notes shall be subject to redemption prior to maturity at the option of the County, as a whole or in part at any time at the redemption price of par plus accrued interest to the redemption date.

If less than all the Notes shall be called for redemption, the maturities to be redeemed shall be designated by the Board of County Commissioners of the County, in its discretion. If less than all the principal amount of the Notes of a maturity shall be called for redemption, the interests within the maturity to be redeemed shall be by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

[Subject to the credit hereinafter provided, the County shall redeem Notes maturing _____ on the redemption dates set forth below opposite the maturity dates, in aggregate principal amounts equal to the respective dollar amounts set forth below

opposite the respective redemption dates at a price of par plus accrued interest thereon to the date of redemption. The dates of redemption and principal amount of Notes to be redeemed on said dates are as follows:

<u>Final</u> <u>Maturity</u>	<u>Redemption</u> <u>Date</u>	<u>Principal</u> <u>Amount</u> <u>of Notes</u> <u>Redeemed</u>
---------------------------------	----------------------------------	---

*Final Maturity

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

Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent not less than one (1) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Notes to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Note registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for the redemption of any of the Notes for which proper notice was given.

This Note is transferable by the registered owner hereof in person or by such owner's attorney duly authorized in writing at the principal corporate trust office of the Registration Agent set forth on the front side hereof, but only in the manner, subject to limitations and upon payment of the charges provided in the Resolution, as hereafter defined, and upon surrender and cancellation of this Note. Upon such transfer a new Note or Notes of authorized denominations of the same maturity and interest rate for the same aggregate principal amount will be issued to the transferee in exchange therefor. The person in whose name this Note is registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the County nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Note shall be overdue. Notes, upon surrender to the Registration

Agent, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of the Notes of the same maturity in authorized denomination or denominations, upon the terms set forth in the Resolution. The Registration Agent shall not be required to transfer or exchange any Note during the period commencing on a Regular Record Date or Special Record Date and ending on the corresponding interest payment date of such Note.

It is hereby certified, recited, and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Note exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Note does not exceed any limitation prescribed by the constitution and statutes of the State of Tennessee.

This Note is one of a total authorized issue aggregating \$1,300,000 and issued by the County for the purpose of providing funds for the (i) the acquisition, construction, renovation and equipping of public buildings and facilities; (ii) the acquisition of public safety and public works equipment (iii) the payment of legal, fiscal, administrative, architectural and engineering costs incident to the foregoing (the "Projects"); (iv) reimbursement for funds previously expended for Project costs, if any; (v) payment of costs incident to the issuance and sale of the notes of the issue of which this Note is one, under and in full compliance with the constitution and statutes of the State of Tennessee, including Sections 9-21-101 et seq., and 9-21-408 Tennessee Code Annotated, and pursuant to a resolution (the "Resolution") duly adopted by the Board of County Commissioners of the County on the 24th day of June 2013.

This Note is payable from unlimited ad valorem taxes to be levied on all taxable property within the County. For the prompt payment of principal of and interest on this Note, the full faith and credit of the County are irrevocably pledged. For a more complete statement of the general covenants and provisions pursuant to which this Note is issued, reference is hereby made to said Resolution.

This Note and the income therefrom are exempt from all present state, County and municipal taxes in Tennessee except (a) inheritance, transfer and estate taxes, (b) Tennessee excise taxes on interest on the Note during the period the Note is held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee, and (c) Tennessee franchise taxes by reason of the inclusion of the book value of the Note in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

IN WITNESS WHEREOF, Loudon County, Tennessee, has caused this Note to be signed by its County Mayor with his manual [facsimile] signature and attested by its County Clerk with his manual [facsimile] signature under an impression [facsimile] of the corporate seal of the County, all as of the day and date hereinabove set forth.

