

BE IT REMEMBERED that the Legislative Body Session for Hamblen County, Tennessee met at a special call meeting on September 13, 1993 at 5:00 p.m. in the Hamblen County Courthouse with the Honorable Stancil Ford presiding.

The Legislative Body Session was opened by Sheriff Charles Long.

Invocation was given by Commissioner Herbert Harville.

Upon roll call the following members were present:

Larry Baker	Stancil Ford	Bobby Reinhardt
Maudie Briggs	Herbert Harville	Joe Spooone
Eldridge Bryant	Kelley Hinsley	Mildred Thompson
Guy Collins	Bud Jones	

Absent: Willie Osborne, Frank Parker, Bruce Sluder

The Board of County Commissioners of Hamblen County, Tennessee, met in special session on September 13, 1993, at 5:00 p.m. at the County Courthouse, Morristown, Tennessee, with Stancil Ford, Chairman of the Board of County Commissioners, presiding.

The following Commissioners were present:

Larry Baker	Herbert Harville	Mildred Thompson
Maudie Briggs	Kelley Hinsley	
Eldridge Bryant	Bud Jones	
Guy Collins	Bobby Reinhardt	
Stancil Ford	Joe Spooone	

The following Commissioners were absent:

Willie Osborne
Frank Parker
Bruce Sluder

There were also present Paul Bruce, County Executive, and Wilburn Beck, County Clerk.

After the meeting was duly called to order, the following resolution was introduced by Larry Baker seconded by Eldridge Bryant and after due deliberation, was adopted by the

following vote:

AYE: Larry Baker, Maudie Briggs, Eldridge Bryant, Guy Collins,
Stancil Ford, Herbert Harville, Kelley Hinsley, Bud Jones,
Bobby Reinhardt, Joe Spooone, Mildred Thompson

NAY:

None

INITIAL RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED TWO MILLION DOLLARS FIVE HUNDRED THOUSAND (\$2,500,000) IN AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS OF HAMBLLEN COUNTY, TENNESSEE

BE IT RESOLVED by the Board of County Commissioners of Hamblen County, Tennessee that for the purpose of financing certain school and courthouse improvements in and for the County there shall be issued general obligation bonds of said County in the aggregate principal amount not to exceed \$2,500,000, which shall bear interest at a rate or rates not to exceed six percent (6%) per annum, and which shall be payable from ad valorem taxes to be levied on all taxable property within the County.

BE IT FURTHER RESOLVED by the Board of County Commissioners that the County Executive and County Clerk be, and they are, hereby directed and instructed to cause the foregoing initial resolution to be published in full in a newspaper having a general circulation in the County, for one issue of said paper followed by the statutory notice, to-wit:

N O T I C E

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 the County shall have been filed with the County Executive or County Clerk protesting the issuance of said bonds, such bonds will be issued as proposed.

Paul Bruce, County Executive
Wilburn Beck, County Clerk

Thereupon, the Chairman declared said resolution to have been duly and specially adopted and said resolution was signed and approved by the Chairman and County Clerk in open meeting.

Chairman

/s/ Paul Bruce
County Executive

ATTEST:

/s/ Wilburn Beck
County Clerk

STATE OF TENNESSEE)
)
COUNTY OF HAMBLEN)

I, Wilburn Beck, hereby certify that I am the duly qualified and acting County Clerk of Hamblen County, Tennessee, and as such official I further certify that attached hereto is a copy of excerpts from the minutes of a special meeting of the governing body of said County held on September 13, 1993; that these minutes were promptly and fully recorded and are open to public inspection; that I have compared said copy with the original minute record of said meeting in my official custody; and that said copy is a true, correct and complete transcript from said original minute record insofar as said original record relates to not to exceed \$2,500,000 General Obligation Bonds, Series 1993, of said County.

WITNESS my official signature and seal of said County on this the ___ day of _____, 1993.

County Clerk

(SEAL)

BE IT REMEMBERED that the Board of County Commissioners of Hamblen County, Tennessee, met in open, public, special session at the County Courthouse in Morristown, Tennessee, at 5:00 o'clock p.m. on the 13th day of September, 1993.

