

**RESOLUTION**

NO. 2011/01/01

To the HONORABLE MELVILLE BAILEY, Chairman, and Members of the Hawkins County Board of Commissioners in Regular Session, met this 24<sup>th</sup> day of January, 2011

**RESOLUTION IN REF:**

**NOMINATION OF DANNY BREEDING FOR THE RE-APPOINTMENT OF VETERANS SERVICE OFFICER FOR A FOUR YEAR TERM BEGINNING JANUARY 25, 2011 AND ENDING THE FOURTH MONDAY IN JANUARY 2015**

WHEREAS, The Tennessee Code Annotated authorizes counties to appoint and elect certain officials when vacancies occur; and

WHEREAS, Mr. Danny Breeding is a competent well qualified Vietnam Veteran for the position; and

WHEREAS, Mr. Breeding is currently serving as the Veterans Service Officer; and

THEREFORE, BE IT RESOLVED THAT Mr. Danny Breeding be re-appointed to serve as the Veterans Service Officer from January 25, 2011 until the fourth Monday in January 2015.

INTRODUCED BY: Linda Kimbro, Joe McLain, Virgil Mallett

ACTION:            AYE    NAY    PASSED

SECONDED BY: \_\_\_\_\_

ROLL CALL        \_\_\_\_\_

DATE SUBMITTED: 01/10/2011

VOICE VOTE        \_\_\_\_\_

A. Carroll Jenkins

COUNTY CLERK

ABSENT            \_\_\_\_\_

BY: *A. Carroll Jenkins*

COMMITTEE ACTION: \_\_\_\_\_

*Melville Bailey*  
CHAIRMAN: MELVILLE BAILEY

**RESOLUTION**

NO. 2011 / 01 / 02

To the HONORABLE MELVILLE BAILEY, Chairman, and Members of the Hawkins County Board of Commission in Regular Session, met this 24th day of January, 2011.

**RESOLUTION IN REFERENCE: Appointment and Re-Election of Jim Phillips as County Attorney**

**WHEREAS**, Jim Phillips has served as County Attorney for several years and

**WHEREAS**, the present term of the County Attorney ends on January 24, 2011.

**THEREFORE, BE IT RESOLVED THAT:**

Jim Phillips be appointed and re-elected as Hawkins County Attorney for the term beginning January 24, 2011, and expiring on the fourth Monday of January 2015. His fee and expense allowance shall remain as is subject to any increases, if any, for which this Body may so approve in the future.

Introduced By Esq. Gary Hicks

Action:    AYE        NAY        PASSED

Seconded By Esq. Virgil Mallett

Roll Call    \_\_\_\_\_    \_\_\_\_\_    \_\_\_\_\_

Date Submitted: 1/7/11

Voice Vote    \_\_\_\_\_    \_\_\_\_\_    \_\_\_\_\_

A. Carroll Jenkins  
County Clerk

Absent        \_\_\_\_\_    \_\_\_\_\_    \_\_\_\_\_

COMMITTEE ACTION:

By \_\_\_\_\_

Chairman Melville Bailey

\_\_\_\_\_  
\_\_\_\_\_

RESOLUTION

No. 2011 / 01 / 03

To the HONORABLE MELVILLE BAILEY, Chairman, and Members of the Hawkins County Board of Commission in Regular Session, met this 24TH day of JANUARY, 2011.

RESOLUTION IN REF: APPROVAL TO ACCEPT A \$12,375.00 BULLET PROOF VEST SAFETY MATCHING GRANT FROM THE UNITED STATES DEPARTMENT OF JUSTICE WITH A 50% LOCAL MATCHING FUNDS FROM THE DRUG FUND FOR THE SHERIFF'S OFFICE

WHEREAS, the United States Department of Justice makes available grants to local sheriff offices for the implementation of safety for law enforcement officers; and

WHEREAS, the Hawkins County Sheriff's office applied for a \$12,375.00 Bullet Proof Safety Vest Grant from the United States Department of Justice during the administration of the previous sheriff, for the purpose of purchasing bullet proof vests for the officers. The grant requires a 50% local matching funds. The local funds will come from the Drug Fund budget. A budget amendment is attached for approval.

THEREFORE BE IT RESOLVED that approval be given to accept the aforementioned grant from the United States Department of Justice and approve the budget amendment in order to purchase bullet proof vests for the law enforcement officers in Sheriff's Department.

Introduced By Esq. Gary Hicks, Chrmn Budget Comm

Seconded By Esq. \_\_\_\_\_

Date Submitted 1/10/11

A. Carroll Jenkins  
County Clerk

By: \_\_\_\_\_

Chairman Melville Bailey

ACTION: AYE NAY PASSED

Roll Call \_\_\_\_\_

Voice Vote \_\_\_\_\_

Absent \_\_\_\_\_

COMMITTEE ACTION



RESOLUTION

No. 2011 01 104

To the Honorable Melville Bailey, Chairman, and Members of the Hawkins County Board of Commissioners  
in Regular Session, met this 24th day of January, 2011.

RESOLUTION IN REF:

AUTHORIZING THE SALE AND PROVIDING THE DETAILS OF NOT-TO-EXCEED \$8,000,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2011, OF HAWKINS COUNTY, TENNESSEE, AND PROVIDING FOR THE LEVY OF AD VALOREM TAXES IN CONNECTION THEREWITH

It is estimated that there would be some interest savings to the County by refunding the 2002 General Obligation Refunding Bonds. These bonds are retiring the debt for the construction of the Joseph Rogers Primary School and additions and/or renovations to other schools.

No new taxes or other funding will be required.

Introduced By Esq. Gary W. Hicks, Jr., Chrm – Budget Comm.

Seconded By Esq. \_\_\_\_\_

Date Submitted 1/10/11

J. Carroll Jenkins  
County Clerk

By: \_\_\_\_\_

Chairman Melville Bailey

ACTION: AYE NAY PASSED

Roll Call \_\_\_\_\_

Voice Vote \_\_\_\_\_

Absent \_\_\_\_\_

COMMITTEE ACTION

\_\_\_\_\_

\_\_\_\_\_

RESOLUTION AUTHORIZING THE SALE AND PROVIDING THE DETAILS OF  
NOT-TO-EXCEED \$8,000,000 GENERAL OBLIGATION REFUNDING BONDS,  
SERIES 2011, OF HAWKINS COUNTY, TENNESSEE,  
AND PROVIDING FOR THE LEVY OF AD VALOREM  
TAXES IN CONNECTION THEREWITH

WHEREAS, the Board of County Commissioners (the "Board") of Hawkins County, Tennessee (the "Issuer") has determined that it is necessary and in the best interests of the Issuer to refund certain outstanding obligations of the Issuer in order to restructure the debt service on such obligations and reduce the annual debt service on the currently outstanding indebtedness; and

WHEREAS, the Board, after due deliberation, has determined that it is appropriate to issue its not-to-exceed \$8,000,000 General Obligation Refunding Bonds, Series 2011 (the "Bonds"), pursuant to authority of Sections 9-21-101 et seq. of the Tennessee Code Annotated, as amended, and other applicable provisions of law for such purposes; and

WHEREAS, a portion of the proceeds of the Bonds will be used to refund and/or retire all or a portion of the following outstanding obligations of the Issuer (the "Refunded Obligations"):

General Obligation Refunding Bonds, Series 2002, dated February 15, 2002, maturing May 1, 2013 through May 1, 2019 inclusive.

WHEREAS, the plan of refunding of the Refunded Obligations has been submitted to the Office of State and Local Finance as required by Section 9-21-903, Tennessee Code Annotated, as amended, and it has acknowledged receipt thereof to the Issuer and submitted its report thereon to the Issuer; and

WHEREAS, prior to the issuance and sale of the Bonds, the Issuer must publish a Notice of Sale and take other actions with respect to the Bonds proposed to be issued; and

WHEREAS, it is appropriate for this Board to provide certain details of the Bonds and the pledge of revenues thereto at this time; and

WHEREAS, it is appropriate for the Mayor to conduct the public sale of the Bonds, to accept the best bid for the Bonds, and to sell the Bonds to the best bidder at the public sale; and

WHEREAS, it is also appropriate to authorize the Mayor to determine the exact principal amount, interest rates and certain other terms of the Bonds and to finalize the sale of the Bonds to the ultimate purchaser.

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

SECTION 1. In order to refund all or a portion of certain outstanding bonds, notes and other obligations of the Issuer, as follows:

General Obligation Refunding Bonds, Series 2002, dated February 15, 2002, maturing May 1, 2013 through May 1, 2019 inclusive

the Issuer shall borrow the amount of not-to-exceed \$8,000,000 and General Obligation Refunding Bonds, Series 2011, of the Issuer in the principal amount borrowed shall be issued pursuant to Sections 9-21-101 et seq. of the Tennessee Code Annotated, as amended, and other applicable provisions of law.

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

(a) "Bond Fund" shall mean the fund used to pay principal and interest on the Bonds as they become due;

(b) "Bonds" shall mean the General Obligation Refunding Bonds, Series 2011 of the Issuer in an aggregate principal amount of not-to-exceed \$8,000,000 authorized to be issued by this resolution;

(c) "Bond Registrar" shall mean the registration and paying agent for the Bonds appointed by the Issuer pursuant to Section 10, or any successor as from time to time designated by the Governing Body.

(d) "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 Issuer or the Bond Registrar, constitute the written record that identifies, and records the transfer of, the beneficial "book-entry" interests in those bonds;

(e) "Code" shall mean the Internal Revenue Code of 1986, as amended and regulations promulgated thereunder;

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

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



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

(i) "Escrow Agent" shall mean Regions Bank, Nashville, Tennessee, or another escrow agent appointed by the County Mayor, or its successor;

(j) "Financial Advisor" shall mean Morgan Keegan & Company Inc., Knoxville, Tennessee.

(k) "Fiscal Year" shall mean the twelve-month period beginning on July 1 of each year and ending on the last day of June of the following year;

(l) "Governing Body" shall mean the Board of County Commissioners of the Issuer;

(m) "Issuer" shall mean Hawkins County, Tennessee;

(n) "Mayor" or "County Mayor" shall mean the duly elected County Mayor of the Issuer from time to time.

(o) "Obligations of the United States of America" shall mean direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States government or obligations of any agency or instrumentality of the United States of America which are permitted investments under Tennessee law for the purposes for which they are to be purchased and/or held;

(p) "Refunded Obligations" shall mean all or a portion of the unpaid and outstanding balance of the Issuer's:

General Obligation Refunding Bonds, Series 2002, dated February 15, 2002, maturing May 1, 2013 through May 1, 2019 inclusive

currently outstanding in the estimated principal amount of \$7,275,000.00, to be refunded pursuant to this resolution;

(q) "Refunding Escrow Agreement" means the Refunding Escrow Agreement dated as of the date of the Bonds to be entered into between the County and the Escrow Agent, in the form attached hereto as Exhibit A and hereby incorporated by reference, subject to such changes as are permitted by Section 14 hereof;

SECTION 3. Findings of the Governing Body. It is hereby found and determined by the Governing Body as follows:

(a) The issuance of the Bonds is necessary and in the best interests of the citizens of the Issuer;

(b) The refunding of the Refunded Obligations as set forth herein through the issuance of the Bonds, will restructure the payment of principal of and interest on the Refunded Obligations and will reduce the annual debt service on the Refunded Obligations.

(c) The Issuer will be able to amortize the Bonds, together with all other bonds, notes and other financial obligations now outstanding and all additional obligations proposed to be issued by the Issuer; and

(d) The proposed bond sale being authorized by this resolution is feasible and in the best interests of the Issuer.

