



**AGENDA
HENRY COUNTY COMMISSION
MONDAY
SEPTEMBER 18, 2017
5:00 P.M.
HENRY COUNTY COURT HOUSE**

1. Call to order and opening of the Commission.
2. Invocation.
3. Pledge to the Flag of the United States of America.
4. Roll call.
5. Citizen's forum.
6. Commissioners' forum.

7. Appointments, confirmations, and elections.
 - a. Consideration of a resolution to appoint certain citizens to various committees and boards and action thereon by the Commission.

8. **BUSINESS:**

- a. Approval of Consent Agenda and action thereon by the Commission.
- b. Presentation by the County Trustee of requests for certain tax refunds and action thereon by the Commission.
- c. Consideration of a resolution to modify Resolution 5-08-17, the Model Debt Policy and action thereon by the Commission.
- d. Consideration of a resolution authorizing the issuance of not to exceed nine million one hundred thousand dollars (\$9,100,000) of general obligation high school bonds and action thereon by the Commission.
- e. Consideration of a resolution to adopt a local wheel tax and action thereon by the Commission.
- f. Consideration of an initial resolution authorizing the incurrence of indebtedness by Henry County, Tennessee, of not to exceed \$9,200,000, by the execution with the Public Building Authority of the City of Clarksville, Tennessee, of a loan agreement to provide funding for certain public works projects for the Henry County Medical Center, and to fund the

incidental and necessary expenses related thereto and action thereon by the Commission.

- g. Consideration of a resolution authorizing a loan pursuant to a loan agreement between Henry County, Tennessee, and the Public Building Authority of the City of Clarksville, Tennessee, in the principal amount of not to exceed \$9,200,000; authorizing the execution and delivery of such loan agreement and other documents relating to said loan; approving the issuance of a bond by such public building authority; providing for the application of the proceeds of said loan and the payment of such indebtedness; consenting to the assignment of the county's obligation under such loan agreement; and, certain other matters and action thereon by the Commission.
- 9. Announcements and Statements.
- 10. Adjournment.



CONSENT AGENDA SEPTEMBER 18, 2017

ITEMS TO BE APPROVED:

1. Minutes of the meeting of August 21, 2017
2. Notary Public designations.
3. Various quarterly reports.
4. Henry County Medical Center Statement of Cash Flow.
5. Trustee's month end report.
6. Report of property tax collections to date.
7. Report of total revenue collections to date.

RESOLUTION NO. 1-09-17

A RESOLUTION OF THE HENRY COUNTY, TENNESSEE BOARD OF COMMISSIONERS TO APPOINT CERTAIN CITIZENS AND COMMISSIONERS TO VARIOUS BOARDS, COMMITTEES, AND POSITIONS

WHEREAS, certain vacancies now exist on various boards, committees, and commissions, and in various positions of Henry County, Tennessee; and

WHEREAS, it is the duty and responsibility of the Board of Commissioners of Henry County, Tennessee to appoint certain qualified citizens and Henry County Commissioners to fill the said vacancies; and

WHEREAS, the Board of Commissioners has examined and evaluated the qualifications of certain citizens and County Commissioners for appointment to the said boards, committees, commissions, and positions.

NOW, THEREFORE BE IT RESOLVED by the Board of Commissioners of Henry County, Tennessee, assembled in regular session on this 18th day of September, 2017, a majority or more of said Commissioners concurring, that:

SECTION 1. _____ be and hereby is appointed to the Chairman of the Commission, with term to expire September 2018.

SECTION 2. _____ be and hereby is appointed to Vice-Chairman of the Commission, with term to expire September 2018.

SECTION 3. _____ be and hereby is appointed to the Board of Health with term to expire September 2018.

SECTION 4. _____ be and hereby is appointed to the Tourism Committee with term to expire September 2018.

SECTION 5. _____ be and hereby is appointed to the Veterans Service Committee with term to expire September 2017.

SECTION 6. James Copeland be and hereby is appointed to fill the following committees:

- a. Committee on Aging – Exp. May 2020
- b. Central Community Service Center Bldg – Exp. Jan. 2019
- c. Fire Protection Study Committee – Exp. January 2018
- d. Health Insurance Committee – Exp. January 2018
- e. Legislative Committee – Exp. January 2018
- f. New Property Owners Tax Notice Committee –
Co-terminous
- g. Nominating Committee – Exp. January 2018
- h. Personnel Policies & Procedures Comm. – Exp. Jan. 2019
- i. Solid Waste Committee Exp. January 2018

BE IT FURTHER RESOLVED that any and all acts previously passed by this Board of County Commissioners which are in conflict with this Resolution be and hereby are rescinded, repealed, and are of no effect whatsoever.

BE IT FURTHER RESOLVED that this Resolution shall take effect upon its passage by this Board of County Commissioners and approval by the County Mayor, the public welfare requiring it.

BE IT FINALLY RESOLVED that a true copy of this Resolution be spread upon the Commission record of this date.

PASSED_____

**BRENT GREER, CHAIRMAN
HENRY COUNTY COMMISSION**

**DONNA CRAIG
COUNTY CLERK**

APPROVED_____

**BRENT GREER
HENRY COUNTY MAYOR**

RESOLUTION NO. 2-09-17

A RESOLUTION OF THE HENRY COUNTY, TENNESSEE BOARD OF COMMISSIONERS TO MAKE THE ANNUAL REVIEW OF THE MODEL DEBT POLICY FOR HENRY COUNTY IN COMPLIANCE WITH REQUIREMENTS OF THE GOVERNOR’S THREE STAR PROGRAM

WHEREAS, Henry County adopted a Modified Debt Policy in its August 21, 2017, commission meeting; and

WHEREAS, to remain in compliance for eligibility of the Governor’s Three Star Program, the Model Debt Policy must be reviewed annually; and

WHEREAS, the Henry County Board of Commission, prior to the issuance of debt in fiscal year 2017–2018 has reviewed and amended the Henry County Modified Model Debt Policy.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Henry County, Tennessee, assembled in regular session on this 18th day of September, 2017, a majority or more of the membership concurring, does hereby make the annual review and acceptance of the Model Debt Policy for fiscal year 2017-2018.

BE IT FINALLY RESOLVED that a true copy of this Resolution and the attached (as modified September 18, 2017) Debt Management Policy be spread upon the Commission record of this date.

PASSED _____

**BRENT GREER, CHAIRMAN
HENRY COUNTY COMMISSION**

**DONNA CRAIG
COUNTY CLERK**

APPROVED _____

**BRENT GREER
HENRY COUNTY MAYOR**

Henry County, Tennessee

Debt Management Policy

(As modified January 20, 2012, November 21, 2016, August 21, 2017, and September 18, 2017)

Goal/Mission: To provide management with appropriate guidelines and direction to assist in making sound debt management decisions. To further demonstrate strong financial management practices for our county citizens, outside investors, and credit agencies.

Objectives:

- Enhance decision process transparency and identify all expenditures of principal, interest, and annual costs along with issue specific transaction costs
- Address hiring outside professionals
- Address any potential conflict of interest issues
- Additional requirements for new debt

1. Enhance transparency of decisions by way of Annual Budgets and Specific New Issue Report

Responsibilities for analysis and reporting shall be with the county mayor, director of accounts and budgets and the county's budget committee. All meetings are considered open to the public and are announced via the local media.

To insure transparency of decisions, an annual debt service budgets, as well as specific issuance debt reports (i.e. those required by state law) shall be prepared and available for public review and comment. County officials will comply with State of Tennessee Open Record laws and respond to record requests from any citizen of Tennessee promptly.

Annual Debt Report

An annual debt payment report shall be submitted to the county commission with the annual debt budget. The annual report shall consist of:

- Budget summary and detailed budget as required by Comptroller's Office.
- Net debt calculation – total principal outstanding less most recent year respective debt fund balance.
- Reports will reflect estimated fund balance.

Annual Debt Budgets

Annual Debt Budgets shall be adopted by the county legislative body and comply with legal notice and filings requirements per state law.

New Debt Issuance

Any new debt issuance shall comply with State Form CT-0253 as well as any other state required forms that detail all associated costs for the issuance of the proposed debt. These records will be available for public and county commission inspection prior to the commission approval of the debt issuance.

2. Hiring of professionals for Debt Issuance

- From time to time the county may hire legal counsel, a financial advisor or underwriter to assist in issuance of debt.
- Financial Advisor: The county shall enter into a written agreement with each person or firm serving as financial advisor for debt management and transactions. Whether in a negotiated or competitive sale, the financial advisor shall not be permitted to bid on, privately place or underwrite an issue for which they are providing advisory services for the issuance. The county will utilize the most current definition of “financial advisor”, as determined by the U.S. Securities and Exchange Commission and the Municipal Securities Rulemaking Board, when determining what exactly defines a financial advisor.

- Underwriter: If there is an underwriter, the county shall require the underwriter to clearly identify itself in writing (e.g. in a response to a request for proposal or in promotional materials provided to the issuer) as an underwriter and not as a financial advisor from the earliest stages of its relationship with the county with respect to that issue. The underwriter must clarify its primary role as a purchaser of securities in an arm's-length commercial transaction and that it has financial and other interests that differ from those of the county's. The underwriter in a publically offered, negotiated sale shall be required to provide pricing information both as to interest rates and to takedown per maturity to the governing body in advance of the pricing of the debt
- All professionals involved with the cost of issuance of debt shall disclose the estimated cost of their respective services including "soft" costs or compensations in lieu of direct payments to the county commission prior to the issuance of the debt.

3. Conflict of interest issues

- It is required that all professionals related to the debt issue will enter into a written engagement letter related to their proposed services, cost, and any potential conflict of interest. These letters will be signed by the county mayor and are open records.
- Professionals involved in a debt transaction hired or compensated by the county shall be required to disclose to the county existing client and business relationships between and among the professionals to a transaction (including but not limited to financial advisor, swap advisor, bond counsel, swap counsel, trustee, paying agent, underwriter, counterparty, and remarketing agent), as well as conduit issuers, sponsoring organizations and program administrators. This disclosure shall include that information reasonably sufficient to allow the county to appreciate the significance of the relationships. No engagement letter is required for any lawyer who is an employee of the county or lawyer or law firm which is under a general appointment or contract to serve as counsel to the

county. The county does not need an engagement letter with counsel not representing the county, such as underwriters' counsel.

- Professionals who become involved in the debt transaction as a result of a bid submitted in a widely and publicly advertised competitive sale conducted using an industry standard, electronic bidding platform are not subject to this disclosure. No disclosure is required that would violate any rule or regulation of professional conduct.

