

MINUTES
OF
PUTNAM COUNTY COMMISSION
(SPECIAL CALLED MEETING)
SEPTEMBER 27, 2012

Prepared By:

Wayne Nabors
Putnam County Clerk
121 S Dixie Avenue
Cookeville, TN 38501
(931) 526-7106

STATE OF TENNESSEE

COUNTY OF PUTNAM

BE IT REMEMBERED: that on September 27, 2012 there was a special called meeting of the Putnam County Board of Commissioners.

There were present and presiding the Chairman, Mike Atwood and County Clerk, Wayne Nabors.

The Chairman, Mike Atwood called the meeting to order.

The Chairman, Mike Atwood recognized Commissioner Steve Pierce for the Invocation.

The Chairman recognized County Commissioner, Kevin Maynard to lead the Pledge to the Flag of the United States of America.

The Chairman asked the Commissioners to signify their presence at the meeting and the following were present.

PRESENT:

Scott Ebersole
Tom Short
David Gentry
Jerry Ford
Ron Williamson
John Ludwig
Terry Randolph
Chris Savage
Reggie Shanks
Joe Trobaugh
Michael Medley

Eris Bryant
Sue Neal
Jonathan Williams
Daryl Blair
Kevin Maynard
Kim Bradford
Jim Martin
Bob Duncan
Marsha Bowman
Steve Pierce
Mike Atwood
Cathy Reel

ABSENT:

Anna Ruth Burroughs

The Clerk announced that twenty-three (23) were present and one (1) absent. Therefore, the Chairman declared a quorum.

AGENDA

(SEE ATTACHED)

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WAYNE NABORS

COUNTY CLERK - PUTNAM COUNTY

MEMO

Date: September 20, 2012
To: All County Commissioners of Putnam County
From: County Clerk Wayne Nabors
Subject: Special Called Meeting of the County Commission

Pursuant to Rule 1C of the Rules of the Putnam County Board of Commissioners, this shall serve as notice of a special called session of the Putnam County Board of Commissioners on Thursday, September 27, 2012 at 7:00 p.m. in the county commission meeting room of the Putnam County Courthouse to consider the following:

1. Discuss and vote on bond resolutions – Interlocal Agreement and any other items necessary regarding the bond issue.

Wayne Nabors
County Clerk

MOTION RE: DISCUSS AND VOTE ON BOND RESOLUTIONS – INTERLOCAL AGREEMENT AND OTHER ITEMS NECESSARY REGARDING THE BOND ISSUE

Commissioner Terry Randolph moved and Commissioner Eris Bryant seconded the motion to recommend approval of Bond Resolution as presented with revision to last sentence in section 9 paragraph b and Interlocal Agreement with provisions made to approve any inter fund loans that may be necessary prior to the Issuance of Bonds, and revisions of page 6 through 9 of the Debt Manage Policy and repay from Bond Fund.

(SEE ATTACHED)

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A RESOLUTION AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION SCHOOL BONDS OF PUTNAM COUNTY, TENNESSEE IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED FIFTY-THREE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$53,500,000), 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; PROVIDING FOR THE LEVY OF TAXES FOR THE PAYMENT OF PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS.

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

WHEREAS, the Board of County Commissioners of Putnam County, Tennessee (the "County") hereby determines that it is necessary and advisable to issue not to exceed \$53,500,000 in aggregate principal amount of general obligation school bonds, in one or more series, for the purpose of providing funds for the (i) acquisition of land for, design, site development, constructing, improving, renovating and equipping of a new Monterey High School, a new Baxter Middle School and an expansion of the Upperman High School; (ii) payment of legal, fiscal, administrative, architectural and engineering costs incident to any or all of the foregoing; (iii) reimbursement to the appropriate fund of the County for prior expenditures for the foregoing costs; and (iv) payment of costs incident to the issuance and sale of the bonds authorized herein; and

WHEREAS, it is the intention of the Board of Commissioners of the County to adopt this resolution for the purpose of authorizing not to exceed \$53,500,000 in aggregate principal amount of said bonds, providing for the issuance, sale and payment of said bonds, establishing the terms thereof, and the disposition of proceeds therefrom, providing for the levy of a tax for the payment of principal thereof, premium, if any, and interest thereon, and providing for the issuance of said bonds in one or more series.

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

Section 1. Authority. The bonds authorized by this resolution are issued pursuant to Sections 49-3-1001, et seq., Tennessee Code Annotated, as amended, and other applicable provisions of law.

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

(a) "Bonds" means the not to exceed \$53,500,000 General Obligation School 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 Executive 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) "County" means Putnam County, Tennessee;
- (d) "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;
- (e) "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;
- (f) "DTC Participant(s)" means securities brokers and dealers, banks, trust companies and clearing corporations that have access to the DTC System;
- (g) "Financial Advisor" for the Bonds authorized herein means Stephens Inc.;
- (h) "Governing Body" means the Board of County Commissioners of the County;
- (i) "Projects" means the: (i) acquisition of land for, design, site development, constructing, improving, renovating and equipping of a new Monterey High School, a new Baxter Middle School and an expansion of the Upperman High School, and such other school capital projects approved in accordance with Section 9 hereof; and (ii) payment of legal, fiscal, administrative, architectural and engineering costs incident to any or all of the foregoing; and
- (j) "Registration Agent" means the registration and paying agent appointed by the County Executive pursuant to Section 4 hereof, or any successor designated by the Governing Body; and

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) Approximate debt service is attached hereto as Exhibit A, subject to change permitted by Section 8 hereof. The estimated interest expense and costs of issuance of the Bonds are also attached hereto as Exhibit A.

Section 4. Authorization and Terms of the Bonds.

- (a) For the purpose of providing funds to finance, in whole, or in part, (i) the cost of the Projects and costs incident thereto; (ii) reimbursement to the appropriate fund of the County for prior expenditures for the foregoing costs; and (iii) 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 \$53,500,000. 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 under Section 8, shall be known as "General Obligation School 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 Executive pursuant to Section 8 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 under Section 8) semi-annually on April 1 and October 1 in each year, commencing April 1, 2013. 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 Section 8 hereof, the Bonds, shall mature serially or be subject to mandatory redemption and shall be payable on April 1 of each year, subject to prior optional redemption as hereinafter provided, in the years 2014 through 2037, inclusive.

(b) Subject to the adjustments permitted under Section 8 hereof, Bonds maturing on or before April 1, 2023 shall mature without option of redemption and Bonds maturing on April 1, 2024 and thereafter, shall be subject to redemption prior to maturity at the option of the County on April 1, 2023 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;
or

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

(c) Pursuant to Section 8 hereof, the County Executive 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 Executive. 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 Section 8 hereof for each redemption date, as such maturity amounts may be adjusted pursuant to Section 8 hereof, at a price of par plus accrued interest thereon to the date of redemption. The Term Bonds to be redeemed within a single maturity shall be selected in the manner described in subsection (b) above.

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

(d) Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent on behalf of the County not less than thirty (30) 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 shall mail said notices as and when directed by the County pursuant to written instructions from an authorized representative of the County (other than for a mandatory sinking fund redemption, notices of which shall be given on the dates provided herein) given at least forty-five (45) days prior to the redemption date (unless a shorter notice period shall be satisfactory to the Registration Agent). From and after the redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth herein. In the case of a Conditional Redemption, the failure of the County to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository or the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain outstanding.

(e) The Governing Body hereby authorizes and directs the County Executive to appoint the Registration Agent for the Bonds and hereby authorizes the Registration Agent so appointed to maintain Bond registration records with respect to the Bonds, to authenticate and deliver the Bonds as provided herein, either at original issuance or upon transfer, to effect transfers of the Bonds, to give all notices of redemption as required herein, to make all payments of principal and interest with respect to the Bonds as provided herein, to cancel and destroy Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer, to furnish the County at least annually a certificate of destruction with respect to Bonds canceled and destroyed, and to furnish the County at least annually an audit confirmation of Bonds paid, Bonds outstanding and payments made with respect to interest on the Bonds. The County Executive is hereby authorized to execute and the County Clerk is hereby authorized to attest such written agreement between the County and the Registration Agent as they shall deem necessary and proper with respect to the obligations, duties and rights of the Registration Agent. The payment of all reasonable fees and expenses of the Registration Agent for the discharge of its duties and obligations hereunder or under any such agreement is hereby authorized and directed.