SECTION 4. The Mayor is hereby authorized and directed to determine the principal amount of the Bonds not to exceed the principal amount specified in Section 1 to be actually issued (which may be in one or more emissions) and to effect adjustments in the maturity schedule and optional redemption dates set forth herein as authorized in Section 7. The

determinations made by the Mayor, as described above, and the finalization of the details of the Bonds and sale of the Bonds by the Mayor shall be binding on the Issuer and no further action by the Governing Body with respect thereto shall be required. The Mayor shall cause, if advantageous to the Issuer, all or a portion of the Bonds to be insured by one or more bond insurance policies issued by one or more nationally recognized bond insurance companies so long as it is demonstrated to the Mayor's satisfaction either (i) that such insurance is necessary to sell the Bonds, or the portion thereof to be insured, or (ii) the present value of the projected savings in interest costs to the Issuer as a result of obtaining such bond insurance exceeds the premium cost to the Issuer for such bond insurance.

The Mayor is authorized to sell the Bonds either at a public sale at a price of not less than 98.0% of the par value of the Bonds actually issued, plus accrued interest.

The Mayor is hereby authorized and directed to publish a Notice of Sale for the Bonds and, if appropriate, for any other bonds of the Issuer which are being competitively sold at the same time, in either a financial newspaper having national circulation, or via an electronic communication system that is generally available to the financial community, and the date of publication shall be selected by the Mayor as he may deem appropriate for the purpose of conducting the sale of the Bonds at public sale at the earliest possible date after complying with the requirements of Tennessee Code Annotated, Section 9-21-203 that the Bonds must be advertised for sale for not less than 5 days prior to the sale of the Bonds. If the principal amount of bonds to be sold is not greater than \$5,000,000, then the notice of sale may be published as set forth above or in a newspaper having general circulation in the Issuer. The Notice of Sale shall be in such form, meeting the requirements of Tennessee Code Annotated

Section 9-21-202, as shall be approved by the Mayor and the Financial Advisor. The Bonds shall be sold by physical delivery of bids or by electronic bidding means of an internet bidding service as shall be determined by the Mayor, in consultation with the Financial Advisor. The Mayor is hereby authorized to enter into a contract for financial advisory services with the Financial Advisor in connection with the sale of the Bonds and the Financial Advisor is hereby authorized to submit a bid either alone or with other bidders at such public sale.

SECTION 5. The Mayor and County Clerk, working with the Financial Advisor, are hereby authorized and directed to provide for the preparation and distribution, electronic or otherwise, of a Preliminary Official Statement describing the Bonds and any other bonds or notes which in the discretion of the Mayor are sold at the same time as the Bonds. After the Bonds have been sold, the Mayor and the County Clerk 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 Mayor and County Clerk shall arrange for the delivery of a reasonable number of copies of the Official Statement within seven business days after the Bonds have been sold to the successful bidder, to each potential investor requesting a copy of the Official Statement and to each person to whom such bidder and members of its bidding group initially sell the Bonds.

The Mayor is authorized, on behalf of the Issuer, 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 Issuer except for the omission in the Preliminary Official Statement of such pricing and other information.

SECTION 6. Subject to the adjustments permitted pursuant to Section 7, the Bonds shall be designated "General Obligation Refunding Bonds, Series 2011," shall be dated as of their date of issuance, shall be numbered from R-1 upward, shall be issued in fully registered, book-entry only form, without coupons in the denomination of \$5,000 (or integral multiples thereof), and shall be subject to prior redemption as set forth below. Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. Until exchanged for definitive Bonds, the temporary Bonds shall be entitled to the same benefits as definitive Bonds authenticated and delivered hereunder.

SECTION 7. The Bonds shall bear interest, not exceeding 5.50%, as designated by the Mayor, payable semiannually on May 1 and November 1 of each year commencing May 1, 2011, shall mature May 1, in the years and in the estimated amounts as follows:

<u>YEAR</u>	<u>AMOUNT</u>
2011	\$ 105,000
2012	\$ 135,000
2013	\$ 1,040,000
2014	\$ 1,050,000
2015	\$ 1,065,000
2016	\$ 1,085,000

2017	\$ 1,115,000
2018	\$ 1,140,000
2019	<u>\$ 1,265,000</u>
Total	\$ 8,000,000

The Mayor is authorized to increase or decrease the amount of each maturity, to change the dated date of the Bonds to a date other than their date of issuance, to sell the Bonds in one or more emissions, to change the Series designation of the Bonds, to adjust the principal and interest payment dates of the Bonds, to change or extend the maturity dates of the Bonds, and to change the optional redemption dates and provide for a premium not to exceed two percent (2%) of the par amount to be redeemed, such adjustments to be made as the Mayor in his sole discretion shall deem most advantageous to the Issuer, provided that the aggregate amount of Bonds issued pursuant to this resolution shall not exceed the principal amount set forth in Section 1. The Mayor is authorized to sell the Bonds, or any maturities thereof, as term bonds with mandatory redemption requirements corresponding to the maturities set forth herein or as determined by the Mayor. In the event any or all the Bonds are sold as term bonds, the Issuer 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 this Section 7 for each redemption date, as such maturity amounts may be adjusted pursuant to this Section 7, 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 Section 8.

SECTION 8. Subject to the adjustments permitted pursuant to Section 7 hereof, the Bonds maturing May 1, 2011 through May 1, 2019 shall mature without option of prior redemption. Bonds maturing May 1, 2020 and thereafter shall be subject to redemption on May 1, 2019 and at any time thereafter at a redemption price of par plus interest accrued 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 Bonds within the maturity to be redeemed shall be selected as follows:

(a) 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

(b) 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 Bond Registrar by lot or such other random manner as the Bond Registrar in its discretion shall determine.

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such mandatory redemption date, the Issuer may (i) deliver to the Bond Registrar 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 Bond Registrar 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 Bond Registrar at 100% of the principal amount thereof on the obligation of the Issuer 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 Issuer shall on or before the forty-fifth (45th) day next preceding each payment date furnish the Bond Registrar with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this paragraph 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 Bond Registrar on behalf of the Issuer not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Bond Registrar 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. As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Bond Registrar to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the Issuer nor the Bond Registrar



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 Bond Registrar shall mail said notices as and when directed by the Issuer pursuant to written instructions from an authorized representative of the Issuer (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 Bond Registrar). 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 Bond Registrar for the payment thereof and if notice has been duly provided as set forth herein.

SECTION 9. The Issuer hereby appoints Regions Bank, Nashville, Tennessee as the initial paying agent and bond registrar (the "Bond Registrar") with respect to the Bonds and authorizes and directs the Bond Registrar 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, and to make all payments of principal and interest with respect to the Bonds as provided herein, and to cancel and destroy Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange, transfer or cancellation and to furnish the Issuer with a certificate of destruction. The Bond Registrar shall maintain registration books for the registration and registration of transfer of the Bonds, which books shall be kept in a manner that complies with the requirements of Section 149 of the Internal Revenue Code of 1986, as amended, and Regulations thereunder (or under corresponding provisions of prior law, if applicable) for recordkeeping relating to "registration-

required bonds" and in accordance with the Tennessee Public Obligations Registration Act (T.C.A. §9-19-101 et seq., as amended).

SECTION 10. The Bonds shall be payable, both principal and interest, in lawful money of the United States of America at designated corporate trust office of the Bond Registrar. The Bond Registrar shall make all interest payments with respect to the Bonds on each interest payment date directly to the registered owners as shown on the Bond registration records maintained by the Bond Registrar 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 such payment in the United States mail, postage prepaid, addressed to such owners at such owners' 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 Issuer 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 Bond Registrar as the same shall become due and payable. 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 Bond Registrar and written notice of any such election and designated account is given to the Bond Registrar prior to the record date.

The Bonds are transferable only by presentation to the Bond Registrar 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 (or attached thereto) 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 Bond Registrar shall issue a new Bond or Bonds to the assignee(s) in such authorized denominations, as requested by the registered owner requesting transfer. 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 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 Issuer nor the Bond Registrar shall be affected by any notice to the contrary, including, but not limited to, any previous transfer request not accompanied by acceptable documentation.

The Bonds shall be signed by the Mayor with his manual or facsimile signature, shall be attested by the County Clerk by his or her manual or facsimile signature, and shall have imprinted or impressed thereon the official seal of the Issuer (or a facsimile thereof).

The Bond Registrar is hereby authorized to authenticate and deliver the Bonds from time to time to the original purchasers thereof or as it or they may designate upon receipt by the Issuer of the proceeds of the sale thereof, together with any necessary documentation, 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 Bond Registrar by the manual signature of an officer thereof on the certificate set forth herein on the Bond form.

In case any Bond shall become mutilated, or be lost, stolen, or destroyed, the Issuer, in its discretion, shall issue, and the Bond Registrar 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 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 Issuer may pay or authorize payment of such Bond without surrender thereof. In every case, the applicant shall furnish evidence satisfactory to the Issuer and the Bond Registrar of the destruction, theft or loss of such Bond, and indemnity satisfactory to the Issuer and the Bond Registrar, and the Issuer may charge the applicant for the issue of such new Bond an amount sufficient to reimburse the Issuer for the expense incurred by it in the issue thereof.

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 Issuer 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 Issuer shall notify the Bond Registrar 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 Issuer shall deposit with the Bond Registrar 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 Bond Registrar 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 Bond Registrar of the notice of the proposed payment, the Bond Registrar 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 Bond Registrar shall promptly notify the Issuer of such Special Record Date and, in the name and at the expense of the Issuer, 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 Bond Registrar 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 Issuer to punctually pay or duly provide for the payment of principal of, premium, if any, and interest on the Bonds when due.

The Bond Registrar 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 Issuer to call such Bond for redemption; provided, the Bond Registrar, 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 Issuer nor the Bond Registrar 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 Bond Registrar, 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.

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 BOND REGISTRAR 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 BOND REGISTRAR 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 Bond Registrar directly to DTC or its nominee, Cede & Co. as provided in the Letter of Representation relating to the Bonds from the Issuer and the Bond Registrar 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 Issuer and the Bond Registrar 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 Issuer 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, or (3) the Beneficial Owners of all Bonds shall

request that such Bonds no longer be held under The Book-Entry System and shall agree to hold the Bonds for investment and not to reoffer the Bonds, the Issuer shall discontinue the Book-Entry System with DTC. If the Issuer fails to identify another qualified securities depository to replace DTC, the Issuer shall cause the Bond Registrar to authenticate and deliver replacement Bonds in the form of fully registered Bonds to each Beneficial Owner.

THE ISSUER AND THE BOND REGISTRAR 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.

The Bond Registrar 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 Bond Registrar) by overnight delivery, courier service, telegram, telecopy or other similar means of communication. No such arrangements with DTC may adversely affect the interest of any of the owners of the Bonds, provided, however, that the Bond Registrar shall not be liable with respect to any such arrangements it may make pursuant to this section.

SECTION 11. The Bonds shall be in substantially the following form:

(Form of Bond)

REGISTERED

REGISTERED

Number R-

\$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF TENNESSEE

COUNTY OF HAWKINS

GENERAL OBLIGATION REFUNDING BOND,  
SERIES 2011

Interest Rate:

Maturity Date:

Date of Bond:

CUSIP No.:

\_\_\_\_\_, 2011

Registered Owner: CEDE & CO.

Principal Amount:

KNOW ALL MEN BY THESE PRESENTS: That the County of Hawkins in the State of Tennessee (the "Issuer"), for value received hereby promises to pay to the registered owner hereof, hereinabove named, or registered assigns, in the manner hereinafter provided, the

principal amount hereinabove set forth on the maturity date hereinabove set forth (or upon earlier redemption as set forth herein), and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on said principal amount at the annual rate of interest hereinabove set forth from the date hereof until said maturity date or redemption date, said interest being payable on May 1, 2011, and semi-annually thereafter on the first day of May and November in each year until this Bond matures or is redeemed. Both principal hereof and interest hereon are payable in lawful money of the United States of America by check or draft at the corporate trust office of Regions Bank, Nashville, Tennessee, as bond registrar and paying agent (the "Bond Registrar"). The Bond Registrar 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 Bond Registrar 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 Issuer 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 Bond Registrar, 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 Bond Registrar.

