

The McMinn County Board of Commissioners met in Regular Session on November 9, 2015, at 7:30 pm, in the Blue Room of the McMinn County Courthouse.

1. CALL TO ORDER

The meeting was called to order by Chairman David Crews.

2. INVOCATION

The Invocation was given by Commissioner Roger Masingale.

3. PLEDGE TO THE FLAG

The Pledge to the Flag was led by Commissioner Scott Curtis.

4. ROLL CALL

Roll Call was taken by Evonne Hoback, McMinn County Clerk, as recorded:

Scott Curtis - Present
Dale Holbrook - Present
Tim King - Present
Roger Masingale - Present
Jerry Millsaps - Present
J. W. McPhail - Absent
Brent Carter - Present
Tad Simpson - Present
Charles Slack - Present
Chairman David Crews – Present

5. APPROVAL OF MINUTES

Copies of the Minutes of the Regular Session on September 21, 2015 were provided to the McMinn County Commissioners

MOTION made by Commissioner Holbrook, and seconded by Commissioner Slack, to approve the minutes of September 21, 2015.

Motion carried by voice vote.

6. APPROVAL OF BIDS AND PURCHASES

A. A Resolution to Approve and Award the Bid for New Roof for the McMinn County Justice Center.

Mr. Luallen presented resolution #15-117, along with a copy of the letter of recommendation from Russell Thress and bid summary sheet.

RESOLUTION NO. 15-117

A RESOLUTION TO APPROVE AND AWARD THE BID FOR NEW ROOF
FOR THE MCMINN COUNTY JUSTICE CENTER

WHEREAS, in order to properly perform the essential operations of county government goods and services must often be let for bid; and

Resolution No. 15-117 (con't)

WHEREAS, McMinn County Planner, Russell Thress, has requested a new roof at the McMinn County Justice Center in order to properly carry out the functions of county government; and

WHEREAS, McMinn County has followed the proper procedures in securing the bids for this project; and

WHEREAS, McMinn County Planner, Russell Thress, recommends that the new roof bid be awarded to the low bidder meeting specifications, Porter Roofing Contractors, Inc., of Chattanooga, TN in the amount of \$231,600; and

WHEREAS, this bid includes a \$25,000 contingency.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF MCMINN COUNTY, TENNESSEE, MEETING IN REGULAR SESSION THIS THE 9th DAY OF NOVEMBER 2015, that this Commission does hereby award the base bid in the amount of \$230,00.00 and further authorize the County Mayor to execute all documents essential to fulfilling said project.

(Orig signed by John M. Gentry)
McMinn County Mayor

Attest:

(Orig signed by Evonne Hoback)
County Clerk

MOTION made by Commissioner Millsaps, and seconded by Commissioner Slack, to approve this resolution.

Motion carried by voice vote.

B. A Resolution to Approve and Award the Annual Pharmacy Bid.

Mr. Luallen presented resolution #15-118, along with a copy of the letter of recommendation from McMinn County Sheriff Joe Guy and bid summary sheet.

RESOLUTION NO. 15-118

A RESOLUTION TO APPROVE AND AWARD THE ANNUAL PHARMACY BID

WHEREAS, in order to properly perform the essential operations of county government, goods and services must often be let for bid; and

WHEREAS, the Sheriff's Department requests purchase of medical supplies, non prescription items, and prescription drugs from Contract Pharmacy for the period of December 1, 2015 through November 30, 2016; and

WHEREAS, McMinn County has followed the proper procedures in securing the bids; and

WHEREAS, Joe Guy, McMinn County Sheriff, has recommended the bid be awarded to Contract Pharmacy Services of Lindenhurst, IL, the low bidder meeting specifications.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF MCMINN COUNTY, TENNESSEE, MEETING IN REGULAR SESSION THIS THE 9th DAY OF NOVEMBER, 2015, that this Commission does hereby approve the recommendation of Sheriff Joe Guy.

(Orig signed by John M. Gentry)
McMinn County Mayor

Attest:

Resolution No. 15-118 (con't)

(Orig signed by Evonne Hoback)
County Clerk

MOTION made by Commissioner Simpson, and seconded by Commissioner King, to approve this resolution.

Motion carried by voice vote.

C. A Resolution to Approve Purchase of New Softball Field Lights for McMinn Central High School from NJPA.

Mr. Luallen presented resolution #15-119, along with a copy of the letter of recommendation from Russell Thress.

RESOLUTION NO. 15-119

A RESOLUTION TO APPROVE PURCHASE OF
NEW SOFTBALL FIELD LIGHTS FOR
MCMINN CENTRAL HIGH SCHOOL FROM NJPA

WHEREAS, McMinn County Planner, Russell Thress, requests approval of the purchase of new softball field lights for McMinn Central High School; and

WHEREAS, the lights will be purchased from Musco Sports Lighting, LLC of Muscatine, Iowa who is part of the NJPA, a nationwide buying cooperative, at a price not to exceed \$94,355.00; and

WHEREAS, in accordance with Financial Management Committee Policies and Procedures any expense over \$ 25,000 requires Commission approval.

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF MCMINN COUNTY, TENNESSEE, MEETING IN REGULAR SESSION ON THIS THE 9th DAY OF NOVEMBER 2015 that this request be hereby approved.

(Orig signed by John M. Gentry)
McMinn County Mayor

Attest:

(Orig signed by Evonne Hoback)
County Clerk

MOTION made by Commissioner Holbrook, and seconded by Commissioner Slack, to approve this resolution.

Motion carried by voice vote.

D. A Resolution to Approve Advance Payment of 2015 In-service/Supplemental Pay to Eligible Officers of the McMinn County Sheriff's Department.

Mr. Luallen presented resolution #15-120.

RESOLUTION NO. 15-120

A RESOLUTION TO APPROVE ADVANCE PAYMENT OF 2015 INSERVICE/SUPPLEMENTAL PAY TO ELIGIBLE OFFICERS OF THE MCMINN COUNTY SHERIFF'S DEPARTMENT

Resolution No. 15-120 (con't)

WHEREAS, McMinn County receives payment of in-service supplemental pay from the State of Tennessee Peace Officer Standards and Training Commission for eligible officers as defined in Tennessee Code Annotated Title 38 Chapter 8; and

WHEREAS, the amount of the supplemental pay is \$600.00 per officer, and is received in the month of June; and

WHEREAS, McMinn County Sheriff Joe Guy requests this money be paid in the month of December.

NOW BE IT THEREFORE RESOLVED BY THE BOARD OF COMMISSIONERS OF MCMINN COUNTY, TENNESSEE MEETING IN REGULAR SESSION ON THIS THE 9th DAY OF NOVEMBER 2015, that this Commission does hereby approve the request of Sheriff Guy.

(Orig signed by John M. Gentry)
McMinn County Mayor

Attest:

(Orig signed by Evonne Hoback)
County Clerk

MOTION made by Commissioner King, and seconded by Commissioner Millsaps, to approve this resolution.

Motion carried by voice vote.

E. A Resolution to Declare Items as Surplus Property.

Mr. Luallen presented resolution #15-121, along with a copy of the list from the Register of Deeds Office.

RESOLUTION NO. 15-121

A RESOLUTION TO DECLARE ITEMS AS SURPLUS PROPERTY

WHEREAS, McMinn County has authority to declare items as surplus that are no longer deemed necessary or adequate to properly perform the duties of county government as prescribed by law; and

WHEREAS, the McMinn County Register of Deeds requests approval to have the equipment listed on the attached letter declared as surplus property and sell it; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF MCMINN COUNTY, TENNESSEE, MEETING IN REGULAR SESSION THIS THE 9th DAY OF NOVEMBER 2015, that this Commission does hereby declare these items as surplus property.

(Orig signed by John M. Gentry)
McMinn County Mayor

Attest:

(Orig signed by Evonne Hoback)
County Clerk

Resolution No. 15-121 (con't)

MOTION made by Commissioner King, and seconded by Commissioner Simpson, to approve this resolution.

Motion carried by voice vote.

F. A Resolution to Declare items as Surplus Property.

Mr. Luallen presented resolution #15-122, along with item listed on separate page for a 1997 Ford Pickup Turck, VIN #1FTDF1726VKD33358 from Dan P. Evans, Chief Administrative Officer.

RESOLUTION NO. 15-122

A RESOLUTION TO DECLARE ITEMS AS SURPLUS PROPERTY

WHEREAS, McMinn County has authority to declare items as surplus that are no longer deemed necessary or adequate to properly perform the duties of county government as prescribed by law; and

WHEREAS, the McMinn County Highway Department requests approval to have the equipment listed on the attached letter declared as surplus property and sell it; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF MCMINN COUNTY, TENNESSEE, MEETING IN REGULAR SESSION THIS THE 9th DAY OF NOVEMBER 2015, that this Commission does hereby declare these items as surplus property.

(Orig signed by John M. Gentry)
McMinn County Mayor

Attest:

(Orig signed by Evonne Hoback)
County Clerk

MOTION made by Commissioner Curtis, and seconded by Commissioner Masingale, to approve this resolution.