BY: _____
County Mayor

(SEAL)

ATTESTED:

County Clerk

Transferable and payable at the
office of:

Date of Registration: _____

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

Registration Agent

By: _____
Authorized Representative

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns, and transfers unto _____, whose address is _____ (Please insert Social Security or Federal Tax Identification Number _____), the within Note of Loudon County, Tennessee and does hereby irrevocably constitute and appoint _____, attorney, to transfer the said Note on the records kept for registration thereof with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Note in every particular, without alteration or enlargement or any change whatsoever.

Section 6. Levy of Tax. The County, through its Governing Body, shall annually levy and collect a tax upon all taxable property within the County, in addition to all other taxes authorized by law, sufficient to pay principal of and interest on the Notes when due, and for that purpose there is hereby levied a direct tax in such amount as may be found necessary each year to pay principal and interest coming due on the Notes. Principal and interest falling due at any time when there are insufficient funds from this tax levy on hand shall be paid from the current funds of the County and reimbursement therefor shall be made out of the taxes hereby provided to be levied when the same shall have been collected. The tax herein provided may be reduced to the extent of direct appropriations from the general funds or other legally available funds of the County to the payment of debt service on the Notes.

Section 7. Sale of Notes. (a) The Notes shall be offered for public sale as required by law, at a price of not less than ninety-nine percent (99%) of par, plus accrued interest, if any, as a whole or in part from time to time as shall be determined by the County Mayor, in consultation with Cumberland Securities Company, Inc., Knoxville, Tennessee, the County's financial advisor (the "Financial Advisor").

(b) If the Notes are sold in more than one emission, the County Mayor is authorized to designate the series of each emission, to cause to be sold in each emission an aggregate principal amount of Notes less than that shown in Section 3 hereof for each emission, and to make corresponding adjustments to the maturity schedule of each emission designated in Section 3 hereof, so long as the total aggregate principal amount of all emissions issued does not exceed the total aggregate of Notes authorized to be issued herein.

(c) The County Mayor is authorized (i) to change the dated date of the Notes to a date other than their date of issuance; (ii) to change the designation of the Notes to a designation other than "Capital Outlay Notes, Series 2013 (Taxable)"; (iii) to change the first interest payment date on the Notes to a date other than June 1, 2014 but not later than twelve (12) months from the dated date of the Notes; (iv) to adjust the principal and interest payment dates and maturity amounts of the Notes, provided that (A) the total principal amount of all emissions of the Notes does not exceed the total amount of Notes authorized herein, (B) the final maturity date of each emission shall not exceed the end of the ninth fiscal year following the fiscal year in which the Notes are issued and that 1/9 of the principal is paid on an annual basis; and (C) such maturity schedule is approved by the Director of State and Local Finance, if required; (v) to change the County's optional redemption provisions of the Notes, provided that, if the Notes are sold at not less than par, the redemption premium, if any, shall not exceed one percent (1%) of the par amount of the Notes called for redemption; (vi) to sell less than the authorized principal amount of Notes authorized herein and (vii) to sell the Notes, or any emission thereof, or any maturities thereof as Term Notes with mandatory redemption requirements corresponding to the maturities set forth herein or as otherwise determined by the County Mayor, as he shall deem most advantageous to the County.

(d) The County Mayor is authorized to sell the Notes, or any emission thereof, simultaneously with any other bonds or notes authorized by resolution or resolutions of the Governing Body. The County Mayor is further authorized to sell the Notes, or any emission thereof, as a single issue of notes with any other general obligation capital outlay notes with substantially similar terms authorized by resolution or resolutions of the Governing Body, in one or more emissions or series as he shall deem to be advantageous to the County; provided, however, that the total aggregate principal amount of combined notes to be sold does not exceed the total aggregate principal amount of Notes authorized by this resolution or notes authorized by any other resolution or resolutions adopted by the Governing Body.