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 Issuer and the Bond Registrar shall treat Cede & Co., as the only owner of the Bonds for all purposes under the Resolution, including receipt of all principal, 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 Issuer nor the Bond Registrar 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 Issuer

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

Bonds of the issue of which this Bond is one maturing May 1, 2011 through May 1, 2019 shall mature without option of prior redemption. Bonds of the issue of which this Bond is one maturing May 1, 2020 and thereafter shall be subject to redemption at the option of the Issuer, in whole or in part on May 1, 2019 and at any time thereafter at a price of par plus interest accrued to the redemption date.

If Term Bonds are issued, the following provisions shall be included:

[The Issuer shall redeem Bonds maturing May 1, \_\_\_\_\_ 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 Bond Registrar by lot or such other random manner as the Bond Registrar in its discretion shall select. The dates of redemption and principal amount of Bonds to be redeemed on said dates are as follows:

<u>Stated 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 Issuer may (i) deliver to the Bond Registrar 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 Bond Registrar 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 Bond Registrar at 100% of the principal amount thereof on the obligation of the Issuer 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 Issuer shall on or before the forty-fifth (45th) day next preceding each payment date furnish the Bond Registrar 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 shall be given by the Bond Registrar not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Bond Registrar 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. As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Bond Registrar to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the Issuer nor the Bond Registrar 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 Bond Registrar for the payment thereof and if notice has been duly provided as set forth in the Resolution, as hereafter defined.]

This Bond is transferable by the registered owner hereof in person or by such owner's legal representative duly authorized in writing at the designated corporate trust office of the Bond Registrar 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 Issuer nor the Bond Registrar 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 Bond Registrar, 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 Bond Registrar 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 Issuer to call such Bond for redemption.

This Bond is one of a series of Bonds, all of like tenor and effect, except as to date, number, rate of interest and principal amount, in an aggregate principal amount of \$ \_\_\_\_\_ issued for the purpose of refunding all or a portion of certain outstanding bonds, notes and other obligations of the Issuer, as follows:

General Obligation Refunding Bonds, Series 2002, dated February 15, 2002, maturing May 1, 2013 through May 1, 2019 inclusive

and is issued under and pursuant to and in full compliance with the Constitution and statutes of the State of Tennessee, including Tennessee Code Annotated Section 9-21-101 et seq., pursuant to a resolution (the "Resolution") duly adopted by the Board of County Commissioners of the Issuer on January 24, 2011. Both the principal of and interest on this Bond are payable from taxes to be levied upon all taxable property in said Issuer without limitation as to rate or amount. For the prompt payment of both principal and interest on this Bond, the full faith, credit and resources of the Issuer are hereby irrevocably pledged. Reference is made to the Resolution for a more complete statement of the revenues from which and the conditions under which this Bond is payable and the general covenants and provisions pursuant to which this Bond is issued.

It is hereby certified, recited and declared that all acts, conditions and things required to happen, exist and be performed precedent to and in the issuance of this Bond, in order to make the same a legal, valid and binding obligation of Hawkins County, Tennessee, have happened, do exist and have been performed in regular and due time, form and manner as required by law; that due provision has been made for the levy and collection of a direct annual tax, as from time to time may be found necessary, upon all taxable property within Hawkins County sufficient to



pay the principal and interest hereon as the same become due and payable; and that this Bond and the issue of which it forms a part, together with all other indebtedness of Hawkins County, Tennessee, do not exceed any applicable Constitutional or statutory debt limit.

This Bond and the income herefrom are exempt from all state, county, and municipal taxation in the State of Tennessee, except inheritance, transfer and estate taxes and except Tennessee franchise, excise and corporate privilege taxes applicable to certain holders.

If applicable, the following provision shall be added:

[This Bond is a "qualified tax-exempt obligation" designated (or deemed designated) by the Issuer for purposes of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.]

IN WITNESS WHEREOF, Hawkins County, Tennessee, through its Board of County Commissioners, has caused this Bond to be signed by its County Mayor by his manual or facsimile signature and countersigned by the manual or facsimile signature of its County Clerk under the impressed or imprinted seal (or a facsimile thereof) of the Issuer all as of the \_\_ day of \_\_\_\_\_, 2011.

COUNTERSIGNED:

(SEAL)

HAWKINS COUNTY, TENNESSEE

\_\_\_\_\_  
County Clerk

\_\_\_\_\_  
County Mayor

Transferable and payable at the corporate trust office of Regions Bank, Nashville, Tennessee

Date of Registration:

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

Regions Bank, as Bond Registrar

By: \_\_\_\_\_  
Authorized Officer

(Form of Assignment)

For value received, the undersigned hereby sells, assigns and transfers unto

\_\_\_\_\_ whose address is \_\_\_\_\_

[\_\_\_\_\_ (please insert social security number or tax identification number)], the within mentioned Bond and hereby irrevocably constitutes and appoints

\_\_\_\_\_, or its successor as Bond Registrar, to transfer the same on the books kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Registered Owner

Signature Guaranteed:

\_\_\_\_\_

Notice: Signature(s) must be guaranteed by a member firm of a Medallion Program acceptable to the Bond Registrar.

Notice: The signature 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.

SECTION 12. Both the principal of an interest on the Bonds are payable from taxes to be levied on all taxable property in said Issuer without limitation as to rate and amount. For the prompt payment of such principal and interest, the full faith, credit and resources of Hawkins

County, Tennessee are hereby irrevocably pledged, and in order to provide for the payment of the Bonds and the interest thereon, there shall be and there is hereby directed to be levied and collected, at the same time and in the same manner as other taxes of Hawkins County, Tennessee are levied and collected, a direct tax upon all taxable property within the boundaries of Hawkins County, Tennessee, in such amount as may be found necessary each year to provide for the payment of the principal of the Bonds and the interest thereon, as the same mature and become due.

It shall be the duty of the tax-levying and collecting authorities of Hawkins County, Tennessee, in each year while any of the Bonds issued hereunder shall remain outstanding and unpaid, without any further direction or authority to levy and collect the taxes herein provided for, and the rate of taxation to be levied in each year shall be sufficient, to provide the sums required in each year for the payment of the principal of and interest on the Bonds. Should there be a failure in any year to comply with the requirements of this Section, such failure shall not impair the right of the holders of any of the Bonds in any subsequent year to have adequate taxes levied and collected to meet the obligations of the Bonds herein authorized to be issued, both as to principal and interest. Principal and interest falling due at any time when there are insufficient funds on hand shall be paid from the current funds of the Issuer and reimbursement therefor shall be made out of the taxes hereby provided to be levied when the same shall have been collected. The tax herein provided may be reduced to the extent of direct appropriations from the general funds or other funds, taxes and revenues of the Issuer to the payment of debt service on the Bonds.

SECTION 13. Remedies of Bondholders. Except as herein expressly limited, the registered owners of the Bonds shall have and possess all the rights of action and remedies afforded by the common law, the Constitution and statutes of the State of Tennessee and of the United States of America for the enforcement of payment of such Bonds and the interest thereon and of the pledge of the revenues made hereunder and of the covenants of the Issuer hereunder, including all the benefits and rights granted by Sections 9-21-101 et seq. of the Tennessee Code Annotated.

SECTION 14. The proceeds of the sale of the Bonds shall be applied by the Issuer as follows:

(a) all accrued interest shall be deposited into the Bond Fund of the Issuer and used to pay interest on the Bonds on the first interest payment date following delivery of the Bonds;

(b) the Issuer shall pay, or cause to be paid, all costs of issuance of the Bonds, including, but not limited to, necessary legal, accounting and fiscal expenses, printing, engraving, advertising and similar expenses, bond insurance premiums, swap termination fees, bond rating fees, Bond Registrar fees, administrative and clerical costs, and other necessary miscellaneous expenses incurred in connection with the authorization, issuance and sale and delivery of the Bonds; and

(c) the balance of the proceeds of the Bonds, which, together with other legally available funds of the Issuer and earnings on said proceeds and funds, will be sufficient to pay principal, accrued interest and redemption premium, as appropriate, on the Refunded

Obligations shall be held and applied for such purpose as instructed in the Refunding Escrow Agreement.

For the purpose of providing for the payment of the principal of and interest on the Refunded Obligations, the County Mayor is hereby authorized and directed to execute and the County Clerk to attest on behalf of the Issuer the Refunding Escrow Agreement with the Escrow Agent and to deposit with the Escrow Agent all or a portion of the Bond proceeds described in Section 14(c) hereof and other funds of the Issuer legally available therefor. Said funds will be used by the Escrow Agent to purchase the Obligation of the United States of America as provided in the Refunding Escrow Agreement; provided, however, that the yield on such investments shall be determined in such manner that none of the Bonds will be an "arbitrage bond" within the meaning of Section 148(a) of the Code. The form of Refunding Escrow Agreement now before the Governing Body and attached hereto as Exhibit A is hereby in all respects approved and the County Mayor and County Clerk are hereby authorized and directed to execute and deliver the same on behalf of the Issuer in substantially the form thereof presented to this meeting, or with such changes as may be approved by the County Mayor and County Clerk, their execution thereof to constitute conclusive evidence of their approval of all such changes. The Escrow Agent is hereby authorized to hold and administer all funds deposited in trust for the payment when due of principal of and interest on the Refunded Obligations and to exercise the duties set forth in the Refunding Escrow Agreement. The County Mayor is hereby authorized to subscribe for the purchase of permitted Obligations of the United States of America for deposit to the Refunding Escrow Agreement.

SECTION 15. If at the time of the issuance of the Bonds, the Refunded Obligations will not be retired or a valid and timely notice of redemption of the Refunded Obligations is not given in accordance with the resolutions governing the Refunded Obligations, then prior to the issuance of the Bonds notice of the Issuer's intention to refund the Refunded Obligations shall be given either (i) by mail to the owners of the Refunded Obligations at their addresses shown on the bond registration records for the Refunded Obligations, or (ii) by publication of an appropriate notice one (1) time each in a financial newspaper published in New York, New York, and having a national circulation and in a newspaper having a general circulation in the Issuer. Such notice shall be in a form that meets the requirements of Section 9-21-912 of the Tennessee Code Annotated, as amended. If the issuance of the Bonds does not occur as provided in such notice, notice thereof shall be given in the same manner. The County Clerk is hereby authorized and directed to publish any such notices as may be required in accordance with this Section 15.

SECTION 16. The Issuer recognizes that the purchasers and holders of the Bonds will have accepted them on, and paid therefor a price that reflects, the understanding that interest thereon is exempt from federal income taxation under laws in force on the date of delivery of the Bonds. In this connection, the Issuer agrees that it shall take no action which may render the interest on any of said Bonds subject to federal income taxation and agrees to take all action as may be necessary to comply with the provisions of the Code and the regulations thereunder in order to maintain or assure the tax-exempt status of the Bonds. It is the reasonable expectation of the Governing Body of the Issuer 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, including any lawful regulations promulgated or proposed thereunder (or under corresponding provisions of prior law, if applicable), and to this end the said proceeds 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 of the Issuer 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 Section 148(f) and will take such other actions as shall be necessary or permitted to prevent interest on the Bonds from becoming taxable. The Mayor and the County Clerk or any of them, are authorized and directed to make such certifications in this regard and as is otherwise customary or appropriate in connection with the sale of the Bonds as they shall deem appropriate, and such certifications shall constitute the representations and certifications of the Issuer.