Note: Commissioner Slack Abstained from this vote.

Motion carried by voice vote.

7. REVIEW AND APPROVAL OF CONTRACTS

A. A Resolution to Approve an Intrerlocal Agreement Between McMinn County and the City of Athens Regarding a United States Department of Justice Assistance Grant.

Mr. Luallen presented resolution #15-123 along with letters of agreements from McMinn County Sheriffs Department and the Athens City Police Department.

RESOLUTION NO. 15-123

A RESOLUTION TO APPROVE AN INTERLOCAL AGREEMENT BETWEEN MCMINN COUNTY AND THE CITY OF ATHENS REGARDING A UNITED STATES DEPARTMENT OF JUSTICE ASSISTANCE GRANT

WHEREAS, the United States Department of Justice has made available a Justice Assistance Grant to assist governmental entities to obtain funds for law enforcement purposes; and

Resolution No. 15-123 (con't)

WHEREAS, City of Athens and McMinn County have qualified for an award, which requires an interlocal agreement between the City and the County to receive the joint allocations; and

WHEREAS, the total award is \$11,176.00, with the McMinn County consenting to City of Athens retaining the full award and use to purchase equipment for its police department. McMinn County and City of Athens acknowledge that McMinn County will receive no funding from the FY 2015 grant; and

WHEREAS, McMinn County and City of Athens further acknowledge that the intent of this agreement is that the next Justice Assistance Grant for FY 2016 in an amount similar to the FY 2015 award will be fully allocated for McMinn County purposes in order to decrease the recordkeeping burden on both entities; and

WHEREAS, McMinn County Sheriff agrees to the arrangement and to participate in this interlocal agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF MCMINN COUNTY, TENNESSEE, MEETING IN REGULAR SESSION THIS THE 9th DAY OF NOVEMBER, 2015 that this Commission does authorize McMinn County to enter into an interlocal agreement with the City of Athens as stipulated by the terms of the DOJ Justice Assistance Grant; and

FURTHER RESOLVES that the County Mayor is authorized to execute all documents involved in this interlocal agreement, the public welfare requiring it.

(Orig signed by John M. Gentry)
McMinn County Mayor

Attest:

(Orig signed by Evonne Hoback)
County Clerk

MOTION made by Commissioner Holbrook, and seconded by Commissioner Slack, to approve this resolution.

Motion carried by voice vote.

B. A Resolution to Approve the Contract Between McMinn County and State of Tennessee Department of Health.

Mr. Luallen presented resolution #15-124.

RESOLUTION NO. 15-124

A RESOLUTION TO APPROVE THE CONTRACT BETWEEN MCMINN COUNTY AND STATE OF TENNESSEE DEPARTMENT OF HEALTH

WHEREAS, it is the conviction of McMinn County, that every individual in the County has good health care readily available; and

WHEREAS, in order to properly perform the duties of county government as prescribed by law, it is often in McMinn County's interest to enter into contracts with other entities; and

WHEREAS, McMinn County has previously entered into a contract with the State of Tennessee Department of Health to protect and improve the physical health of the county citizens through the prevention of conditions that may threaten good health; and

WHEREAS, the total appropriation for which the County shall be billed is \$61,116; and

WHEREAS, McMinn County Health Department does provide these services and both parties do hereby agree to these provisions in the contract for FY 2015-16.

Resolution No. 15-124 (con't)

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF MCMINN COUNTY, TENNESSEE, MEETING IN REGULAR SESSION THIS THE 9th DAY OF NOVEMBER, 2015, that this Commission does hereby approve this contract.

AND FURTHERMORE RESOLVES to give authority to the County Mayor or his designee to execute and administer the duties of said contract.

(Orig signed by John M. Gentry)
McMinn County Mayor

Attest:

(Orig signed by Evonne Hoback)
County Clerk

MOTION made by Commissioner Millsaps, and seconded by Commissioner Carter, to approve this resolution.

Motion carried by voice vote.

C. A Resolution to Approve the Establishment of a Self-Insured Health Insurance Benefit Program for Full-Time McMinn County Employees.

Mr. Luallen presented resolution #15-125.

RESOLUTION NO. 15-125

A RESOLUTION TO APPROVE THE ESTABLISHMENT OF
A SELF-INSURED HEALTH INSURANCE BENEFIT PROGRAM FOR
FULL-TIME MCMINN COUNTY EMPLOYEES

WHEREAS, McMinn County makes health insurance benefits available to its full-time employees and their dependents; and

WHEREAS, the county has utilized a fully insured model since 2001; and

WHEREAS, insurance rates have continued to escalate with the 2016 renewal rate exceeding thirty percent and cannot be recommended for approval; and

WHEREAS, the Budget and Financial Management Committees have been presented and studied the proposal of moving to a self-insured, captive program that would include stop loss coverage to mitigate against catastrophic claims and/or excessive levels of aggregate claims; and

WHEREAS, the captive fund model pools McMinn County with other employers and provides McMinn County with group-purchasing power and claims risk distribution; and

WHEREAS, the Committee recommends moving to a self-insured program that allows the county to keep funds once utilized for fixed premium costs to pay claims under the self-insured plan; and

WHEREAS, the goals of this program are to lower the county's health insurance benefit costs and provide quality, comprehensive healthcare for county employees in a fiscally responsible manner; and

(Orig signed by John M. Gentry)
McMinn County Mayor

Attest:

(Orig signed by Evonne Hoback)
County Clerk

Resolution No. 15-125 (con't)

MOTION made by Commissioner Holbrook, and seconded by Commissioner Masingale, to approve this resolution.

Motion carried by voice vote.

8. APPROVAL OF BUDGET AMENDMENTS

Mr. Luallen presented the following budget amendments, a copy of which was provided to each Commissioner. This was approved at the School Boards last meeting.

Fund: General Purpose School Fund #141,

Date: September 22, 2015

| DEPARTMENT | ACCOUNT | FOLIO | DEBIT | CREDIT |
|---|---------------------------|-----------|------------|------------|
| Reserve | Unassigned Fund Balance | 39000 | 254,761.00 | |
| Plant Operation | Other Charges | 72610-599 | | 8,945.00 |
| Plant Operation | Plant Operation Equipment | 72610-720 | | 33,750.00 |
| Maintenance | Maint. & Repair Svcs Bldg | 72620-355 | | 14,050.00 |
| Maintenance | Other Charges | 72620-599 | | 1,650.00 |
| Transportation | Transportation Equipment | 72710-729 | | 162,192.00 |
| Capital Outlay | Building Improvements | 76100-707 | | 23,066.00 |
| Capital Outlay | Bldg Improve-MCTC | 76100-707 | | 11,108.00 |
| EXPLANATION: To budget funds for items entered in reserve for encumbrance's prior year. These were purchase orders issued in FY 2014-2015 that will be completed in FY 2015-2016. | | | | |

MOTION made by Commissioner King, and seconded by Commissioner Simpson to approve these budget amendments.

- Scott Curtis – Aye
- Dale Holbrook - Aye
- Tim King - Aye
- Roger Masingale - Aye
- Jerry Millsaps - Aye
- J. W. McPhail - Absent
- Brent Carter - Aye
- Tad Simpson - Aye
- Charles Slack - Aye
- Chairman David Crews - Aye

Motion carried by roll call vote, as recorded:

9. REPORT FROM DAN EVANS, MCMINN COUNTY HIGHWAY COMMISSIONER

Dan Evans, Commissioner of Highways handed out the following report to all the commissioners:

DBST Paving

| | |
|-----------------------------------|--------------------|
| Total Road Length Paving | 42.85 Miles |
| Various Patching and Strip Paving | 12.85 Miles |
| | 55.70 Miles |

Hot Plant Mix Paving

| | |
|---------------------------------------|--------------|
| Thin-Mix—Various County Road Projects | 21.20 Miles |
| State Aid Projects (75/25/Funds) | 9.15 Miles |
| | 30.35 |

Sign Shop: sign shop cost reduces by 50%

(con't)

Snow Removal

- Three (3) Salt Spreaders were purchased for the amount of \$9,867.00
- Three (3) Rentals @ \$9,100.00

Pavement Milling:

- Reduced Bridge weights, and corrected drainage issues
- Reduced Milling expense by 50% by recycling millings in making cold mix patch material

Payroll:

- Savings in Payroll last year- \$ 119,579.77

Fuel:

- Fuel Savings \$ 60,226.26
- Gallons used 9,760 less that previous year

Sale of Equipment to Government deals: \$ 125,585.80

Sale of Scrap Metal: \$ 17,725.00

Note: Savings from the sale of equipment and scrap metal allow the affordability of new equipment purchases.

Total Savings Amount: \$ 323,116.83

New Equipment Purchases:

July 1, 2014—June 30, 2015 \$265,337.23

Actual Revenue

July 1, 2014—June 30, 2015 \$3,989,469.53

Actual Expenses \$(3,590,841.33)

Amount added to Surplus Funds \$398,628.20

Expense include all administration cost, all roadway, maintenance cost and two months of operation when we had no control over budgetary items. Other charges included are Employee benefits and capital outlay cost to include new equipment purchases.