(f) The Bonds shall be payable, both principal and interest, in lawful money of the United States of America at the main office of the Registration Agent. The Registration Agent shall make all interest payments with respect to the Bonds by check or draft on each interest payment date directly to the registered owners as shown on the Bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by depositing said payment in the United States mail, postage prepaid, addressed to such owners at their addresses shown on said Bond registration records, without, except for final payment, the presentation or surrender of such registered Bonds, and all such payments shall discharge the obligations of the County in respect of such Bonds to the extent of the payments so made. Payment of principal of and premium, if any, on the Bonds shall be made upon presentation and surrender of such

Bonds to the Registration Agent as the same shall become due and payable. All rates of interest specified herein shall be computed on the basis of a three hundred sixty (360) day year composed of twelve (12) months of thirty (30) days each. In the event the Bonds are no longer registered in the name of DTC, or a successor Depository, if requested by the Owner of at least \$1,000,000 in aggregate principal amount of the Bonds, payment of interest on such Bonds shall be paid by wire transfer to a bank within the continental United States or deposited to a designated account if such account is maintained with the Registration Agent and written notice of any such election and designated account is given to the Registration Agent prior to the record date.

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

(h) The Bonds are transferable only by presentation to the Registration Agent by the registered owner, or his legal representative duly authorized in writing, of the registered Bond(s) to be transferred with the form of assignment on the reverse side thereof completed in full and signed with the name of the registered owner as it appears upon the face of the Bond(s) accompanied by appropriate documentation necessary to prove the legal capacity of any legal representative of the registered owner. Upon receipt of the Bond(s) in such form and with such documentation, if any, the Registration Agent shall issue a new Bond or the Bond to the assignee(s) in \$5,000 denominations, or integral multiples thereof, as requested by the registered owner requesting transfer. The Registration Agent shall not be required to transfer or exchange any Bond during the period commencing on a Regular or Special Record Date and ending on the corresponding interest payment date of such Bond, nor to transfer or exchange any Bond after the 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.

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

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

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

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

In the event that (1) DTC determines not to continue to act as securities depository for the Bonds, or (2) the County determines that the continuation of the Book-Entry System of evidence and transfer of ownership of the Bonds would adversely affect their interests or the interests of the Beneficial Owners of the Bonds, 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 DTC PARTICIPANT OR ANY BENEFICIAL OWNER WITH RESPECT TO (i) THE BONDS; (ii) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (iii) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS; (iv) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY DTC PARTICIPANT OF ANY NOTICE DUE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED UNDER THE TERMS OF THIS RESOLUTION TO BE GIVEN TO BENEFICIAL OWNERS, (v) THE SELECTION OF BENEFICIAL OWNERS TO RECEIVE PAYMENTS IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (vi) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC, OR ITS NOMINEE, CEDE & CO., AS OWNER.

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

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

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

Section 5. Source of Payment. The Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the County. For the prompt payment of 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 appropriately completed when the Bonds are prepared and delivered:

(Form of Face of Bond)

REGISTERED
Number _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF TENNESSEE
COUNTY OF PUTNAM
GENERAL OBLIGATION SCHOOL BOND,
SERIES _____

Interest Rate:

Maturity Date:

Date of Bond:

CUSIP No.:

Registered Owner:

Principal Amount:

FOR VALUE RECEIVED, Putnam County, Tennessee (the "County") hereby promises to pay to the registered owner hereof, hereinabove named, or registered assigns, in the manner hereinafter provided, the principal amount hereinabove set forth on the maturity date hereinabove set forth (or upon earlier redemption as set forth herein), and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on said principal amount at the annual rate of interest hereinabove set forth from the date hereof until said maturity date or redemption date, said interest being payable on [April 1, 2013], and semi-annually thereafter on the first day of [April] and [October] 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 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 the Bonds of the issue of which this Bond is one not less than ten (10) days prior to such Special Record Date. Payment of principal of [and premium, if any, on] this Bond shall be made when due upon presentation and surrender of this Bond to the Registration Agent.

Except as otherwise provided herein or in the Resolution, as hereinafter defined, this Bond shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds of the series of which this Bond is one. One Bond for each maturity of the Bonds shall be issued to DTC and immobilized in its custody. 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

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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) the County determines that the continuation of the book-entry system of evidence and transfer of ownership of the Bonds would adversely affect its interests or the interests of the Beneficial Owners of the Bonds, the County may discontinue the book-entry system with DTC. If the County fails to identify another qualified securities depository to replace DTC, the County shall cause the Registration Agent to authenticate and deliver replacement Bonds in the form of fully registered Bonds to each Beneficial Owner. Neither the County nor the Registration Agent shall have any responsibility or obligations to any DTC Participant or any Beneficial Owner with respect to (i) the Bonds; (ii) the accuracy of any records maintained by DTC or any DTC Participant; (iii) the payment by DTC or any DTC Participant of any amount due to any Beneficial Owner in respect of the principal or maturity amounts of and interest on the Bonds; (iv) the delivery or timeliness of delivery by DTC or any DTC Participant of any notice due to any Beneficial Owner that is required or permitted under the terms of the Resolution to be given to Beneficial Owners, (v) the selection of Beneficial Owners to receive payments in the event of any partial redemption of the Bonds; or (vi) any consent given or other action taken by DTC, or its nominee, Cede & Co., as owner.

[Bonds maturing April 1, 201_ through April 1, 202_, inclusive, shall mature without option of prior redemption and Bonds maturing April 1, 202_ and thereafter, shall be subject to redemption prior to maturity at the option of the County on April 1, 202_ 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 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>
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***Final Maturity**

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

Notice of call for redemption[, whether optional or mandatory,] shall be given by the Registration Agent not less than thirty (30) 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 not later than the redemption date ("Conditional Redemption"). As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the County nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant will not affect the validity of such redemption. From and after any redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the

Registration Agent for the payment thereof and if notice has been duly provided as set forth in the Resolution, as hereafter defined. In the case of a Conditional Redemption, the failure of the County to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository or the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain outstanding.

This Bond is transferable by the registered owner hereof in person or by such owner's attorney duly authorized in writing at the 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 same aggregate principal amount will be issued to the transferee in exchange therefor. The person in whose name this Bond is registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the County nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Bond shall be overdue. Bonds, upon surrender to the Registration Agent, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of the Bonds of the same maturity in authorized denomination or denominations, upon the terms set forth in the Resolution. The Registration Agent shall not be required to transfer or exchange any Bond during the period commencing on a Regular Record Date or Special Record Date and ending on the corresponding interest payment date of such Bond, nor to transfer or exchange any Bond after the notice calling such Bond for redemption has been made, nor during a period following the receipt of instructions from the County to call such Bond for redemption.

This Bond is one of a total authorized issue aggregating \$_____ and issued by the County for the purpose of providing funds for the (i) acquisition of land for, design, site development, constructing, improving, renovating and equipping of new Monterey High School, a new Baxter Middle School and an expansion of the Upperman High School (and such other school capital projects approved in accordance with the Resolution); (ii) payment of legal, fiscal, administrative, architectural and engineering costs incident to any or all of the foregoing; (iii) reimbursement to the appropriate fund of the County for prior expenditures for the foregoing costs; and (iv) payment of costs incident to the issuance and sale of the Bonds of which this Bond is one, pursuant to Sections 49-3-1001 *et seq.*, Tennessee Code Annotated, as amended, and pursuant to a resolution duly adopted by the Board of County Commissioners of the County on the 17th day of September, 2012 (the "Resolution").

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

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 the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

It is hereby certified, recited, and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond exist, have happened and have

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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 Executive with her manual or facsimile signature and attested by its County Clerk with his manual or [facsimile] signature under an [impression or] [facsimile] of the corporate seal of the County, all as of the date hereinabove set forth.

PUTNAM COUNTY

BY: _____
County Executive

(SEAL)

ATTESTED:

County Clerk

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

Date of Registration: _____

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

Registration Agent

By: _____
Authorized Officer

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(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 Putnam 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 be 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 public sale, as required by law, in one or more series, at a price of not less than ninety-nine percent (99%) of par, plus accrued interest, as a whole or in part from time to time as shall be determined by the County Executive, in consultation with the County's Financial Advisor.

(b) 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 Executive, in consultation with the Financial Advisor.

(c) If the Bonds are sold in more than one series, the County Executive 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.