SECTION 17. The Issuer hereby designates the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3)(B) of the Code if and to the extent the Bonds may be so designated and to the extent not "deemed designated."

SECTION 18. If the Issuer shall pay and discharge the indebtedness evidenced by any of the Bonds in any one or more of the following ways, to wit:

(a) By paying or causing to be paid the principal of and interest on such Bonds as and when the same become due and payable; or

(b) By depositing or causing to be deposited with any trust company or bank whose deposits are insured by the Federal Deposit Insurance Corporation and which has trust powers (the "Agent;" which Agent may be the Bond Registrar), in trust, on or before the date of maturity

or redemption, sufficient money or Obligations of the United States of America, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Bonds and to pay premium, if any, and 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) and if the Issuer shall also pay or cause to be paid all other sums payable hereunder by the Issuer with respect to such Bonds, or make adequate provision therefor, and by resolution of the Governing Body instruct any such Agent to pay amounts when and as required to the Bond Registrar for further payment to the registered owners for the payment of principal of and interest and redemption premiums, if any, on such Bonds when due; or

(c) By delivering such Bonds to the Bond Registrar for cancellation; then and in that case the indebtedness evidenced by such Bonds shall be discharged and satisfied and all covenants, agreements and obligations of the Issuer to the owners of such Bonds shall be fully discharged and satisfied and shall thereupon cease, terminate and become void.

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

Except as otherwise provided in this Section 18, neither the Obligations of the United States of America nor moneys deposited with the Agent pursuant to this Section nor principal or interest payments on any such Obligations of the United States of America shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal and



premium, if any, and interest on said Bonds; provided, that any cash received from such principal or interest payments on such Obligations of the United States of America deposited with the Agent, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to the Issuer as received by the 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 Obligations of the United States of America maturing at times and in amounts sufficient to pay when due the principal and premium, if any, and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the Issuer, as received by the Agent.

SECTION 19. Continuing Disclosure. The Issuer 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 Mayor is authorized to execute a continuing disclosure 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 the Issuer's obligations relating thereto. Failure of the Issuer to comply with the undertaking herein described and to be detailed in such continuing disclosure 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 Issuer to comply with its undertaking as set forth herein and in such continuing disclosure agreement, including the remedies of mandamus and specific performance.

SECTION 20. All other actions of officers of the Issuer in conformity with the purposes and intent of this resolution and in furtherance of the issuance and sale of the Bonds are hereby

approved and confirmed. The officers of the Issuer are hereby authorized and directed to execute and deliver all certificates and instruments and to take all such further action as may be considered necessary or desirable in connection with the issuance, sale and delivery of the Bonds.

SECTION 21. The provisions of this Resolution shall constitute a contract between the Issuer 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 except such changes as shall be required or may be appropriate to assure the validity and/or tax exempt status of the Bonds.

SECTION 22. If any section, paragraph, clause or provision of this Resolution shall be held to be invalid or ineffective for any reason, the remainder of this Resolution shall remain in full force and effect, it being expressly hereby found and declared that the remainder of the Resolution would have been adopted by this Governing Body despite the invalidity of such section, paragraph, clause or provision.

SECTION 23. All orders or resolutions in conflict herewith be and the same are hereby repealed insofar as such conflict exists.

SECTION 24. This resolution shall take effect from and after its approval, the general welfare of Hawkins County requiring it.

Passed and approved January 24, 2011.

(SEAL)

ATTEST:

\_\_\_\_\_  
County Mayor

\_\_\_\_\_  
County Clerk

STATE OF TENNESSEE

COUNTY OF HAWKINS

I, A. Carroll Jenkins, hereby certify that I am the duly elected and qualified County Clerk of Hawkins County, Tennessee, and as such official I further certify that attached hereto is a true and correct copy of excerpts from the minutes of the meeting of the Board of County Commissioners of Hawkins County held on Monday, January 24, 2011, insofar as same pertains to the proceedings in connection with the issuance of not-to-exceed \$8,000,000 General Obligation Refunding Bonds, Series 2011 of Hawkins County, Tennessee.

WITNESS my signature and official seal this the \_\_th day of January, 2011.

---

A. Carroll Jenkins, County Clerk  
Hawkins County, Tennessee

(SEAL)

EXHIBIT A

HAWKINS COUNTY, TENNESSEE

REFUNDING ESCROW AGREEMENT

THIS REFUNDING ESCROW AGREEMENT, dated as of \_\_\_\_\_, 2011, by and between HAWKINS COUNTY, TENNESSEE (the "Issuer"), and \_\_\_\_\_, as Escrow Agent (the "Escrow Agent");

W I T N E S S E T H:

WHEREAS, the Issuer has previously authorized and issued the Refunded Obligations (as hereinafter defined); and

WHEREAS, the Issuer has determined to provide for payment of the Total Debt Service (as hereinafter defined) on the Refunded Obligations by depositing with the Escrow Agent an amount with investment earnings to be thereon at least equal to the Total Debt Service on the Refunded Obligations as set forth on Schedule A; and

WHEREAS, in order to obtain the funds needed for such purpose, the Issuer has authorized and is, concurrently with the delivery of this Agreement, issuing its General Obligation Bonds, Series 2011 (the "Refunding Bonds"), more fully described herein; and

WHEREAS, a portion of the proceeds derived from the sale of the Refunding Bonds and certain additional funds of the Issuer will be deposited with the Escrow Agent and be applied to the purchase of certain securities described herein, the principal amount of which together with interest thereon will mature at such times and in such amounts as shall be sufficient to pay when due all of the principal of, premium, if any, and interest on the Refunded Obligations to their earliest optional redemption dates and/or next maturities; and

WHEREAS, in order to provide for the deposit of said bond proceeds and other funds of the Issuer and the application thereof for the payment of the Refunded Obligations, the parties hereto do hereby enter into this Agreement.

NOW, THEREFORE, the Issuer and the Escrow Agent, in consideration of the foregoing and the mutual covenants herein set forth and in order to provide for the payment of the principal of and premium and interest on all of the Refunded Obligations according to their tenor and effect, do hereby agree as follows:

SECTION I. Definitions. As used herein, the following terms mean:

- (a) "Agreement" means this Refunding Escrow Agreement.
- (b) "Bond Insuror" means Ambac Assurance Corporation.
- (c) "Call Date" means May 1, 2012, or the soonest practicable date thereafter.
- (d) "Issuer" means Hawkins County, Tennessee.

(e) "Escrow Account" means the account hereby created and entitled "Escrow Account" established and held by the Escrow Agent pursuant to this Agreement, in which moneys will be held for payment on or before May 1, 2012, or the soonest practicable date thereafter, of the Total Debt Service on the Refunded Obligations.

(f) "Escrow Agent" means Regions Bank, Nashville, Tennessee, its successors and assigns.

(g) "Escrow Property" shall mean all of the funds, securities, investment earnings and interest deposited or to be deposited with the Escrow Agent or held by the Escrow Agent pursuant to the terms of this Agreement, including, but not limited to, the Obligations of the United States of America described in Schedule C attached hereto and hereby made a part hereof.

(h) "Escrow Requirement" means the sum of an amount in cash and principal amount of Obligations of the United States of America in the Escrow Account which together with the interest due on the Obligations of the United States of America will be sufficient to pay the Total Debt Service on the Refunded Obligations from the date hereof to and including the Call Date.

(i) "Obligations of the United States of America" means direct obligations thereof or obligations of its several agencies which are unconditionally guaranteed by the United States of America, which may be SLGS.

(j) "Person" or "person" means and includes any natural person, corporation, association, public body or other entity unless the context otherwise requires. Reference to a person other than a natural person shall include such person's successors.

(k) "Refunded Obligations" means the following outstanding bond issues or loans of the Issuer:

General Obligation Refunding Bonds, Series 2002, dated February 15, 2002, maturing May 1, 2013 through May 1, 2019, inclusive

(l) "Refunding Bonds" mean the Issuer's General Obligation Bonds, Series 2011 dated \_\_\_\_\_, 2011.

(m) "Registration Agent" means the bond registrar or registration agent with respect to the Refunded Obligations.

(n) "Resolution" means that certain Resolution adopted by the County Commissioners of the Hawkins County, Tennessee, on January 24, 2011, as amended and supplemented from time to time, authorizing the issuance of the Refunding Bonds.

(o) "SLGS" shall mean United States Treasury Obligations, State and Local Government Series.

(p) "Total Debt Service" means the sum of the principal, interest to the respective Call Dates, redemption premium on the respective Call Dates and expenses unpaid on or before May 1, 2012, or as soon as practicable thereafter, with respect to the Refunded Obligations.

Whenever used herein, words of the masculine gender shall be deemed to include correlative words of the feminine and neuter genders, and words importing the singular number shall include the plural number and vice versa unless the context otherwise requires.

SECTION 2. Deposit of Funds. The Issuer hereby deposits \$ \_\_\_\_\_ with the Escrow Agent for deposit into the Escrow Account in immediately available funds, which funds shall be held in irrevocable escrow by the Escrow Agent separate and apart from other funds of the Escrow Agent and applied solely as provided in this Agreement. The Issuer represents that:

(a) the portion of such funds in the amount of \$ \_\_\_\_\_ is derived from the net proceeds of the Refunding Bonds and the portion of such funds in the amount of \$ \_\_\_\_\_ is derived from other sources legally available to the Issuer for such purpose; and

(b) upon their investment pursuant to the Agreement, such funds are at least equal to the Escrow Requirement.

In the event that the sums set forth in this Section 2 are less than the Escrow Requirement, the Issuer agrees that it will, promptly and without delay, remit or cause to be remitted to the Escrow Agent, within ten (10) days after receipt of the Escrow Agent's written request, such additional sum or sums of money as may be necessary to meet the Escrow Requirement.

In addition, the Issuer hereby directs the Escrow Agent to immediately invest of such funds by purchasing the Obligations of the United States of America set forth in Schedule B attached hereto.

SECTION 3. Use and Investment of Funds. The Escrow Agent accepts the duties and obligations of Escrow Agent hereunder, acknowledges receipt of the sum described in Section 2, and agrees:

(a) to hold the funds in irrevocable escrow during the term of this Agreement separate and apart from other funds of the Escrow Agent;

(b) in accordance with the above direction of the Issuer, to immediately invest \$\_\_\_\_\_ of such funds by the purchase of the Obligations of the United States of America set forth on Schedule B attached hereto;

(c) to hold the balance of \$\_\_\_\_\_ without investment; and

(d) to deposit in the Escrow Account, as received, all receipts of maturing principal of the Obligations of the United States of America and all receipts of interest on the Obligations of the United States of America.

SECTION 4. Payment of Refunded Obligations.

(a) Refunded Obligations. On each principal and/or interest payment date with respect to the Refunded Obligations, to and including the Call Date, the Escrow Agent shall pay to the paying agent for the Refunded Obligations, solely from the cash on hand in the Escrow Account, a sum sufficient to pay the Total Debt Service for the Refunded Obligations coming due on such date, as shown on Schedule A.

(b) Surplus. After making the payments from the Escrow Account described in Subsection 4(a), the Escrow Agent shall hold without investment or reinvestment any remaining cash on hand until such cash is applied to Total Debt Service. Upon termination of this Agreement, all remaining funds shall be paid to the Issuer.

(c) Priority of Payments. The holders of the Refunded Obligations shall have and are hereby granted an express lien on the funds and Obligations of the United States of America in the Escrow Account until such funds and Obligations of the United States of America are used and applied as provided in this Agreement.

SECTION 5. Reinvestment.