Present and presiding was Stancil L. Ford, Chairman of the Board of County Commissioners. Also present were Paul L. Bruce, County Executive, Wilburn Beck, County Clerk, and the following Commissioners:

Present:	Larry Baker	Herbert Harville	Mildred Thompson
	Maudie Briggs	Kelley Hinsley	
	Eldridge Bryant	Bud Jones	
	Guy Collins	Bobby Reinhardt	
	Stancil Ford	Joe Spoone	
Absent:			
	Bruce Sluder		
	Willie Osborne		
	Frank Parker		
	*	*	*

(Other Business)

The following resolution was introduced:

RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF \$2,500,000 GENERAL OBLIGATION BONDS OF HAMBLEN COUNTY, TENNESSEE, HERETOFORE AUTHORIZED AND PROVIDING FOR THE FORM, DETAILS AND PAYMENT THEREOF

WHEREAS, the Board of County Commissioners (the Board) of Hamblen County, Tennessee (the County), adopted an initial resolution (the Initial Resolution) on this date authorizing the issuance of \$2,500,000 general obligation bonds of the County to finance the cost of certain school and courthouse improvements;

WHEREAS, the Board desires to provide for the issuance and sale of such bonds, their form and details and their payment;

BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF HAMBLEN COUNTY, TENNESSEE:

Section 1. Authority. The County hereby confirms that it is necessary and expedient to undertake the acquisition and construction of improvements to energy monitoring and conservation equipment in certain public schools within the County and certain improvements to the heating, ventilation and air-conditioning equipment for the County Courthouse to finance the cost thereof by borrowing money and issuing and selling its general obligation bonds therefor. The bonds shall be issued pursuant to Parts 1 and 2 of the Local Government Public Obligations Act of 1986, Title 9,

Chapter 21, Tennessee Code Annotated, as amended (the Tennessee Code).

Section 2. Description of Bonds. The Bonds shall be designated "General Obligation Bonds, Series 1993" (the Bonds), shall be dated August 1, 1993, shall be in registered form, in denominations of \$5,000 and multiples thereof, and shall be numbered R-1 upward. The Bonds shall mature in installments on August 1 in years and amounts as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
1994	\$210,000	1999	\$250,000
1995	215,000	2000	265,000
1996	220,000	2001	275,000
1997	230,000	2002	290,000
1998	240,000	2003	305,000

Each Bond shall bear interest at such rate as shall be determined at the time of sale, provided that no Bond shall bear interest at a rate exceeding 6% per year, payable semiannually on February 1 and August 1, beginning February 1, 1994, (a) from August 1, 1993, if it is authenticated prior to February 1, 1994, or (b) otherwise from the February 1 or August 1 that is, or immediately precedes, the date on which it is authenticated (unless payment of interest thereon is in default, in which case such Bond shall bear interest from the date to which interest has been paid). Principal and premium, if any, shall be payable to the registered owners upon surrender of Bonds as they become due at the corporate trust office of the Registrar, as hereinafter defined. Interest shall be payable by check or draft mailed to the registered owners at their addresses as they appear on the registration books kept by the Registrar on the 15th day of the month preceding each interest payment due. Principal, premium, if any, and interest shall be payable in lawful money of the United States of America.

Section 3. Redemption. Bonds maturing on or before August 1, 1998, shall not be subject to redemption prior to maturity. Bonds maturing on or after August 1, 1999, shall be subject to redemption prior to maturity at the option of the County on or after August 1, 1998, in whole or in part at any time, in denominations of \$5,000 or any multiple thereof at redemption prices (expressed as percentages of principal amount) in accordance with the following schedule plus accrued interest to the redemption date:

<u>Date of Redemption (dates inclusive)</u>	<u>Redemption Price</u>
August 1, 1998, through July 31, 1999	102%
August 1, 1999, through July 31, 2000	101
August 1, 2000, and thereafter	100

The County shall, at least 45 days prior to the redemption date (unless a shorter notice shall be satisfactory to the Registrar), notify the Registrar of such redemption date and of the

principal amount of Bonds to be redeemed. If less than all of the Bonds are called for redemption, the maturity or maturities of the Bonds to be redeemed shall be selected by the County Executive in such manner as he may determine to be in the best interest of the County. If less than all of the Bonds of any maturity are called for redemption, the Bonds to be redeemed within such maturity shall be selected by the Registrar by lot. In either case, (a) the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or a multiple thereof and (b) in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000.