(d) The County Executive 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 School 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 April 1, 2013, 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; and (B) the final maturity date of each series shall not exceed the twenty-fifth fiscal year following the fiscal year of such series;

(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) 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 Executive, as she shall deem most advantageous to the County; and

(7) to cause all or a portion of the Bonds to be insured by a bond insurance policy issued by a nationally recognized bond insurance company if such insurance is requested and paid for by the winning bidder of the Bonds, or any series thereof.

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

(f) The County Executive 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 permitted by applicable Tennessee law at the time of the issuance of the Bonds or any series thereof. The award of the Bonds by the County Executive to the lowest bidder shall be binding on the County, and no further action of the Governing Body with respect thereto shall be required. 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.

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

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

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

(b) the remainder of the proceeds of the sale of each series of Bonds shall be deposited with a financial institution regulated by the Federal Deposit Insurance Corporation or similar federal agency in a special fund known as the School Construction Fund (the "Construction Fund"), by the County Trustee to be kept separate and apart from all other funds of the County. The County shall disburse funds in the Construction Fund to pay any and all costs of issuance of the Bonds, including necessary legal, accounting and fiscal expenses, printing, engraving, advertising and similar expenses, administrative and clerical costs, Registration Agent fees, bond insurance premiums, if any, 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. The remaining funds in the Construction Fund shall be disbursed solely to pay the costs of the Projects and to reimburse the County for any funds previously expended for costs of the Projects. Money in the Construction Fund shall be secured in the manner prescribed by applicable statutes relative to the securing of public or trust funds, if any, or, in the absence of such a statute, by a pledge of readily marketable securities having at all times a market value of not less than the amount in said Construction Fund. Money in the Construction Fund shall be expended only for the purposes authorized by this resolution. Moneys in the Construction Fund shall be invested at the direction of the County Trustee in such investments as shall be permitted by applicable law. Earnings from such investments shall be, to the extent permitted by applicable law: (i) deposited to the Construction Fund to reimburse the Construction Fund for any costs of issuance paid related to the issuance of the Bonds, (ii) deposited to the Construction Fund to the extent needed for the Projects or (iii) transferred to the County's debt service fund to be used to pay interest on the Bonds. To the extent permitted by applicable law, any funds remaining in the Construction Fund, including earnings from such investments, not needed for the Monterey High School, the Baxter Middle School or the Upperman High School expansion shall be deposited to the County's debt service fund.

(c) In accordance with state law, the various department heads responsible for the fund or funds and receiving and disbursing funds are hereby authorized to amend the budget of the proper fund or funds for the receipt of proceeds from the issuance of the obligations authorized by this resolution including bond and note proceeds, accrued interest, reoffering premium and other receipts from this transaction. The department heads responsible for the fund or funds are further authorized to amend the proper budgets to reflect the appropriations and expenditures of the receipts authorized by this resolution.

Section 10. Official Statement. The County Executive and the County Clerk, or either of them, working with Stephens Inc., Nashville, Tennessee, the County's financial advisor, are hereby

authorized and directed to provide for the preparation and distribution, which may include electronic distribution, of a Preliminary Official Statement describing the Bonds. After bids have been received and the Bonds have been awarded, the County Executive and the County Clerk, or either of them, shall make such completions, omissions, insertions and changes in the Preliminary Official Statement not inconsistent with this resolution as are necessary or desirable to complete it as a final Official Statement for purposes of Rule 15c2-12(e)(3) of the Securities and Exchange Commission. The County Executive and the County Clerk, or either 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 County Executive and the County Clerk, or either 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. 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, to wit:

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

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

(c) By delivering such Bonds to the Registration Agent, for cancellation by it;

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

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

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

Section 12. Tax Matters. The County recognizes that the purchasers and owners of each series of the Bonds will have accepted them on, and paid therefor a price that reflects, the understanding that interest thereon is excludable from gross income for purposes of federal income taxation under laws in force on the date of delivery of such Bonds. In this connection, the County agrees that it shall take no action which may cause the interest on any Bonds to be included in gross income for federal income taxation. It is the reasonable expectation of the Governing Body of the County that the proceeds of the Bonds will not be used in a manner which will cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and to this end the said proceeds of each series of the Bonds and other related funds established for the purposes herein set out shall be used and spent expeditiously for the purposes described herein. The Governing Body further covenants and represents that in the event it shall be required by Section 148(f) of the Code to pay any investment proceeds of the Bonds to the United States government, it will make such payments as and when required by said Section 148(f) and will take such other actions as shall be necessary or permitted to prevent the interest on the Bonds from becoming taxable. The County Executive and County Clerk, or either of them, are authorized and directed to make such certifications in this regard in connection with the sale of the Bonds as either or both shall deem appropriate, and such certifications shall constitute a representation and certification of the County. Following the issuance of the Bonds, the County Executive is directed to administer the County's Federal Tax Compliance Policies and Procedures with respect to the Bonds.

Section 13. 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 Executive 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 14. Qualified Tax-Exempt Obligations. The Governing Body hereby designates any the Bonds, or any series thereof, as "qualified tax-exempt obligations", to the extent the Bonds, or any series thereof, may be so designated, within the meaning of and pursuant to Section 265 of the Internal Revenue Code of 1986, as amended.

Section 15. Reasonably Expected Economic Life. The "reasonably expected economic life" of the Project within the meaning of Sections 9-21-101 et seq., Tennessee Code Annotated, is greater than thirty years.

Section 16. Reimbursement. It is reasonably expected that the County will reimburse itself for certain expenditures made by it in connection with the Projects by issuing the Bonds. This resolution shall be placed in the minutes of the Governing Body and shall be made available for inspection by the general public at the office of the Governing Body. This resolution constitutes a declaration of official intent under Treas. Reg. §1.150-2.

Section 17. 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 18. Separability. If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

Section 19. Repeal of Conflicting Resolutions and Effective Date. All other resolutions and orders, or parts thereof in conflict with the provisions of this resolution, are, to the extent of such conflict, hereby repealed and this resolution shall be in immediate effect from and after its adoption.

Duly adopted and approved this 27th day of September, 2012.

Attested 
County Clerk


County Executive

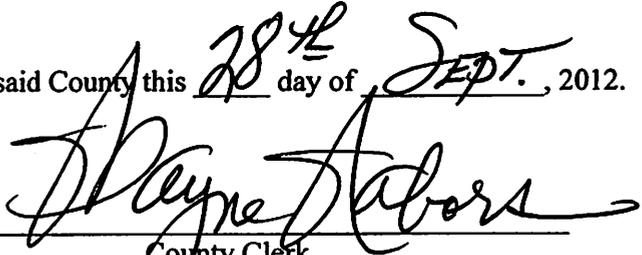


STATE OF TENNESSEE)

COUNTY OF PUTNAM)

I, Wayne Nabors, certify that I am the duly qualified and acting County Clerk of Putnam County, Tennessee, and as such official I further certify that attached hereto is a copy of excerpts from the minutes of a special meeting of the governing body of the County held on September 27, 2012; that these minutes were promptly and fully recorded and are open to public inspection; that I have compared said copy with the original minute record of said meeting in my official custody; and that said copy is a true, correct and complete transcript from said original minute record insofar as said original record relates to the County's General Obligation School Bonds.

WITNESS my official signature and seal of said County this 28th day of SEPT., 2012.



County Clerk



(SEAL)

The Board of County Commissioners of Putnam County, Tennessee, met in a special session at the County Courthouse, Cookeville, Tennessee, at 6:00 o'clock, p.m., on September 27, 2012, with Mike Atwood, Chairman, presiding, and the following members present:

(23) COMMISSIONERS
PRESENT

There were absent: (1) COMMISSIONER
ANNA RUTH BURROUGHS

There was also present Kim B. Blaylock, County Executive and Wayne Nabors, County Clerk.