(a) Except as provided in Section 3 and in this Section, the Escrow Agent shall have no power or duty to invest any funds held under this Agreement or to sell, transfer or otherwise dispose of or make substitutions of the Obligations of the United States of America held hereunder, and all investment income from the Obligations of the United States of America shall be credited to the Escrow Account and shall not be reinvested.



(b) At the written request of the Issuer and upon compliance with the conditions hereinafter stated, the Escrow Agent shall sell, transfer, otherwise dispose of or request the redemption of any of the Obligations of the United States of America acquired hereunder and shall either purchase Refunded Obligations or substitute other Obligations of the United States of America for such Obligations of the United States of America. The Issuer will not request the Escrow Agent to exercise, and the Escrow Agent shall not exercise any of the powers described in the preceding sentence in any manner which will cause the Refunded Obligations or the Refunding Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or any successor provision thereto and the rulings and interpretations thereof, and the regulations thereunder in effect on the date of such request and applicable to obligations issued on the issue date of the Refunding Bonds. The transactions may be effected only if (i) an independent certified public accountant shall certify that the cash and principal amount of Obligations of the United States of America remaining on hand after the transactions are completed will be not less than the Escrow Requirement, and (ii) the Escrow Agent shall receive an unqualified opinion from a nationally recognized bond counsel to the effect that the transactions will not cause the Refunding Bonds or the Refunded Obligations to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or any successor provision thereto and the rulings and interpretations thereof, and the regulations thereunder in effect on the date of the transactions and applicable to obligations issued on such date.

SECTION 6. Notices of Redemption of Refunded Obligations. The Escrow Agent is hereby authorized and directed and hereby agrees to cause the Registration Agent with respect to the Refunded Obligations to give to the registered holders of the Refunded Obligations and the Bond Insuror notice of the May 1, 2012 (or soonest practicable date thereafter), optional redemption as and when required by the resolution authorizing the Refunded Obligations at least thirty (30) and not more than sixty (60) days prior to the Call Date. The notice described above shall be substantially in the form of the notice attached hereto and made a part hereof as Schedule C.

SECTION 7. No Redemption or Acceleration of Maturity. The Issuer and the Escrow Agent will not redeem the Refunded Obligations except for the redemption reflected in Schedule C attached hereto at the Call Date.

SECTION 8. (Reserved)

SECTION 9. Responsibilities of Escrow Agent.

(a) The Escrow Agent and its respective successors, assigns, agents and servants shall not be held to any personal liability whatsoever, in tort, contract or otherwise, in connection with the execution and delivery of this Agreement, the establishment of the Escrow Account, the acceptance of the funds deposited therein, the purchase of the Obligations of the United States of America, the retention of the Obligations of the United States of America or the proceeds thereof or any payment, transfer or other application of moneys or securities by the Escrow Agent in

accordance with the provisions of this Agreement or by reason of any non-negligent act, omission or error of the Escrow Agent made in good faith in the conduct of its duties. The Escrow Agent shall not be liable for the accuracy of the calculations as to the sufficiency of Escrow Account monies and Obligations of the United States of America and the earnings thereon to pay the Refunded Obligations. Provided that the Escrow Agent applies any monies, Obligations of the United States of America and the interest earnings therefrom to pay the Refunded Obligations as provided herein, and complies fully with the terms of this Agreement, the Escrow Agent shall not be liable for any deficiencies in the amounts necessary to pay the Refunded Obligations caused by such calculations. The Escrow Agent shall, however, be responsible for its negligent or willful failure to comply with its duties required hereunder, and its negligent or willful acts, omissions or errors hereunder. The duties and obligations of the Escrow Agent may be determined by the express provisions of this Agreement. The Escrow Agent may consult with counsel, who may or may not be counsel to the Issuer, and in reliance upon the opinion of such counsel shall have full and complete authorization and protection in respect of any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action under this Agreement, such matter may be deemed to be conclusively established by a certificate signed by an authorized officer of the Issuer.

(b) The Escrow Agent shall have no lien whatsoever upon any of the monies, Obligations of the United States of America or other investments in the Escrow Account for the payment of fees and expenses for services rendered by the Escrow Agent under this Agreement.

(c) In the event of the Escrow Agent's failure to account for any of the Obligations of the United States of America or monies received by it, said Obligations of the United States of America or monies shall become the property of the Issuer in trust for the holders of the Refunded Obligations, and if for any improper reason such Obligations of the United States of America or monies are not applied as herein provided, the assets of the Escrow Agent shall be impressed with a trust for the amount thereof until the required application shall be made.

SECTION 10. Qualifications of Escrow Agent. There shall at all times be an Escrow Agent hereunder which shall be a corporation or banking association organized and doing business under the laws of the United States or any state, authorized under the laws of its incorporation to exercise corporate trust powers, having a combined capital, surplus and undivided profits of at least \$50,000,000 and subject to supervision or examination by federal or state authority. If such corporation or association publishes reports of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this paragraph the combined capital, surplus and undivided profits of such corporation or association shall be deemed to be its combined capital, surplus and undivided profits as set forth in its most recent report of condition as published. In case at any time the Escrow Agent shall cease to be eligible in accordance with the provisions of this paragraph, the Escrow Agent shall resign immediately in the manner and with the effect specified hereinbelow.

SECTION 11. Resignation of Escrow Agent. The Escrow Agent may resign and thereby become discharged from the duties and obligations hereby created, by notice in writing given to the Issuer and by giving the holders of the Refunded Obligations notice by first class mail of such resignation not less than thirty (30) days before such resignation shall take effect. Such resignation shall take effect immediately upon the appointment of a new Escrow Agent hereunder, if such new Escrow Agent shall have accepted the duties and obligations thereof.

SECTION 12. Removal of Escrow Agent.

(a) The Escrow Agent may be removed at any time by an instrument or concurrent instruments in writing, executed by the holders of not less than fifty-one percent (51%) in aggregate principal amount of the Refunded Obligations then outstanding and by the Bond Insurer, such instruments to be filed with the Issuer, and not less than thirty (30) days before such removal is to take effect as stated in said instrument, a copy of such instruments filed with the Issuer under the provisions of this paragraph, shall be delivered by the Issuer to the Escrow Agent.

(b) The Escrow Agent may also be removed at any time for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provisions of this Agreement with respect to the duties and obligations of the Escrow Agent by any court of competent jurisdiction upon the application of the Issuer or holders of not less than five percent (5%) in aggregate principal amount of the Refunded Obligations then outstanding.

SECTION 13. Successor Escrow Agent.

(a) If at any time hereafter the Escrow Agent shall resign, be removed, be dissolved or otherwise become incapable of acting, or shall be taken over by any governmental official, agency, department or board, the position of Escrow Agent shall thereupon become vacant. If the position of Escrow Agent shall become vacant for any of the foregoing reasons or for any other reason, the Issuer shall appoint an Escrow Agent to fill such vacancy. The Issuer shall mail a copy of the notice of such appointment to the registered owners of the Refunded Obligations and to the Bond Insurer.

(b) At any time within one year after such vacancy shall have occurred, the holders of a majority in principal amount of the Refunded Obligations then outstanding or the Bond Insurer, by an instrument in writing, filed with the governing body of the Issuer, may appoint a successor Escrow Agent, which shall supersede any Escrow Agent theretofore appointed by the Issuer. Photographic copies of each such instrument shall be delivered promptly by the Issuer to the predecessor Escrow Agent and to the Escrow Agent so appointed by the bondholders. In the case of conflicting appointments made under this paragraph, the first effective appointment made during the one-year period shall govern.

(c) If no appointment of a successor Escrow Agent shall be made pursuant to the foregoing provisions of this Section, the retiring Escrow Agent may apply to any court of competent jurisdiction located in Hawkins County, Tennessee to appoint a successor Escrow Agent. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Escrow Agent.

(d) Any successor Escrow Agent appointed as provided in this Agreement shall execute, acknowledge and deliver to the Issuer and to its predecessor any instrument accepting such appointment hereunder and agreeing to be bound by the terms hereof, and thereupon the resignation and removal of the predecessor shall become effective and such successor, without any further act, deed or conveyance, shall become vested with all the rights, powers, duties and obligations of its predecessor and the Escrow Property hereunder, with like effect as if originally named as Escrow Agent herein; but nevertheless, on written request by the Issuer or the request of the successor, the predecessor shall execute and deliver an instrument or instruments transferring to such successor the Escrow Property described herein and all rights, powers and authority of the predecessor with respect thereto. Upon request of any such successor, the Issuer shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor all such rights, powers and authority. No successor shall accept appointments as provided herein unless at the time of such acceptance such successor shall be eligible under the provisions of Section 10 hereof.

SECTION 14. Payment to Escrow Agent. The Escrow Agent hereby acknowledges that it will receive reasonable and proper compensation for its services, costs, charges and expenses under this Agreement directly from the Issuer and that no such compensation for its services, costs, charges or expenses shall give rise to a lien or charge against the Escrow Account or any Escrow Property. The Issuer agrees to indemnify the Escrow Agent and hold it harmless against any liability which it may incur while acting in good faith in its capacity as Escrow Agent under this Agreement, including, but not limited to, any court costs and attorneys' fees, and such indemnification shall be paid from available funds of the Issuer and shall not give rise to any claim against the Escrow Account.

SECTION 15. Term. This Agreement shall commence upon its execution and delivery and shall terminate when all transfers and payments required to be made by the Escrow Agent under the provisions hereof shall have been made.

SECTION 16. Reports. The Escrow Agent shall deliver to the Mayor of the Issuer a report of each transaction relating to the Escrow Account as such transaction occurs. In addition, on or before August 1 of each year during the term of this Agreement, the Escrow Agent shall deliver to the Mayor of the Issuer a report of the financial condition of and an operating statement for the Escrow Account for the one-year period ending on June 30 of such year.

SECTION 17. Amendments to this Agreement. This Agreement is made for the benefit of the Issuer and the holders from time to time of the Refunded Obligations and it shall not be repealed, revoked, altered or amended without the written consent of all such holders, the

Escrow Agent and the Issuer; provided, however, that the Issuer and the Escrow Agent may, without the consent of, or notice to, such holders, enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such holders and as shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in this Agreement;
- (b) to grant to, or confer upon, the Escrow Agent for the benefit of the holders of the Refunded Obligations, any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent; and
- (c) to subject to this Agreement additional funds, securities or properties or to effect transactions in compliance with Section 5(b) hereof.

The Escrow Agent shall be entitled to rely exclusively upon an unqualified opinion of nationally recognized bond counsel with respect to compliance with this Section, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the holders of the Refunded Obligations, or that any instrument executed hereunder complies with the conditions and provisions of this Section.

SECTION 18. Permitted Acts. The Escrow Agent and its affiliates may become the owner of or may deal in the Refunding Bonds or the Refunded Obligations as fully and with the same rights as if it were not the Escrow Agent.

SECTION 19. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the Issuer or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreements herein contained shall in no way affect the validity of the remaining provisions of this Agreement.

SECTION 20. Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

SECTION 21. Governing Law. This Agreement shall be construed under the laws of the State of Tennessee.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers and their corporate seals (if applicable) to be hereunto affixed and attested as of the date first above written.