The Registrar shall promptly notify the County in writing of the Bonds or portions of Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed.

Section 4. Notice of Redemption. Unless waived by any holder of Bonds to be redeemed, notice of the call for any such redemption shall be given by the Registrar on behalf of the County by mailing the redemption notice by first-class mail, not less than 30 nor more than 60 days prior to the date fixed for redemption, to the registered owner of each Bond to be redeemed (in whole or in part) at the address shown on the registration books kept by the Registrar, or at such other address as is furnished in writing by such registered owner to the Registrar.

All notices of redemption shall include, in addition to any other information that may be required by industry standards, the following information:

- (a) the redemption date,
- (b) the redemption price,
- (c) if less than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,
- (d) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after said date, and
- (e) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the corporate trust office of the Registrar.

Prior to any redemption date, the County shall deposit with the Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

Notice of redemption having been given as provided above, the Bonds or portions of Bonds to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the County shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with the notice of redemption, such Bonds shall be paid by the Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal. All Bonds which have been redeemed shall be canceled and destroyed by the Registrar and shall not be reissued.

Section 5. Execution and Authentication. The Bonds shall be signed by the manual or facsimile signature of the County Executive, and an imprint of the County's seal shall be affixed thereto or a facsimile thereof shall be printed thereon and attested by the manual or facsimile signature of the County Clerk. No Bond shall be valid until it has been authenticated by the manual signature of an authorized officer or employee of the Registrar and the date of authentication noted thereon.

Section 6. Form of Bonds. The Bonds shall be in substantially the following form:

REGISTERED REGISTERED
 No. R-__ \$ _____

UNITED STATES OF AMERICA
 STATE OF TENNESSEE
 COUNTY OF HAMBLEN

General Obligation Bond, Series 1993

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
_____ %	_____	_____ 1, 1993	_____

REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

Hamblen County, Tennessee (the County), for value received, hereby promises to pay, upon surrender hereof at the corporate trust office of _____, _____, Tennessee (the Registrar), to the registered owner hereof, or registered assigns or legal representative, the principal sum stated above on the maturity date stated above, subject to prior redemption as hereinafter provided, and to pay interest hereon semiannually on each February 1 and August 1, beginning February 1, 1994, at the annual rate stated above. Interest is payable (a) from August 1, 1993, if this bond is authenticated prior to February 1, 1994, or (b) otherwise from the February 1 or August 1 that is, or immediately precedes, the date on which this bond is authenticated (unless payment of interest hereon is in default, in which case this bond shall bear interest from the date to which interest has been paid). Interest is payable by check or draft mailed to the person shown as owner hereof at his address as it appears on the registration books kept by the Registrar on the 15th day of the month preceding each interest payment date. Principal, premium, if any, and interest are payable in lawful money of the United States of America.

This bond is issued pursuant to Parts 1 and 2 of the Local Government Public Obligations Act of 1986, Title 9, Chapter 21, Tennessee Code Annotated, as amended, and a resolution adopted by the Board of County Commissioners of the County on _____, 1993.

THE PROVISIONS OF THIS BOND ARE CONTINUED ON THE REVERSE HEREOF, AND SUCH CONTINUED PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH ON THE FACE HEREOF.

All acts, conditions and things required by the Constitution and statutes of the State of Tennessee to happen, exist or be performed precedent to and in the issuance of this bond have happened, exist and have been performed, and the issue of Bonds of which this bond is one, together with all other indebtedness of the County, is within every debt and other limit prescribed by the Constitution and statutes of the State of Tennessee.

This bond shall not be valid until the Registrar shall have executed the Certificate of Authentication appearing hereon and inserted the date of authentication hereon.

IN WITNESS WHEREOF, Hamblen County, Tennessee, has caused this bond to be signed by the facsimile signature of its County Executive, a facsimile of its seal to be printed hereon and attested by the facsimile signature of its County Clerk, and this Bond to be dated August 1, 1993.

(SEAL)

ATTEST:

(facsimile signature)
County Clerk

(facsimile signature)
County Executive

Date Authenticated: _____

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within-mentioned resolution.