4. Additional Requirements for New Debt

- All leases will be reviewed by the county mayor and director of accounts and budgets prior to execution of the lease, in order to determine if the instrument is a capital or operating lease. No county official that is not authorized by State statute should execute a capital lease on behalf of the county. All capital leases will be presented for approval prior to execution to the county commission.
- In accordance with State statute, no repayment schedule of debt will extend past the useful life of the asset that the funds are being issued for. The most current, adopted county's fixed asset policy will be referenced for asset useful lives.
- If borrowing using capital outlay notes, the county will solicit a competitive bid from local banks as well as any other loan source deemed appropriate. In all instances the county will select the lowest and/or best offer as determined by the county mayor and director of accounts and budgets.
- The county commission may utilize variable rate debt in the county's overall debt management plan. The variable rate debt may utilize the opportunity presented by the local government loan pool through a public building authority borrowing. Such variable rate debt, including the percentage of variable-rate to fixed-rate debt in the overall debt portfolio will be discussed and approved by the county commission in a public meeting prior to issuance. The percentage ratio in the debt portfolio will be dependent upon market conditions and overall debt management discussions with the county commission. In the case of an advanced refunding or a refunding opportunity, an analysis report shall be provided which fully explains the reasons for the refunding and the net savings and costs of the refunding which will include not only interest charges, but also the fees associated

with the transaction. Absent other reasons such as the opportunity to eliminate onerous requirements contained in existing documents or other reasons recommended by the county mayor and director of accounts and budgets to the county commission for consideration and approval, the county has established a minimum net present value savings threshold of at least 3.0% of the refunded principal amount. Refunding opportunities may be considered by the county using any savings threshold if the refunding generates positive net present value savings. The decision to take less than 3.0% net present value savings or to take the savings in any matter other than a traditional year-to-year level savings pattern will be considered by the county mayor and director of accounts and budgets and discussed with county commission. To the extent required by law, this analysis or plan shall be sent to the Director of State and Local Finance for review. The Director normally must report directly to the county on the analysis or plan of refunding prior to formal consideration by county commission. Such refundings will be discussed and must be approved with the county commission at a public meeting prior to issuance.

- State Form CT- 0253 will be prepared and submitted as required by state law.

5. Types and Limits of Debt

- It is in the best interest of the county's citizens to maintain a debt portfolio utilizing individual debt issues in a manner that minimizes interest paid, the real cost of debt, and other related costs as well as repaying principal as rapidly as possible to create financial flexibility and future debt capacity. Generally, balloon indebtedness does not always meet these objectives
- As a general rule, the county will not backload, use "wrap-around" techniques, balloon payments or other unusual formats to pursue the financing of projects. Any exception to the general rule, will only take place when sufficient due diligence from the county mayor and director of accounts and budgets has occurred and is presented to the county commission in a public meeting for concurrence. The county may utilize non-level debt methods as determined in the best interest of the county and its taxpayers by the county mayor and director of

accounts and budgets and has been presented to the county commission in a public meeting for approval.

- Exhibit A attached hereto is the plan for balloon debt management.

6. General Guidance and Review

- The policy is intended to provide general direction regarding the future issuance of debt. The county maintains the right to modify this policy and may make exceptions to any of its guidelines at any time to the extent that the execution of such debt achieves the goals of the county as long as such exceptions or changes are consistent with Tennessee law and any rules and regulations adopted by the State. In accordance with the requirements of Section 9-18-102, Tennessee Code Annotated, the county commission shall establish and maintain internal controls over the debt management process. The county commission shall annually review this Debt management Policy and perform a risk assessment on the related internal control procedures and debt management process.
- This policy should be reviewed from time to time as circumstances, rules and regulations or other changes occur.
- The county mayor and director of accounts and budgets are responsible for ensuring substantial compliance with this policy.

7. Internal Controls

- In accordance with the requirements of Section 9-18-102, Tennessee Code Annotated, the county commission using its audit committee and appropriate county personnel shall perform a risk assessment of the debt management process to put into place effective internal controls to implement the Debt Policy.

8. Periodic Review

- The Debt Management Policy and the Balloon Debt Management Plan incorporated as Exhibit A hereto (collectively, the “Policy”) is intended to provide general direction regarding the future use and administration of debt obligations of the County. A violation of the Policy shall in no way be interpreted as a violation of law and shall have no bearing on the validity of any debt obligation issued by the County. The County reserves the right to modify the Policy (except to the extent certain elements of the Policy are mandated by applicable state law or regulation) and make exceptions to any of part of the Policy at any time.
- Unless the Policy is modified prior to formal consideration of a resolution or resolutions authorizing the sale and issuance of debt obligations, any exceptions to this Policy shall be expressly acknowledged in any formal resolution or resolutions authorizing the sale and issuance of any debt obligation of the County. In the event of a conflict between the terms of such resolution or resolutions and this Policy, the terms of the debt resolution or resolutions shall control.
- At least annually or as existing debt obligations and/or dedicated revenue streams roll off, this Policy shall be reviewed by the County Mayor and Director of Accounts and Budgets. At any time, the County Mayor may present recommendations for amendments, including but not limited to, deletions, additions, improvements or clarifications where appropriate to this Policy.

EXHIBIT A

BALLOON DEBT MANAGEMENT PLAN

Introduction

This Balloon Debt Management Plan (the “Debt Plan”) is a written guideline to manage, reduce, and mitigate the effect of existing balloon indebtedness on the county’s financial condition and to issue future debt structured with level principal payments or a level debt amortization. The county has previously issued balloon indebtedness as defined by Section 9-21-134, Tennessee Code Annotated (“Balloon Debt”). The purpose of this Debt Plan is to improve the quality of management and legislative decisions for the county regarding the structure of its current and future debt issuances consistent with the county’s Debt Management Policy’s (“DMP”) goals and to do what is in the best interest of the county and its taxpayers.

Policy Statement

It is in the best interest of the county’s citizens to maintain a debt portfolio utilizing individual debt issues in a manner that minimizes interest paid, the real cost of debt and other related costs as well as repaying principal as rapidly as possible to create financial flexibility and future debt capacity.

This Debt Plan formally establishes parameters for structuring debt and managing a debt portfolio that considers:

- Specific current capital improvement needs
- Future capital improvement needs
- Ability to repay financial obligations
- Impact on future debt capacity and revenues available for operations
- Existing legal, economic, and financial market conditions.

Specifically, the intent of the plan outlined in this document is to assist in the following:

- To guide the county commission in debt issuance decisions
- Except when facts and circumstances so dictate, establish a county commission policy to issue new money debt that is not balloon indebtedness as defined by Section 9-21-134, Tennessee Code Annotated
- To manage and mitigate the county's currently outstanding balloon indebtedness
- To promote sound financial management
- To protect the county's credit rating

Current History. When the most recent phases of school building financing were started in 2001, several bond issues were structured over time into a planned, integrated program resulting in a level debt or declining structure. All current school debt is secured and payable in whole or in part from a portion not exceeding \$722,000 of the County-wide 0.75% addition to the Local Option Sales Tax which was approved by County voters on August 4, 1983.

Prior to the adoption of the county's current debt policy, several bond issues were structured that met the subsequent definition of balloon indebtedness under Tennessee law even though when viewed collectively, all school debt undertaken has resulted in a level debt service structure.

Impact of Balloon Indebtedness. The overall level debt structure of the county's school debt has reduced its future debt capacity requiring it to either find new revenue sources to fund the new debt service or the issuance of new debt structured with a balloon payment structure.

EXISTING DEBT MANAGEMENT PLAN

Repayment Plan for Outstanding Balloon Indebtedness. If possible, the county commission will attempt to mitigate the impact of the current balloon indebtedness structure. The county commission intends to continue the existing plan of repayment for

existing school debt structured as balloon indebtedness based on projected revenue only being sufficient to support the current payment structure. For balloon indebtedness refunded with balloon indebtedness there will be no extension of debt, but the current amortization pattern will remain in place and existing revenues pledged for such purposes will continue. The county commission will follow the procedure described in future debt for balloon indebtedness when refunding its current balloon indebtedness.

FUTURE DEBT

New Debt. Consistent with the county’s adopted DMP, the County commission intends to issue new debt with a level or declining payment structure. If warranted, the county commission will follow the procedure below for issuing new money debt as balloon indebtedness.

For the FY 2018 High School Capital Improvement Program, additional revenues will be required to service any new debt whether or not the structure of such new debt is deemed to be “Balloon Debt”. Such additional revenue to pay debt service may come from one or more sources or a combination of such sources to include, but be not limited to, additional County-wide property tax revenue and/or additional increment on the existing County wheel tax.

FY 2018 High School Capital Improvement Program. For the FY 2018 High School Capital Improvement Program, additional revenues will be required to service any new debt whether or not the structure of such new debt is deemed to be “Balloon Debt”. Such additional revenue to pay debt service may come from one or more sources or a combination of such sources to include, but be not limited to, additional County-wide property tax revenue and/or an additional increment on the existing County wheel tax.

Refunding of Debt. Upon determination by the county commission that a balloon indebtedness structure is in the public’s best interest as described in New Debt, refinancing of debt structured as part of the long-standing overall program will continue to match existing debt service patterns given the underlying security and payment

provisions pledged for each individual issue. If warranted, the county commission will follow the procedure below for issuing refunding debt as balloon indebtedness.

Procedure. Non-level debt methods may be used if the county commission determines it is in the public's best interest after due diligence as required by Section 5 of the County's DMP. The county commission will make that determination by analyzing the structure's impact on county revenues and future debt capacity. The analysis will include the proposed debt structure, including the principal and interest payments, and terms and life of the debt issue as well as a depiction showing the percentage of debt retired every five years on the proposed debt. Upon the determination balloon indebtedness is in the public's best interest, the county commission will submit a plan of balloon indebtedness for review and approval to the Director of State and Local Finance. The county commission will only adopt a bond resolution authorizing balloon indebtedness after receiving approval for its plan of balloon indebtedness.

The Board of County Commissioners of Henry County, Tennessee, met in a regular session at the County Courthouse, Paris, Tennessee, at 5:00 o'clock, p.m., on September 18, 2017, with the Honorable Brent Greer, County Mayor, presiding, and the following members present:

There were absent:

There were also present Donna Craig, County Clerk and Patricia Hollingsworth, Accounts and Budget Director.

It was announced that public notice of the time, place and purpose of the meeting had been given and accordingly, the meeting was called to order.

The following resolution was introduced by _____, seconded by _____ and after due deliberation, were adopted by the following vote:

AYE:

NAY:

RESOLUTION NO. 3-09-17

A RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED NINE MILLION ONE HUNDRED THOUSAND DOLLARS (\$9,100,000) IN AGGREGATE PRINCIPAL AMOUNT, IN ONE OR MORE SERIES, OF GENERAL OBLIGATION HIGH SCHOOL BONDS OF HENRY COUNTY, TENNESSEE; MAKING PROVISION FOR THE ISSUANCE, SALE AND PAYMENT OF SAID BONDS; ESTABLISHING THE TERMS THEREOF AND THE DISPOSITION OF PROCEEDS THEREFROM; AND PROVIDING FOR THE LEVY OF TAXES FOR THE PAYMENT OF PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS.

WHEREAS, pursuant to Sections 49-3-1001, *et seq.*, Tennessee Code Annotated, as amended, counties in Tennessee are authorized through their respective governing bodies to issue and sell bonds of said counties to finance public works projects; and

WHEREAS, the Board of County Commissioners (the “Governing Body”) of Henry County, Tennessee (the “County”) hereby determines that it is necessary and desirable to issue general obligation high school bonds of the County to provide funds necessary to finance the (i) constructing, improving, renovating, equipping, design, and site development of the County high school, and all related property real and personal; (ii) payment of capitalized interest for the period of construction and for up to six months thereafter; (iii) payment of legal, fiscal, administrative, architectural and engineering costs incident to any or all of the foregoing; (iv) reimbursement to the appropriate fund of the County for prior expenditures for the foregoing costs, if applicable; and (v) payment of costs incident to the issuance and sale of the bonds authorized herein; and

WHEREAS, an amortization schedule for the bonds authorized herein requires approval of a plan of indebtedness by the Director of State and Local Finance under Section 9-21-134, Tennessee Code Annotated, and said approval of plan of indebtedness has been issued and is attached hereto as Exhibit A; and

WHEREAS, it is the intention of the Governing Body to adopt this Resolution for the purpose of authorizing not to exceed \$9,100,0000 in aggregate principal amount of its general high school obligation bonds, in one or more series, providing for the issuance, sale and payment of said bonds, establishing the terms thereof and the disposition of proceeds therefrom and providing for the levy of a tax for the payment of principal thereof, premium, if any, and interest thereon.