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

The following resolution was introduced by ^{TERRY} RANDOLPH,
seconded by ^{ERIS} BRYANT and after due deliberation, was adopted by the

following vote:

AYE: (18)

NAY: (4)

ABSTAIN: (1)

ABSENT: (1)

EXHIBIT A

ESTIMATED DEBT SERVICE AND COSTS OF ISSUANCE

Date	Principal	Coupon	Interest	Total P+I
06/30/2013	-	-	692,300.00	692,300.00
06/30/2014	100,000.00	0.650%	1,384,600.00	1,484,600.00
06/30/2015	100,000.00	0.750%	1,383,950.00	1,483,950.00
06/30/2016	100,000.00	0.850%	1,383,200.00	1,483,200.00
06/30/2017	100,000.00	1.050%	1,382,350.00	1,482,350.00
06/30/2018	100,000.00	1.300%	1,381,300.00	1,481,300.00
06/30/2019	100,000.00	1.550%	1,380,000.00	1,480,000.00
06/30/2020	200,000.00	1.750%	1,378,450.00	1,578,450.00
06/30/2021	2,000,000.00	1.950%	1,374,950.00	3,374,950.00
06/30/2022	2,200,000.00	2.100%	1,335,950.00	3,535,950.00
06/30/2023	2,500,000.00	2.200%	1,289,750.00	3,789,750.00
06/30/2024	2,500,000.00	2.300%	1,234,750.00	3,734,750.00
06/30/2025	3,000,000.00	2.350%	1,177,250.00	4,177,250.00
06/30/2026	3,500,000.00	2.450%	1,106,750.00	4,606,750.00
06/30/2027	3,500,000.00	2.500%	1,021,000.00	4,521,000.00
06/30/2028	3,500,000.00	2.600%	933,500.00	4,433,500.00
06/30/2029	5,000,000.00	2.650%	842,500.00	5,842,500.00
06/30/2030	5,000,000.00	2.700%	710,000.00	5,710,000.00
06/30/2031	5,000,000.00	2.750%	575,000.00	5,575,000.00
06/30/2032	5,000,000.00	2.850%	437,500.00	5,437,500.00
06/30/2033	5,000,000.00	2.900%	295,000.00	5,295,000.00
06/30/2034	5,000,000.00	3.000%	150,000.00	5,150,000.00
Total	\$53,500,000.00	-	\$22,850,050.00	\$76,350,050.00

PUTNAM COUNTY, TENNESSEE

Costs of Issuance Relative to a Competitive Bond Sale

in the Approximate Amount of \$53,500,000

This is the estimated cost of issuance for the additional amount above.

Note: This Exhibit A is intended to be informational only, is not a part of the resolution, and does not create any contractual duties or obligations on the part of the County, as the issuer or of any parties referred to herein.

Entity Responsible	Associated Responsibilities	Projected Maximum Expense
Financial Advisor	<p>The Financial Advisor, registered with the Securities Exchange Commission and regulated by the Municipal Securities Rulemaking Board, is the primary entity responsible for organizing and coordinating the bond financing for the County including but not limited to the following:</p> <ul style="list-style-type: none"> - Provides options and recommendations as to bond size, structure and amortization schedules and other factors; - Coordinates with Bond Counsel the development of a bond resolution with flexibility in accordance with state law that is prepared by bond counsel to be approved by the County; - Prepares information and documents required of the County by the State Division of State and Local Finance; - Assists with preparing information and presenting this information to the credit rating agencies; - Evaluates the cost feasibility of bond insurance, if necessary; - Prepares, prints, and distributes an offering document in the form of Preliminary Official Statement before the sale of the securities and a Final Official Statement after the sale of the securities as described under the below Official Statements section. Commission and the Municipal Securities Rulemaking Board; <p>Prepares, prints, and distributes the Final Official Statement in accordance with Securities Exchange Commission and the Municipal Securities Rulemaking Board;</p>	49,638

- Structures and coordinates the bond sale in accordance with state law, IRS Tax Code, SEC regulations, MSRB regulations and the County's adopted bond resolution and debt policy statement;
- Receives, verifies and adjusts principal amounts and recommends awards of the lowest true interest cost bid underwriter for approval by the Issuer;
- Prepares and prints final numbers and debt service amortization schedules;
- Coordinates the wiring and verifies receipt of the good faith deposit receipt by the County;
- Coordinates the closing of the transaction; and

The Financial Advisor enters contracts with local government and is paid one-time upfront from bond proceeds or budgeted funds. Usually, there are no ongoing fees or charges unless authorized the local government.

Entity Responsible	Associated Responsibilities	
Bond Counsel	<p>Whenever a local government issues long-term debt obligations, the process involves the issuance of securities in the form of bonds or notes that are subject to state and federal laws and regulations, rules of the Securities and Exchange Commission (SEC), rules of the Municipal Securities Rulemaking Board (MSRB), the Federal Internal Revenue Code, and policies of the local government. To comply with the complex legal structure and provide confidence to investors who purchase the bonds or notes, the local government contracts with a bond counsel firm and its attorneys to coordinate the legal process, prepare the proper legal documents and the distribution of the various legal documents.</p> <p>Usually, the bond counsel firm and its attorneys enter into an engagement with the local government to provide the services as prescribed in the engagement agreement.</p>	52,000
Official Statements	<p>The issuance of bonds and notes of local governments are issued in the form of a security as prescribed by state law, the Securities Exchange Commission (SEC), and the Municipal Securities Rulemaking Board (MSRB). A Preliminary Official Statement is prepared before the security sale and a Final Official Statement is prepared after the security sale. These Statements provide financial and/or operating data about the issuer of the securities or any other parties who are responsible for repayment of the bonds, together with descriptions of any covenants of the issuer or other parties.</p>	8,332

Registration and Paying Agent	The fiscal agent that distributes the payment of principal annually and interest semi-annually to bondholders, answers bondholder questions regarding call provisions and payment terms, and other bondholder correspondence.	1,000
Marketing Factors:		
Miscellaneous Costs	Travel expenses, mailing costs, and other incidental expenses associated with the bond issue	1,634
Credit Rating Agency	Agencies that give relative indications of bond and note creditworthiness based on a rating scale. The Rating Agencies consist of Moody's, Standard & Poor's and Fitch Investors Service Inc. The credit rating increases the range of investment alternatives and provides an independent measurement of relative credit risk; this generally increases the marketability of the bond issue, lowering costs for both the County and the Underwriter.	26,500
Sub-Total Costs of Issuance		139,104
Estimated Percent of the Bond Size		0.26%
Underwriter for a Public Competitive Sale		
Underwriter	<p>The bonds or notes are sold at a competitive public sale to receive bids from multiple underwriters of municipal securities. The Underwriter is a securities dealer, or intermediary, whose primary role is to bring together bond securities buyers and investors and bond securities sellers and investors.</p> <p>The Underwriter submits a sealed bid in a written form or an electronic form under state law to purchase the bonds to be issued by the County at a specific time on a specified date. The Underwriter offering the lowest average true interest cost (TIC) rate to the issuer — the County (i.e., interest cost that takes into account the time value of money) will be awarded the bonds.</p> <p>The underwriting expenses are based on the assumption that the debt issuance is General Obligation Bonds sold through a public sale. The underwriter is paid a one-time upfront fee from bond proceeds, and there are no ongoing fees or charges. Since the lowest TIC interest rate bidder is awarded the bid, the underwriter's fee will vary but will be included in the TIC rate as bid.</p> <p>* This amount is estimated at .50% (one-half of one percent) and is based on other bids submitted for a competitive public bid sale. However, this amount will be determined by the successful low bid underwriter that offers the lowest average true interest cost (TIC) rate bid.</p>	267,500*

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EXHIBIT B

FORM OF ENGAGEMENT LETTER OF BOND COUNSEL

LETTERHEAD OF BASS, BERRY & SIMS PLC

_____, 2012

Putnam County, Tennessee
300 E. Spring Street
Cookeville, Tennessee 38501
Attention: Honorable Kim B. Blaylock, County Executive

Re: Issuance of Approximately \$53,500,000 in Aggregate Principal Amount of General Obligation School Bonds.

Dear Kim:

The purpose of this engagement letter is to set forth certain matters concerning the services we will perform as bond counsel to Putnam County, Tennessee (the "Issuer"), in connection with the issuance of the above-referenced bonds (the "Bonds"). We understand that the Bonds are being issued for the purpose of providing funds necessary to finance projects identified in a resolution authorizing the Bonds adopted on September 10, 2012 (the "Resolution") and to pay costs of issuance of the Bonds, as more fully set forth in the Resolution. We further understand that the Bonds will be sold by competitive sale.