Registrar

By _____
Authorized Officer

(Reverse of Bond)

ADDITIONAL BOND PROVISIONS

This bond is one of an issue of \$2,500,000 General Obligation Bonds, Series 1993, of like date and tenor, except as to number, denomination, rate of interest, privilege of redemption and maturity, issued to provide funds, together with other available funds, to pay the cost of undertaking certain school and courthouse improvements in and for the County by borrowing money and issuing and selling its general obligation bonds therefor.

Bonds maturing on or before August 1, 1998, are not subject to redemption prior to maturity. Bonds maturing on or after August 1, 1999, are subject to redemption prior to maturity at the option of the County on or after August 1, 1998, in whole or in part at any time, in denominations of \$5,000 or any multiple thereof at redemption prices (expressed as percentages of principal amount) in accordance with the following schedule plus accrued interest to the redemption date:

<u>Date of Redemption</u> <u>(dates inclusive)</u>	<u>Redemption</u> <u>Price</u>
August 1, 1998, through July 31, 1999	102½
August 1, 1999, through July 31, 2000	101
August 1, 2000, and thereafter	100

If less than all of the bonds are called for redemption, the maturity or maturities of the bonds to be redeemed shall be selected by the County Executive of the County in such manner as he may determine to be in the best interest of the County. If less than all of the bonds of any maturity are called for redemption, the bonds to be redeemed within such maturity shall be selected by the Registrar by lot. In either case, (a) the portion of any bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof and (b) in selecting bonds for redemption, each bond shall be considered as representing that number of bonds which is obtained by dividing the principal amount of such bond by \$5,000.

Notice of any such redemption shall be sent by first-class mail, not less than 30 nor more than 60 days prior to the date fixed for redemption, to the registered owner of each bond to be redeemed (in whole or in part) at the address shown on the registration books of the County maintained by the Registrar, or at such other address furnished in writing by such registered owner to the Registrar. When so called for redemption, this bond, or the portion thereof being so called for redemption, shall cease to bear interest on the specified redemption date, provided funds for redemption are on deposit at the place of payment at that time, and shall not be deemed to be outstanding. If a portion of this bond is called for redemption, a new bond in principal amount equal to the unredeemed portion thereof shall be issued to the registered owner upon the surrender thereof.

The County has pledged its full faith, credit and unlimited taxing power as to all taxable property in the County to the punctual payment of the principal of and interest on this bond. The County has covenanted to make adequate provision for raising annually by tax upon the taxable property in the County a sum sufficient to pay when due the principal of and interest on the bonds.

Section 9-21-117 of the Tennessee Code Annotated, as amended, provides that the bonds and the income therefrom shall be exempt from all state, county and municipal taxation except for inheritance, transfer and estate taxes, and except as otherwise provided in such Code.

The bonds are issuable as registered bonds in denominations of \$5,000 and multiples thereof. Upon surrender of this bond at the corporate trust office of the Registrar, together with an assignment duly executed by the registered owner or his duly authorized attorney or legal representative in such form as shall be satisfactory to the Registrar, the County shall execute, and the Registrar shall authenticate and deliver in exchange, a new bond or bonds having an equal aggregate principal amount, in authorized denominations, of the same form and maturity, bearing interest at the same rate, and registered in names as requested by the then registered owner hereof or his duly authorized attorney or legal representa-

tive, all subject to the limitations and conditions provided in the resolution authorizing the issuance of the bonds. Any such exchange shall be at the expense of the County, except that the Registrar may charge the person requesting such exchange the amount of any tax or other governmental charge required to be paid with respect thereto.

The Registrar shall treat the registered owner as the person exclusively entitled to payment of principal, premium, if any, and interest and the exercise of all other rights and powers of the owner, except that interest payments shall be made to the person shown as owner on the registration books on the 15th day of the month preceding each interest payment date.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sell(s), assign(s) and transfer(s) unto _____

(Please print or type name and address, including postal zip code, of Transferee)

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF TRANSFEREE:

: :
: :
: :

the within bond and all rights thereunder, hereby irrevocably constituting and appointing _____, Attorney, to transfer said bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

(Signature of Registered Owner)

NOTICE: The signature above must correspond with the name of the registered owner as it appears on the front of this Bond in every particular, without alteration or enlargement or any change whatsoever.