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

Section 1. Authority. The bonds authorized by this resolution are issued pursuant to Sections 49-3-1001 et seq., Tennessee Code Annotated, as amended, 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) "Bonds" shall mean not to exceed \$9,100,0000 in aggregate principal amount of General Obligation High School Bonds of the County, to be dated their date of delivery, with such series designation and such other dated date as the County Mayor shall determine pursuant to Section 8 hereof;

(b) "Book-Entry Form" or "Book-Entry System" means a form or system, as applicable, under which physical bond certificates in fully registered form are issued to a Depository, or to its nominee as Registered Owner, with the certificate of bonds being held by and "immobilized" in the custody of such Depository, and under which records maintained by persons, other than the County or the Registration Agent, constitute the written record that identifies, and records the transfer of, the beneficial "book-entry" interests in those bonds;

(c) "Code" means the Internal Revenue Code of 1986, as amended, and all regulations promulgated thereunder;

(d) "County" means Henry County, Tennessee;

(e) "Debt Management Policy" means the Debt Management Policy, as amended, adopted by the Governing Body as required by the State Funding Board of the State of Tennessee;

(f) "Depository" means any securities depository that is a clearing agency under federal laws operating and maintaining, with its participants or otherwise, a Book-Entry System, including, but not limited to, DTC;

(g) "DTC" means The Depository Trust Company, a limited purpose company organized under the laws of the State of New York, and its successors and assigns;

(h) "DTC Participant(s)" means securities brokers and dealers, banks, trust companies and clearing corporations that have access to the DTC System;

(i) "Governing Body" means the Board of County Commissioners of the County;

(j) "Municipal Advisor" means Raymond James & Associates, Inc.;

(k) "Prior Lien Bonds" means to the extent outstanding the County's outstanding High School Bonds, Series, 2001(B), dated March 19, 2001, General Obligation School Bonds, Series 2010, dated January 22, 2010; Rural School Refunding Bonds, Series 2013, dated January 25, 2013, and High School Refunding Bonds, Series 2015, dated May 8, 2015;

(l) "Projects" shall mean the (i) constructing, improving, renovating, equipping, design, and site development of the County high school and all related property real and personal; (ii) payment of capitalized interest for the period of construction and for up to six months thereafter; and (iii) payment of legal, fiscal, administrative, architectural and engineering costs incident to any or all of the foregoing;

(m) "Registration Agent" means the registration and paying agent for the Bonds, appointed by the County Mayor pursuant to Section 3 hereof, or any successor designated by the Governing Body;

(n) "School Board Resolution" means that certain resolution adopted by the Henry County Board of Education authorizing the pledge of

a portion of the School Board Sales Tax Revenues as security for the payment of principal of, premium, if any, and interest on the Bonds, subject to such pledge to the Prior Lien Bonds or any other bonds or debt obligations issued by the County to refund or retire the Prior Lien Bonds or the Bonds;

(o) "School Board Sales Tax Revenues" means an amount not to exceed \$722,000 per fiscal, subject to the prior pledge of such School Board Sales Tax Revenues to the County's Prior Lien Bonds received by the Henry County Board of Education from its share of the three quarter cent (3/4¢) sales and use tax increase levied and collected pursuant to Sections 67 6 712(a)(1) et seq., Tennessee Code Annotated, pursuant to Resolution No. 2683 adopted by the Governing Body on June 20, 1983 and referendum of the voters on August 4, 1983, and as approved pursuant to the School Board Resolution; and

(p) "State Director" shall mean the Director of State and Local Finance for the State of Tennessee.

Section 3. Findings of the Governing Body; Compliance with Debt Management Policy. The Governing Body hereby finds that the issuance and sale of the Bonds, as proposed herein, is consistent with the County's Debt Management Policy as follows: the weighted average maturity of the Bonds is less than the weighted average expected life of the Projects and the debt service on the Bonds has been approved by the State Director, or at the discretion of the County Mayor, will be approximately level or declining; Approximate debt service and costs of issuance are attached hereto as Exhibit B, subject to change by the County Mayor, as permitted by Section 8 hereof.

Section 4. Authorization and Terms of the Bonds.

(a) For the purpose of providing funds to (i) finance the cost of the Projects, (ii) reimburse the County for funds previously expended for the Projects, if any; and (iii) pay the costs incident to the issuance and sale of the Bonds, there is hereby authorized to be issued general obligation bonds, in one or more series, of the County in the aggregate principal amount of not to exceed \$9,100,0000. The Bonds shall be issued in fully registered, book-entry form (except as otherwise provided herein), without coupons, shall be known as "General Obligation High School Bonds" and shall be dated their date of issuance and have such series designation or such other dated date as shall be determined by the County Mayor pursuant to Section 8 hereof. Subject to adjustments permitted pursuant to Section 8 hereof, the Bonds

shall bear interest at a rate or rates not to exceed the maximum interest rate permitted by applicable law, payable semi-annually on May 1 and November 1 in each year, commencing May 1, 2018. Subject to adjustments permitted in Section 8 hereof, the Bonds shall be issued initially in \$5,000 denominations or integral multiples thereof, as shall be requested by the purchaser thereof, and shall mature on May 1 of each year, subject to prior optional redemption as hereinafter provided, either serially or through mandatory redemption, in the years 2019 through 2029 in the estimated amounts provided in Exhibit B attached hereto, or at the discretion of the County Mayor, with level or declining debt service in the years 2019 through 2032.

(b) Subject to adjustments permitted in Section 8 hereof, Bonds maturing on or before May 1, 2025 shall mature without option of prior redemption and Bonds maturing May 1, 2026 and thereafter, shall be subject to redemption prior to maturity at the option of the County on May 1, 2025 and thereafter, 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 of the Bonds within a single maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

(i) if the Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

(ii) if the Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

(c) Pursuant to Section 8 hereof, the County Mayor of the County is authorized to sell the Bonds, or any maturities thereof, as term bonds ("Term Bonds") with mandatory redemption requirements corresponding to the maturities set forth herein or as determined by the County Mayor of the County. In the event any or all the Bonds are sold as Term Bonds, the County shall redeem Term Bonds on redemption dates corresponding to the maturity dates set forth in Exhibit B, in aggregate principal amounts equal to the maturity amounts established pursuant to Section 8 hereof for each

redemption date, as such maturity amounts and dates may be adjusted pursuant to Section 8 hereof, at a price of par plus accrued interest thereon to the date of redemption. The Term Bonds 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 Bonds 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 Bonds 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 Bond 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 Bonds 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 twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond 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 Bonds for which proper notice was given. An optional notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to effect the redemption with the Registration Agent no later than the redemption date (“Conditional Redemption”). As long as DTC, or a successor Depository, is the registered

owner of the Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the County nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant or Beneficial Owner will not affect the validity of such redemption. The Registration Agent shall mail said notices as and when directed by the County pursuant to written instructions from an authorized representative of the County (other than for a mandatory sinking fund redemption, notices of which shall be given on the dates provided herein) given at least forty-five (45) days prior to the redemption date (unless a shorter notice period shall be satisfactory to the Registration Agent). From and after the redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth herein. In the case of a Conditional Redemption, the failure of the County to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository or the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain outstanding

(e) The County Mayor is hereby authorized and directed to appoint the Registration Agent for the Bonds and the Registration Agent, so appointed, is hereby authorized and directed to maintain Bond registration records with respect to the Bonds, to authenticate and deliver the Bonds as provided herein, either at original issuance or upon transfer, to effect transfers of the Bonds, to give all notices of redemption as required herein, to make all payments of principal and interest with respect to the Bonds as provided herein, to cancel and destroy Bonds 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 Bonds canceled and destroyed, and to furnish the County at least annually an audit confirmation of Bonds paid, Bonds outstanding and payments made with respect to interest on the Bonds. 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 Bonds 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 Bonds by check or draft on each interest payment date directly to the registered owners as shown on the Bond 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 Bond registration records, without, except for final payment, the presentation or surrender of such registered Bonds, and all such payments shall discharge the obligations of the County in respect of such Bonds to the extent of the payments so made. Payment of principal of and premium, if any, on the Bonds shall be made upon presentation and surrender of such Bonds 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. In the event the Bonds are no longer registered in the name of DTC, or a successor Depository, if requested by the Owner of at least \$1,000,000 in aggregate principal amount of the Bonds, payment of interest on such Bonds shall be paid by wire transfer to a bank within the continental United States or deposited to a designated account if such account is maintained with the Registration Agent and written notice of any such election and designated account is given to the Registration Agent prior to the record date.

(g) Any interest on any Bond 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 Bonds 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 Bond 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 Bond registration records maintained by the Registration Agent as of the date of such notice. Nothing contained in this Section or in the Bonds 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 Bonds when due.

(h) The Bonds are transferable only by presentation to the Registration Agent by the registered owner, or his legal representative duly authorized in writing, of the registered Bond(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 Bond(s) accompanied by appropriate documentation necessary to prove the legal capacity of any legal representative of the registered owner. Upon receipt of the Bond(s) in such form and with such documentation, if any, the Registration Agent shall issue a new Bond or the Bond 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 Bond during the period commencing on a Regular or Special Record Date and ending on the corresponding interest payment date of such Bond, nor to transfer or exchange any Bond after the notice calling such Bond for redemption has been made, nor to transfer or exchange any Bond during the period following the receipt of instructions from the County to call such Bond 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 Bond, provided that any transfer tax relating to such

transaction shall be paid by the registered owner requesting transfer. The person in whose name any Bond 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 Bonds shall be overdue. The Bonds, upon surrender to the Registration Agent, may, at the option of the registered owner, be exchanged for an equal aggregate principal amount of the Bonds of the same maturity in any authorized denomination or denominations.

(i) The Bonds 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) Except as otherwise provided in this resolution, the Bonds shall be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Bonds. References in this Section to a Bond or the Bonds shall be construed to mean the Bond or the Bonds that are held under the Book-Entry System. One Bond for each maturity shall be issued to DTC and immobilized in its custody. A Book-Entry System shall be employed, evidencing ownership of the Bonds in authorized denominations, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants pursuant to rules and procedures established by DTC.

Each DTC Participant shall be credited in the records of DTC with the amount of such DTC Participant's interest in the Bonds. Beneficial ownership interests in the Bonds may be purchased by or through DTC Participants. The holders of these beneficial ownership interests are hereinafter referred to as the "Beneficial Owners." The Beneficial Owners shall not receive the Bonds representing their beneficial ownership interests. The ownership interests of each Beneficial Owner shall be recorded through the records of the DTC Participant from which such Beneficial Owner purchased its Bonds. Transfers of ownership interests in the Bonds shall be accomplished by book entries made by DTC and, in turn, by DTC Participants acting on behalf of Beneficial Owners. SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE REGISTERED OWNER OF THE BONDS, THE REGISTRATION AGENT SHALL TREAT CEDE & CO., AS THE ONLY HOLDER OF THE BONDS FOR ALL PURPOSES UNDER THIS RESOLUTION, INCLUDING RECEIPT OF ALL

PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS, RECEIPT OF NOTICES, VOTING AND REQUESTING OR DIRECTING THE REGISTRATION AGENT TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THIS RESOLUTION.

