

**GENERAL CAPITAL PROJECT
SUBFUND: 014**

These are new projects that were approved during Fiscal Year 2013-2014. Projects of a certain size or duration are separated and applied to this subfund. These are projects with relatively smaller costs and/or will be more likely completed during the fiscal year that it was budgeted in. Any funds remaining after project completion will be transferred into subfund BAL.

On July 15, 2013, County Commission approved Resolution #071513-D authorizing the issuance of Capital Outlay Notes of Loudon County to provide funds for various County projects, not to exceed \$1,300,000. (See Exhibit 1)

	Fiscal Year <u>2013-2014</u>	Fiscal Year <u>2014-2015</u>	Fiscal Year <u>2015-2016</u>
Beginning Cash Balance	-	653,937.51	7,720.35
Revenue	99,164.29		
Accounts Receivable	(3,238.21)	3,238.21	
Expenditures	(742,171.57)	(10.00)	
Trans from Other Funds-Interfund Loan	1,300,000.00		
PY Property Tax Adjustment	183.00		
Exp for Prior Year Encumbrances		(148,280.37)	
Trans to Subfund 015-3/9/15		(483,407.00)	
Trans to Subfund BAL-6/16/15		(17,758.00)	
Trans to Subfund BAL-6/8/16			(7,720.35)
Ending Cash Balance	<u>653,937.51</u>	<u>7,720.35</u>	<u>-</u>

↓
6/30/2016
Cash Balance

LOUDON COUNTY COMMISSION

Resolution 071513-D

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 \$1,300,000 in aggregate principal amount of capital outlay notes for said purpose; 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 Maturity</u>	<u>Redemption Date</u>	<u>Principal Amount of Notes Redeemed</u>
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***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 provision 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 15th day of July, 2013.

/s/ [Signature]
Commission Chairman

/s/ [Signature]
County Mayor

APPROVED:

/s/ [Signature]
County Clerk

STATE OF TENNESSEE)
COUNTY OF LOUDON)

I, Darlene Russell, 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 Special Called Meeting of the governing body of the County held on July 15, 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 17th day of July, 2013.

Darlene Russell

County Clerk

(SEAL)



Fund : 171- General Capital Projects - Fy 2013/2014

Account Number	Account Description	Balance
Assets		
171-014-11140- - -	Cash With Trustee	0.00
	Total Assets	0.00
	Total Assets and Deferred Outflows of Resources	0.00
Equities		
171-014-34120- - -	Encumbrances - Prior Year	(7,719.65)
171-014-34120- -SCAN -	Encumbrances - Prior Year - Scanning Documents	7,719.65
171-014-39000- - -	Unassigned	7,719.65
171-014-39000- -SCAN -	Unassigned - Scanning Documents	(7,719.65)
	Total Equities	0.00
	Total Liabilities, Deferred Inflows of Resources, and Fund Bala	0.00
Fund Totals:	171-014 General Capital Projects - Fy 2013/2014	0.00

Balance Sheet
JUNE 30, 2015

171 GENERAL CAPITAL PROJECTS

014 FY 2013/2014

Fnd-Funct-Obj-Fnd-Centr-Obj	Sub Cost Sub	Account Name	Amount
ASSETS			
171-11140-	-014	CASH WITH TRUSTEE	7,720.35
171-14500-	-014	EXPENDITURES - CURRENT YEAR (CONTROL)	10.00
171-14600-	-014	EXP CHGD TO RESERVE FOR PRIOR YRS ENC	55,122.00
171-14600-	-014-EMA	EXP CHGD TO RESERVE FOR PRIOR YRS ENC	74,648.00
171-14600-	-014-MAINT	EXP CHGD TO RESERVE FOR PRIOR YRS ENC	13,626.00
171-14600-	-014-SESSN	EXP CHGD TO RESERVE FOR PRIOR YRS ENC	4,884.37
TOTAL ASSETS			156,010.72
EQUITIES			
171-34120-	-014	ENCUMBRANCES - PRIOR YEAR	147,014.02-
171-39000-	-014	UNASSIGNED	8,996.70-
TOTAL EQUITIES			156,010.72-
Fund Is In Balance			0.00

G/L Month: 06 JUNE
Beginning Fund: 171 Beginning Sub Fund: 014
Ending Fund: 171 Ending Sub Fund: 014

* End of Report: LOUDON CO CENTRAL ACCOUNTING *

Balance Sheet
JUNE 30, 2014

171 GENERAL CAPITAL PROJECTS

014 FY 2013/2014

Fnd-Funct-Obj	Sub Cost Fnd-Centr-Obj	Sub	Account Name	Amount
ASSETS				
171-11140-	-014		CASH WITH TRUSTEE	653,937.51
171-11180-	-014		CASH WITH CLERKS, REGISTER, AND SHERIFF	382.65
171-11410-	-014		ACCOUNTS RECEIVABLE	2,855.56
171-14100-	-014		ESTIMATED REVENUES	1,397,758.00
171-14200-	-014		UNLIQUIDATED ENCUMBRANCES (CONTROL)	156,115.65
171-14500-	-014		EXPENDITURES - CURRENT YEAR (CONTROL)	742,171.57
TOTAL ASSETS				2,953,220.94
LIABILITIES				
171-28100-	-014		APPROPRIATIONS (CONTROL)	914,351.00-
171-28500-	-014		REVENUES (CONTROL)	99,164.29-
171-28510-	-014		TRANSFERS FROM OTHER FUNDS (CONTROL)	1,300,000.00-
TOTAL LIABILITIES				2,313,515.29-
EQUITIES				
171-34110-	-014		ENCUMBRANCES - CURRENT YEAR	156,115.65-
171-39000-	-014		UNASSIGNED	229.57
171-39000-	-014		BUDGET UNASSIGNED	483,407.00-
171-39000-	-014-GOVDL		UNASSIGNED	412.57-
TOTAL EQUITIES				639,705.65-
Fund Is In Balance				0.00

G/L Month: 06 JUNE
 Beginning Fund: 171 Beginning Sub Fund: 014
 Ending Fund: 171 Ending Sub Fund: 014

* End of Report: LOUDON CO CENTRAL ACCOUNTING *