Section 7. Levy of Tax. The County hereby pledges its full faith, credit and unlimited taxing power as to all taxable property in the County to the punctual payment of the principal of and interest on the Bonds. The County hereby covenants that it will make adequate provision for raising annually by tax upon the taxable property in the County a sum sufficient to pay when due the principal of and interest on the Bonds. Such tax shall be levied annually and assessed, collected and paid in like manner with the other taxes of the County and shall be in addition to all other taxes authorized or limited by law.

Section 8. Registration. Prior to the issuance of the Bonds, the County Executive shall designate a bank or trust company located in the State of Tennessee as paying agent and registrar for the Bonds (the "Registrar"). The County Executive shall only designate as Registrar a bank or trust company that complies with the guidelines, if any, of the state funding board on the qualifications of registration agents. The Registrar shall maintain registration books for the registration of Bonds. Upon surrender of any Bond at the corporate trust office of the Registrar, together with an assignment duly executed by the registered owner or his duly authorized attorney or legal representative in such form as shall be satisfactory to the Registrar, the County shall execute, and the Registrar shall authenticate and deliver in exchange, a new Bond or Bonds having an equal aggregate principal amount, in authorized denominations, of the same form and maturity, bearing interest at the same rate, and registered in names as requested by the then registered owner thereof or his duly authorized attorney or legal representative. Any such exchange shall be at the expense of the County, except that the Registrar may charge the person requesting such exchange the amount of any tax or other governmental charge required to be paid with respect thereto.

The Registrar shall treat the registered owner as the person exclusively entitled to payment of principal, premium, if any, and interest and the exercise of all other rights and powers of the owner, except that interest payments shall be made to the person shown as owner on the registration books on the 15th day of the month preceding each interest payment date.

Section 9. Duties of Registrar. If requested by the Registrar, the County Executive is authorized to execute and the County Clerk is authorized to attest the Registrar's standard form of agreement between the County and the Registrar with respect to the obligations and duties of the Registrar hereunder, which shall include the following:

- (a) to act as Bond registrar, authenticating agent, payment agent and transfer agent as provided herein;
- (b) to give notice of redemption of Bonds as provided herein;

(c) to cancel and destroy Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer;

(d) to furnish the County at least annually a certificate of destruction with respect to Bonds canceled and destroyed; and

(e) 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.

Section 10. Sale of Bonds. The Bonds shall be sold by the County Executive, in consultation with Cumberland Securities Company, Inc., the County's financial advisor (the Financial Advisor), at public sale, at an interest rate not to exceed 6% per year and at not less than 98½% of par plus accrued interest, in such manner as provided by law, after giving at least 5 days' notice of such sale in a newspaper having general circulation in the County and in a financial newspaper published in New York, New York, having national circulation. No Bonds shall be issued hereunder until publication of the Initial Resolution, together with the statutory notice required by Section 9-21-206 of the Tennessee Code, and 20 days have elapsed following such publication during which no legally sufficient petition protesting the issuance of the Bonds has been filed with the County Clerk. The Bonds shall be awarded by the County Executive, in consultation with the Financial Advisor, to the bidder complying with the County's notice of sale and offering to purchase the Bonds at the lowest interest cost to the County as determined in accordance with the notice of sale. Prior to the offer or award of the Bonds, the County Executive, in consultation with the Financial Advisor, may change the dated date of the Bonds to a date later than August 1, 1993, to facilitate the sale and delivery of the Bonds. In connection with any such change, the County Executive is authorized to adjust the principal and interest payment dates and the redemption dates consistent with the dated date. The County Executive further is authorized to sell fewer than all of the Bonds and to adjust the annual principal installments of the Bonds in connection with such reduction. Following the sale of the Bonds there shall be recorded in the minutes of the Board a certificate of the County Executive setting forth the actions taken in the sale of the Bonds. The action of the County Executive in selling the Bonds shall be conclusive, and no further action shall be necessary on the part of the Board. The Bonds shall mature in the amounts and on the dates and shall bear interest at the rates specified in the certificate filed with the Board.