Mr. Evans also commended his employees on the great job they have done in the first full year.

10. COMMENTS FROM THE AUDIENCE

- Dan Rawls-County Commissioner from Bradley County came in reference to a Resolution to request the State of Tennessee through Legislative and Legal Action to Reaffirm the State of Tennessee's Authority to Regulate Domestic Relations Including but not limited to the Traditional Concept of Marriage as between one man and one woman. A copy of this resolution was provided to the County Commission.

11. RESOLUTIONS

- A. A Resolution to Allow McMinn County Emergency Management to Apply for a Homeland Security Grant through the State of Tennessee Department of the Military and Tennessee Emergency Management Agency.

Mr. Gentry presented Resolution #15-126 along with a copy of the grant program application signed by John Gentry County Mayor and Tom Trotter EMA Director.

Resolution No. 15-126 (con't)

RESOLUTION NO. 15-126

A RESOLUTION TO ALLOW McMINN COUNTY EMERGENCY MANAGEMENT
TO APPLY FOR A HOMELAND SECURITY GRANT THROUGH
THE STATE OF TENNESSEE DEPARTMENT OF THE MILITARY AND
TENNESSEE EMERGENCY MANAGEMENT AGENCY

WHEREAS, in order to properly perform the duties of county government as prescribed by law, it is often in McMinn County's interest to seek grant funding from other entities; and

WHEREAS, McMinn County desires to apply for a Homeland Security grant through the Tennessee Emergency Management Agency to acquire \$26,537.61 which would be utilized for maintenance of 800/700Mhz radios as well as to sustain hazmat and law enforcement Perimeter Team equipment; and

WHEREAS, this grant would be 100% funded with no match by McMinn County.

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF McMINN COUNTY, TENNESSEE, MEETING IN REGULAR SESSION THIS THE 9th DAY OF NOVEMBER 2015 that this Commission does hereby authorize McMinn County EMA to apply with Tennessee Emergency Management Agency to receive grant funding of \$26,537.61, the public welfare requiring it, AND FURTHERMORE RESOLVES to grant authority to the County Mayor or his designee to execute the necessary documents related to the grant application.

(Orig signed by John M. Gentry)
McMinn County Mayor

Attest:

(Orig signed by Evonne Hoback)
County Clerk

MOTION made by Commissioner Slack, and seconded by Commissioner Simpson, to approve this resolution.

Motion carried by voice vote.

B. A Resolution Approving Property Lease.

Mr. Gentry presented Resolution #15-127 along with a copy of the Lease Agreement between McMinn County and Gerald Orr.

RESOLUTION NO. 15-127

A RESOLUTION APPROVING PROPERTY LEASE

WHEREAS, McMinn County purchased 165 acres adjacent to the McMinn County Landfill; and

WHEREAS, at the time of the sale, this property was being leased to local farmer Gerald Orr; and

WHEREAS, Gerald Orr had less than one year remaining on his lease at the time McMinn County purchased the property; and

WHEREAS, McMinn County agrees to continue leasing the property to Gerald Orr until June 30, 2016, at which point the lease shall be bid by public offering for renewal; and

Resolution No. 15-127 (con't)

WHEREAS, the official lease agreement clearly defines both the county's and Gerald Orr's responsibilities in caring for the property; and

WHEREAS, this lease agreement will be recorded with the McMinn County Register of Deeds; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF McMINN COUNTY, TENNESSEE, MEETING IN REGULAR SESSION THIS THE 9TH DAY OF NOVEMBER, 2015, that this Commission does hereby approve the lease agreement between McMinn County and Gerald Orr, and FURTHERMORE authorizes the County Mayor and County Attorney to execute any and all documents necessary to fulfill the intent of this resolution.

(Orig signed by John M. Gentry)
McMinn County Mayor

Attest:

(Orig signed by Evonne Hoback)
County Clerk

MOTION made by Commissioner Millsaps, and seconded by Commissioner Slack, to approve this resolution.

Motion carried by voice vote.

C. A Resolution Approving an Additional Services Addendum with the Firm of Barge Waggoner Sumner and Cannon to Prepare a Recreation Master Plan for Cooke Park.

Mr. Gentry presented Resolution #15-128 along with a copy of the Cooke Park Master Plan Contract Amendment.

RESOLUTION NO. 15-128

A RESOLUTION TO APPROVE AN ADDITIONAL SERVICES ADDENDUM WITH THE FIRM OF BARGE WAGGONER SUMNER AND CANNON TO PREPARE A RECREATION MASTER PLAN FOR COOKE PARK

WHEREAS, in April 2014, the McMinn County Commission approved the selection of Barge Waggoner Sumner and Cannon to perform professional services for the purpose of preparing a master plan for the renovation of Cooke Park for a sum not to exceed \$20,000; and

WHEREAS, McMinn County has since purchased property adjacent to the McMinn County Landfill that might be a more suitable location for Cooke Park; and

WHEREAS, this new site would require less earthwork, eliminate the cost of demolishing the existing Cooke Park and provide a better entrance as well as greater flexibility in adding additional sports fields; and

WHEREAS, BWSC has agreed to adapt the initial master plan to the new site location for a lump sum of \$5,000; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF McMINN COUNTY, TENNESSEE, MEETING IN REGULAR SESSION THIS THE 9TH DAY OF NOVEMBER 2015, that this Commission does hereby approve the additional services addendum with Barge Waggoner Sumner and Cannon to adapt the original Cooke Park Master Plan to the new site location and further authorizes the County Mayor to execute any and all documents necessary to fulfill the intent of this resolution.

(Orig signed by John M. Gentry)
McMinn County Mayor

Resolution No. 15-128 (con't)

Attest:

(Orig signed by Evonne Hoback)
County Clerk

MOTION made by Commissioner Holbrook, and seconded by Commissioner King, to approve this resolution.

Motion carried by voice vote.

D. A Resolution Authorizing the Issuance of General Obligation Refunding Bonds of McMinn County, Tennessee in the Aggregate Principal Amount of not to Exceed \$5,675,000 in one or more Series; Making Provisions 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

Mr. Gentry presented Resolution #15-129 along with a copy of the loan agreement. This did have Budget Committee Approval.

RESOLUTION 15-129

A RESOLUTION AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION REFUNDING BONDS OF MCMINN COUNTY, TENNESSEE IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$5,675,000, IN ONE OR MORE SERIES; 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, 9-21-101, et seq., inclusive, Tennessee Code Annotated, as amended, authorizes the McMinn County, Tennessee (the "County"), by resolution of the Board of County Commissioners, to issue and sell bonds to refund and refinance outstanding indebtedness; and

WHEREAS, on October 1, 2007, the County entered into a Loan Agreement (the "Loan Agreement") with The Public Building Authority of Blount County, Tennessee (the "PBA") and Bradley County, Tennessee ("Bradley County," and together with the County, the "Cooperating Governments") pursuant to which the County borrowed one half of the proceeds of the Local Government Public Improvement Bonds, Series B-14-A, dated October 18, 2007, maturing June 1, 2018 through June 1, 2042 issued by the PBA (the "B-14-A Bonds") and agreed to make all principal and interest payments relating thereto; and

WHEREAS, the Hiwassee Utility Commission (the "Commission") was jointly created by the Cooperating Governments by an Interlocal Agreement, dated November 2, 1972 for the purpose of providing for the establishment, development, management and operation of the business of the Commission; and

WHEREAS, the Commission operates a water procurement, treatment, storage and distribution system (the "System") that supplies water to the citizens of the Cooperating Governments; and

WHEREAS, the proceeds of the loan made pursuant to the B-14-A Loan Agreement were used to make loans by the Cooperating Governments to the Commission to finance the (i) construction of extensions and improvements to the System; (ii) refinancing indebtedness previously incurred to finance the construction of extensions and improvements to the System; and (iii) payment of legal, fiscal, administrative and engineering costs incident to the foregoing; and

WHEREAS, the obligations of the County under the Loan Agreement, including the obligations to make payments with respect to the B-14-A Bonds are referred to herein as the "Outstanding

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Indebtedness"; and

WHEREAS, the County has determined to refund the Outstanding Indebtedness in order to reduce the interest expense relating to the Outstanding Indebtedness; and

WHEREAS, the Board of County Commissioners hereby determines that it is advisable to issue general obligation bonds, in one or more series, for the purpose of refunding all or a portion of the Outstanding Indebtedness; and

WHEREAS, a plan of refunding for the Outstanding Indebtedness has been filed with the Director of State and Local Finance (the "State Director") as required by Section 9-21-903, Tennessee Code Annotated, as amended, and the State Director has submitted to the County a report thereon, a copy of which has been made available to the members of the Board of County Commissioners; and

WHEREAS, it is the intention of the Board of County Commissioners of the County to adopt this resolution for the purpose of authorizing not to exceed \$5,675,000 in aggregate principal amount of bonds for the above-described purposes, 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 McMinn County, Tennessee, as follows:

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

Section 2. Definitions. In addition to the terms defined in the preamble above, the following terms shall have the following meanings in this resolution unless the text expressly or by necessary implication requires otherwise:

(a) "Bonds" means the not to exceed \$5,675,000 General Obligation Refunding Bonds of the County, to be dated their date of issuance, and having such series designation or such other dated date as shall be determined by the County Mayor 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 Mayor" shall mean the County Mayor of the County.