SCOPE OF ENGAGEMENT

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

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

6. Assist the Issuer in presenting information to bond rating organizations and providers of credit enhancement relating to legal issues affecting the issuance of the Bonds, if requested.
7. Prepare and review the notice of sale pertaining to the competitive sale of the Bonds, if any, and review the bond purchase agreement, if sold at negotiated sale.
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 (5) above,
 - 1) Assisting in the preparation or review of an official statement or any other disclosure document with respect to the Bonds, or
 - 2) Performing an independent investigation to determine the accuracy, completeness or sufficiency of any such document, or
 - 3) Rendering advice that the official statement or other disclosure documents
 - a) Do not contain any untrue statement of a material fact or
 - b) Do not omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.
- b. Preparing requests for tax rulings from the Internal Revenue Service, or no action letters from the Securities and Exchange Commission.
- c. Preparing blue sky or investment surveys with respect to the Bonds.
- d. Drafting state constitutional or legislative amendments.
- e. Pursuing test cases or other litigation, (such as contested validation proceedings).

- f. Making an investigation or expressing any view as to the creditworthiness of the Issuer or the Bonds.
- g. 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.

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. Our firm represents Stephens Inc. in matters unrelated to the Bonds. We believe this representation fits within the foregoing description. Execution of this letter will signify the Issuer's consent to such representation of the Underwriter and to our representation of others consistent with the circumstances described in this paragraph.

FEES

Based upon: (i) our current understanding of the terms, structure, size and schedule of the financing represented by the Bonds; (ii) the duties we will undertake pursuant to this engagement letter; (iii) the time we anticipate devoting to the financings; and (iv) the responsibilities we will assume in connection therewith, we estimate that our fee will be \$52,000 for the Bonds. If the Bonds are issued in multiple series, our fee will be prorated accordingly. Our fees may vary: (a) if the principal amount of Bonds actually issued differs significantly from the amounts stated above; (b) if material changes in the structure or schedule of the respective financings occur; or (c) if unusual or unforeseen circumstances arise which require a significant increase in our time or responsibility. If, at any time, we believe that circumstances require an adjustment of our original fee estimates, we will advise you and prepare and provide to you an amendment to this engagement letter. The fees quoted above will include all out-of-pocket expenses advanced for your benefit, such as travel costs, photocopying, deliveries, long distance telephone charges, telecopier charges, filing fees, computer-assisted research and other expenses.

If, for any reason, the financing represented by the Bonds is completed without the delivery of our Bond Opinion as bond counsel or our services are otherwise terminated, we will expect to be compensated at our normal rates for the time actually spent on your behalf plus client charges as described above unless we have failed to meet our responsibilities under this engagement.

RECORDS

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

OTHER MATTERS

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

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

CONCLUSION

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

PUTNAM COUNTY, TENNESSEE:

BASS, BERRY & SIMS PLC:

By: _____
Kim Blaylock, County Executive

By: _____
Karen Neal, Member

11098667.3

PURPOSE OF FINANCING

A RESOLUTION AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION SCHOOL BONDS OF PUTNAM COUNTY, TENNESSEE IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED FIFTY-THREE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$53,500,000), 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; PROVIDING FOR THE LEVY OF TAXES FOR THE PAYMENT OF PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS.

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

WHEREAS, the Board of County Commissioners of Putnam County, Tennessee (the "County") hereby determines that it is necessary and advisable to issue not to exceed \$53,500,000 in aggregate principal amount of general obligation school bonds, in one or more series, for the purpose of providing funds for the (i) acquisition of land for, design, site development, constructing, improving, renovating and equipping of a new Monterey High School, a new Baxter Middle School and an expansion of the Upperman High School; (ii) payment of legal, fiscal, administrative, architectural and engineering costs incident to any or all of the foregoing; (iii) reimbursement to the appropriate fund of the County for prior expenditures for the foregoing costs; and (iv) payment of costs incident to the issuance and sale of the bonds authorized herein; and

WHEREAS, it is the intention of the Board of Commissioners of the County to adopt this resolution for the purpose of authorizing not to exceed \$53,500,000 in aggregate principal amount of said bonds, providing for the issuance, sale and payment of said bonds, establishing the terms thereof, and the disposition of proceeds therefrom, providing for the levy of a tax for the payment of principal thereof, premium, if any, and interest thereon, and providing for the issuance of said bonds in one or more series.

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

Section 1. Authority. The bonds authorized by this resolution are issued pursuant to Sections 49-3-1001, et seq., Tennessee Code Annotated, as amended, and other applicable provisions of law.

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

(a) "Bonds" means the not to exceed \$53,500,000 General Obligation School 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 Executive pursuant to Section 8 hereof;

Projections for
Funding \$53.5 Million
School Building Program

PUTNAM COUNTY, TENNESSEE
CURRENT DEBT SERVICE FUND FINANCING PLAN

9/24/2012 2:57 PM

Structure of Financing

DISCLAIMER: The projections of this analysis are based on current and historical data. While the projections are conservative, they are projections that will depend on many unknown economic factors of the future.

REVISED

CURRENT AND PROPOSED DEBT SERVICE PAYMENTS AND COSTS											FUND BALANCES				
Yr. No.	Fiscal Year	Projected	Current Debt Service and Related Costs Exhibit A	\$53,500,000 ← Additional Bond Issue			Total Current and New Debt	Principal Percent Paid	Prin & Int. & Other D.S. % Paid	Funding Sources Exhibit B	Excess Revenues Over (Under) Expenditures	Estimated Beginning Fund Balance	Estimated Ending Fund Balance	Percent of Annual Requirements	
CPT	\$0.5276	Prop.		Principal Payments	Possible Interest Rates	Interest Payments for Fiscal Year	Total New Bond Issue								
PPT	\$0.6500	Tax		53,500,000 April											
PTI	\$0.1224	Rate													
	Rate --->			PLTS ->											
	2012	0.5276	13,644,202				13,644,202	3.82%	4.930%	11,770,612	(1,873,590)	13,532,020	11,658,430	85.45%	
1	2013	0.6500	12,518,396			720,225	720,225	7.20%	9.713%	13,336,938	98,317	11,658,430	11,756,746	88.81%	
2	2014	0.6500	12,542,339	100,000	0.70%	1,440,450	1,540,450	10.79%	14.801%	13,715,392	(367,397)	11,756,746	11,389,350	80.87%	
3	2015	0.6500	12,703,589	100,000	0.80%	1,439,750	1,539,750	14.64%	19.948%	13,858,037	(385,302)	11,389,350	11,004,048	77.26%	
4	2016	0.6500	13,084,070	100,000	0.90%	1,438,950	1,538,950	18.86%	25.231%	13,733,330	(889,690)	11,004,048	10,114,358	69.17%	
5	2017	0.6500	13,403,443	100,000	1.10%	1,438,050	1,538,050	23.45%	30.630%	13,888,331	(1,053,162)	10,114,358	9,061,195	60.64%	
6	2018	0.6500	13,287,060	100,000	1.35%	1,436,950	1,536,950	28.19%	35.986%	13,850,841	(973,169)	9,061,195	8,088,026	54.56%	
7	2019	0.6500	12,409,582	100,000	1.60%	1,435,600	1,535,600	32.69%	41.024%	14,013,661	68,479	8,088,026	8,156,505	58.49%	
8	2020	0.6500	12,502,132	200,000	1.85%	1,434,000	1,634,000	37.50%	46.132%	14,178,484	42,352	8,156,505	8,198,857	58.00%	
9	2021	0.6500	10,750,364	2,000,000	2.05%	1,430,300	3,430,300	42.58%	51.255%	14,345,333	164,669	8,198,857	8,363,526	58.98%	
10	2022	0.6500	10,513,045	2,200,000	2.15%	1,389,300	3,589,300	47.81%	56.351%	14,514,234	411,889	8,363,526	8,775,416	62.23%	
11	2023	0.6500	10,166,738	2,500,000	2.30%	1,342,000	3,842,000	53.20%	61.412%	14,685,213	676,475	8,775,416	9,451,891	67.47%	
12	2024	0.6500	10,326,089	2,500,000	2.35%	1,284,500	3,784,500	58.86%	66.510%	14,858,295	747,705	9,451,891	10,199,596	72.28%	
13	2025	0.6500	9,960,155	3,000,000	2.45%	1,225,750	4,225,750	64.79%	71.636%	15,033,506	847,602	10,199,596	11,047,197	77.87%	
14	2026	0.6500	9,592,381	3,500,000	2.55%	1,152,250	4,652,250	70.98%	76.783%	15,210,874	966,243	11,047,197	12,013,440	84.34%	
15	2027	0.6500	9,223,857	3,500,000	2.60%	1,063,000	4,563,000	77.17%	81.764%	15,390,424	1,603,568	12,013,440	13,617,008		
16	2028	0.6500	8,847,083	3,500,000	2.70%	972,000	4,472,000	83.36%	86.576%	15,572,184	2,253,101	13,617,008	15,870,109		
17	2029	0.6500	966,898	5,000,000	2.75%	877,500	5,877,500	86.36%	89.049%	15,756,182	8,911,784	15,870,109	24,781,894		
18	2030	0.6500	944,876	5,000,000	2.85%	740,000	5,740,000	89.35%	91.465%	15,942,445	9,257,569	24,781,894	34,039,462		
19	2031	0.6500	292,894	5,000,000	2.90%	597,500	5,597,500	92.01%	93.593%	16,131,001	10,240,607	34,039,462	44,280,069		
20	2032	0.6500	296,152	5,000,000	2.95%	452,500	5,452,500	94.68%	95.670%	16,321,880	10,573,228	44,280,069	54,853,297		
21	2033	0.6500	299,450	5,000,000	3.00%	305,000	5,305,000	97.34%	97.695%	16,515,109	10,910,659	54,853,297	65,763,956		
22	2034	0.6500	302,788	5,000,000	3.10%	155,000	5,155,000	100.00%	99.667%	16,710,718	11,252,930	65,763,956	77,016,886		
23	2035	0.6500	306,168				306,168	100.00%	99.778%	16,908,737	16,602,569	77,016,886	93,619,454		
24	2036	0.6500	309,590				309,590	100.00%	99.889%	17,109,195	16,799,605	93,619,454	110,419,060		
25	2037	0.6500	306,168				306,168	100.00%	100.000%	17,312,124	17,005,955	110,419,060	127,425,015		
Net Interest Rate --->				2.7752%	23,770,575										