HAWKINS COUNTY, TENNESSEE

By: \_\_\_\_\_  
Its: County Mayor

(SEAL)

ATTEST:

\_\_\_\_\_  
County Clerk

REGIONS BANK, as Escrow Agent

By: \_\_\_\_\_  
Its: \_\_\_\_\_

(SEAL)

ATTEST:

\_\_\_\_\_  
Title



SCHEDULE B

SCHEDULE OF OBLIGATIONS OF THE UNITED STATES OF AMERICA

<u>TYPE</u>	<u>MATURITY</u>	<u>PAR AMOUNT</u>	<u>PRICE (% OF PAR)</u>	<u>PRICE (\$)</u>
	<u>INTEREST PAID AT MATURITY</u>		<u>RECEIPTS AT MATURITY</u>	



SCHEDULE C

NOTICE OF REDEMPTION

Hawkins County, Tennessee

General Obligation Refunding Bonds, Series 2002, dated February 15, 2002, maturing  
May 1, 2013 through May 1, 2019, inclusive

NOTICE IS HEREBY GIVEN that Hawkins County, Tennessee, has elected to and does exercise its option to call and redeem on May 1, 2012 (the "Redemption Date"), the following maturities of the County's outstanding General Obligation Refunding Bonds, Series 2002, dated February 15, 2002, as follows:

<u>Stated Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Cusip Number</u>
5/1/2013	\$ 905,000	4.50%	
5/1/2014	945,000	4.50	
5/1/2015	985,000	4.625	
5/1/2016	1,030,000	4.75	
5/1/2017	1,085,000	4.75	
5/1/2018	1,135,000	4.75	
5/1/2019	1,190,000	5.00	

The holders of the above-described Bonds are hereby notified to present the same to Regions Bank, Nashville, Tennessee, as Registration Agent, where redemption shall be made at the price of par, plus accrued interest to the date of redemption. The redemption price will become due and payable on May 1, 2012, upon each such Bond herein called for redemption and such Bonds shall not bear interest beyond May 1, 2012.

Important Notice: Withholding of 28% of gross redemption proceeds of any payment made within the United States may be required by the Economic Growth and Tax Relief Reconciliation Act of 2003 (the "Act"), unless the Paying Agent has the correct taxpayer identification number (social security or employer identification number) or exemption certificate of the payee. Please furnish a properly completed W-9 or exemption certificate or equivalent when presenting your securities.

Regions Bank, Nashville, Tennessee, as registration  
and paying agent

RESOLUTION

No. 2011 1 01 105

To the Honorable Melville Bailey, Chairman, and Members of the Hawkins County Board of Commissioners  
in Regular Session, met this 24th day of January, 2011.

RESOLUTION IN REF: INITIAL RESOLUTION DETERMINING TO ISSUE NOT TO EXCEED  
\$410,000 GENERAL OBLIGATION BONDS OF HAWKINS COUNTY,  
TENNESSEE FOR THE PURPOSE OF PURCHASES SCHOOL BUSES

See attached initial resolution for publishing notice of intent to issue debt.

See detailed issuance resolution for further details of project.

NOW, THEREFORE, BE IT RESOLVED that this resolution be passed by County Commission to authorize  
General Obligation Bonds not to exceed Four Hundred Ten Thousand Dollars (\$410,000) for the purpose of  
purchasing school buses.

Introduced By Esq. Gary W. Hicks, Jr., Chrm. Budget Comm.

ACTION: AYE NAY PASSED

Seconded By Esq. \_\_\_\_\_

Roll Call \_\_\_\_\_

Date Submitted 1/10/11

Voice Vote \_\_\_\_\_

A. Carroll Jenkins  
County Clerk

Absent \_\_\_\_\_

COMMITTEE ACTION

By: \_\_\_\_\_

Chairman Melville Bailey

\_\_\_\_\_  
\_\_\_\_\_

INITIAL RESOLUTION DETERMINING TO ISSUE NOT TO EXCEED \$410,000 GENERAL OBLIGATION BONDS OF HAWKINS COUNTY, TENNESSEE

WHEREAS, the Board of County Commissioners of Hawkins County, Tennessee (the "Issuer") has determined that it is necessary to make certain capital expenditures in connection with public works projects as described in Section 9-21-105 of the Tennessee Code Annotated, as amended, including but not limited to the acquisition of transportation equipment for schools (the "Project"); and

WHEREAS, the Issuer is authorized by Sections 9-21-101 et seq. of the Tennessee Code Annotated to issue its general obligation bonds for such purposes.

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

Section 1. That it is necessary and desirable and in the best interests of the citizens of Hawkins County, Tennessee that the Issuer pay costs of the Project and pay legal, fiscal, and administrative costs incident to the issuance and sale of its general obligation bonds to be issued for such purposes.

Section 2. That the Board of County Commissioners of Hawkins County, Tennessee hereby determines pursuant to the authority of Sections 9-21-101 et seq. of the Tennessee Code Annotated, as amended, that it shall issue its general obligation bonds for the purposes of paying costs of the Project, and other purposes stated above in an aggregate amount not-to-exceed \$410,000, that such bonds will bear interest at a rate or rates not-to-exceed 5.50%, and that such bonds shall be payable, both principal and interest, from ad valorem taxes levied without limitation as to rate or amount upon all taxable property in the Issuer.

Section 3. That the bonds may be issued for any one or more of the purposes stated above and may be issued in one or more emissions either separately or as part of one or more larger bond issues which may include bonds of the Issuer being issued for other purposes and/or under other authorizing resolutions and statutes.

NOTICE

The foregoing resolution has been adopted. Unless within twenty (20) days from the date of the publication hereof, a petition signed by at least ten percent (10%) of the registered voters of Hawkins County, Tennessee shall have been filed with the County Clerk of Hawkins County protesting the issuance of the general obligation bonds, such bonds will be issued as proposed.

Adopted and approved this 24<sup>th</sup> day of January, 2011.

\_\_\_\_\_  
County Mayor

Attest:

\_\_\_\_\_  
County Clerk

(Seal)

STATE OF TENNESSEE:  
COUNTY OF HAWKINS

I, A. Carroll Jenkins, hereby certify that I am the duly elected and qualified County Clerk of Hawkins County, Tennessee (the "Issuer") and as such official, I hereby certify that the foregoing is a true and correct copy of excerpts from the minutes of the meeting of the Board of County Commissioners of Hawkins County, Tennessee held on Monday, January 24, 2011, insofar as the same pertains to the proceedings in connection with the issuance of not-to-exceed \$410,000 general obligation bonds of the Issuer.

Witness my signature this \_\_ day of January, 2011.

\_\_\_\_\_  
County Clerk

(Seal)

**RESOLUTION**

No. 2011 / 01 / 06

To the Honorable Melville Bailey, Chairman, and Members of the Hawkins County Board of Commissioners  
in Regular Session, met this 24th day of January, 2011.

**RESOLUTION IN REF: RESOLUTION AUTHORIZING THE SALE AND PROVIDING THE  
DETAILS OF NOT-TO-EXCEED \$410,000 GENERAL OBLIGATION  
BONDS, SERIES 2011, OF HAWKINS COUNTY, TENNESSEE, AND  
PROVIDING FOR THE LEVY OF AD VALOREM TAXES IN CONNECTION  
THEREWITH**

WHEREAS, each fiscal year some new school buses must be purchased to replace the ones that must come off the road by the following school year; and

WHEREAS, funding for such purchase must be approved by County Commission before buses are ordered; and

WHEREAS, retirement of debt will be paid through the Pupil Transportation Fund; and

WHEREAS, it would be advantageous to Hawkins County to include this funding with the 2011 Refunding Bond Issue, if approved, in order to lower the cost of issuance.

NOW, THEREFORE, BE IT RESOLVED that this resolution in its entirety be passed by County Commission to authorize General Obligation Bonds not to exceed Four Hundred Ten Thousand Dollars (\$410,000) for the purpose of purchasing school buses.

Introduced By Esq. Gary W. Hicks, Jr., Chrm. Budget Comm.

ACTION: AYE NAY PASSED

Seconded By Esq. \_\_\_\_\_

Roll Call \_\_\_\_\_

Date Submitted 1/10/11

Voice Vote \_\_\_\_\_

A. Carroll Jenkins  
County Clerk

Absent \_\_\_\_\_

COMMITTEE ACTION

By: \_\_\_\_\_

Chairman Melville Bailey

\_\_\_\_\_  
\_\_\_\_\_

RESOLUTION AUTHORIZING THE SALE AND PROVIDING THE DETAILS OF  
NOT-TO-EXCEED \$410,000 GENERAL OBLIGATION BONDS,  
SERIES 2011, OF HAWKINS COUNTY, TENNESSEE,  
AND PROVIDING FOR THE LEVY OF AD VALOREM  
TAXES IN CONNECTION THEREWITH

WHEREAS, the Board of County Commissioners (the "Board") of Hawkins County, Tennessee (the "Issuer") has determined that it is necessary and in the best interests of the Issuer to make certain capital expenditures in connection with public works projects as described in Section 9-21-105 of the Tennessee Code Annotated, as amended, including but not limited to the acquisition of transportation equipment for schools (the "Project"); and

WHEREAS, the Board, after due deliberation, has determined that it is appropriate to issue its not-to-exceed \$410,000 General Obligation Bonds, Series 2011 (the "Bonds"), pursuant to authority of Sections 9-21-101 et seq. of the Tennessee Code Annotated, as amended, and other applicable provisions of law for such purposes; and

WHEREAS, the proceeds of the Bonds will be used to pay costs of the Project and to pay the costs of the issuance of the Bonds; and

WHEREAS, on January 24, 2011 the Board adopted a resolution entitled "INITIAL RESOLUTION DETERMINING TO ISSUE NOT TO EXCEED \$410,000 GENERAL OBLIGATION BONDS OF HAWKINS COUNTY, TENNESSEE" (the "Initial Resolution") regarding the proposed issuance of bonds to finance the Project; and

WHEREAS, the Initial Resolution, together with the notice required by Section 9-21-206, Tennessee Code Annotated, as amended, shall be published as required by law; and

WHEREAS, the Board desires to authorize the issuance of bonds to finance the Project in the event no petition protesting the issuance of the bonds described in the Initial Resolution is filed pursuant to the requirements of Section 9-21-207, Tennessee Code Annotated, as amended; and

WHEREAS, prior to the issuance and sale of the Bonds, the Issuer must publish a Notice of Sale and take other actions with respect to the Bonds proposed to be issued; and

WHEREAS, it is appropriate for this Board to provide certain details of the Bonds and the pledge of revenues thereto at this time; and

WHEREAS, it is appropriate for the Mayor to conduct the public sale of the Bonds, to accept the best bid for the Bonds, and to sell the Bonds to the best bidder at the public sale; and

WHEREAS, it is also appropriate to authorize the Mayor to determine the exact principal amount, interest rates and certain other terms of the Bonds and to finalize the sale of the Bonds to the ultimate purchaser.

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

SECTION 1. In order to pay costs of the Project, the Issuer shall borrow the amount of not-to-exceed \$410,000 and General Obligation Bonds, Series 2011, of the Issuer in the principal amount borrowed shall be issued pursuant to Sections 9-21-101 et seq. of the Tennessee Code Annotated, as amended, and other applicable provisions of law.

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



(a) "Bond Fund" shall mean the fund used to pay principal and interest on the Bonds as they become due;

(b) "Bonds" shall mean the General Obligation Bonds, Series 2011 of the Issuer in an aggregate principal amount of not-to-exceed \$410,000 authorized to be issued by this resolution;

(c) "Bond Registrar" shall mean the registration and paying agent for the Bonds appointed by the Issuer pursuant to Section 10, or any successor as from time to time designated by the Governing Body.

(d) "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 Issuer or the Bond Registrar, constitute the written record that identifies, and records the transfer of, the beneficial "book-entry" interests in those bonds;

(e) "Code" shall mean the Internal Revenue Code of 1986, as amended and regulations promulgated thereunder;

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

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

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

(i) "Financial Advisor" shall mean Morgan Keegan & Company Inc., Knoxville, Tennessee.

(j) "Fiscal Year" shall mean the twelve-month period beginning on July 1 of each year and ending on the last day of June of the following year;

(k) "Governing Body" shall mean the Board of County Commissioners of the Issuer;

(l) "Issuer" shall mean Hawkins County, Tennessee;

(m) "Mayor" or "County Mayor" shall mean the duly elected County Mayor of the Issuer from time to time.