(e) "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.

(f) "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.

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

(h) "Financial Advisor" for the Bonds authorized herein means Cumberland Securities Company, Inc., Knoxville, Tennessee.

(i) "Outstanding Indebtedness" means one half of the proceeds of the Local Government Public Improvement Bonds, Series B-14-A, dated October 18, 2007, maturing June 1, 2018 through June

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1, 2042 issued by the PBA pursuant to the Loan Agreement with the PBA and Bradley County.

(j) "Refunding Escrow Agent" means any escrow agent designated by the County Mayor to act as escrow agent under any Refunding Escrow Agreement, or any successor designated by the Governing Body.

(k) "Refunding Escrow Agreement" means a Refunding Escrow Agreement entered into between the County and the Refunding Escrow Agent in substantially the form attached hereto as Exhibit A pursuant to which the Refunding Escrow Agent holds proceeds of the Bonds in escrow in order to provide for the payment of Outstanding Indebtedness.

(l) "Registration Agent" means the registration and paying agent appointed by the County Mayor pursuant to the terms hereof, or any successor designated by the Governing Body.

Section 3. Findings of the Governing Body; Compliance with Debt Management Policy.

(a) In conformance with the directive of the State Funding Board of the State of Tennessee, the County has heretofore adopted its 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.

(b) The estimated interest expense and costs of issuance of the Bonds have been made available to the Governing Body.

(c) The Refunding Report of the State Director has been presented to the members of the Governing Body in connection with their consideration of this resolution.

Section 4. Authorization and Terms of the Bonds.

(a) For the purpose of providing funds to finance the refunding of the Outstanding Indebtedness and payment of costs incident to the issuance and sale of the Bonds, there is hereby authorized to be issued bonds, in one or more series, of the County in the aggregate principal amount of not to exceed \$5,675,000. The Bonds shall be issued in one or more series, in fully registered, book-entry form (except as otherwise set forth herein), without coupons, and subject to the adjustments permitted hereunder, shall be known as "General Obligation Refunding Bonds", shall be dated their date of issuance, and shall have such series designation or such other dated date as shall be determined by the County Mayor pursuant to the terms hereof. The Bonds shall bear interest at a rate or rates not to exceed the maximum rate permitted by applicable Tennessee law at the time of issuance of the Bonds, or any series thereof, payable (subject to the adjustments permitted hereunder) semi-annually on June 1 and December 1 in each year, commencing June 1, 2016. The Bonds shall be issued initially in \$5,000 denominations or integral multiples thereof, as shall be requested by the original purchaser thereof. Subject to the adjustments permitted pursuant to the terms hereof, the Bonds shall mature serially or be subject to mandatory redemption and shall be payable on June 1 of each year, subject to prior optional redemption as hereinafter provided, in the years 2016 through 2042, inclusive; provided, however, such amortization may be adjusted in accordance with the terms hereof.

(b) Subject to the adjustments permitted under Section 8 hereof, the Bonds maturing June 1, 2022 and thereafter shall be subject to redemption prior to maturity at the option of the County on June 1, 2021 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 selected by the Governing Body in its discretion. 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;

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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 the terms hereof, the County Mayor 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. 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 herein, in aggregate principal amounts equal to the maturity amounts established pursuant to the terms hereof for each redemption date, as such maturity amounts may be adjusted pursuant to the terms 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 as follows:

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.

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 cancelled 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 any call for redemption 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. The 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

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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, if applicable, or the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain outstanding.

(d) The Governing Body hereby authorizes and directs the County Mayor to appoint the Registration Agent for the Bonds and hereby authorizes the Registration Agent so appointed or the Registration Agent for the Bonds 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 cancelled 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.

(e) 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.

(f) 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

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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.

(g) 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 publication of 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.

(h) 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 signature of the County Mayor and the attestation of the County Clerk.

(i) 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 or a custodian of DTC. The Bond Registrar is a custodian and agent for DTC, and the Bond will be 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**

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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) to the extent permitted by the rules of DTC, 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, then the County shall discontinue the Book-Entry System with DTC or, upon request of such original purchaser, deliver the Bonds to the original purchaser in the form of fully-registered Bonds, as the case may be. 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. If the purchaser(s) certifies that it intends to hold the Bonds for its own account, then the County may issue certificated Bonds without the utilization of DTC and the Book-Entry System.

THE COUNTY AND THE REGISTRATION AGENT SHALL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY 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.

(j) 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.

(k) 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.

(l) 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 able to mature, instead of issuing a substituted Bond the County may pay or authorize payment of such Bond without surrender

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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 indemnify 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 unlimited ad valorem taxes to be levied on all taxable property within the County. The Bonds shall be additionally payable from, but not secured by, the revenues consisting of payments by the Hiwassee Utility Commission (the "Commission") to the County under an intergovernmental revenue note of the Commission in favor of the County, which note is payable from the Commission's revenues derived from the operation of the System.

For the prompt payment of the principal of, premium, if any, and interest on the Bonds, the full faith and credit of the County are hereby irrevocably pledged.

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

(Form of Bond)

REGISTERED
Number _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF TENNESSEE
COUNTY OF MCMINN
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2015

Interest Rate: Maturity Date: Date of Bond: CUSIP No.:

Registered Owner:

Principal Amount:

FOR VALUE RECEIVED, McMinn 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 interest hereinabove set forth from the date hereof until said maturity date or redemption date, said interest being payable on June 1, 2016, and semi-annually thereafter on the first day of June and December in each year until this Bond matures or is redeemed. The principal hereof and interest hereon are payable in lawful money of the United States of America by check or draft at the principal corporate trust office of _____, _____, as registration and agent and paying agent (the "Registration Agent"). The Registration Agent shall make all interest payments with respect to this Bond on each interest payment date directly 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

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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 shall be issued to DTC and immobilized in its custody or a custodian of DTC. The Bond Registrar is a custodian and agent for DTC, and the Bond 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 effected 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, maturity amounts, 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) to the extent permitted by the rules of DTC, 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 DTC Participant or any Beneficial Owner with respect to (i) the Bonds; (ii) the accuracy or 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 June 1, 2022 and thereafter shall be subject to redemption prior to maturity at the option of the County on June 1, 2021 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 of the County, in its discretion. 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

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_____ 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:

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

*Final Maturity

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such redemption date, the County may (i) deliver to the Registration Agent for cancellation 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 cancelled 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 any call for redemption 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 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. The 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 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 it 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 Bond 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 principal corporate trust office of the Registration Agent set forth on the front side hereof, but only in the manner, subject to limitations and upon payment of the charges provided in the Resolution, as hereafter defined, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds of authorized denominations of the same maturity and interest rate for the

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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 to finance the refunding of the County's obligations under that certain Loan Agreement entered into on October 1, 2007 with The Public Building Authority of Blount County, Tennessee and Bradley County, Tennessee, and the issuance costs of the Bonds, pursuant to 9-21-101, et seq., Tennessee Code Annotated, as amended, and pursuant to a resolution adopted by the Board of County Commissioners of the County on November 9, 2015 (the "Resolution").

The Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the County. The Bonds shall be additionally payable from, but not secured by, revenues consisting of payments by the Hiwassee Utility Commission (the "Commission") to the County under an intergovernmental revenue note of the Commission in favor of the County, which note is payable from the Commission's revenues derived from the operation of the Commission's water procurement, treatment, storage and distribution system (the "System"). For the prompt payment of the principal of, premium, if any, and interest on the Bonds, the full faith and credit of the County are hereby irrevocably pledged.

This Bond and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) inheritance, transfer and estate taxes, (b) Tennessee excise taxes on interest on the 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 (c) Tennessee franchise taxes by reason of the inclusion of the book value of the Bond in 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, 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 and attested by its County Clerk as of the date hereinabove set forth.

MCMINN COUNTY, TENNESSEE

By: _____
McMinn County Mayor

Attest:

County Clerk

Transferable and payable at the
principal corporate trust office of: _____
_____.

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Date of Registration: _____

This Bond is one of the issue of Bonds issued pursuant to the Resolution hereinabove described.

(Original signed by Agent)

Registration Agent

By: (Original signed by Authorized Officer)

Authorized Officer

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____, whose address is _____ (Please insert Federal Identification or Social Security Number of Assignee _____), the within Bond of McMinn 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

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 and interest coming due on the Bonds in said year. Principal and interest falling due at any time when there are insufficient funds from this tax levy on hand shall be paid from the current funds of the County and reimbursement therefor shall be made out of the taxes hereby provided to the levied when the same shall have been collected. The tax herein provided may be reduced to the extent of any direct 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 competitive public sale in one or more series, at a price of not less than 98% of par, plus accrued interest, as a whole or in part from time to time as shall be determined by the County Mayor, in consultation with the Financial Advisor. The Bonds, or any series thereof, shall be sold by delivery of bids via physical delivery, mail, fax, or telephone or by electronic bidding means of an Internet bidding service as shall be determined by the County Mayor, in consultation with the Financial Advisor.