Payments of principal, interest, and redemption premium, if any, with respect to the Bonds, so long as DTC is the only owner of the Bonds, shall be paid by the Registration Agent directly to DTC or its nominee, Cede & Co. as provided in the Letter of Representation relating to the Bonds from the County and the Registration Agent to DTC (the "Letter of Representation"). DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners. The County and the Registration Agent shall not be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants.

In the event that (1) DTC determines not to continue to act as securities depository for the Bonds or (2) the County determines that the continuation of the Book-Entry System of evidence and transfer of ownership of the Bonds would adversely affect their interests or the interests of the Beneficial Owners of the Bonds, the County shall discontinue the Book-Entry System with DTC. If the County fails to identify another qualified securities depository to replace DTC, the County shall cause the Registration Agent to authenticate and deliver replacement Bonds in the form of fully registered Bonds to each Beneficial Owner.

THE COUNTY AND THE REGISTRATION AGENT SHALL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY DTC PARTICIPANT OR ANY BENEFICIAL OWNER WITH RESPECT TO (i) THE BONDS; (ii) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (iii) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS; (iv) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY DTC PARTICIPANT OF ANY NOTICE DUE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED UNDER THE TERMS OF THIS RESOLUTION TO BE GIVEN TO BENEFICIAL OWNERS, (v) THE SELECTION OF BENEFICIAL OWNERS TO RECEIVE PAYMENTS IN THE EVENT OF

ANY PARTIAL REDEMPTION OF THE BONDS; OR (vi) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC, OR ITS NOMINEE, CEDE & CO., AS OWNER.

If the Bonds are sold to a single purchaser that certifies that it does not intend to re-offer the Bonds to the public, then the Registration Agent may deliver fully registered Bonds to the purchaser without utilizing the Book-Entry System and the form of the Bond in Section 6 hereof shall be so conformed.

(k) The Registration Agent is hereby authorized to take such action as may be necessary from time to time to qualify and maintain the Bonds for deposit with DTC, including but not limited to, wire transfers of interest and principal payments with respect to the Bonds, utilization of electronic book-entry data received from DTC in place of actual delivery of Bonds and provision of notices with respect to Bonds registered by DTC (or any of its designees identified to the Registration Agent) by overnight delivery, courier service, telegram, telecopy or other similar means of communication. No such arrangements with DTC may adversely affect the interest of any of the owners of the Bonds, provided, however, that the Registration Agent shall not be liable with respect to any such arrangements it may make pursuant to this section.

(l) The Registration Agent is hereby authorized to authenticate and deliver the Bonds to the original purchaser, upon receipt by the County of the proceeds of the sale thereof and to authenticate and deliver Bonds in exchange for Bonds of the same principal amount delivered for transfer upon receipt of the Bond(s) to be transferred in proper form with proper documentation as hereinabove described. The Bonds 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 Bond form.

(m) In case any Bond 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 Bond of like tenor, amount, maturity and date, in exchange and substitution for, and upon the cancellation of, the mutilated Bond, or in lieu of and in substitution for such lost, stolen or destroyed Bond, or if any such Bond shall have matured or shall be about to mature, instead of issuing a substituted Bond the County may pay or authorize payment of such Bond

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 Bond, and indemnity satisfactory to the County and the Registration Agent; and the County may charge the applicant for the issue of such new Bond an amount sufficient to reimburse the County for the expense incurred by it in the issue thereof.

Section 5. Source of Payment. The Bonds shall be payable from and secured by unlimited ad valorem taxes to be levied on all taxable property within the County. The Bonds shall be additionally payable from School Board Sales Tax Revenues which are hereby pledged to the payment of principal of, premium, if any, and interest on the Bonds, subject to the prior pledge of such School Board Sales Tax Revenues, in favor of the Prior Lien Bonds.

Section 6. Form of Bonds. The Bonds shall be in substantially the following form, the omissions to be appropriately completed when the Bonds are prepared and delivered:

(Form of Face of Bond)

REGISTERED

REGISTERED

Number _____

\$ _____

UNITED STATES OF AMERICA

STATE OF TENNESSEE

COUNTY OF HENRY

GENERAL OBLIGATION HIGH SCHOOL BOND, SERIES _____

Interest Rate:

Maturity Date:

Date of Bond:

CUSIP No.:

_____, 201__

Registered Owner:

Principal Amount:

FOR VALUE RECEIVED, Henry County, Tennessee (the "County") 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 [(or upon earlier redemption as set forth herein)], and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on said principal amount at the annual rate of interest hereinabove set forth from the date hereof until said maturity date [or redemption date,] said interest being payable on [May 1, 2018], and semi-annually thereafter on the first day of May and November in each year until this Bond matures [or is redeemed]. Both principal hereof and interest hereon are payable in lawful money of the United States of America at the designated corporate trust office of _____, _____, _____, as registration and paying agent (the "Registration Agent"). The Registration Agent shall make all interest payments with respect to this Bond on each interest payment date to the registered owner hereof shown on the Bond 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 Bond registration records, without, except for final payment, the presentation or surrender of this Bond, 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 Bond 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 Bonds of the issue of which this Bond is one not less than ten (10) days prior to such Special Record Date. Payment of principal of [and premium, if any,] on this Bond shall be made when due upon presentation and surrender of this Bond to the Registration Agent.

Except as otherwise provided herein or in the Resolution, as hereinafter defined, this Bond shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds of the series of which this Bond is one. One Bond for each maturity of the Bonds shall be issued to DTC and immobilized in its custody, or a custodian of DTC. The Registrar is a custodian and agent for DTC and the Bonds will be immobilized in its custody. A book-entry system shall be employed, evidencing ownership of the Bonds in \$5,000 denominations, or multiples thereof, with transfers of beneficial ownership affected on the records of

DTC and the DTC Participants, as defined in the Resolution, pursuant to rules and procedures established by DTC. So long as Cede & Co., as nominee for DTC, is the registered owner of the Bonds, the County and the Registration Agent shall treat Cede & Co., as the only owner of the Bonds for all purposes under the Resolution, including receipt of all principal and maturity amounts of [, premium, if any,] and interest on the Bonds, receipt of notices, voting and requesting or taking or not taking, or consenting to, certain actions hereunder. Payments of principal[, and] interest, [and redemption premium, if any,] with respect to the Bonds, so long as DTC is the only owner of the Bonds, shall be paid directly to DTC or its nominee, Cede & Co. DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners, as defined in the Resolution. Neither the County nor the Registration Agent shall be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants. In the event that (1) DTC determines not to continue to act as securities depository for the Bonds or (2) the County determines that the continuation of the book-entry system of evidence and transfer of ownership of the Bonds would adversely affect its interests or the interests of the Beneficial Owners of the Bonds, the County may discontinue the book-entry system with DTC. If the County fails to identify another qualified securities depository to replace DTC, the County shall cause the Registration Agent to authenticate and deliver replacement Bonds in the form of fully registered Bonds to each Beneficial Owner. Neither the County nor the Registration Agent shall have any responsibility or obligations to any DTC Participant or any Beneficial Owner with respect to (i) the Bonds; (ii) the accuracy of any records maintained by DTC or any DTC Participant; (iii) the payment by DTC or any DTC Participant of any amount due to any Beneficial Owner in respect of the principal or maturity amounts of and interest on the Bonds; (iv) the delivery or timeliness of delivery by DTC or any DTC Participant of any notice due to any Beneficial Owner that is required or permitted under the terms of the Resolution to be given to Beneficial Owners, (v) the selection of Beneficial Owners to receive payments in the event of any partial redemption of the Bonds; or (vi) any consent given or other action taken by DTC, or its nominee, Cede & Co., as owner.

[Bonds of the issue of which this Bond is one maturing on or before [May 1, 2025], shall mature without option of prior redemption and Bonds maturing [May 1, 2026 and thereafter, shall be subject to redemption prior to maturity at the option of the County on [May 1, 2025] and thereafter, 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 Bonds shall be called for redemption, the maturities to be redeemed shall be designated by the Board of County Commissioners. If less than all the principal amount of the Bonds of a maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

(i) if the Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the amount of the interest of each DTC Participant in the Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

(ii) if the Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Bonds within the maturity to be redeemed shall be selected 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 Bonds 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. DTC, as securities depository for the series of Bonds of which this Bond is one, or such Person as shall then be serving as the securities depository for the Bonds, shall determine the interest of each Participant in the Bonds to be redeemed using its procedures generally in use at that time. If DTC, or another securities depository is no longer serving as securities depository for the Bonds, the Bonds to be redeemed within a maturity shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall select. The dates of redemption and principal amount of Bonds to be redeemed on said dates are as follows:

Amount	Final	Redemption	Principal
Bonds			of

Redeemed

Maturity

Date

*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 Bonds 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 Bonds 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 Bond 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 Bonds 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 twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any such defect in any such notice so mailed shall affect the sufficiency of the proceedings for the redemption of any of the Bonds for which proper notice was given. An optional

redemption notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to affect the redemption with the Registration Agent no later than the redemption date (“Conditional Redemption”). As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the County nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant will not affect the validity of such redemption. From and after any redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth in the Resolution, as hereafter defined.] In the case of a Conditional Redemption, the failure of the County to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository or the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain outstanding.

This Bond is transferable by the registered owner hereof in person or by such owner's attorney duly authorized in writing at the designated corporate trust office of the Registration Agent set forth above, 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 Bond. Upon such transfer a new Bond or Bonds 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 Bond 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 Bond shall be overdue. Bonds, 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 Bonds 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 Bond during the period commencing on a Regular Record Date or Special Record Date and ending on the corresponding interest payment date of such Bond[, nor to transfer or exchange any Bond after the notice calling such Bond for redemption has been made, nor during

a period following the receipt of instructions from the County to call such Bond for redemption].

This Bond is one of a total authorized issue aggregating \$_____ and issued by the County for the purpose of providing funds necessary to finance the (i) constructing, improving, renovating, equipping, design, and site development of the County high school and all related property real and personal; (ii) payment of capitalized interest for the period of construction and for up to six months thereafter; (iii) payment of legal, fiscal, administrative, architectural and engineering costs incident to any or all of the foregoing; (iv) [reimbursement to the appropriate fund of the County for prior expenditures for the foregoing costs;] and (v) payment of costs incident to the issuance and sale of the Bonds of which this Bond is one, pursuant to Sections 49-3-1001 *et seq.*, Tennessee Code Annotated, as amended, and pursuant to a resolution duly adopted by the Board of County Commissioners of the County on the 21st day of August, 2017 (the "Resolution").

This Bond is payable from unlimited ad valorem taxes to be levied on all taxable properly located within the County. For the prompt payment of principal of[, premium, if any,] and interest on this Bond, the full faith and credit of the County are irrevocably pledged. The Bonds shall be additionally payable from School Board Sales Tax Revenues (as defined in the Resolution) which are hereby pledged to the payment of principal of, premium, if any, and interest on the Bonds, subject to the prior pledge of such School Board Sales Tax Revenues, in favor of the Prior Lien Bonds (as defined in the Resolution). For a more complete statement of the general covenants and provisions pursuant to which this Bond is issued, reference is hereby made to said Resolution.

This Bond and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on interest on the Bond during the period the Bond 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 (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Bond 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.

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 Bond exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other indebtedness of the County, does not exceed any limitation prescribed by the constitution and statutes of the State of Tennessee.