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PUTNAM COUNTY, TENNESSEE
NEW MONEY COMPETITIVE, PUBLIC BID BOND SALE
OVERVIEW AND FINANCING TIMETABLE

Method
of
Sale

Major Parties Involved with Bond Issue

Issuer. The local government --- county, city, or others through its Authorized Official, or the Local Attorney will offer for a **direct competitive sale** to underwriters of **Bond Securities** with a **General Obligation Pledge** of the full, faith and credit and unlimited taxing authority of the **local government (the "Issuer")** to be issued at a **state and federal tax-exempt, fixed interest rate until final maturity.**

Financial Advisor. A professional licensed firm and individual in accordance with TCA 12-4-106 and under contract with the Issuer to perform for the Issuer in a **fiduciary duty role** in accordance with state law and the SEC and MSRB for the issuance of Bond Securities.

Stephens Inc. with Tom McAnulty as lead Financial Advisor with Ashley McAnulty backup and with the assistance of Johna Starcher would coordinate the bond issuance and the requirements of the parties described herein.

Bond Counsel. A professional licensed firm and individual in accordance with TCA 12-4-106 and under contract with the Issuer to perform for the Issuer the **legal duties** for the issuance of Bond Securities. Bond Counsel will prepare the legal portion of the Official Statement using the parameters that the Financial Advisor will develop for the Issuer's final review and approval. Stephens Inc. will prepare the Appendix B --- General and Financial Information of Issuer's for its review and approval.

Credit Rating Agency. An internationally recognized firm --- Moody's Investors Service or Standard and Poor's --- that analyzes the credit quality of governments, non-profit corporations and commercial firms to provide investors with a rating assessment.

Registration and Paying Agent. A firm selected by the Issuer to receive semi-annual payments of interest and annual payments of principal from the Issuer for distribution to investors through the Deposit

Trust Company (DTC). The Issuer may select the banking firm based on its prior experience or quotes from a select list of banking firms subject to the Issuer's prior approval.

Underwriter. The underwriter is usually a firm that has a duty under SEC and MSRB rules to purchase and resell the bonds to prospective investors in accordance with the rules. Multiple underwriters representing different firms will bid at a public, competitive bid sale on the bonds for determining the lowest average True Interest Cost (TIC) rate. The successful low bid underwriter will purchase the bonds from the Issuer and resale the bonds to Investors. For this service the underwriter will receive a fee usually determined by a discount taken upfront on the bonds purchased and/or a premium paid by investors who purchase the bonds. From the fee received by the Underwriter, all costs associated with underwriting including Bond Insurance purchased by the Underwriter will be paid from this fee. The Underwriter's fee will be decided by a public, competitive bond sale using Parity and receiving bids at the Mayor's and/or Issuer's designated office. The lowest bidder will be selected offering the lowest true interest cost (TIC) rate usually within an hour on the day of the Bond Sale. The bids will be received through the internet with printing capability on the "bid" date (Tuesday, Wednesday, or Thursday) at 10:30 am Eastern Time or other times, as approved by the Mayor. **It is proposed that we allow a one percent (1%) discount for bidding by underwriters with the expectation that the bid rate will be in the .50% to .60%. However, the most important concern is the bidder that offers the lowest TIC rate. The Underwriting Discount is a one-time, upfront fee while the interest cost will last for up to 20 or more years.**

Lowest True Interest Cost (TIC) Average. The bottom line, the goal is to receive the lowest possible average TIC rate in the market on the day and time the bonds are sold considering the credit rating, the structure of the principal payments, the quality of the Preliminary Official Statement, and the quality and financial history of the Issuer.

Financing Timetable

October 2012						
Su	M	T	W	T	F	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

November 2012						
Su	M	T	W	T	F	Sa
				1	2	3
4	5	6	7	8	9	10
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

December 2012						
Su	M	T	W	T	F	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

DATE

EVENT

The following activities/events are coordinated by an Independent Financial Advisor (Licensed by the State and SEC) contracted by the Issuer to represent it in a Fiduciary Duty role to issue Bond Securities in compliance with the Securities Exchange Commission (SEC), the Municipal Securities Rulemaking Board (MSRB), and in accordance with State Law and the Federal Internal Revenue Code)

Tom McAnulty and Ashley McAnulty, Financial Advisors at Stephens Inc. would serve as the Independent Financial Advisor to the Issuer to coordinate and perform the following functions:

Decide on funding amount and date and time of sale

Publish Regular (Special) meeting notice in local newspaper (original publisher's affidavit and tear sheet required for Bond Counsel)

The Independent Financial Advisor will prepare Financing Plan options for the Issuer's consideration and final approval

Informal Meeting or Committee Meeting to review Financing Plan options and for developing a Recommendation to the Legislative Body

Bond Counsel prepares resolution(s) --- Detailed Bond Resolution and Initial Resolution, if required

"Local Legislative Body" approves the Detailed Bond Resolution(s) and if required, the Initial Resolution, except not required if County school bonds are issued under TCA 49-3-1001.

If required, publish Initial Resolution in local newspaper one time for a 20-day waiting period that begins when it is published

Set transaction schedule:

- *Competitive, Public Bid Bond Sale --- date and time
- *Bond issuance credit rating
- *Qualification for Bond Insurance
- *Compliance with SEC Continuing Disclosure Requirements Check
- *Preliminary Official Statement mailing date and distribution
- *Final Official Statement mailing date
- *Closing (Settlement) date

Gather Information, prepare, publish, and distribute the Preliminary Official Statement ("POS") for selling bonds with a Deemed Final Letter for the Official Statement to be signed by the Issuer

Submit information to bond insurance companies to qualify the issue (if applicable) for bond insurance

Publish Sale Notice Electronically

Obtain questions to be asked from the credit rating agency and set a date and time for the Issuer and Financial Advisor to discuss these questions and other information the credit rating agency,

Twenty days for "Protest Period" is up with no petition, bonds can be sold

Distribute Preliminary Official Statement Electronically

Receive credit rating

At the Time and Date of the Bond Sale, the Financial Advisor will provide the following services:

- *Receive bids at the Issuer's site by electronic bidding through a nationally accepted bidding program called "Parity"
- *Verify bids and recommend the award to the lowest TIC rate bidder
- *The Issuer will award the Bonds to the Underwriting bidder offering the lowest average True Interest Cost (TIC) Rate as determined by the verification of the bids.
- *Prepare and review the Final Numbers (amortization schedule) for distribution to Bond Counsel, the Issuer, the low bid Underwriter, and bond insurance firm if bond insurance is purchased by the Underwriter

Prepare, print, and mail final Official Statement

Financial Advisor prepares the state report form CT-0253 for signing at closing and mailing to the Comptroller's Office of State and Local Governments.