Section 11. Official Statement. The County Executive, in consultation with the Financial Advisor, is hereby authorized and directed to provide for the preparation and distribution of a Preliminary Official Statement describing the Bonds. After the Bonds have been awarded, the County Executive, in consultation with the Financial Advisor, 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 an Official Statement in final form. The County Executive shall arrange for delivery to the successful bidder on the Bonds of a reasonable number of copies of the Official Statement, within seven 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 Executive is hereby 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 of the Securities and Exchange Commission, except for the omission in the Preliminary Official Statement of certain pricing and other information allowed to be omitted pursuant to Rule 15c2-12. The distribution of the Preliminary Official Statement and the Official Statement in final form shall be conclusive evidence that each has been deemed final as of its date by the County, except for the omission in the Preliminary Official Statement of such pricing and other information permitted to be omitted pursuant to Rule 15c2-12.

Section 12. Delivery of Bonds; Deposit of Proceeds. The Bonds shall be printed and executed as soon as may be practicable after the sale thereof and shall be delivered to the purchasers thereof upon receipt by or on behalf of the County Trustee of the agreed purchase price. The County Trustee is hereby authorized and directed to provide for the deposit of the proceeds of the Bonds in a special fund with the County Trustee, which shall be kept separate and apart from all other funds and used solely for payment of the cost of the school and courthouse improvements authorized by Section 1. The interest earned on the investment of the proceeds of the Bonds deposited in such special fund shall be used only to pay the principal of and interest on the Bonds.

Section 13. Arbitrage Covenant. The County hereby covenants that it shall not take or omit to take any action the taking or omission of which will cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, or otherwise cause interest on the Bonds to be includable in the gross income of the registered owners thereof under existing statutes. Without limiting the generality of the foregoing, the County shall comply with any provision of law that may require the County at any time to rebate to the United States of America any part of the earnings derived from the investment of the gross proceeds of the Bonds, unless the County receives an opinion of nationally recognized bond counsel that such compliance is not required to prevent interest on the Bonds from being includable in the gross income of the registered owners thereof under existing statutes. The County shall pay any such required rebate from its legally available general funds.

Section 14. Non-Arbitrage Certificate and Elections. Such officers of the County as may be requested are hereby authorized and directed to execute an appropriate certificate setting forth the expected use and investment of the proceeds of the Bonds and to make any elections such officers deem desirable regarding any provision requiring rebate of earnings to the United States of America for purposes of complying with Section 148 of the Code. Such certificate and elections shall be in such form as may be requested by bond counsel for the County.

Section 15. Use of Proceeds. The County hereby covenants that it shall not permit the proceeds of the Bonds to be used in any manner that would result in (a) 5% or more of such proceeds being used in a trade or business carried on by any person other than a governmental unit as provided in Section 141(b) of the Code, (b) 5% or more of such proceeds being used with respect to any output facility (other than an output facility for the furnishing of water) within the meaning of Section 141(b)(4) of the Code, or (c) 5% or more of such proceeds being used directly or indirectly to make or finance loans to any persons other than a governmental unit as provided in Section 141(c) of the Code; provided, however, that if the County receives an opinion of nationally recognized bond counsel that any such covenant need not be complied with to prevent the interest on the Bonds from being includable in the gross income for federal income tax purposes of the registered owners thereof under existing law, the County need not comply with such covenant.

Section 16. Discharge and Satisfaction of Bonds. (a) The County shall pay and discharge the indebtedness evidenced by the Bonds in any one or more of the following ways:

(1) By paying or causing to be paid, by deposit of sufficient moneys as and when required with the Registrar, the principal of and interest on the Bonds as the same become due and payable.

(2) By depositing or causing to be deposited with any trust company or bank in good standing and having a combined capital surplus and undivided profits of not less than \$10,000,000 and which has trust powers (the Trustee), in trust, on or before the date of maturity or redemption, sufficient moneys or Defeasance Obligations, as defined below, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem the Bonds and to pay the premium, if any, and interest thereon when due until redemption or maturity of the Bonds. If the Bonds are to be redeemed prior to maturity, proper notice of such redemption shall have been given or provision satisfactory to the Trustee shall have been made for the giving of such notice prior to the deposit of such moneys or Defeasance Obligations.

(3) By delivering the Bonds to the Registrar for cancellation by it.

(b) If the County shall provide for payment of the Bonds as provided by subsection (a)(2) of this Section by depositing moneys or Defeasance Obligations with the Trustee and if the County instructs the Trustee to pay moneys when and as required to the Registrar for the payment of the principal of and the premium, if any, and interest on the Bonds when due, then the indebtedness evidenced by the Bonds shall be discharged and satisfied and all covenants, liens, pledges, agreements and obligations of the County to the holders of the Bonds shall be fully defeased, discharged and satisfied and shall thereupon cease, terminate and become void.