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

HENRY COUNTY

BY: _____

(SEAL)

County Mayor

ATTESTED:

County Clerk

Transferable and payable at the designated corporate trust office of:

_____, _____

Date of Registration: _____

This Bond is one of the issue of Bonds 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 Bond of Henry County, Tennessee, and does hereby irrevocably constitute and appoint _____, attorney, to transfer the said Bond 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 Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of a Medallion Program acceptable to the Registration Agent.

[End of Bond Form]

Section 7. 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, premium, if any, and interest on the Bonds when due, and for that purpose there is hereby levied a direct annual tax in such amount as may be found necessary each year to pay principal of, premium, if any, and interest coming due on the Bonds in said year. Principal, premium, if any, 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 any School Board Sales Tax Revenues pledged to the payment of the Bonds and by any appropriations from other funds, taxes and revenues of the County to the payment of debt service on the Bonds.

Section 8. Sale of Bonds. (a) The Bonds shall be offered for public sale, in one or more series, as required by law at a price of not less than ninety-nine percent (99.00%) of par exclusive of original issue discount, and 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 the Municipal Advisor. The Bonds shall be sold at public sale by physical delivery of bids or by electronic bidding by means of an Internet bidding service as shall be determined by the County Mayor in consultation with the Municipal Advisor. The County Mayor is authorized to award the Bonds to the bidder whose bid results in the lowest true interest cost to the County, provided the rate or rates on none of the Bonds exceeds the maximum interest rate or rates permitted by applicable law. The award of the Bonds by the County Mayor to the lowest bidder shall be binding on the County, and no further action of the Governing Body with respect thereto shall be required.

(b) The County Mayor is further authorized with respect to the Bonds, or any series thereof:

(1) change the dated date of the Bonds, to a date other than the date of issuance of the Bonds;

(2) to designate the Bonds, or any series thereof, to a designation other than "General Obligation High School Bonds" and to specify the series designation of the Bonds, or any series thereof;

(3) in order to facilitate the sale of the Bonds in a manner that is in the best interest of the County, to cause to be sold less than the principal amount authorized herein;

(4) change the first interest payment date on the Bonds or any series thereof to a date other than May 1, 2018, provided that such date is not later than twelve months from the dated date of such series of Bonds;

(5) adjust the principal and interest payment dates and the maturity amounts of the Bonds (including, but not limited to establishing the date and year of the first principal payment date), or any series thereof, provided that (A) the total principal amount of all series of the Bonds does not exceed the total amount of Bonds authorized herein; (b) the debt service schedule is consistent with the State Directors' approval attached as Exhibit A, subject to market adjustments, and (C) alternatively, the County Mayor is authorized to issue the Bonds with level debt service, and the final maturity date shall not exceed May 1, 2032;

(6) adjust or remove the County's optional redemption provisions of the Bonds including, but limited to, making the Bonds non-callable or making the first optional redemption date earlier than set forth herein, provided that the premium amount to be paid on Bonds or any series thereof does not exceed two percent (2%) of the principal amount thereof;

(7) sell the Bonds, or any series thereof, or any maturities thereof as Term Bonds 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; and

(8) to cause all or a portion of the Bonds to be insured by a bond insurance policy issued by a nationally recognized bond insurance company if such insurance (a) is determined to be advantageous to the County and such premium to be paid by the County or (b) is requested and paid for by the winning bidder of the Bonds, or any series thereof, and to enter into an agreement with such bond insurance company with respect to such bond insurance on terms not inconsistent with the provisions of this resolution.

(b) The County Mayor is authorized to sell the Bonds, or any series 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 Bonds, or any series thereof, as a single issue of bonds with any other bonds with substantially similar terms authorized by resolution or resolutions of the Governing Body, in one or more series as he shall deem to be advantageous to the County and in doing so, the County Mayor is authorized to change the designation of the Bonds to a designation other than "General Obligation High School Bonds"; provided, however, that the total aggregate principal amount of combined bonds to be sold does not exceed the total aggregate principal amount

of Bonds authorized by this resolution or bonds authorized by any other resolution or resolutions adopted by the Governing Body.

(c) The form of the Bond set forth in Section 6 hereof, shall be conformed to reflect any changes made pursuant to this Section 8 hereof.

(d) If permitted in the notice of sale for the Bonds, or any series thereof: (i) the successful bidder may request that the Bonds, or any such series thereof, be issued in the form of fully registered certificated Bonds in the name of the successful bidder or as directed by the successful bidder, in lieu of registration using the Book-Entry System, and (ii) the successful bidder may assign its right to purchase the Bonds, or any series thereof, to a third party provided, however, that upon such assignment, the successful bidder shall remain obligated to perform all obligations relating to the purchase of the Bonds as the successful bidder, including the delivery of a good faith deposit, the execution of required documents and the payment of the purchase price, if such successful bidder's assignee does not perform any of such obligations.

(e) The County Mayor and County Clerk are authorized to cause the Bonds, in book-entry form (except as otherwise permitted herein), to be authenticated and delivered by the Registration Agent to the successful bidder and to execute, publish, and deliver all certificates and documents, including an official statement and closing certificates, as they shall deem necessary in connection with the sale and delivery of the Bonds. The County Mayor is hereby authorized to enter into a contract with Bass, Berry & Sims PLC to serve as bond counsel in connection with the Bonds in substantially the form attached hereto as Exhibit C.

Section 9. Disposition of Bond Proceeds. The proceeds of the sale of the Bonds shall be disbursed as follows:

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

(b) the remainder of the proceeds of the sale of the Bonds 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 2017 High School Construction Fund (the "Construction Fund"), or such other designation as shall be determined by the County Mayor to be kept separate and apart from all other funds of the County. The funds in the Construction Fund shall be disbursed solely to pay the costs of the Projects (or reimburse the County for the prior payment thereof), including necessary legal, accounting, engineering, architectural and fiscal expenses, printing, engraving, advertising and similar expenses, administrative and clerical costs, rating agency fees, Registration Agent fees, bond insurance premiums (if any) and other necessary miscellaneous expenses incurred in connection with

the Projects, and the costs of issuance and sale of the Bonds. Notwithstanding the foregoing, costs of issuance of the Bonds may be withheld from the good faith deposit or purchase price of the Bonds and paid to the Municipal Advisor to be used to pay costs of issuance of the Bonds. Moneys in the Construction Fund shall be invested as directed by the County Trustee in such investments as shall be permitted by applicable law. Earnings from such investments shall be, to the extent permitted by applicable law (i) deposited to the Construction Fund to reimburse the Construction Fund for any costs of issuance paid related to the issuance of the Bonds; (ii) deposited to the Construction Fund to the extent needed for the Projects; or (iii) transferred to the County's debt service fund for schools to the extent permitted by applicable law. To the extent permitted by applicable law, after completion of the Projects any funds remaining in the Construction Fund, including earnings from such investments, shall be applied to the payment of interest on the Bonds.

Section 10. Official Statement. The County Mayor, the County Clerk and the Budget Director, or any of them, working with the Municipal Advisor, are hereby authorized and directed to provide for the preparation and distribution, which may include electronic distribution, of a Preliminary Official Statement describing the Bonds. After bids have been received and the Bonds have been awarded, the Mayor, the County Clerk and the Accounts and Budget Director, or any of them, shall make such completions, omissions, insertions and changes in the Preliminary Official Statement not inconsistent with this resolution as are necessary or desirable to complete it as a final Official Statement for purposes of Rule 15c2-12(e)(3) of the Securities and Exchange Commission. The County Mayor, the County Clerk and the Accounts and Budget Director, or any of them, shall arrange for the delivery to the successful bidder of a reasonable number of copies of the Official Statement within seven (7) business days after the Bonds have been awarded for delivery, by the successful bidder on the Bonds, to each potential investor requesting a copy of the Official Statement and to each person to whom such bidder and members of his bidding group initially sell the Bonds.

The County Mayor, the County Clerk and the Accounts and Budget Director, or any of them, are authorized, on behalf of the County, to deem the Preliminary Official Statement and the Official Statement in final form, each to be final as of its date within the meaning of Rule 15c2-12(b)(1), except for the omission in the Preliminary Official Statement of certain pricing and other information allowed to be omitted pursuant to such Rule 15c2-12(b)(1). The distribution of the Preliminary Official Statement and the Official Statement in final form shall be conclusive evidence that each has been deemed in final form as of its date by the County except for the

omission in the Preliminary Official Statement of such pricing and other information.

No final Official Statement shall be required if the Bonds are sold to a purchaser that certifies that it does not intend to re-offer the Bonds to the public.

Section 11. Tax Matters. The County recognizes that the purchasers and owners of each series of the Bonds will have accepted them on, and paid therefor a price that reflects, the understanding that interest thereon is excludable from gross income for purposes of federal income taxation under laws in force on the date of delivery of such Bonds. In this connection, the County agrees that it shall take no action which may cause the interest on any Bonds to be included in gross income for federal income taxation. It is the reasonable expectation of the Governing Body of the County that the proceeds of the Bonds will not be used in a manner which will cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and to this end the said proceeds of each series of the Bonds and other related funds established for the purposes herein set out shall be used and spent expeditiously for the purposes described herein. The Governing Body further covenants and represents that in the event it shall be required by Section 148(f) of the Code to pay any investment proceeds of the Bonds to the United States government, it will make such payments as and when required by said Section 148(f) and will take such other actions as shall be necessary or permitted to prevent the interest on the Bonds from becoming taxable. The County Mayor, the County Clerk and the Director of Accounts and Budgets, or any of them, are authorized and directed to make such certifications in this regard in connection with the sale of the Bonds as either or both shall deem appropriate, and such certifications shall constitute a representation and certification of the County. Following the issuance of the Bonds, the County Mayor and the Accounts and Budget Director are directed to administer the County's Federal Tax Compliance Policies and Procedures with respect to the Bonds.

Section 12. Discharge and Satisfaction of Bonds. If the County shall pay and discharge the indebtedness evidenced by any of the Bonds in any one or more of the following ways, to wit:

(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 Bonds as and when the same become due and payable;

(b) By depositing or causing to be deposited with any trust company or financial institution whose deposits are insured by the Federal

Deposit Insurance Corporation or similar federal agency and which has trust powers (an "Agent"; which Agent may be the Registration Agent) in trust or escrow, on or before the date of maturity or redemption, sufficient money or Federal Obligations, as hereafter defined, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Bonds and to pay interest thereon when due until the maturity or redemption date (provided, if such Bonds are to be redeemed prior to maturity thereof, proper notice of such redemption shall have been given or adequate provision shall have been made for the giving of such notice);

(c) By delivering such Bonds 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 Bonds, or make adequate provision therefor, and by resolution of the Governing Body instruct any such Escrow Agent to pay amounts when and as required to the Registration Agent for the payment of principal of and interest on such Bonds when due, then and in that case the indebtedness evidenced by such Bonds shall be discharged and satisfied and all covenants, agreements and obligations of the County to the holders of such Bonds 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 Bonds 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, premium, if any, and interest on said Bonds; 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, premium, if any, and interest to become due on said Bonds

on or prior to such redemption date or maturity date thereof, as the case may be, 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 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 13. Reasonably Expected Economic Life. The "reasonably expected economic life" of the Projects within the meaning of Sections 9-21-101 et seq., Tennessee Code Annotated, is greater than thirty (30) years. In no event shall the term of any Bond exceed the reasonably expected economic life of the Projects financed by the proceeds of such Bond.