Bond Counsel prepares closing documents and distributes the "draft" copies to the Issuer and Issuer's Legal Counsel to be signed two days before closing

Bond Counsel makes any corrections to the closing documents.

Sign closing documents in the presence of Bond Counsel and/or Financial Advisor, the Issuer and other officials at the Issuer's assigned location.

Close transaction/transfer funds

Prepare and file a Continuing Disclosure Compliance in accordance with SEC requirements

Members of Financing Team

Distribution List

\$53,500,000*
PUTNAM COUNTY, TENNESSEE
GENERAL OBLIGATION SCHOOL BONDS, SERIES 2012

Issuer:	Kimberly B. Blaylock, County Executive kblaylock@putnamco.org Debby Francis, Chief Accountant debby@putnamco.org 300 East Spring Street, Room 8 Cookeville, TN 38501	Phone: (931) 526-2161 Fax: (931) 528-1300
	Wayne Nabors County Clerk P.O. Box 220 Cookeville, TN 38503	Phone: (931) 526-7106 Wayne.nabors@state.tn.us
	Mr. Freddie Nelson County Trustee 300 East Spring Street, Room 2 Cookeville, TN 38501	Phone: (931) 526-8845 fnelson@putnamco.org
County Attorney:	Jeff Jones, Esq. Wimberly, Lawson, Seale, Wright & Daves 1420 Neal Street, Suite 201 Cookeville, TN 38501	Phone: (931) 372-9123 Fax: (931) 372-9181 jjones@wimberlylawson.com
Bond Counsel:	Karen Neal, Esq. Kneal@bassberry.com Debbie Ramage dramage@bassberry.com Bass, Berry & Sims PLC 150 Third Avenue South, Suite 2800 Nashville, TN 37201	Phone: (615) 742-6274 Fax: (615) 742-2774 Phone: (615) 259-6796 Fax: (615) 742-2876
Reg/Paying Agent and Escrow Agent:	TBD	
Financial Advisor:	Tom McAnulty tmcanulty@stephens.com jstarcher@stephens.com Stephens Inc. 3100 West End Avenue One American Center, Suite 630 Nashville, TN 37203	Phone: (615) 279-4333 Fax: (615) 279-4351
Rating Agency:	TBD	
Underwriter:	TBD	

Subject to change*

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Debt Management Policy

Types of Debt

Pursuant to the General Bond Act and the School Bond Act, the County is authorized from time to time to issue its negotiable bonds and notes. Each issuance of debt is authorized by a Resolution adopted by the Governing Body.

A. Long Term Bonds

The County may issue long term bonds under the General Bond Act or the School Bond Act to finance capital projects or refinance outstanding debt. These bonds may be structured as:

1. **Fixed Rate Bonds** — Bonds that have an interest rate that remains constant throughout the life of the bond.
 - **Serial Bonds** – Bond principal that mature each consecutive year.
 - **Term Bonds** – Bond principal comprising a large part or all of a particular issue that come due in a single maturity. The issuer normally agrees to make periodic payments into a sinking fund for mandatory redemption of term bonds before maturity or for payment annually until final maturity.
 - **Capital Appreciation Bonds** – A municipal security on which the investment return on an initial principal amount is reinvested at a stated compound rate until maturity, at which time the investor receives a single payment (the “maturity value”) representing both the initial principal amount and the total compounded interest return. These are commonly referred to as “Zero Coupon Bonds”.
2. **Variable Rate Bonds** — Bonds which bear a variable or adjustable interest rate through the term thereof. The County recognizes there may be certain situations where variable rate debt may be an option to consider; however, variable rate debt poses an additional level of risk that shall be evaluated thoroughly prior to any issuance of variable rate debt including administrator’s contract risks, liquidity risks, interest rate risk, rollover risk, prepayment risk, termination cost risks, and other risks.

omit →

Variable rate demand obligations (VRDO) are issued through a public building authority (PBA) in Tennessee because the General Bond Act and the School Bond Act do not authorize the issuance of VRDOs. Whenever any debt issuance is issued through a PBA, the local government borrows the cash from the PBA’s bond issue proceeds in the form of a **contract not a security** regulated by Securities Exchange Commission (SEC) or the Municipal Securities Rulemaking Board (MSRB). Unless the County contracts with a separate bond counsel and/or a separate financial advisor,

omit
→

the County does not have any professional service providers representing its interest. Without bond counsel and a financial advisor representing the County's interest, all other parties --- administrator, liquidity provider, remarketing agent, PBA bond counsel and financial advisor, trustee --- legally represent their interest and the PBA's interest not the County or borrower. To protect the County's interest, the Governing Body's Committee and CFO shall obtain any contracts, loan agreements, trust indenture agreements and any other documents or agreements that the County shall sign before any resolution shall be considered or approved to enter into a contract for any VRDO obligations

Provision as to the calculation or change of variable interest rates shall be included in the authorizing resolution.

a. The County shall annually include in its budget an interest rate assumption for any outstanding variable rate debt that takes market fluctuations affecting the rate of interest into consideration.

b. The CFO shall be responsible for monitoring the:

- performance of the remarketing agent, if any,
- name and ratings of any letter-of-credit banks or liquidity facility providers,
- expiration date of any letter-of-credit or liquidity facility,
- dollar amount of any on-going fees associated with the variable rate debt, and
- quarterly reporting or as requested to the Governing Body the variable rates during the last quarter and detailed listing of fees and charges.

B. Short Term Debt

The County may issue short term debt by resolution of the Governing Body. Debt issued in a short-term mode shall be of one of the following types:

1. **Bond Anticipation Notes (BANs)** — BANs are short term obligations authorized to be issued under the General Bond Act and the School Bond Act that shall be repaid by proceeds of a subsequent long-term bond issue. BANs shall not be issued unless and until all steps prerequisite to the issuance of the anticipated long term bonds have been taken.
2. **Capital Outlay Notes (CONs)** - CONs are short term notes (12 years or less maturities), authorized by the General Bond Act, secured by a pledge of the County's full faith and credit and its unlimited property tax authority. CONs may be issued when the County wishes to finance capital asset projects over a relatively short period. Before the County issues the

CONs, it shall obtain approval from the State Comptroller, or his or her designee.

3. **Grant Anticipation Notes (GANs)** - GANs are short term notes, authorized by the General Bond Act, secured as to interest by a pledge of the County's full faith and credit and as to principal by a pledge of the proceeds of an anticipated grant from a state or federal agency. GANs may be issued when the County wishes to finance capital projects in anticipation of a grant from a state or federal agency. The principal amount of the GANs shall not exceed the amount of the anticipated grant.
4. **Tax Anticipation Notes (TANs)** - TANs are short term notes, authorized by the General Bond Act, secured by a pledge of taxes and other general fund revenues in the then current fiscal year of the County. TANs, if issued, shall constitute direct obligations of the County backed by the full faith and credit of the County and its unlimited property tax authority. All TANs shall be paid in the same fiscal year in which they are issued. Before the County issues the TANs, it shall obtain approval from the State Comptroller, or his or her designee.
5. **Interfund Borrowings/Loans** - The County may undertake interfund borrowings, in which amounts on deposit in one County fund are lent to another fund, in the form of any of the notes listed above. All such interfund borrowings shall be approved by the Governing Body and shall be preceded by receipt of the approval of the State Comptroller, as required for the issuance of notes under the General Bond Act.