(b) If the Bonds are sold in more than one series, the County Mayor is authorized to cause to be sold in each series an aggregate principal amount of Bonds less than that shown in Section 4 hereof for each series, so long as the total aggregate principal amount of all series issued does not exceed the total aggregate of Bonds authorized to be issued herein. Without limiting the foregoing, the County Mayor is authorized to sell any series of Bonds as bonds the interest on which is not excluded from gross income

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for federal income tax purposes to the extent required by the Code.

(c) The County Mayor is further authorized with respect to each series of Bonds to:

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

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

(3) change the first interest payment date on the Bonds, or any series thereof, to a date other than June 1, 2016, provided that such date is not later than twelve months from the dated date of such series of Bonds;

(4) adjust the principal and interest payment dates and the maturity amounts of the Bonds, 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 final maturity date of each series shall not exceed the final maturity described in Section 4 hereof; and (C) the aggregate principal payments with respect to the Bonds shall not result in balloon indebtedness that is subject to the approval of the State Director;

(5) adjust or remove the County's optional redemption provisions of the Bonds, 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;

(6) refund less than all of the Outstanding Indebtedness in connection with the issuance of each series of Bonds;

(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) 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 is requested and paid for by the winning bidder of the Bonds, or any series thereof.

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) 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 the County Mayor 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 Refunding 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.

(e) The County Mayor is authorized to award the Bonds, or any series thereof, in each case to the bidder whose bid results in the lowest true interest cost to the County, provided the rate or rates on the Bonds does not exceed the maximum rate prescribed by Section 4 hereof. 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.

(f) 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

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official statement and closing certificates, as they shall deem necessary in connection with the sale and delivery of the Bonds. To the extent the County has not previously done so, the County Mayor is hereby authorized to enter into a contract with the Financial Advisor for financial advisory services in connection with the sale of the Bonds and to enter into an engagement letter with Bass, Berry & Sims PLC to serve as bond counsel in connection with the issuance of the Bonds in substantially the form attached hereto as Exhibit B, and all actions heretofore taken by the officers of the County in that regard are hereby ratified and approved.

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

(a) An amount sufficient, together with such other County funds as may be identified by the County Mayor and, if applicable, investment earnings on the foregoing, to refund the Outstanding Indebtedness on the first day such Outstanding Indebtedness may be redeemed and shall be deposited with the Refunding Escrow Agent to be applied pursuant to the Refunding Escrow Agreement.

(b) The remainder of the proceeds of the sale of the Bonds shall be used to pay costs of issuance of the Bonds, including necessary legal, accounting and fiscal expenses, printing, advertising and similar expenses, administrative and clerical costs, Registration Agent fees, and other necessary miscellaneous expenses incurred in connection with the 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 Financial Advisor to be used to pay costs of issuance of the Bonds.

Section 10. Official Statement. The officers of the County, or any of them, are hereby authorized and directed to provide for the preparation and distribution of a Preliminary Official Statement describing the Bonds. After bids have been received and the Bonds have been awarded, the officers of the County, 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 officers of the County, or any of them, shall arrange for the 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 officers of the County, 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.

Notwithstanding the foregoing, no Official Statement is required to be prepared if the Bonds, or any series thereof, are purchased by a purchaser that certifies that such purchaser intends to hold the Bonds, or any series thereof, for its own account and has no present intention to reoffer the Bonds, or any series thereof.

Section 11. Refunding Escrow Agreement. With respect to each emission of Bonds, for the purpose of providing for the payment of the principal of and premium, if any, and interest on the Outstanding Indebtedness, the County Mayor is hereby authorized and directed to execute and the County Clerk to attest on behalf of the County a Refunding Escrow Agreement with the Escrow Agent and to deposit with the Escrow Agent the amounts to be used by the Escrow Agent to purchase Government Securities as provided therein; provided, however, that the yield on such investments shall be determined in such manner that none of the Bonds will be an "arbitrage bond" within the meaning of Section 148(a) of the Code. The Escrow Agent is hereby authorized and directed to hold and administer all funds deposited in trust for the payment when due of principal of and premium, if any, and interest on the Outstanding Indebtedness and to exercise such duties as set forth in the Refunding Escrow Agreement.

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Section 12. Redemption and Prepayment of the Outstanding Indebtedness. The County Mayor and the County Clerk, or either of them, are hereby authorized and directed to take all steps necessary to prepay or redeem the Outstanding Indebtedness at their earliest possible prepayment or redemption date, including the giving of and publication of any prepayment or redemption notice as required by the resolutions authorizing the Outstanding Indebtedness or as may be required by the Loan Agreement.

Section 13. Discharge and Satisfaction of Bonds. If the County shall pay and discharge the indebtedness evidenced by any series of the Bonds in any one or more of the following ways:

(a) By paying or causing to be paid, by deposit of sufficient funds as and when required with the Registration Agent, the principal of and interest on such 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 Defeasance 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 Defeasance Obligations deposited as aforesaid.

Except as otherwise provided in this Section, neither Defeasance Obligations nor moneys deposited with the Registration Agent 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 payment of the principal and interest on said Bonds; provided that any cash received from such principal or interest payments on such Defeasance 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 Defeasance Obligations maturing at times and in amounts sufficient to pay when due the principal 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, Defeasance Obligations shall direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, or any agency thereof, obligations of any agency or instrumentality of the United States or any other obligations at the time of the purchase thereof are permitted investments under Tennessee law for the purposes described in this Section, which bonds or other obligations shall not be subject to redemption prior to their maturity other than at the option of the registered owner thereof.

Section 14. Federal Tax Matters Related to the Bonds.

(a) It is expected that a portion of the Bonds will be issued as federally tax-exempt bonds. The County hereby covenants that it will not use, or permit the use of, any proceeds of such Bonds in a

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manner that would cause such Bonds to be subjected to treatment under Section 148 of the Code, and applicable regulations thereunder, as an "arbitrage bond". To that end, the County shall comply with applicable regulations adopted under said Section 148. The County further covenants with the registered owners from time to time of such Bonds that it will, throughout the term of such Bonds and through the date that the final rebate, if any, must be made to the United States in accordance with Section 148 of the Code, comply with the provisions of Sections 103 and 141 through 150 of the Code and all regulations proposed and promulgated thereunder that must be satisfied in order that interest on such Bonds shall be and continue to be excluded from gross income for federal income tax purposes under Section 103 of the Code.

(b) The Governing Body hereby delegates to the Mayor the authority to designate, and determine whether to designate, the Bonds as "qualified tax-exempt obligations," as defined in Section 265 of the Code, to the extent the Bonds are not deemed designated as such and may be designated as such.

(c) The appropriate officers of the County are authorized and directed, on behalf of the County, to execute and deliver all such certificates and documents that may be required of the County in order to comply with the provisions of this Section related to the issuance of any series of Bonds.

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

Section 18. 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.

Duly adopted and approved on November 9, 2015.

John Gentry
McMinn County Mayor

Attested:

Evonne Hoback
County Clerk

STATE OF TENNESSEE)
COUNTY OF MCMINN)

I, Evonne Hoback, certify that I am the duly qualified and acting County Clerk of McMinn County, Tennessee, and as such official I further certify that attached hereto is a copy of excerpts from the minutes of a meeting of the governing body of the County held on November 9, 2015; that these minutes were promptly and fully recorded and are open to public inspection; that I have compared said copy with

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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 the County's General Obligation Refunding Bonds.

WITNESS my official signature and seal of said County on November 9, 2015.

(Orig signed by Evonne Hoback)
County Clerk

EXHIBIT A

FORM OF REFUNDING ESCROW AGREEMENT

MCMINN COUNTY, TENNESSEE

\$ _____ GENERAL OBLIGATION REFUNDING BONDS, SERIES 2015

REFUNDING ESCROW AGREEMENT

This Refunding Escrow Agreement is made and entered into as of _____, 2015, by and between McMinn County, Tennessee (the "Issuer") and _____ (the "Agent").

WITNESSETH:

WHEREAS, the Issuer has determined to provide for payment of the debt service requirements of certain of its outstanding debt obligations, as described herein (the "Outstanding Obligations") by depositing in escrow with the Agent funds sufficient to pay the principal of and interest on the Outstanding Obligations as set forth on Exhibit A hereto; and

WHEREAS, in order to obtain the funds needed to refund the Outstanding Obligations, the Issuer has authorized and issued its General Obligation Refunding Bonds, Series 2015 (the "Refunding Bonds"); and

WHEREAS, a portion of the proceeds derived from the sale of the Refunding Bonds will be deposited in escrow with the Agent hereunder and applied to the purchase of certain securities described herein, the principal amount thereof together with interest thereon to mature at such times and in such amounts as shall be sufficient to pay when due all of the principal of and interest on the Outstanding Obligations as set forth on Exhibit A; and

WHEREAS, in order to create the escrow hereinabove described, provide for the deposit of said Refunding Bond proceeds and other funds of the Issuer and the application thereof, and to provide for the payment of the Outstanding Obligations, the parties hereto do hereby enter into this Agreement;

NOW, THEREFORE, the Issuer, in consideration of the foregoing and the mutual covenants herein set forth and in order to secure the payment of the Outstanding Obligations according to their tenor and effect, does by these presents hereby grant, warrant, demise, release, convey, assign, transfer, alien, pledge, set over and confirm, to the Agent, and to its successors hereunder, and to it and its assigns forever, in escrow, all and singular the property hereinafter described to wit:

DIVISION I

All right, title and interest of the Issuer in and to \$ _____ derived from the proceeds of the sale of the Refunding Bonds.