(n) "Obligations of the United States of America" shall mean direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States government or obligations of any agency or instrumentality of the United States of America which are permitted investments under Tennessee law for the purposes for which they are to be purchased and/or held;

(o) "Project" shall mean capital expenditures in connection with public works projects as described in Section 9-21-105 of the Tennessee Code Annotated, as amended, including but not limited to the acquisition of transportation equipment for schools;

SECTION 3. Findings of the Governing Body. It is hereby found and determined by the Governing Body as follows:

(a) The financing of the Project and the issuance of the Bonds is necessary and in the best interests of the citizens of the Issuer;

(b) The Issuer will be able to amortize the Bonds, together with all other bonds, notes and other financial obligations now outstanding and all additional obligations proposed to be issued by the Issuer; and

(c) The proposed bond sale being authorized by this resolution is feasible and in the best interests of the Issuer.

SECTION 4. The Mayor is hereby authorized and directed to determine the principal amount of the Bonds not to exceed the principal amount specified in Section 1 to be actually issued (which may be in one or more emissions) and to effect adjustments in the maturity schedule and optional redemption dates set forth herein as authorized in Section 7. The determinations made by the Mayor, as described above, and the finalization of the details of the Bonds and sale of the Bonds by the Mayor shall be binding on the Issuer and no further action by the Governing Body with respect thereto shall be required. The Mayor shall cause, if advantageous to the Issuer, all or a portion of the Bonds to be insured by one or more bond insurance policies issued by one or more nationally recognized bond insurance companies so long as it is demonstrated to the Mayor's satisfaction either (i) that such insurance is necessary to sell the Bonds, or the portion thereof to be insured, or (ii) the present value of the projected savings in interest costs to the Issuer as a result of obtaining such bond insurance exceeds the premium cost to the Issuer for such bond insurance.

The Mayor is authorized to sell the Bonds either at a public sale at a price of not less than 98.0% of the par value of the Bonds actually issued, plus accrued interest.

The Mayor is hereby authorized and directed to publish a Notice of Sale for the Bonds and, if appropriate, for any other bonds of the Issuer which are being competitively sold at the

same time, in either a financial newspaper having national circulation, or via an electronic communication system that is generally available to the financial community, and the date of publication shall be selected by the Mayor as he may deem appropriate for the purpose of conducting the sale of the Bonds at public sale at the earliest possible date after complying with the requirements of Tennessee Code Annotated, Section 9-21-203 that the Bonds must be advertised for sale for not less than 5 days prior to the sale of the Bonds. If the principal amount of bonds to be sold is not greater than \$5,000,000, then the notice of sale may be published as set forth above or in a newspaper having general circulation in the Issuer. The Notice of Sale shall be in such form, meeting the requirements of Tennessee Code Annotated Section 9-21-202, as shall be approved by the Mayor and the Financial Advisor. The Bonds shall be sold by physical delivery of bids or by electronic bidding means of an internet bidding service as shall be determined by the Mayor, in consultation with the Financial Advisor. The Mayor is hereby authorized to enter into a contract for financial advisory services with the Financial Advisor in connection with the sale of the Bonds and the Financial Advisor is hereby authorized to submit a bid either alone or with other bidders at such public sale.

SECTION 5. The Mayor and County Clerk, working with the Financial Advisor, are hereby authorized and directed to provide for the preparation and distribution, electronic or otherwise, of a Preliminary Official Statement describing the Bonds and any other bonds or notes which in the discretion of the Mayor are sold at the same time as the Bonds. After the Bonds have been sold, the Mayor and the County Clerk 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 Mayor and County Clerk shall arrange for the delivery of a reasonable number of copies of the Official Statement within seven business days after the Bonds have been sold to the successful bidder, to each potential investor requesting a copy of the Official Statement and to each person to whom such bidder and members of its bidding group initially sell the Bonds.

The Mayor is authorized, on behalf of the Issuer, 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 Issuer except for the omission in the Preliminary Official Statement of such pricing and other information.

SECTION 6. Subject to the adjustments permitted pursuant to Section 7, the Bonds shall be designated "General Obligation Bonds, Series 2011," shall be dated as of their date of issuance, shall be numbered from R-1 upward, shall be issued in fully registered, book-entry only form, without coupons in the denomination of \$5,000 (or integral multiples thereof), and shall be subject to prior redemption as set forth below. Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. Until exchanged for definitive Bonds, the temporary Bonds shall be entitled to the same benefits as definitive Bonds authenticated and delivered hereunder.

SECTION 7. The Bonds shall bear interest, not exceeding 5.50%, as designated by the Mayor, payable semiannually on May 1 and November 1 of each year commencing May 1, 2011, shall mature May 1, in the years and in the estimated amounts as follows:

<u>YEAR</u>	<u>AMOUNT</u>
2017	\$ 50,000
2018	\$ 50,000
2019	\$ 50,000
2020	\$ 50,000
2021	<u>\$ 210,000</u>
Total	\$410,000

The Mayor is authorized to increase or decrease the amount of each maturity, to change the dated date of the Bonds to a date other than their date of issuance, to sell the Bonds in one or more emissions, to change the Series designation of the Bonds, to adjust the principal and interest payment dates of the Bonds, to change or extend the maturity dates of the Bonds, and to change the optional redemption dates and provide for a premium not to exceed two percent (2%) of the par amount to be redeemed, such adjustments to be made as the Mayor in his sole discretion shall deem most advantageous to the Issuer, provided that the aggregate amount of Bonds issued pursuant to this resolution shall not exceed the principal amount set forth in Section 1. The Mayor is authorized to sell the Bonds, or any maturities thereof, as term bonds with mandatory redemption requirements corresponding to the maturities set forth herein or as determined by the Mayor. In the event any or all the Bonds are sold as term bonds, the Issuer

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 this Section 7 for each redemption date, as such maturity amounts may be adjusted pursuant to this Section 7, 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 Section 8.

SECTION 8. Subject to the adjustments permitted pursuant to Section 7 hereof, the Bonds maturing May 1, 2011 through May 1, 2019 shall mature without option of prior redemption. Bonds maturing May 1, 2020 and thereafter shall be subject to redemption on May 1, 2019 and at any time thereafter at a redemption price of par plus interest accrued 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 Bonds within the maturity to be redeemed shall be selected as follows:

(a) 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

(b) 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 Bond

Registrar by lot or such other random manner as the Bond Registrar in its discretion shall determine.

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such mandatory redemption date, the Issuer may (i) deliver to the Bond Registrar 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 Bond Registrar 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 Bond Registrar at 100% of the principal amount thereof on the obligation of the Issuer 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 Issuer shall on or before the forty-fifth (45th) day next preceding each payment date furnish the Bond Registrar with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this paragraph 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 Bond Registrar on behalf of the Issuer not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners



of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Bond Registrar 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. As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Bond Registrar to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the Issuer nor the Bond Registrar 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 Bond Registrar shall mail said notices as and when directed by the Issuer pursuant to written instructions from an authorized representative of the Issuer (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 Bond Registrar). 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 Bond Registrar for the payment thereof and if notice has been duly provided as set forth herein.

SECTION 9. *The Issuer hereby appoints Regions Bank, Nashville, Tennessee as the initial paying agent and bond registrar (the "Bond Registrar") with respect to the Bonds and authorizes and directs the Bond Registrar 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, and to make all payments of principal and*

interest with respect to the Bonds as provided herein, and to cancel and destroy Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange, transfer or cancellation and to furnish the Issuer with a certificate of destruction. The Bond Registrar shall maintain registration books for the registration and registration of transfer of the Bonds, which books shall be kept in a manner that complies with the requirements of Section 149 of the Internal Revenue Code of 1986, as amended, and Regulations thereunder (or under corresponding provisions of prior law, if applicable) for recordkeeping relating to "registration-required bonds" and in accordance with the Tennessee Public Obligations Registration Act (T.C.A. §9-19-101 et seq., as amended).

SECTION 10. The Bonds shall be payable, both principal and interest, in lawful money of the United States of America at designated corporate trust office of the Bond Registrar. The Bond Registrar shall make all interest payments with respect to the Bonds on each interest payment date directly to the registered owners as shown on the Bond registration records maintained by the Bond Registrar 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 such payment in the United States mail, postage prepaid, addressed to such owners at such owners' 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 Issuer 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 Bond Registrar as the same shall become due and payable. 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 Bond Registrar and written notice of any such election and designated account is given to the Bond Registrar prior to the record date.

The Bonds are transferable only by presentation to the Bond Registrar 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 (or attached thereto) 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 Bond Registrar shall issue a new Bond or Bonds to the assignee(s) in such authorized denominations, as requested by the registered owner requesting transfer. 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 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 Issuer nor the Bond Registrar shall be affected by any notice to the contrary, including, but not limited to, any previous transfer request not accompanied by acceptable documentation.

The Bonds shall be signed by the Mayor with his manual or facsimile signature, shall be attested by the County Clerk by his or her manual or facsimile signature, and shall have imprinted or impressed thereon the official seal of the Issuer (or a facsimile thereof).

The Bond Registrar is hereby authorized to authenticate and deliver the Bonds from time to time to the original purchasers thereof or as it or they may designate upon receipt by the Issuer of the proceeds of the sale thereof, together with any necessary documentation, 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 Bond Registrar by the manual signature of an officer thereof on the certificate set forth herein on the Bond form.

In case any Bond shall become mutilated, or be lost, stolen, or destroyed, the Issuer, in its discretion, shall issue, and the Bond Registrar 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 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 Issuer may pay or authorize payment of such Bond without surrender thereof. In every case, the applicant shall furnish evidence satisfactory to the Issuer and the Bond Registrar of the destruction, theft or loss of such Bond, and indemnity satisfactory to the Issuer and the Bond Registrar, and the Issuer may charge the applicant for the issue of *such new Bond an amount sufficient to reimburse the Issuer for the expense incurred by it in the issue thereof.*

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 Issuer 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 Issuer shall notify the Bond Registrar 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 Issuer shall deposit with the Bond Registrar 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 Bond Registrar 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 Bond Registrar of the notice of the proposed payment, the Bond Registrar 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 Bond Registrar shall promptly notify the Issuer of such Special Record Date and, in the name and at the expense of the Issuer, 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 Bond Registrar 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 Issuer to punctually pay or duly provide for the payment of principal of, premium, if any, and interest on the Bonds when due.

The Bond Registrar 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 Issuer to call such Bond for redemption; provided, the Bond Registrar, 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 Issuer nor the Bond Registrar 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 Bond Registrar, 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.

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 BOND REGISTRAR 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 BOND REGISTRAR 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 Bond Registrar directly to DTC or its nominee, Cede & Co. as provided in the Letter of Representation relating to the Bonds from the Issuer and the Bond Registrar 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 Issuer and the Bond Registrar 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 Issuer 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, or (3) the Beneficial Owners of all Bonds shall request that such Bonds no longer be held under The Book-Entry System and shall agree to hold the Bonds for investment and not to reoffer the Bonds, the Issuer shall discontinue the Book-Entry System with DTC. If the Issuer fails to identify another qualified securities depository to replace DTC, the Issuer shall cause the Bond Registrar to authenticate and deliver replacement Bonds in the form of fully registered Bonds to each Beneficial Owner.

THE ISSUER AND THE BOND REGISTRAR 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.

The Bond Registrar 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 Bond Registrar) by overnight delivery, courier service, telegram, telecopy or other similar means of communication. No such arrangements with DTC may adversely affect the interest of any of the owners of the Bonds, provided, however, that the Bond Registrar shall not be liable with respect to any such arrangements it may make pursuant to this section.