Section 14. Qualified Tax-Exempt Obligations. The County Mayor is hereby authorized to designate any series of the Bonds as "qualified tax-exempt obligations," within the meaning of Section 265 of the Internal Revenue Code of 1986, as amended, to the extent the Bonds may be so designated.

Section 15. 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 Bonds. The County Mayor is authorized to execute at the Closing of the sale of the Bonds, an agreement for the benefit of and enforceable by the owners of the Bonds specifying the details of the financial information and material event notices to be provided and its obligations relating thereto, if any. 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 Bonds 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 16. Resolution a Contract. The provisions of this resolution shall constitute a contract between the County and the registered owners of the Bonds, and after the issuance of the Bonds, 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 Bonds and interest due thereon shall have been paid in full.

Section 17. Reimbursement. It is reasonably expected that the County will reimburse itself for certain expenditures made by it in connection with the Projects by issuing the Bonds. This resolution shall be placed in the minutes of the Governing Body and shall be made available for inspection by the general public at the office of the Governing Body. This resolution constitutes a declaration of official intent under Treas. Reg. §1.150-2.

Section 18. 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, including provisions relating to the Projects.

Section 19. 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 18th day of September, 2017.

County Mayor

ATTEST:

County Clerk

EXHIBIT A

REPORT ON PLAN OF INDEBTEDNESS BY STATE DIRECTOR



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
OFFICE OF STATE AND LOCAL FINANCE
SUITE 1600 JAMES K. POLK STATE OFFICE BUILDING
505 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-1402
PHONE (615) 401-7872
FAX (615) 741-5986

August 8, 2017

Honorable Brent Greer, Mayor
and Honorable Board of Commissioners
Henry County
P.O. Box 7
Paris, TN 38242

Dear Mayor Greer and Members of the Board:

Henry County (the "County") submitted a request to our office on July 27, 2017, for the approval of a plan of balloon indebtedness (the "Plan"), to issue an estimated \$8,885,000 General Obligation High School Bonds, Series 2017 (the "Series 2017 Bonds"), to fund improvements and extensions to the County's high school.

Balloon Indebtedness

The Series 2017 Bonds will be amortized over 12 years with 55.9% of the total principal maturing in the final four years. The County plans to structure the Series 2017 Bonds so that the combined debt service of the Series 2017 Bonds and its current outstanding debt will result in level debt service that does not exceed approximately \$2,500,000 annually. The County considered several financing options and determined that a 12-year balloon debt structure will cost an estimated \$341,989 less than a 15-year level debt structure.

The County stated in its Plan that issuing this debt as balloon indebtedness will strengthen the overall financial position of the County and provide for efficient administration of its overall debt portfolio which is in the public's interest.

The County's Debt Management Policy

The County provided a copy of its Debt Management Policy which includes a Balloon Debt Management Plan. The County drafted an amendment to its Balloon Debt Management Plan that will be approved prior to the resolution authorizing the issuance of the Series 2017 Bonds. The amendment addresses the issuance of the Series 2017 Bonds and the dedicated revenue sources that will repay debt service.

Within forty-five (45) days of issuance of the debt approved in this letter, the County is required to submit a Report on Debt Obligation that indicates that this debt complies with its debt policy. If the County amends its policy, please submit the amended policy to this office.

Approval

The comptroller of the treasury or the comptroller's designee shall evaluate each plan of balloon indebtedness based on the plan's particular circumstances and shall approve the plan only if a determination is made that the repayment structure is in the public's interest. Based on the review of the Plan in accordance with statute, the Plan is approved.

If you should have any questions regarding this information, or we may be of further assistance, please feel free to call.

Sincerely,



Sandra Thompson
Director of State & Local Finance

cc: Mr. Bryan Burklin, Assistant Director of the Division of Local Government Audit, COT
Dr. Brian Norton, Henry County Director of Schools
Mr. Rick Dulaney, Raymond James
Ms. Karen Neal, Esq., Bass Berry & Sims

EXHIBIT B

ESTIMATED AMORTIZATION SCHEDULE

Date	Principal	Coupon	Interest	Total P+I	CIF	Existing D/S	Net New D/S
06/30/2018	-	-	96,052.55	96,052.55	(96,052.55)	1,706,200.00	1,706,200.00
06/30/2019	555,000.00	2.000%	191,043.76	746,043.76	-	1,782,000.00	2,528,043.76
06/30/2020	570,000.00	2.000%	179,943.76	749,943.76	-	1,780,075.00	2,530,018.76
06/30/2021	580,000.00	2.000%	168,543.76	748,543.76	-	1,748,150.00	2,496,693.76
06/30/2022	590,000.00	2.000%	156,943.76	746,943.76	-	1,749,070.00	2,496,013.76
06/30/2023	600,000.00	2.000%	145,143.76	745,143.76	-	1,752,490.00	2,497,633.76
06/30/2024	615,000.00	2.000%	133,143.76	748,143.76	-	1,750,170.00	2,498,313.76
06/30/2025	625,000.00	2.000%	120,843.76	745,843.76	-	1,746,100.00	2,491,943.76
06/30/2026	1,035,000.00	2.125%	108,343.76	1,143,343.76	-	583,800.00	1,727,143.76
06/30/2027	1,390,000.00	2.250%	86,350.00	1,476,350.00	-	-	1,476,350.00
06/30/2028	1,420,000.00	2.250%	55,075.00	1,475,075.00	-	-	1,475,075.00
06/30/2029	925,000.00	2.500%	23,125.00	948,125.00	-	-	948,125.00
Total	\$8,905,000.00	-	\$1,464,552.63	\$10,369,552.63	(96,052.55)	\$14,598,055.00	\$24,871,555.08

ESTIMATED COSTS OF ISSUANCE

<u>Service</u>	<u>Provider/Other</u>	<u>Estimated Costs⁽¹⁾</u>	
Municipal Advisor:	Raymond James & Associates, Inc.	\$33,000	*
Bond Counsel:	Bass Berry & Sims PLC	17,500	*
Registration and Paying Agent:	Regions Corporate Trust	1,000	
Credit Rating:	Moody's or S&P	14,000	
“Preliminary Official Statement”; “Official Statement” – Distribution and Related Expense:	I-deal Prospectus; Ipreo; Contract Printer as needed	1,750	*
Total:		<u>\$67,250</u>	

⁽¹⁾ Underwriter's compensation in competitive public sales is determined by bids. For modeling, \$7.50/\$1,000 is assumed. Actual compensation will be determined on the date of the competitive public sale. All costs subject to final confirmation.

*Confirmed

EXHIBIT C

FORM OF ENGAGEMENT LETTER OF BOND COUNSEL

LETTERHEAD OF BASS, BERRY & SIMS PLC

August 21, 2017

Henry County, Tennessee
101 West Washington Street
Paris, Tennessee 38242
Attention: Brent Greer, County Mayor

**Re: Issuance of Not to Exceed \$9,100,000 in Aggregate
Principal Amount of General Obligation Bonds.**

Dear Mayor:

The purpose of this engagement letter is to set forth certain matters concerning the services we will perform as bond counsel to Henry County, Tennessee (the "Issuer"), in connection with the issuance of the above-referenced bonds (the "Bonds"). We understand that the Bonds are being issued for the purpose of providing funds necessary to finance school projects identified in a detailed bond resolution adopted on August 21, 2017 (the "Resolution") authorizing the Bonds and to pay costs of issuance of the Bonds, as more fully set forth in the Resolution. We further understand that the Bonds will be sold by competitive sale.

SCOPE OF ENGAGEMENT

In this engagement, we expect to perform the following duties:

1. Subject to the completion of proceedings to our satisfaction, render our legal opinion (the Bond Opinion) regarding the validity and binding effect of the Bonds, the source of payment and security for the Bonds, and the excludability of interest on the Bonds from gross income for federal income tax purposes.
2. Prepare and review documents necessary or appropriate for the authorization, issuance and delivery of the Bonds, coordinate the authorization and execution of such documents, and review enabling legislation.
3. Assist the Issuer in seeking from other governmental authorities such approvals, permissions and exemptions as we determine are necessary or appropriate in connection with the authorization, issuance, and delivery of the Bonds, except that we will not be responsible for any required blue-sky filings.
4. Review legal issues relating to the structure of the Bond issue.

5. Draft those sections of the official statement to be disseminated in connection with the sale of the Bonds, describing the Bond Opinion, the terms of and security for the Bonds, and the treatment of the Bonds and interest thereon under state and federal tax law.
6. Assist the Issuer in presenting information to bond rating organizations and providers of credit enhancement relating to legal issues affecting the issuance of the Bonds, if requested.
7. Prepare and review the notice of sale pertaining to the competitive sale of the Bonds.

Our Bond Opinion will be addressed to the Issuer and will be delivered by us on the date the Bonds are exchanged for their purchase price (the “Closing”).

The Bond Opinion will be based on facts and law existing as of its date. In rendering our Bond Opinion, we will rely upon the certified proceedings and other certifications of public officials and other persons furnished to us without undertaking to verify the same by independent investigation, and we will assume continuing compliance by the Issuer with applicable laws relating to the Bonds. During the course of this engagement, we will rely on you to provide us with complete and timely information on all developments pertaining to any aspect of the Bonds and their security. We understand that you will direct members of your staff and other employees of the Issuer to cooperate with us in this regard.

Our duties in this engagement are limited to those expressly set forth above. Among other things, our duties do not include:

- a. Except as described in paragraph (5) above,
 - 1) Assisting in the preparation or review of an official statement or any other disclosure document with respect to the Bonds, or
 - 2) Performing an independent investigation to determine the accuracy, completeness or sufficiency of any such document, or
 - 3) Rendering advice that the official statement or other disclosure documents
 - a) Do not contain any untrue statement of a material fact or
 - b) Do not omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.
- b. Preparing requests for tax rulings from the Internal Revenue Service, or no action letters from the Securities and Exchange Commission.

- c. Preparing blue sky or investment surveys with respect to the Bonds.
- d. Drafting state constitutional or legislative amendments.
- e. Pursuing test cases or other litigation, (such as contested validation proceedings).
- f. Making an investigation or expressing any view as to the creditworthiness of the Issuer or the Bonds.
- g. Assisting in the preparation of, or opining on, any continuing disclosure undertaking pertaining to the Bonds or any other outstanding debt of the County or, after Closing, providing advice concerning any actions necessary to assure compliance with any continuing disclosure undertaking.
- h. Representing the Issuer in Internal Revenue Service examinations or inquiries, or Securities and Exchange Commission investigations.
- i. After Closing, providing continuing advice to the Issuer or any other party concerning any actions necessary to assure that interest paid on the Bonds will continue to be excludable from gross income for federal income tax purposes (e.g., our engagement does not include rebate calculations for the Bonds).
- j. Addressing any other matter not specifically set forth above that is not required to render our Bond Opinion.

ATTORNEY-CLIENT RELATIONSHIP

Upon execution of this engagement letter, the Issuer will be our client and an attorney-client relationship will exist between us. We assume that all other parties will retain such counsel as they deem necessary and appropriate to represent their interests in this transaction. We further assume that all other parties understand that in this transaction we represent only the Issuer, we are not counsel to any other party, and we are not acting as an intermediary among the parties. Our services as bond counsel are limited to those contracted for in this letter; the Issuer's execution of this engagement letter will constitute an acknowledgment of those limitations. Our representation of the Issuer will not affect, however, our responsibility to render an objective Bond Opinion. Please note that, in our representation of the Issuer, we will not act as a "municipal advisor", as such term is defined in the Securities Exchange Act of 1934, as amended.