(e) The County Mayor is authorized to award the Notes, or any emission thereof, to a purchaser pursuant to negotiated sale, provided the rate or rates on none of the Notes does not exceed five percent (5.00%) per annum. The sale of the Notes by the County Mayor shall be binding on the County, and no further action of the Governing Body with respect thereto shall be required. The form of the Note set forth in Section 5 hereof, shall be conformed to reflect any changes made pursuant to this Section 7 hereof. The County Mayor is hereby authorized to enter into a purchase agreement with the purchaser of the Notes, if sold at negotiated sale. The terms of such purchase agreement shall be consistent with the terms of this resolution.

(f) The County Mayor and County Clerk, or either of them, are authorized to cause the Notes to be authenticated and delivered by the Registration Agent to the original purchaser and to execute, publish, and deliver all certificates and documents, including an official statement, a note purchase agreement, if sold at negotiated sale, and closing certificates, as they shall deem necessary in connection with the sale and delivery of the Notes. The County Mayor and County Clerk are hereby authorized to enter into a contract with Cumberland Securities Company, Inc., Knoxville, Tennessee, for financial advisory services in connection with the sale of the Notes.

(g) The Notes, nor any emission thereof, shall not be issued until after the approval of the Director of State and Local Finance shall have been obtained as required by Sections 9-21-101 et seq., Tennessee Code Annotated.

Section 8. Disposition of Note Proceeds.

(a) All accrued interest, if any, shall be deposited to the appropriate fund of the County to be used to pay interest on the Notes on the first interest payment date following delivery of the Notes.

(b) The remainder of the proceeds of the sale of the Notes shall be paid to the County Trustee to be deposited with a financial institution regulated by the Federal Deposit Insurance Corporation or similar or successor federal agency in a special fund known as the 2013 Note Fund (the "Note Fund") to be kept separate and apart from all other funds of the County. The monies in the Note Fund shall be solely used by the County to pay other costs of the Projects and, if applicable, to reimburse the County for any funds previously expended for Project costs. Moneys in the Note Fund shall be invested at the direction of the County Trustee in such investments as shall be permitted by applicable law. Earnings from such investments shall be deposited by the County Trustee in the Note Fund to pay the costs authorized herein or be transferred to the County's debt service fund to pay principal and interest on the Notes. Funds remaining in the Note Fund after the completion of the Projects and reimbursement to the County for funds previously expended for Project costs, if any, shall be transferred to the County's debt service to be used to pay principal and interest on the Notes.

Section 9. Official Statement. The County Mayor, working with Cumberland Securities Company, Inc., Knoxville, Tennessee (the "Financial Advisor"), is hereby authorized to provide for the preparation and distribution of a Preliminary Official Statement or Preliminary Offering Circular describing the Notes. No Official Statement or Offering Circular need be prepared if the Notes are sold to a purchaser that does not intend to reoffer the Notes to the public.

If the Notes, or any emission thereof, are sold to a purchaser that does not intend to reoffer the Notes to the public as evidenced by a certificate executed by the purchaser, then an Official Statement is authorized, but not required, as shall be determined by the County Mayor.

Section 10. Taxability. Interest on the Notes is not excluded from gross income for federal income tax purposes and so will be fully subject to federal income taxation.

Section 11. Discharge and Satisfaction of Notes. If the County shall pay and discharge the indebtedness evidenced by any of the Notes in any one or more of the following ways:

(a) By paying or causing to be paid, by deposit of sufficient funds as and when required with the Registration Agent, the principal of and interest on such Notes as and when the same become due and payable;

(b) By depositing or causing to be deposited with any trust company or bank whose deposits are insured by the Federal Deposit Insurance Corporation and which has trust powers ("a Trustee"; which Trustee may be the Registration Agent), in trust, on or before the date of maturity, sufficient money or Federal Obligations, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay such Notes and to pay interest thereon when due until the maturity date;

(c) By delivering such Notes to the Registration Agent, for cancellation by it; and if the County shall also pay or cause to be paid all other sums payable hereunder by the County with respect to such Notes, or make adequate provision therefor, and by resolution of the Governing Body instruct any such Trustee to pay amounts when and as required to the Registration Agent for the payment of principal of and interest on such Notes when due, then and in that case the indebtedness evidenced by such Notes shall be discharged and satisfied and all covenants, agreements and obligations of the County to the owners of such Notes shall be fully discharged and satisfied and shall thereupon cease, terminate and become void.