(c) If the County shall pay and discharge the Bonds in the manner provided in either subsection (a)(1) or (a)(2) of this Section, the holders of the Bonds shall thereafter be entitled only to payment out of the moneys or Defeasance Obligations deposited pursuant to such Section.

(d) Except as otherwise provided in this Section, neither Defeasance Obligations nor moneys deposited with the Trustee or the Registrar pursuant to this Section nor principal or interest payments on any such Defeasance Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for the benefit of the holders of the Bonds for, the payment of the principal of and premium, if any, and interest on the Bonds, provided that any moneys received from principal or interest payments on any Defeasance Obligations deposited with the Trustee, (1) to the extent such moneys will not be required at any time for such purpose, shall be paid over to the County and (2) to the extent such moneys will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Defeasance Obligations maturing at times and in amounts sufficient to pay when due the principal of and the premium, if any, and interest to become due on the Bonds on or prior to the redemption date or maturity date of the Bonds, as the case may be.

(e) Defeasance Obligations shall mean:

(1) Direct obligations of, or obligations, the principal of and interest on which are guaranteed by the United States;

(2) Obligations of any agency or instrumentality of the United States;

(3) Certificates of deposit issued by a bank or trust company located in the State of Tennessee, provided that such certificates shall be secured by a pledge of any of the obligations referred to in (1) or (2) above having an aggregate market value, exclusive of accrued interest, equal at least to the principal amount of the certificates of deposit so secured; or

(4) Obligations which are rated in either of the top two highest rated categories by a nationally recognized rating agency of such obligations and whose interest income is exempt from tax by

the United States, which are direct general obligations of the state or a political subdivision thereof or obligations guaranteed by the state, to the payment of the principal of and interest on which the full faith and credit of the state is pledged or obligations of any other state or political subdivision or instrumentality thereof, provided that approval of the state director of local finance is first obtained.

Section 17. Other Actions. All other actions of officers of the County in conformity with the purposes and intent of this resolution and in furtherance of the issuance and sale of the Bonds are hereby approved and confirmed. The officers of the County are hereby authorized and directed to execute and deliver all certificates and instruments and to take all such further action as may be considered necessary or desirable in connection with the issuance, sale and delivery of the Bonds.

Section 18. Severability. If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

Section 19. Repeal. All resolutions or parts of resolutions in conflict herewith are hereby repealed.

Section 20. Effective Date. This resolution shall take effect immediately.

It was thereupon moved by Larry Baker and seconded by Eldridge Bryant that said resolution be adopted. Upon roll being called the following voted:

Aye: Larry Baker, Maudie Briggs, Eldridge Bryant, Guy Collins
Stancil Ford, Herbert Harville, Kelley Hinsley, Bud Jones,
Bobby Reinhardt, Joe Spoons, Mildred Thompson

Nay: None

Abstain:

A majority of the Board of County Commissioners having voted in favor of the foregoing resolution, it was declared adopted.

* * *

(Other Business)

Upon motion duly made, seconded and passed, the Board of County Commissioners adjourned.

Chairman

ATTEST:

County Clerk

The undersigned County Clerk of Hamblen County, Tennessee, hereby certifies that the foregoing constitutes a true and correct extract from the minutes of a special session of the Board of County Commissioners of the County held on the 13th day of September, 1993, and of the whole thereof so far as applicable to the matters referred to in such extract.

WITNESS my signature and the seal of Hamblen County, Tennessee, this ____ day of _____, 1993.

(SEAL)

County Clerk

SALE OF BONDS

Motion by Bud Jones, seconded by Maudie Briggs to authorize and direct the County Executive to limit the sale of the \$2.5M bond authorization to an amount not to exceed the amount as determined by the County Executive, Cumberland Securities, the School Board Attorney and the County Attorney, that will not require any additional fiscal year funding by the County Board of Commissioners, except for funding required to pay for the courthouse HVAC contract which is \$125,000.00.

Voting for : all
Voting against: none

THEREUPON, MEETING ADJOURNED.