Our representation of the Issuer and the attorney-client relationship created by this engagement letter will be concluded upon issuance of the Bonds. Nevertheless, subsequent to Closing, we will mail the appropriate Internal Revenue Service Forms 8038-G, and prepare and distribute to the participants in the transaction a transcript of the proceedings pertaining to the Bonds.

As you are aware, our firm represents many political subdivisions, companies and individuals. It is possible that during the time that we are

representing the Issuer, one or more of our present or future clients will have transactions with the Issuer. It is also possible that we may be asked to represent, in an unrelated matter, one or more of the entities involved in the issuance of the Bonds. We currently represent Raymond James & Associates, Inc. on unrelated matters. We do not believe such representation, or such other representations, if they occur, will adversely affect our ability to represent you as provided in this letter, either because such matters will be sufficiently different from the issuance of the Bonds as to make such representations not adverse to our representation of you, or because the potential for such adversity is remote or minor and outweighed by the consideration that it is unlikely that advice given to the other client will be relevant to any aspect of the issuance of the Bonds. Execution of this letter will signify the Issuer's consent to our representation of others consistent with the circumstances described in this paragraph.

FEES

Based upon: (i) our current understanding of the terms, structure, size and schedule of the financing represented by the Bonds; (ii) the duties we will undertake pursuant to this engagement letter; (iii) the time we anticipate devoting to the financings; and (iv) the responsibilities we will assume in connection therewith, we estimate that our fee will be \$17,500 for the Bonds. Our fees may vary: (a) if the principal amount of Bonds actually issued differs significantly from the amounts stated above; (b) if material changes in the structure or schedule of the respective financings occur; or (c) if unusual or unforeseen circumstances arise which require a significant increase in our time or responsibility. If, at any time, we believe that circumstances require an adjustment of our original fee estimates, we will advise you and prepare and provide to you an amendment to this engagement letter. The fees quoted above will include all out-of-pocket expenses advanced for your benefit, such as travel costs, photocopying, deliveries, long distance telephone charges, telecopier charges, filing fees, computer-assisted research and other expenses.

If, for any reason, the financing represented by the Bonds is completed without the delivery of our Bond Opinion as bond counsel or our services are otherwise terminated, we will expect to be compensated at our normal rates for the time actually spent on your behalf plus client charges as described above unless we have failed to meet our responsibilities under this engagement, but in no event will our fees exceed the amount set forth above.

RECORDS

At your request, papers and property furnished by you will be returned promptly upon receipt of payment for outstanding fees and client charges. All goods, documents, records, and other work product and property produced during the performance of this engagement are deemed to be Issuer's property. We agree to maintain documentation for all charges against the Issuer. Our books, records, and documents, insofar as they relate to work performed or money received under this engagement, shall be maintained for a period of three (3) full years from the respective Closings and will be subject to audit, at any reasonable time and upon reasonable notice by the Issuer or its duly appointed representatives.

OTHER MATTERS

We have not retained any persons to solicit or secure this engagement from the Issuer upon an agreement or understanding for a contingent commission, percentage, or brokerage fee. We have not offered any employee of the Issuer a gratuity or an offer of employment in connection with this engagement and no employee has requested or agreed to accept a gratuity or offer of employment in connection with this engagement.

Any modification or amendment to this Engagement Letter must be in writing, executed by us and contain the signatures of the Issuer. The validity, construction and effect of this Engagement Letter and any and all extensions and/or modifications thereof shall be governed by the laws of the State of Tennessee. To the extent permitted by applicable law, any action between the parties arising from this Engagement Letter shall be maintained in the state or federal courts of Davidson County, Tennessee.

CONCLUSION

If the foregoing terms are acceptable to you, please so indicate by returning the enclosed copy of this engagement letter dated and signed by an authorized officer, retaining the original for your files. We look forward to working with you.

HENRY COUNTY, TENNESSEE:

BASS, BERRY & SIMS PLC:

By: _____
Brent Greer, County Mayor

By: _____
Karen Neal, Member

STATE OF TENNESSEE)

COUNTY OF HENRY)

I, Donna Craig, certify that I am the duly elected, qualified and acting County Clerk of Henry County, Tennessee, and as such official I further certify that attached hereto is a copy of excerpts from the minutes of a regular called meeting of the governing body of the County held on August 21, 2017, 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 an amount General Obligation School Bonds of said County.

WITNESS my official signature and seal of said County this ___ day of _____, 2017.

(SEAL)

County Clerk

RESOLUTION NO. 5-09-17

INITIAL RESOLUTION AUTHORIZING THE INCURRENCE OF INDEBTEDNESS BY HENRY COUNTY, TENNESSEE, OF NOT TO EXCEED \$9,200,000, BY THE EXECUTION WITH THE PUBLIC BUILDING AUTHORITY OF THE CITY OF CLARKSVILLE, TENNESSEE, OF A LOAN AGREEMENT TO PROVIDE FUNDING FOR CERTAIN PUBLIC WORKS PROJECTS FOR THE HENRY COUNTY MEDICAL CENTER, AND TO FUND THE INCIDENTAL AND NECESSARY EXPENSES RELATED THERETO

WHEREAS, it is necessary and in the public interest of Henry County, Tennessee (the "County"), to incur indebtedness (the "Indebtedness"), through the execution with The Public Building Authority of the City of Clarksville, Tennessee (the "Authority"), of a loan agreement (a "Loan Agreement"), for the purpose of financing certain public works projects, as hereinafter more fully described.

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

Section 1. For the purpose of financing all or a portion of the costs of the acquisition, construction, renovation, equipping, extension, and improvement of the Henry County Medical Center facilities, including but not limited to, renovation of the ER admitting, new roofs, MAB renovations, outpatient renovations, cath lab renovations, new HVAC installation, new windows, acquisition of equipment for various departments, including surgery equipment, imaging equipment, radio equipment, kitchen equipment, patient equipment and furniture, and computer systems and equipment, the acquisition of all property real and personal appurtenant thereto and connected with such work, and to pay all legal, fiscal, administrative, and engineering costs incident thereto, reimbursement for expenditures related to the foregoing projects, and to pay costs incident to incurring the Indebtedness (collectively, the "Project"), the County is hereby authorized to incur Indebtedness in the amount of not to exceed Nine Million Two Hundred Thousand Dollars (\$9,200,000), for the financing of the Project through the execution of a Loan Agreement with the Authority. The rate of interest payable pursuant to the provisions of a Loan Agreement shall be a fixed rate which rate shall not exceed the maximum rate of interest permitted under the laws of the State of Tennessee.

Section 2. The indebtedness evidenced by the Loan Agreement shall be payable from funds of the County legally available therefor and to the extent necessary from ad valorem taxes to be levied for such purpose on all taxable property within the corporate limits of the County, without limitation as to time, rate, and amount and for the punctual payment of said principal of, premium, if any, and interest on, the Loan Agreement, the full faith and credit of the County will be irrevocably pledged; provided, however, it is the intention of the County that the indebtedness be paid from the funds of the Henry County Medical Center.

Section 3. The Loan Agreement shall be executed pursuant to the provisions of Title 9, Chapter 21, Tennessee Code Annotated, as amended (the "Act"), and Title 12, Chapter 10, Tennessee Code Annotated, as amended.

Section 4. After the adoption of this Resolution, the County Clerk is directed to cause this Resolution, with the notice prescribed by the Act, to be published in full once in a newspaper published and having general circulation in the County.

Section 5. This Resolution shall take effect from and after its adoption, the welfare of the County requiring it.

Adopted and approved this 18th day of September, 2017.

COUNTY MAYOR

ATTEST:

COUNTY CLERK

NOTICE

The foregoing Resolution has been adopted. Unless within twenty (20) days from the date of publication hereof a petition, signed by at least ten percent (10%) of the registered voters of Henry County, Tennessee, shall have been filed with the County Clerk of Henry County, Tennessee, protesting the incurrence of the Indebtedness by the execution of the Loan Agreement, such Loan Agreement will be executed, as proposed.

STATE OF TENNESSEE)
COUNTY OF HENRY)

I, Donna L. Craig, hereby certify that I am the duly qualified and acting County Clerk of Henry County, Tennessee (the "County"), and, as such official, I further certify as follows: (1) that attached hereto is a copy of a resolution excerpted from the minutes of the meeting of the Board of Commissioners (the "Board"), of said County held on September 18, 2017; (2) that I have compared said copy with the original minute record of said meeting in my official custody; (3) that said copy is a true, correct, and complete transcript from said original record insofar as said original record relates, to, among other matters, the incurring of indebtedness in the amount of not to exceed \$9,200,000 by said County; (4) that the actions by said Board including the aforementioned, at said meeting were promptly and duly recorded by me in a book kept for such purpose; and, (5) that a quorum of the members of said Board was present and acting throughout said meeting.

WITNESS my official signature and the seal of said County this 18th day of September, 2017.

County Clerk

(SEAL)

RESOLUTION NO. 6-09-17

RESOLUTION AUTHORIZING A LOAN PURSUANT TO A LOAN AGREEMENT BETWEEN HENRY COUNTY, TENNESSEE, AND THE PUBLIC BUILDING AUTHORITY OF THE CITY OF CLARKSVILLE, TENNESSEE, IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$9,200,000; AUTHORIZING THE EXECUTION AND DELIVERY OF SUCH LOAN AGREEMENT AND OTHER DOCUMENTS RELATING TO SAID LOAN; APPROVING THE ISSUANCE OF A BOND BY SUCH PUBLIC BUILDING AUTHORITY; PROVIDING FOR THE APPLICATION OF THE PROCEEDS OF SAID LOAN AND THE PAYMENT OF SUCH INDEBTEDNESS; CONSENTING TO THE ASSIGNMENT OF THE COUNTY'S OBLIGATION UNDER SUCH LOAN AGREEMENT; AND, CERTAIN OTHER MATTERS

WHEREAS, the Board of Commissioners (the "Board"), of Henry County, Tennessee (the "County"), has determined that it is necessary to finance the costs of certain "public works projects", as defined in Title 9, Chapter 21, Tennessee Code Annotated, as from time to time amended and supplemented, consisting of financing all or a portion of the costs of the acquisition, construction, renovation, equipping, extension, and improvement of the Henry County Medical Center facilities, including but not limited to, renovation of the ER admitting, new roofs, MAB renovations, outpatient renovations, cath lab renovations, new HVAC installation, new windows, acquisition of equipment for various departments, including surgery equipment, imaging equipment, radio equipment, kitchen equipment, patient equipment and furniture, and computer systems and equipment, the acquisition of all property real and personal appurtenant thereto and connected with such work, and to pay all legal, fiscal, administrative, and engineering costs incident thereto, reimbursement for expenditures related to the foregoing projects, and to pay costs incident to the issuance of the Bond and the loan of the proceeds thereof to the County (collectively, the "Project"), by obtaining a loan from The Public Building Authority of the City of Clarksville, Tennessee (the "Authority");

WHEREAS, the Henry County Medical Center is a hospital district created and established pursuant to the laws of the State of Tennessee, which is operated on behalf of the County through a Board of Trustees (the "Medical Center");

WHEREAS, the Board of Trustees of the Medical Center has requested that the County incur the indebtedness for the purpose of financing the Project for the Medical Center;

WHEREAS, it has been determined by the Board of Trustees of the Medical Center and the Board of the County to be in the best interests of the County to finance the Project through The Tennessee Municipal Bond Fund fixed rate loan program;