Short-term debt may be structured as fixed rate or variable rate instruments. Unless the County expects that the interest on the short-term debt is to be paid from long-term bond proceeds (e.g. bond anticipation notes or three-year capital outlay notes), the County shall annually include in its budget an interest rate assumption for any outstanding variable rate debt that takes market fluctuations affecting the rate of interest into consideration

C. Loans from Public Building Authorities (PBA)

omit → The County shall not enter into loan agreements with public building authorities in lieu of issuing its own debt, unless the Governing Body determines that the County cannot reasonably accomplish its financing objectives through the direct issuance of its own debt. If the County determines that it is not able to issue its debt directly, the County may enter into loan agreements with one or more public building authorities, pursuant to Sections 12-10-101 et seq., Tennessee Code Annotated, in lieu of issuing bonds or notes under the General Bond Act or the School Bond Act. The policies set forth herein for bonds issued under the General Bond Act or the School Bond Act shall be equally applicable to loan agreements entered into with a public building authority except that all loan

agreements may be entered into pursuant to a negotiated sale; provided that the County has legal counsel and/or a financial advisor representing the County's interest. All one-time and ongoing fees, administrator fees, remarketing fees, liquidity fees, letter of credit fees, trustee fees, compensation, charges, costs, rebate from interest charges, retainer fees, consultant or referral fees, or any payments to a third party associated with a transaction issued through a public building authority shall be disclosed, in written form, to the County's Governing Body, for public review, prior to the approval and signing of any documents or contracts.

omit

The Governing Body's Committee and CFO shall obtain any contracts, loan agreements, trust indenture agreements and any other documents or agreements that the County shall sign before any resolution shall be considered or approved relative to any PBA transaction. In addition to the County officials reviewing the contracts and documents, the County Attorney shall review all contracts to be signed by the County before any resolution is approved by the Governing Board.

Any structured products, also referred to as swap agreements or derivatives, issued through a public building authority shall not be considered unless (1) a policy defining the use and costs of such products is approved by the County before the transaction is considered, (2) such policy and such agreements are adopted and entered into in accordance with the restrictions and limitations set forth in applicable law, and (3) any contracts, documents, International Swap Document Agreement (ISDA), the swap provider, proposals for various options and risks or swap providers to be considered shall be evaluated, analyzed, and recommended by a bond counsel and financial advisor under contract representing the County's interest.

Debt Management Practices

A. Structure

The Governing Body shall establish by resolution all terms and conditions relating to the issuance of debt.

1. Term

Any debt (including refunding debt) shall have a weighted average maturity not greater than the weighted average expected life of the assets financed by such debt. In addition, the final maturity of any bond debt should not be longer than the expected life of the longest lived asset financed thereby, and in no event more than 30 years from issuance.

2. Principal Amortization

Each bond issue shall be structured in accordance with Tennessee Code Annotated, and seek to achieve an overall level debt service plan;

INTERLOCAL AGREEMENT

This Interlocal Agreement (the "Agreement") is made and entered into this 27TH day of SEPTEMBER, 2012 by and between Putnam County, Tennessee (the "County") and the Putnam County Board of Education (the "Board") pursuant to Tennessee Code Annotated, Sections 12-9-101 et seq., and resolutions of the County and of the Board.

WITNESSETH:

WHEREAS, the Board has determined that constructing, improving, renovating and equipping certain educational facilities of the County is desirable and in connection therewith the Board desires to acquire land for, and design, construct, improve, renovate and equip a new Monterey High School, a new Baxter Middle School, and an expansion of the Upperman High School (the "School Projects"); and

WHEREAS, the Board desires that the Board of Commissioners (the "Commission") of the County issue and sell general obligation bonds of the County for the purpose of financing the School Projects; and

WHEREAS, by resolution adopted by the Commission on September 17, 2012 (the "Bond Resolution"), the County has authorized the issuance and sale of General Obligation School Bonds (the "Bonds") of the County in one or more emissions for the purpose of providing funds for the (i) School Projects; (ii) payment of legal, fiscal, administrative, architectural and engineering costs incident to any or all of the foregoing; (iii) reimbursement to the appropriate fund of the County for prior expenditures for the foregoing costs, if applicable; and (iv) associated costs incident to the issuance and sale of the Bonds (collectively, the "Improvement Projects"); and

WHEREAS, in order to facilitate the intent of the County and of the Board, it is deemed necessary and desirable for the County and the Board to enter into this Agreement.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of all of which is hereby acknowledged, the County and the Board agree as follows:

1. **Duties of the Board.** The Board covenants and agrees to take all steps reasonably necessary to secure the completion of the School Projects in a timely and economic manner.
2. **Duties of the County.** The County covenants and agrees that it will in good faith devote its best efforts in a responsible manner to issue the Bonds to pay the costs of the School Projects. After completion of the School Projects, all funds remaining in the Construction Fund established in Section 9 of the Bond Resolution in excess of costs of the School Projects shall be deposited to the County's debt service fund and used to pay debt service on bonds issued for school purposes unless otherwise approved for other school capital projects as requested by the Board and approved by the County Commission. Interest earnings on the proceeds of the Bonds shall be applied as described in the Bond Resolution.
3. **Term of Agreement.** The term of this Agreement, and the duties and responsibilities of the parties hereunder, shall commence as of the date hereof and shall continue until the earliest to occur of (i) performance of all obligations, or (ii) termination by mutual consent of the parties.
4. **Illegality.** If any provision of this Agreement or the application thereof to any person or circumstances shall be invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provisions to other persons or circumstances shall not be affected thereby and shall be enforceable to the greatest extent permitted by law.

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5. **Binding Effect.** This Agreement shall be binding upon the parties hereto and their permitted successors and assigns. This Agreement shall not be changed orally but may be changed only by a written agreement signed by an Authorized Representative of the Commission and of the Board. No waiver of any breach of any covenant, condition or agreement contained herein shall be construed to be a subsequent waiver of that covenant, condition or agreement or of any subsequent breach thereof or of this Agreement.

6. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee.

7. **Entire Agreement; Controlling Agreement.** This Agreement contains the entire understanding among the parties with respect to the matters contained herein, and supersedes any prior understanding and agreements between them respecting the within subject matter. There are no representations, agreements, arrangements, or understandings, oral or written, between or among the parties hereto relating to the subject matter of this Agreement which are not fully expressed herein.

8. **Required Actions by Representatives.** Any action required of or permitted to be taken by any of the parties hereto may be performed by an authorized representative of the respective party without further action by the governing body of such party.

IN WITNESS WHEREOF, the parties hereby have caused this Agreement to be executed by their respective duly authorized corporate officers, as of the day and year first above written. (9-27-12)

PUTNAM COUNTY, TENNESSEE

By: K. B.
Title: County Executive

ATTEST:

Hayne Abers
County Clerk



PUTNAM COUNTY BOARD OF EDUCATION

By: Robert M. ...
Title: Chairman

ATTEST:

Sharon A. Reid 9/27/12
Secretary

The Chairman asked for discussion on the motion.

MOTION RE: AMEND MOTION TO GO FROM 21 YEAR PAY-OUT TO A 20 YEAR PAY-OUT WITH YEARS 2029 – 2034 TO BE A 6 MILLION PER YEAR AS OPPOSED TO 5 MILLION

Commissioner Bob Duncan moved and Commissioner Jim Martin seconded to amend the motion to go from a 21 year pay-out to a 20 year pay-out with years 2029-2034 to be 6 million per year as opposed to 5 million per year.

The Chairman asked the Commissioners for discussion on the amended motion.

The Chairman asked the Commissioners to vote on the amended motion to go from a 21 year pay-out to a 20 year pay-out with years 2029-2034 to be 6 million per year as opposed to 5 million per year.

FOR:

Scott Ebersole
Tom Short
David Gentry
Ron Williamson
John Ludwig
Terry Randolph
Chris Savage
Joe Trobaugh
Michael Medley

Eris Bryant
Sue Neal
Jonathan Williams
Daryl Blair
Kevin Maynard
Kim Bradford
Jim Martin
Bob Duncan
Steve Pierce
Mike Atwood
Cathy Reel

AGAINST:

Jerry Ford
Reggie Shanks

Marsha Bowman

ABSENT:

Anna Ruth Burroughs

The Clerk announced that twenty (20) voted for, three voted against, and one (1) absent. The motion carried.

The Chairman asked for discussion on the original motion as amended. The Commissioners discussed the motion with amendment.

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The Chairman asked the Commissioners to vote on the original motion as amended. The Commissioners voted as follows:

FOR:

David Gentry
Jerry Ford
Ron Williamson
John Ludwig
Terry Randolph
Chris Savage
Joe Trobaugh

Eris Bryant
Sue Neal
Jonathan Williams
Daryl Blair
Kevin Maynard
Kim Bradford
Jim Martin
Bob Duncan
Steve Pierce
Mike Atwood
Cathy Reel

AGAINST:

Scott Ebersole
Tom Short
Michael Medley

Marsha Bowman

ABSTAIN

Reggie Shanks

ABSENT:

Anna Ruth Burroughs

The Clerk announced eighteen (18) voted for, four (4) against, one (1) abstained, and one (1) absent. The motion carried.

The Chairman adjourned the meeting.