DIVISION II

All right, title and interest of the Issuer in and to the Government Securities purchased with the funds described in Division I hereof and more particularly described in Exhibit B, attached hereto, and to

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all income, earnings and increment derived from or accruing to the Government Securities.

DIVISION III

Any and all other property of every kind and nature from time to time hereafter, by delivery or by writing of any kind, conveyed, pledged, assigned or transferred in escrow hereunder by the Issuer or by anyone in its behalf to the Agent, which is hereby authorized to receive the same at any time to be held in escrow hereunder.

DIVISION IV

All property that is by the express provisions of this Agreement required to be subject to the pledge hereof and any additional property that may, from time to time hereafter, by delivery or by writing of any kind, be subject to the pledge hereof, by the Issuer or by anyone in its behalf, and the Agent is hereby authorized to receive the same at any time to be held in escrow hereunder.

TO HAVE AND TO HOLD, all and singular, the escrowed property, including all additional property which by the terms hereof has or may become subject to this Agreement, unto the Agent, and its successors and assigns, forever.

The escrowed property shall be held in escrow for the benefit and security of the owners from time to time of the Outstanding Obligations; but if the principal of and interest on the Outstanding Obligations shall be fully and promptly paid when due in accordance with the terms hereof, then this Agreement shall be and become void and of no further force and effect, otherwise the same shall remain in full force and effect, subject to the covenants and conditions hereinafter set forth.

ARTICLE I DEFINITIONS AND CONSTRUCTION

Section 1.1 Definitions. In addition to words and terms elsewhere defined in this Agreement, the following words and terms as used in this Agreement shall have the following meanings, unless some other meaning is plainly intended:

"Agreement" means this Refunding Escrow Agreement;

"Escrow Fund" shall have the meaning ascribed to it in Section 2.1 hereof;

"Escrow Property," "escrow property" or "escrowed property" means the property, rights and interest of the Issuer that are described in Divisions I through IV of this Agreement and hereinabove conveyed in escrow to the Agent;

"Government Securities" means obligations and securities described in Section 9-21-914, Tennessee Code Annotated;

"Outstanding Obligations" means one half of each maturity of the Local Government Public Improvement Bonds, Series B-14-A, dated October 18, 2007, maturing June 1, 2018 through June 1, 2042, issued by The Public Building Authority of Blount County, Tennessee (the "Authority"), the proceeds of which were loaned to the Issuer pursuant to a Loan Agreement (the "Loan Agreement") between the County, Bradley County, Tennessee and the Authority; and

"Written Request" means a request in writing signed by the County Mayor of the Issuer or by any other officer or official of the Issuer duly authorized by the Issuer to act in the place of the County Mayor.

Section 1.2 Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words importing the singular number shall include the plural number and vice versa unless the context shall otherwise indicate. The word "person" shall include corporations, associations, natural persons and public bodies unless the context shall otherwise indicate. Reference to a person other than a natural person shall include its successors.

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ARTICLE II
ESTABLISHMENT AND ADMINISTRATION OF FUNDS

Section 2.1 Creation of Escrow; Deposit of Funds. The Issuer hereby creates and establishes with the Agent a special and irrevocable escrow composed of the Escrowed Property and hereby deposits with the Agent and the Agent hereby acknowledges receipt of \$_____ as described in Division I hereof. The monies so deposited, together with investment income therefrom, is herein referred to as the "Escrow Fund" and shall constitute a fund to be held by the Agent as a part of the Escrowed Property created, established, and governed by this Agreement.

Section 2.2 Investment of Funds. The monies described in Section 2.1 hereof shall be held or invested as follows:

(1) the amount of \$_____ shall be used to purchase the Government Securities described on Exhibit B attached hereto; and

(2) the amount of \$_____ shall be held as cash in a non-interest-bearing account.

Except as provided in Sections 2.4 and 2.6 hereof, the investment income from the Government Securities in the Escrow Fund shall be credited to the Escrow Fund and shall not be reinvested. The Agent shall have no power or duty to invest any monies held hereunder or to make substitutions of Government Securities held hereunder or to sell, transfer, or otherwise dispose of the Government Securities acquired hereunder except as provided herein.

Section 2.3 Disposition of Escrow Funds. The Agent shall without further authorization or direction from the Issuer collect the principal and interest on the Government Securities promptly as the same shall fall due. From the Escrow Fund, to the extent that monies therein are sufficient for such purpose, the Agent shall make timely payments to the paying agent or its successor, for the Outstanding Obligations of monies sufficient for the payment of the principal of and interest on the Outstanding Obligations as the same shall become due and payable. Amounts and dates of principal and interest payments and the name and address of the paying agent with respect to the Outstanding Obligations are set forth on Exhibit A. Payment on the dates and to the paying agent in accordance with Exhibit A shall constitute full performance by the Agent of its duties hereunder with respect to each respective payment. The Issuer represents and warrants that the Escrow Fund, if held, invested and disposed of by the Agent in accordance with the provisions of this Agreement, will be sufficient to make the foregoing payments. No paying agent fees, fees and expenses of the Agent, or any other costs and expenses associated with the Refunding Bonds or the Outstanding Obligations shall be paid from the Escrow Fund, and the Issuer agrees to pay all such fees, expenses, and costs from its legally available funds as such payments become due. When the Agent has made all required payments of principal and interest on the Outstanding Obligations to the paying agent as hereinabove provided, the Agent shall transfer any monies or Government Securities then held hereunder to the Issuer and this Agreement shall terminate.

Section 2.4 Excess Funds. Except as provided in Section 2.6 hereof, amounts held by the Agent, representing interest on the Government Securities in excess of the amount necessary to make the corresponding payment of principal and/or interest on the Outstanding Obligations, shall be held by the Agent without interest and shall be applied before any other Escrow Fund monies to the payment of the next ensuing principal and/or interest payment on the Outstanding Obligations. Upon retirement of all the Outstanding Obligations, the Agent shall pay any excess amounts remaining in the Escrow Fund to the Issuer.

Section 2.5 Reports. The Agent shall deliver to the Finance Director of the Issuer, within 90 days of the close of the Issuer's fiscal year, a report current as of the end of such fiscal year, which shall summarize all transactions relating to the Escrow Fund effected during the immediately preceding fiscal year of the Issuer and which also shall set forth all assets in the Escrow Fund as of the end of such fiscal year and set forth opening and closing balances thereof for that fiscal year. The Agent shall also deliver to the Finance Director, within 90 days following the final disposition of funds herefrom, a report

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summarizing all transactions relating to the Escrow Fund effected during the term thereof.

Section 2.6 Investment of Moneys Remaining in Escrow Fund. The Agent may invest and reinvest any monies remaining from time to time in the Escrow Fund until such time as they are needed. Such monies shall be invested in Government Securities, maturing no later than the next interest payment date of the Outstanding Obligations. Any interest income resulting from reinvestment of monies pursuant to this Section 2.6 shall be applied first to the payment of principal of and interest on the Outstanding Obligations to the extent the Escrow is or will be insufficient to retire the Outstanding Obligations as set forth on Exhibit A and any excess shall be paid to the Issuer to be applied to the payment of the Refunding Bonds or the expenses of issuance thereof.

Section 2.7 Irrevocable Escrow Created. The deposit of monies, Government Securities, matured principal amounts thereof, and investment proceeds therefrom in the Escrow Fund shall constitute an irrevocable deposit of said monies and Government Securities for the benefit of the holders of the Outstanding Obligations, except as provided herein with respect to amendments permitted under Section 4.1 hereof. All the funds and accounts created and established pursuant to this Agreement shall be and constitute escrow funds for the purposes provided in this Agreement and shall be kept separate and distinct from all other funds of the Issuer and the Agent and used only for the purposes and in the manner provided in this Agreement.

Section 2.8 Redemption of Outstanding Obligations. The Issuer shall direct that the Outstanding Obligations be redeemed in the manner provided in the Loan Agreement.

ARTICLE III CONCERNING THE AGENT

Section 3.1 Appointment of Agent. The Issuer hereby appoints the Agent as escrow agent under this Agreement.

Section 3.2 Acceptance by Agent. By execution of this Agreement, the Agent accepts the duties and obligations as Agent hereunder. The Agent further represents that it has all requisite power, and has taken all corporate actions necessary to execute the escrow hereby created.