WHEREAS, the Authority has been established pursuant to the provisions of Title 12, Chapter 10, Tennessee Code Annotated, as amended (the "Act"), and is authorized pursuant to the provisions of the Act to issue its bonds from time to time, in one more series, and to loan the proceeds thereof to the County for the above described purposes;

WHEREAS, in order to effectuate the program, the Issuer has authorized and approved by its Resolution, adopted May 13, 2015, the issuance of its Local Government Loan Program Bonds, in an aggregate principal amount not to exceed \$300,000,000;

WHEREAS, the Authority will issue its Local Government Loan Program Bond (Henry County Medical Center Loan), with an appropriate series designation (the "Bond"), in the principal amount of not to exceed Nine Million Two Hundred Thousand Dollars (\$9,200,000), and loan the proceeds thereof to the County pursuant to the provisions of a Loan Agreement, by and among the County, the Authority, and the Purchaser, as hereinafter defined, to be dated the date of issuance and delivery (the "Loan Agreement");

WHEREAS, the Board of the County has on the date hereof adopted an Initial Resolution authorizing the borrowing of funds and the incurring of indebtedness for the purpose of financing the Project in the amount of not to exceed \$9,200,000, and the County Clerk has been instructed to publish such Initial Resolution together with the Notice required by Section 9-21-206 of Tennessee Code Annotated, as amended, in a local newspaper in the County;

WHEREAS, the indebtedness evidenced by the Loan Agreement shall be payable from any and all funds of the County legally available therefor, including, but not necessarily limited to, ad valorem taxes to be levied for such purpose on all taxable property within the corporate limits of the County, without limitation as to time, rate, and amount and for the punctual payment of said principal of, premium, if any, and interest on, the Loan Agreement, the full faith and credit of the County will be irrevocably pledged; provided, however, it is the intention of the County and the Medical Center that the indebtedness evidenced by the Loan Agreement shall be paid from funds of the Medical Center; and,

WHEREAS, the Bond is to be secured by and contain such terms and provisions as set forth in a Bond Purchase Agreement, entered into between the Authority and the purchaser of the Bond (the "Purchaser").

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

Section 1. Approval of the Loan. (a) For the purpose of providing funds to finance the Project and to pay costs incident to the issuance and sale of the Bond and the loan of the proceeds thereof to the County, the loan to the County from the Authority is hereby authorized in the principal amount of not to exceed \$9,200,000 and the County is hereby authorized to borrow such funds from the Authority (the "Loan").

(b) The Bond to be issued by the Authority shall bear interest at a fixed rate to be determined at the time of the issuance of the Bond, as provided in the Loan Agreement. The County Mayor and County Clerk are authorized to enter into the Loan Agreement, such Loan Agreement to bear interest at a fixed rate, as the County Mayor and the CFO of the Medical Center shall determine is in the best interest of the County and the Medical Center. The County and/or the Medical Center shall make payments of interest and principal in the amounts and on the dates set forth in the Loan Agreement from the sources and funds described herein and in the Loan Agreement. The final rate of interest payable on the Loan Agreement shall not exceed the maximum rate of interest permitted by applicable law. The Loan Agreement shall be for a term of twenty-five years. The final principal and interest payment dates, final interest rate payable, amortization of principal amounts of the loan evidenced by the Loan Agreement, and prepayment provisions of such Loan Agreement, may be established by the County Mayor and the CFO of the Medical Center, at the time of the sale of the Bond and the execution and delivery of the Loan

Agreement, as shall be determined to be in the best interests of the County and the Medical Center, in accordance with the terms of this Resolution and the Loan Agreement.

(c) **The Board of the County understands and is aware that the Purchaser has the option to put the Bond for purchase to the Authority during the term of the Loan (the "Put Option"), at certain intervals upon not less than one hundred eighty days' written notice to the Authority, the Tennessee Municipal Bond Fund, as administrator, and the County.**

The Board is aware of the risks and benefits associated with the Loan and the Put Option. The Board finds that the repayment structure of the Loan (including the Put Option) is in the public interest of the County.

The Board further agrees that it is willing to pay additional issuance costs associated with the refunding of the Loan and related Bond in the event the Put Option is exercised by the Purchaser. In the event that the Put Option is exercised by the Purchaser, and the County is unable to pay the Loan amount in full on such date and no subsequent holder can be determined, the Board commits to refund the Loan in the following manner:

(x) **the Board shall submit a plan of refunding to the Comptroller or Comptroller's designee;**

(y) **the final maturity of the refunding debt obligation will not extend beyond the final maturity of the original Loan; and,**

(z) **the debt service structure of the refunding debt obligation will be substantially similar to or more declining than the debt structure of the original Loan.**

The Board has not retained an independent municipal advisor in connection with the Loan. The Board understands and acknowledges that the Purchaser does not owe a fiduciary duty to the County and that the Purchaser is acting for its own business and commercial interests. The Board has consulted with such advisors and experts as it deems appropriate before the consideration and adoption of this Resolution.

Section 2. Approval of Loan Agreement. The form, terms, and provisions of the Loan Agreement are in the best interest of the County and are hereby approved and the Board hereby authorizes the County Mayor and the County Clerk of the County to execute and deliver such Loan Agreement, such Loan Agreement to be in substantially the form of the Loan Agreement presented to this meeting, the execution of such Loan Agreement by the County Mayor and the County Clerk to evidence their approval of any and all changes to such Loan Agreement, and any related documents necessary to the consummation of the transactions contemplated by the Loan Agreement. The County further agrees to comply with, and to enable the Authority to comply with, all covenants and requirements contained in the Bond Purchase Agreement and that certain Tax Exemption Certificate to be executed by the Authority at the time of the issuance of the Bond.

Section 3. Fulfillment of Obligations. The Board of the County is authorized and directed to fulfill all obligations of the County under the terms of the Loan Agreement.

Section 4. Tax Levy. There shall be levied and collected in the same manner as other ad valorem taxes of the County on all taxable property within the corporate limits of the County without limitation as to time, rate, or amount, to the extent necessary in the event funds of

the County legally available to pay the indebtedness evidenced by the Loan Agreement are insufficient, a tax sufficient to pay when due the amounts payable under the Loan Agreement, as and when they become due, and to pay any expenses of maintaining and operating the Project required to be paid by the County under the terms and provisions of the Loan Agreement. For the prompt payment of the Loan Agreement, both principal and interest, as the same shall become due, the full faith and credit of the County are irrevocably pledged.

It is the intention of the County and the Medical Center that the indebtedness evidenced by the Loan Agreement shall be payable from funds of the Medical Center, subject to the payment of reasonable and necessary costs of operating, maintaining, repairing, and insuring such Medical Center, and to any pledge of such revenues in favor of other obligations of the Medical Center.

Section 5. Approval of Bond and Bond Purchase Agreement. For the purpose of providing funds to make the loan to the County evidenced by the Loan Agreement, as provided herein and in the Loan Agreement, and to pay legal, fiscal, and administrative costs incident thereto, including costs incident to the issuance and sale of the Bond related to the Loan Agreement, the issuance and sale of the Bond by the Authority in connection with the Loan Agreement is hereby approved. The County further approves the execution and delivery of the Bond Purchase Agreement by the Authority in connection with the issuance of the Bond.

Section 6. Disposition of Proceeds. The proceeds from the sale of the Bond shall be paid, from time to time, to the official designated by the Medical Center as the custodian of the funds, upon submission of a requisition for such funds by the Medical Center to the Purchaser in accordance with the terms of the Loan Agreement. Such proceeds shall be disbursed solely to finance the costs of the Project and to pay costs of issuance incurred in connection with the issuance of the Bond and the loan of the proceeds thereof to the County. Any monies remaining in the Project Fund after completion of the Project shall be used to pay debt service on the Bond.

Section 7. Consent to Assignment. The County hereby consents to the assignment of all of the Authority's right, title, and interest in and to the Loan Agreement as security for the Bond to which such Loan Agreement relates, except for certain reserved rights of the Authority, to the Purchaser.

Section 8. Reimbursement Provisions. The County may have made or may hereafter make expenditures with respect to the Project from a source of funds other than proceeds of the loan from the Authority under the Loan Agreement, such expenditures occurring prior to the execution and delivery of the Loan Agreement. The County reasonably expects that it will reimburse such original expenditures with proceeds of the loan from the County made pursuant to the Loan Agreement to the extent permissible under Treasury Regulation 1.150-2.

Section 9. Arbitrage Certification. The County recognizes that the Purchaser of the Bond will have accepted it on, and paid therefor a price, that reflects the understanding that interest thereon is excludable from gross income for purposes of federal income taxation under laws in force on the date of delivery of the Bond. In this connection, the County agrees that it shall take no action which may cause the interest on the Bond to be included in gross income for federal income taxation. It is the reasonable expectation of the Board of the County that the proceeds of the Bond will not be used in a manner which will cause the Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code, and to this end the proceeds of the Bond and other related funds established for the purposes herein set out shall be used and spent expeditiously for the purposes described herein. The Board further covenants and

represents that in the event it shall be required by Section 148(f) of the Code to pay any investment proceeds of the Bond to the United States government, it will make such payments as and when required by said Section 148(f) and will take such other actions as shall be necessary or permitted to prevent the interest on the Bond from becoming taxable. The County Mayor and County Clerk, or either of them, are authorized and directed to make such certifications in this regard in connection with the sale of the Bond as either or both shall deem appropriate, and such certifications shall constitute a representation and certification of the County.

Section 10. Miscellaneous Acts. The County Mayor, the County Clerk, the County Trustee, the County Attorney, the officials of the Medical Center, and all other appropriate officials of the County are hereby authorized, empowered, and directed to do any and all such acts and things, and to execute, acknowledge, and deliver all such documents, instruments, and certifications, in connection with the execution of the Loan Agreement and the issuance of the Bond by the Authority, in addition to those acts, things, documents, instruments, and certifications hereinbefore authorized and approved, as may in their discretion, be necessary or desirable to implement or comply with the intent of this Resolution or any of the documents herein authorized and approved.

Section 11. Captions. The captions or headings in this Resolution are for convenience only and shall in no way define, limit, or describe the scope or intent of any provision hereof.

Section 12. Severability. Should any provision or provisions of this Resolution be declared invalid or unenforceable in any respect by final decree of any court of competent jurisdiction, the invalidity or unenforceability of such section, paragraph, ordinance, or provisions shall not affect the remaining provisions of such Resolution.

Section 13. Repeal of Conflicting Resolutions. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed.

Section 14. Effective Date. This Resolution shall take effect upon its adoption, the welfare of the County requiring it.

Adopted and approved this 18th day of September, 2017.

County Mayor

Attest:

County Clerk

STATE OF TENNESSEE)
COUNTY OF HENRY)

I, Donna L. Craig, hereby certify that I am the duly qualified and acting County Clerk of Henry County, Tennessee (the "County"), and, as such official, I further certify as follows: (1) that attached hereto is a copy of a resolution excerpted from the minutes of the meeting of the Board of Commissioners (the "Board"), of said County held on September 18, 2017; (2) that I have compared said copy with the original minute record of said meeting in my official custody; (3) that said copy is a true, correct, and complete transcript from said original record insofar as said original record relates, to, among other matters, the incurring of indebtedness in the amount of not to exceed \$9,200,000 by said County; (4) that the actions by said Board including the aforementioned, at said meeting were promptly and duly recorded by me in a book kept for such purpose; and, (5) that a quorum of the members of said Board was present and acting throughout said meeting.

WITNESS my official signature and the seal of said County this 18th day of September, 2017.

County Clerk

(SEAL)