If the County shall pay and discharge the indebtedness evidenced by any of the Notes in the manner provided in either clause (a) or clause (b) above, then the registered owners thereof shall thereafter be entitled only to payment out of the money or Federal Obligations deposited as aforesaid.

Except as otherwise provided in this Section, neither Federal Obligations nor moneys deposited with the Registration Agent pursuant to this Section nor principal or interest payments on any such Federal Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal and premium, if any, and interest on said Notes; provided that any cash received from such principal or interest payments on such Federal Obligations deposited with the Registration Agent, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to the County as received by the Registration Agent and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Federal Obligations maturing at times and in amounts sufficient to pay when due the principal and interest to become due on said Notes and interest earned from such reinvestments shall be paid over to the County, as received by the Registration Agent. For the purposes of this Section, Federal Obligations shall mean direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, or any agency thereof, obligations of any agency or instrumentality of the United States or any other obligations at the time of the purchase thereof are permitted investments under Tennessee Law for the purposes described in this Section, which bonds or other obligations shall not be subject to redemption prior to their maturity other than at the option of the registered owner thereof.

Section 12. Continuing Disclosure. The County hereby covenants and agrees that it will provide annual financial information and material event notices if and as required by Rule 15c2-12 of the Securities Exchange Commission for the Notes. The County Mayor is authorized to execute at the Closing of the sale of the Notes, an agreement for the benefit of and enforceable by the owners of the Notes specifying the details of the financial information and material event notices to be provided and its obligations relating thereto. Failure of the County to comply with the undertaking herein described and to be detailed in said closing agreement, shall not be a default hereunder, but any such failure shall entitle the owner or owners of any of the Notes to take such actions and to initiate such proceedings as shall be necessary and appropriate to cause the County to comply with their undertaking as set forth herein and in said agreement, including the remedies of mandamus and specific performance.

Section 13. Reasonably Expected Economic Life. The "reasonably expected economic life" of the Projects within the meaning of Section 9-21-101 et seq., Tennessee Code Annotated, is greater than the average life of the Notes.

Section 14. Resolution a Contract. The provisions of this resolution shall constitute a contract between the County and the registered owners of the Notes, and after the issuance of the Notes, no change, variation or alteration of any kind in the provisions of this resolution shall be made in any manner until such time as the Notes and interest due thereon shall have been paid in full.

Section 15. Separability. If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

Section 16. Reimbursement. This resolution shall serve as the expression of official intent of the County to reimburse itself for Project expenditures from proceeds of bonds in an amount not to exceed the amount of the Notes for purposes of Treasury Regulations Section 1.150-2.

Section 17. Repeal of Conflicting Resolutions and Effective Date. All other resolutions and orders, or parts thereof, in conflict with the provisions of this resolution are, to the extent of such conflict, hereby repealed and this resolution shall be in immediate effect from and after its adoption.

Adopted and approved this _____ day of June, 2013.

/s/ _____
Commission Chairman

/s/ _____
County Mayor

APPROVED:

/s/ _____
County Clerk

STATE OF TENNESSEE)

LOUDON COUNTY)

I, Darlene Russell, hereby certify that I am the duly qualified and acting County Clerk of Loudon County, Tennessee, and as such official I further certify that attached hereto is a copy of excerpts from the minutes of a regular meeting of the governing body of the County held on June 24, 2013; that these minutes were promptly and fully recorded and are open to public inspection; that I have compared said copy with the original minute record of said meeting in my official custody; and that said copy is a true, correct and complete transcript from said original minute record insofar as said original record relates to not to exceed \$1,300,000 Capital Outlay Notes, Series 2013 (Taxable) of said County.

WITNESS my official signature and seal of said County this 24th day of June, 2013.

/s/

County Clerk

(SEAL)