Section 3.3 Liability of Agent. The Agent shall be under no obligation to inquire into or be in any way responsible for the performance or nonperformance by the Issuer or any paying agent of its obligations, or to protect any of the Issuer's rights under any bond proceedings or any of the Issuer's other contracts with or franchises or privileges from any state, county, Issuer or other governmental agency or with any person. The Agent shall not be liable for any act done or step taken or omitted to be taken by it, or for any mistake of fact or law, or anything which it may do or refrain from doing, except for its own gross negligence or willful misconduct in the performance or nonperformance of any obligation imposed upon it hereunder. The Agent shall not be responsible in any manner whatsoever for the recitals or statements contained herein or in the Outstanding Obligations or in the Refunding Bonds or in any proceedings taken in connection therewith, but they are made solely by the Issuer. The Agent shall have no lien whatsoever upon any of the monies or investments in the Escrow Fund for the payment of fees and expenses for services rendered by the Agent under this Agreement.

The Agent shall not be liable for the accuracy of the calculations as to the sufficiency of Escrow Fund monies and Government Securities and the earnings thereon to pay the Outstanding Obligations. So long as the Agent applies any monies, the Government Securities and the interest earnings therefrom to pay the Outstanding Obligations as provided herein, and complies fully with the terms of this Agreement, the Agent shall not be liable for any deficiencies in the amounts necessary to pay the Outstanding Obligations caused by such calculations. The Agent shall not be liable or responsible for any loss resulting from any investment made pursuant to this Agreement and in full compliance with the provisions hereof.

In the event of the Agent's failure to account for any of the Government Securities or monies received by it, said Government Securities or monies shall be and remain the property of the Issuer in escrow for the benefit of the holders of the Outstanding Obligations, as herein provided, and if for any improper reason such Government Securities or monies are applied to purposes not provided for herein or

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misappropriated by the Agent, the assets of the Agent shall be impressed with a trust for the amount thereof until the required application of such funds shall be made or such funds shall be restored to the Escrow Fund.

Section 3.4 Permitted Acts. The Agent and its affiliates may become the owner of or may deal in the Refunding Bonds or Outstanding Obligations as fully and with the same rights as if it were not the Agent.

Section 3.5 Exculpation of Funds of Agent. Except as set forth in Section 3.3, none of the provisions contained in this Agreement shall require the Agent to use or advance its own funds or otherwise incur personal financial liability in the performance of any of its duties or the exercise of any of its rights or powers hereunder. The Agent shall be under no liability for interest on any funds or other property received by it hereunder, except as herein expressly provided.

Section 3.6 No Redemption or Acceleration of Maturity. The Agent will not pay any of the principal of or interest on the Outstanding Obligations, except as provided in Exhibit A attached hereto and will not redeem or accelerate the maturity of any of the Outstanding Obligations except as provided in Section 2.8 hereof.

Section 3.7 Qualifications of Agent. There shall at all times be an Agent hereunder that shall be a corporation or banking association organized and doing business under the laws of the United States or any state, authorized under the laws of its incorporation to exercise the powers herein granted, having a combined capital, surplus, and undivided profits of at least \$75,000,000 and subject to supervision or examination by federal or state authority. If such corporation or association publishes reports of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this paragraph the combined capital, surplus, and undivided profits of such corporation or association shall be deemed to be its combined capital, surplus, and undivided profits as set forth in its most recent report of condition as published. In case at any time the Agent shall cease to be eligible in accordance with the provisions of this section, the Agent shall resign immediately in the manner and with the effect specified herein.

Section 3.8 Resignation of Agent. The Agent may at any time resign by giving direct written notice to the Issuer and by giving the holders of the Outstanding Obligations notice by first-class mail of such resignation. Upon receiving such notice of resignation, the Issuer shall promptly appoint a successor escrow agent by resolution of its governing body. If no successor escrow agent shall have been appointed and have accepted appointment within thirty (30) days after the publication of such notice of resignation, the resigning Agent may petition any court of competent jurisdiction located in McMinn County, Tennessee for the appointment of a successor, or any holder of the Outstanding Obligations may, on behalf of himself and others similarly situated, petition any such court for the appointment of a successor. Such court may thereupon, after such notice, if any, as it may deem proper, appoint a successor meeting the qualifications set forth in Section 3.8. The Agent shall serve as escrow agent hereunder until its successor shall have been appointed and such successor shall have accepted the appointment.

Section 3.9 Removal of Agent. In case at any time the Agent shall cease to be eligible in accordance with the provisions of Section 3.7 hereof and shall fail to resign after written request therefor by the Issuer or by any holder of the Outstanding Obligations, or the Agent shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Agent or any of its property shall be appointed, or any public officer shall take charge or control of the Agent or its property or affairs for the purpose of rehabilitation, conservation, or liquidation, then in any such case, the Issuer may remove the Agent and appoint a successor by resolution of its governing body or any such bondholder may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction situated in the Issuer for the removal of the Agent and the appointment of a successor. Such court may thereupon, after such notice, if any, as it may deem proper, remove the Agent and appoint a successor who shall meet the qualifications set forth in Section 3.7. Unless incapable of serving, the Agent shall serve as escrow agent hereunder until its successor shall have been appointed and such successor shall have accepted the appointment.

The holders of a majority in aggregate principal amount of all the Outstanding Obligations at any time outstanding may at any time remove the Agent and appoint a successor by an instrument or

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concurrent instruments in writing signed by such bondholders and presented, together with the successor's acceptance of appointment, to the Issuer and the Agent.

Any resignation or removal of the Agent and appointment of a successor pursuant to any of the provisions of this Agreement shall become effective upon acceptance of appointment by the successor as provided in Section 3.10 hereof.

Section 3.10 Acceptance by Successor. Any successor escrow agent appointed as provided in this Agreement shall execute, acknowledge and deliver to the Issuer and to its predecessor an instrument accepting such appointment hereunder and agreeing to be bound by the terms hereof, and thereupon the resignation or removal of the predecessor shall become effective and such successor, without any further act, deed or conveyance, shall become vested with all the rights, powers, duties and obligations of its predecessor, with like effect as if originally named as Agent herein; but, nevertheless, on Written Request of the Issuer or the request of the successor, the predecessor shall execute and deliver an instrument transferring to such successor all rights, powers and escrow property of the predecessor. Upon request of any such successor, the Issuer shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor all such rights, powers and duties. No successor shall accept appointment as provided herein unless at the time of such acceptance such successor shall be eligible under the provisions of Section 3.8 hereof.

Any corporation into which the Agent may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Agent shall be a party, or any corporation succeeding to the business of the Agent, shall be the successor of the Agent hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding, provided that such successor shall be eligible under the provisions of Section 3.8 hereof.

Section 3.11 Payment to Agent. The Issuer agrees to pay the Agent, as reasonable and proper compensation under this Agreement, the sum of \$500 annually. The Agent shall be entitled to reimbursement of all advances, counsel fees and expenses, and other costs made or incurred by the Agent in connection with its services and/or its capacity as Agent or resulting therefrom. In addition, the Issuer agrees to pay to the Agent all out-of-pocket expenses and costs of the Agent incurred by the Agent in the performance of its duties hereunder, including all publication, mailing and other expenses associated with the redemption of the Outstanding Obligations; provided, however, that the Issuer agrees to indemnify the Agent and hold it harmless against any liability which it may incur while acting in good faith in its capacity as Agent under this Agreement, including, but not limited to, any court costs and attorneys' fees, and such indemnification shall be paid from available funds of the Issuer and shall not give rise to any claim against the Escrow Fund.

ARTICLE IV MISCELLANEOUS

Section 4.1 Amendments to this Agreement. This Agreement is made for the benefit of the Issuer, the holders from time to time for the Outstanding Obligations, and it shall not be repealed, revoked, altered or amended without the written consent of all such holders, the Agent and the Issuer; provided, however, that the Issuer and the Agent may, without the consent of, or notice to, such holders, enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such holders and as shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in this Agreement;
- (b) to grant to, or confer upon, the Agent for the benefit of the holders of the Outstanding Obligations, any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Agent; and
- (c) to subject to this Agreement additional funds, securities or properties.

The Agent shall be entitled to rely exclusively upon an unqualified opinion of nationally recognized bond

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counsel with respect to compliance with this Section, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the holders of the Outstanding Obligations, or that any instrument executed hereunder complies with the conditions and provisions of this Section.

Notwithstanding the foregoing or any other provision of this Agreement, upon Written Request and upon compliance with the conditions hereinafter stated, the Agent shall have the power to and shall, in simultaneous transactions, sell, transfer, otherwise dispose of or request the redemption of the Government Securities held hereunder and to substitute therefor direct obligations of, or obligations the principal of and interest on which are fully guaranteed by the United States of America, subject to the condition that such monies or securities held by the Agent shall be sufficient to pay principal of and interest on the Outstanding Obligations. The Agent shall purchase such substituted securities with the proceeds derived from the maturity, sale, transfer, disposition or redemption of the Government Securities held hereunder or from other monies available. The transactions may be effected only if there shall have been submitted to the Agent an independent verification by a nationally recognized independent certified public accounting firm concerning the adequacy of such substituted securities with respect to principal and the interest thereon and any other monies or securities held for such purpose to pay when due the principal of and interest on the Outstanding Obligations in the manner required by the proceedings which authorized their issuance. Any surplus monies resulting from the sale, transfer, other disposition or redemption of the Government Securities held hereunder and the substitutions therefor of direct obligations of, or obligations the principal of and interest on which is fully guaranteed by, the United States of America, shall be released from the Escrow Fund and shall be transferred to the Issuer.

Section 4.2 Severability. If any provision of this Agreement shall be held or deemed to be invalid or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

Section 4.3 Governing Law. This Agreement shall be governed and construed in accordance with the law of the State of Tennessee.

Section 4.4 Notices. Any notice, request, communication or other paper shall be sufficiently given and shall be deemed given when delivered or mailed by Registered or Certified Mail, postage prepaid, or sent by telegram as follows:

To the Issuer:

McMinn County, Tennessee
P.O. Box 1167
Cleveland, Tennessee 37364

To the Agent:

The Issuer and the Agent may designate in writing any further or different addresses to which subsequent notices, requests, communications or other papers shall be sent.

Section 4.5 Agreement Binding. All the covenants, promises and agreements in this Agreement contained by or on behalf of the parties shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

Section 4.6 Termination. This Agreement shall terminate when all transfers and payments required to be made by the Agent under the provisions hereof shall have been made.

Section 4.7 Execution by Counterparts. This Agreement may be executed in several

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counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

(signature page follows)

IN WITNESS WHEREOF, the Issuer and the Agent have caused this Agreement to be executed all as of the day and date first above written.

MCMINN COUNTY, TENNESSEE

By: _____
McMinn County Mayor

County Clerk

Escrow Agent

By: _____
Title: _____

EXHIBIT A TO REFUNDING ESCROW AGREEMENT

Debt Service Schedule of one half of Local Government Public Improvement Bonds, Series B-14-A, dated October 18, 2007, maturing June 1, 2018 through June 1, 2042, to the Maturity Date, With Name and Address of the Paying Agent and Date and Amount of Payment

| <u>Payment</u> <u>Date</u> | <u>Principal</u> <u>Payable</u> | <u>Interest</u> <u>Payable</u> | <u>Premium</u> | <u>Total Debt</u> <u>Service</u> |
|-------------------------------|------------------------------------|-----------------------------------|----------------|-------------------------------------|
|-------------------------------|------------------------------------|-----------------------------------|----------------|-------------------------------------|

Paying Agent: _____

EXHIBIT B TO REFUNDING ESCROW AGREEMENT

Total Cost of Securities: \$ _____
Initial Cash Deposit: \$ _____

EXHIBIT B

Proposed Form of Engagement Letter of Bond Counsel

_____, 2015

McMinn County, Tennessee
Attn: The Honorable John Gentry
6 E. Madison Avenue
Athens, Tennessee 37303

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Re: Issuance of General Obligation Refunding Bonds (the "Bonds")

Dear Mayor Gentry:

The purpose of this engagement letter is to set forth certain matters concerning the services we will perform as bond counsel to McMinn 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 to refinance certain outstanding debt of the Issuer and to pay costs incident to the issuance and sale of the Bonds. We further understand that the Bonds will be sold at a competitive public 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 issues.
5. Prepare election proceedings or pursue validation proceedings, if any.
6. Draft those sections of the official statement 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.
7. 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.
8. Draft the continuing disclosure undertaking of the Issuer.

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 (6) above,

Resolution No. 15-129 (con't)

- 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) except as set forth above.
- f. Making an investigation or expressing any view as to the creditworthiness of the Issuer or the Bonds.
- g. Except as described in paragraph 8 above, assisting in the preparation of, or opining on, a continuing disclosure undertaking pertaining to the Bonds 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.

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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 do not believe such representation, if it occurs, 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.

FEES

Based upon: (i) our current understanding of the terms, structure, size and schedule of the financing represented by the Bonds in an aggregate principal amount of not to exceed \$_____ ; (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, our fee is estimated to be \$11,500. The fees quoted above 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 as described in the paragraph above 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 the amount we are paid exceed \$11,500.

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 Contract are deemed to be Issuer's property. Our own files, including lawyer work product, pertaining to the transaction will be retained by us for a period of three (3) years and be subject to inspection by Issuer upon reasonable notice.

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. Any action between the parties arising from this Engagement Letter shall be maintained in the state or federal courts of Davidson County, Tennessee to the extent permitted by applicable law.

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.

Resolution No. 15-129 (con't)

MCMINN COUNTY, TENNESSEE

By: _____
John Gentry, County Mayor

BASS, BERRY & SIMS PLC:

By: _____
G. Mark Mamantov, Member

MOTION made by Commissioner Curtis, and seconded by Commissioner Masingale, to approve this resolution.

Motion carried by voice vote

E. A Resolution to Approve FY 15-16 Payment for Eligible McMinn County Employees.

Mr. Gentry presented Resolution #15-130.

RESOLUTION NO. 15-130

A RESOLUTION TO APPROVE FY 15-16 PAYMENT FOR
ELIGIBLE McMINN COUNTY EMPLOYEES

WHEREAS, the Commission authorizes a one-time payment of seven hundred and fifty dollars \$750.00 to those McMinn County full time employees who are not subject to the county officials state minimum salary schedule; and

WHEREAS, the McMinn County Budget Committee recommends this one-time payment be paid from the respective funds undesignated reserve accounts.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF McMINN COUNTY, TENNESSEE, MEETING IN REGULAR SESSION THIS THE 9TH DAY OF NOVEMBER, 2015, that this Commission does hereby approve a one-time payment for eligible McMinn County full time employees who are not subject to the county officials state minimum salary schedule.

(Orig signed by John M. Gentry)
McMinn County Mayor

Attest:

(Orig signed by Evonne Hoback)
County Clerk

MOTION made by Commissioner Simpson, and seconded by Commissioner King, to approve this resolution.

Note: Commissioner Slack and Commissioner Millsaps abstained from voting on this resolution.
Motion carried by voice vote

12. ELECTIONS, APPOINTMENTS AND CONFIRMATIONS

- None.

13. REPORTS FROM COMMITTEES, COUNTY OFFICIALS, COMMENTS FROM COMMISSIONERS

- Commissioner Millsaps—Recreation Committee met before the commission meeting tonight and voted to send Resolution 15-128 (11) to the full commission tonight.
- Commissioner Masingale—Financial Management Committee met last week with the Budget Committee cleaning up verbiage on purchases for biddable items and also voted to send Resolution 15-125 (8) to the full commission tonight.
- Commissioner Curtis— Budget Committee met last week with the Financial Management Committee and voted to send 3 resolutions to the full committee tonight. (Resolutions 15-129, 15-130, 15-125)

14. COMMENTS FROM THE COUNTY MAYOR

- Mayor Gentry thanked everyone that attended the budget meeting concerning the concept of self insurance. Mr. Gentry said the self insured would be a model of Athens Utilities Board health insurance which according to their general manager has worked well for them only experiencing a rate increase one time out of 6 or 7 years which was 6% or less. The new plan will be with Cigna. Mr. Gentry said this will be a big challenge for Jason and his staff.
- Mayor Gentry gave an update on the Airport saying that more testing was being done. Mr. Gentry also said that the state is paying for the testing to be done.
- Mayor Gentry thanked the commission for the bonuses for the employee's.
- Mayor Gentry said the the 12 year fee agreement with Waste Connections will end in January 2016. Mr. Gentry said the attorneys have been back and forth on the "Host Fee" arrangement but he hopes to have something in writing by the end of the week.
- Mayor Gentry acknowledged the resolution that was in the commissioner's packets from Greene County in reference to request the State of Tennessee through Legislative and Legal Action to Reaffirm the State of Tennessee's Authority to Regulate Domestic Relations Including but not limited to the Traditional Concept of Marriage as between one man and one woman.
- Mayor Gentry wished everyone a Happy Veterans Day and Thanksgiving.....

15. APPROVAL OF NOTARY APPLICATIONS

The following notary applications were submitted to the County Clerk's Office:

Notary Applications for September 2015

| | |
|----------------------|-------------------|
| LISA MARIE ALLEN | TAMMIE J LANDRETH |
| PAMELA K BRAGG | SAMATHA R MANIS |
| CONNIE FAIN-WOODCOCK | MARY C. ROGERS |
| SANDRA M FARRAR | THERESA ROOKARD |
| COURTNEY D HALL | RACHEL L HATCHETT |

MOTION made by Commissioner Millsaps, and seconded by Commissioner Simpson, to approve these notary applications.

Motion carried by voice vote.

16. ANY OTHER BUSINESS THAT MAY LEGALLY COME BEFORE THE COMMISSION

None.

17. ADJOURNMENT

There being no other business, Chairman Crews declared the Commission meeting adjourned at 8:03 pm.

EVONNE HOBACK
McMinn County Clerk

Attest:

Deputy (date)