SECTION 11. The Bonds shall be in substantially the following form:

(Form of Bond)

REGISTERED

REGISTERED

Number R-

\$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF TENNESSEE

COUNTY OF HAWKINS

GENERAL OBLIGATION BOND,  
SERIES 2011

Interest Rate:

Maturity Date:

Date of Bond:

CUSIP No.:

\_\_\_\_\_, 2011

Registered Owner: CEDE & CO.

Principal Amount:

KNOW ALL MEN BY THESE PRESENTS: That the County of Hawkins in the State of Tennessee (the "Issuer"), for value received hereby promises to pay to the registered owner hereof, hereinabove named, or registered assigns, in the manner hereinafter provided, the principal amount hereinabove set forth on the maturity date hereinabove set forth (or upon earlier redemption as set forth herein), and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on said principal amount at the annual rate of interest hereinabove set forth from the date hereof until said maturity date or redemption date, said interest being payable on May 1, 2011, and semi-annually thereafter on the first day of May and November in each year until this Bond matures or is redeemed. Both principal hereof and interest hereon are payable in lawful money of the United States of America by check or draft at

the corporate trust office of Regions Bank, Nashville, Tennessee, as bond registrar and paying agent (the "Bond Registrar"). The Bond Registrar 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 Bond Registrar 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 Issuer 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 Bond Registrar, 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 Bond Registrar.

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 Issuer and the Bond Registrar shall treat Cede & Co., as the only owner of the Bonds for all purposes under the Resolution, including receipt of all principal, 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 Issuer nor the Bond Registrar 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 Issuer 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 Issuer may discontinue the book-entry system with DTC. If the Issuer fails to identify another qualified securities depository to replace DTC, the Issuer shall cause the Bond Registrar to authenticate and deliver replacement Bonds in the form of fully registered Bonds to each Beneficial Owner. Neither the Issuer nor the Bond Registrar shall have any responsibility or obligations to any DTC Participant or any Beneficial Owner with respect to (i) the Bonds; (ii)

the accuracy of any records maintained by DTC or any DTC Participant; (iii) the payment by DTC or any DTC Participant of any amount due to any Beneficial Owner in respect of the principal or maturity amounts of and interest on the Bonds; (iv) the delivery or timeliness of delivery by DTC or any DTC Participant of any notice due to any Beneficial Owner that is required or permitted under the terms of the Resolution to be given to Beneficial Owners, (v) the selection of Beneficial Owners to receive payments in the event of any partial redemption of the Bonds; or (vi) any consent given or other action taken by DTC, or its nominee, Cede & Co., as owner.

Bonds of the issue of which this Bond is one maturing May 1, 2011 through May 1, 2019 shall mature without option of prior redemption. Bonds of the issue of which this Bond is one maturing May 1, 2020 and thereafter shall be subject to redemption at the option of the Issuer, in whole or in part on May 1, 2019 and at any time thereafter at a price of par plus interest accrued to the redemption date.

If Term Bonds are issued, the following provisions shall be included:

[The Issuer shall redeem Bonds maturing May 1, \_\_\_\_\_ 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 Bond Registrar by lot or such other random manner as the Bond Registrar in its discretion shall select. The dates of redemption and principal amount of Bonds to be redeemed on said dates are as follows:

<u>Stated 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 Issuer may (i) deliver to the Bond Registrar 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 Bond Registrar 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 Bond Registrar at 100% of the principal amount thereof on the obligation of the Issuer 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 Issuer shall on or before the forty-fifth (45th) day next preceding each payment date furnish the Bond Registrar 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 shall be given by the Bond Registrar not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Bond Registrar 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. As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Bond Registrar to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the Issuer nor the Bond Registrar 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 Bond Registrar for the payment thereof and if notice has been duly provided as set forth in the Resolution, as hereafter defined.]

This Bond is transferable by the registered owner hereof in person or by such owner's legal representative duly authorized in writing at the designated corporate trust office of the Bond Registrar 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 Issuer nor the Bond Registrar 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 Bond Registrar, 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 Bond Registrar 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 Issuer to call such Bond for redemption.

This Bond is one of a series of Bonds, all of like tenor and effect, except as to date, number, rate of interest and principal amount, in an aggregate principal amount of \$\_\_\_\_\_ issued for the purpose of providing funds for capital expenditures in connection with public works projects as described in Section 9-21-105 of the Tennessee Code Annotated, as amended, including but not limited to the acquisition of transportation equipment for schools, and is issued under and pursuant to and in full compliance with the Constitution and statutes of the State of Tennessee, including Tennessee Code Annotated Section 9-21-101 et seq., pursuant to a resolution (the "Resolution") duly adopted by the Board of County Commissioners of the Issuer on January 24, 2011. Both the principal of and interest on this Bond are payable from



taxes to be levied upon all taxable property in said Issuer without limitation as to rate or amount. For the prompt payment of both principal and interest on this Bond, the full faith, credit and resources of the Issuer are hereby irrevocably pledged. Reference is made to the Resolution for a more complete statement of the revenues from which and the conditions under which this Bond is payable and the general covenants and provisions pursuant to which this Bond is issued.

It is hereby certified, recited and declared that all acts, conditions and things required to happen, exist and be performed precedent to and in the issuance of this Bond, in order to make the same a legal, valid and binding obligation of Hawkins County, Tennessee, have happened, do exist and have been performed in regular and due time, form and manner as required by law; that due provision has been made for the levy and collection of a direct annual tax, as from time to time may be found necessary, upon all taxable property within Hawkins County sufficient to pay the principal and interest hereon as the same become due and payable; and that this Bond and the issue of which it forms a part, together with all other indebtedness of Hawkins County, Tennessee, do not exceed any applicable Constitutional or statutory debt limit.

This Bond and the income herefrom are exempt from all state, county, and municipal taxation in the State of Tennessee, except inheritance, transfer and estate taxes and except Tennessee franchise, excise and corporate privilege taxes applicable to certain holders.

If applicable, the following provision shall be added:

[This Bond is a "qualified tax-exempt obligation" designated (or deemed designated) by the Issuer for purposes of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.]

IN WITNESS WHEREOF, Hawkins County, Tennessee, through its Board of County Commissioners, has caused this Bond to be signed by its County Mayor by his manual or facsimile signature and countersigned by the manual or facsimile signature of its County Clerk under the impressed or imprinted seal (or a facsimile thereof) of the Issuer all as of the \_\_ day of \_\_\_\_\_, 2011.

COUNTERSIGNED:

HAWKINS COUNTY, TENNESSEE

(SEAL)

\_\_\_\_\_  
County Clerk

\_\_\_\_\_  
County Mayor

Transferable and payable at the corporate trust office of Regions Bank, Nashville, Tennessee

Date of Registration:

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

Regions Bank, as Bond Registrar

By: \_\_\_\_\_  
Authorized Officer

(Form of Assignment)

For value received, the undersigned hereby sells, assigns and transfers unto

\_\_\_\_\_ whose address is \_\_\_\_\_

[\_\_\_\_\_ (please insert social security number or tax identification

number)], the within mentioned Bond and hereby irrevocably constitutes and appoints

\_\_\_\_\_, or its successor as Bond Registrar, to transfer the

same on the books kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

\_\_\_\_\_

Registered Owner

Signature Guaranteed:

Notice: The signature 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.

\_\_\_\_\_

Notice: Signature(s) must be guaranteed by a member firm of a Medallion Program acceptable to the Bond Registrar.

SECTION 12. Both the principal of an interest on the Bonds are payable from taxes to be levied on all taxable property in said Issuer without limitation as to rate and amount. For the prompt payment of such principal and interest, the full faith, credit and resources of Hawkins County, Tennessee are hereby irrevocably pledged, and in order to provide for the payment of the Bonds and the interest thereon, there shall be and there is hereby directed to be levied and collected, at the same time and in the same manner as other taxes of Hawkins County, Tennessee are levied and collected, a direct tax upon all taxable property within the boundaries of Hawkins County, Tennessee, in such amount as may be found necessary each year to provide for the

payment of the principal of the Bonds and the interest thereon, as the same mature and become due.

It shall be the duty of the tax-levying and collecting authorities of Hawkins County, Tennessee, in each year while any of the Bonds issued hereunder shall remain outstanding and unpaid, without any further direction or authority to levy and collect the taxes herein provided for, and the rate of taxation to be levied in each year shall be sufficient, to provide the sums required in each year for the payment of the principal of and interest on the Bonds. Should there be a failure in any year to comply with the requirements of this Section, such failure shall not impair the right of the holders of any of the Bonds in any subsequent year to have adequate taxes levied and collected to meet the obligations of the Bonds herein authorized to be issued, both as to principal and interest. Principal and interest falling due at any time when there are insufficient funds on hand shall be paid from the current funds of the Issuer and reimbursement therefor shall be made out of the taxes hereby provided to be levied when the same shall have been collected. The tax herein provided may be reduced to the extent of direct appropriations from the general funds or other funds, taxes and revenues of the Issuer to the payment of debt service on the Bonds.

SECTION 13. Remedies of Bondholders. Except as herein expressly limited, the registered owners of the Bonds shall have and possess all the rights of action and remedies afforded by the common law, the Constitution and statutes of the State of Tennessee and of the United States of America for the enforcement of payment of such Bonds and the interest thereon and of the pledge of the revenues made hereunder and of the covenants of the Issuer hereunder,

including all the benefits and rights granted by Sections 9-21-101 et seq. of the Tennessee Code Annotated.

SECTION 14. The proceeds of the sale of the Bonds shall be applied by the Issuer as follows:

(a) all accrued interest shall be deposited into the Bond Fund of the Issuer and used to pay interest on the Bonds on the first interest payment date following delivery of the Bonds;

(b) the Issuer shall pay, or cause to be paid, all costs of issuance of the Bonds, including, but not limited to, necessary legal, accounting and fiscal expenses, printing, engraving, advertising and similar expenses, bond insurance premiums, swap termination fees, bond rating fees, Bond Registrar fees, administrative and clerical costs, and other necessary miscellaneous expenses incurred in connection with the authorization, issuance and sale and delivery of the Bonds;

(c) the balance of the proceeds from the sale of the Bonds shall be deposited with the County Trustee and shall be kept separate and apart from all other funds of the Issuer in a special fund hereby designated as the "Hawkins County, Tennessee 2011 School Project Fund," (the "School Project Fund") which shall be applied exclusively to pay costs (i) certain capital expenditures in connection with public works projects as described in Section 9-21-105 of the Tennessee Code Annotated, as amended, including but not limited to, the acquisition of transportation equipment for schools; and (ii) the payment of legal, fiscal and administrative costs incident to the foregoing and to the issuance of the Bonds; and it shall be used for no other purposes. Any Bond proceeds not put to immediate use shall be deposited at interest by the

County Trustee until needed. The interest arising therefrom shall be used only towards retiring the Bonds or may be added to Bond proceeds and used for the same purposes. Money in the School Project 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 the Capital Projects Fund.

SECTION 15. RESERVED

SECTION 16. The Issuer recognizes that the purchasers and holders of the Bonds will have accepted them on, and paid therefor a price that reflects, the understanding that interest thereon is exempt from federal income taxation under laws in force on the date of delivery of the Bonds. In this connection, the Issuer agrees that it shall take no action which may render the interest on any of said Bonds subject to federal income taxation and agrees to take all action as may be necessary to comply with the provisions of the Code and the regulations thereunder in order to maintain or assure the tax-exempt status of the Bonds. It is the reasonable expectation of the Governing Body of the Issuer 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, including any lawful regulations promulgated or proposed thereunder (or under corresponding provisions of prior law, if applicable), and to this end the said proceeds 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 of the Issuer 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 Section 148(f) and will take such other actions as shall be necessary or permitted to prevent interest on the Bonds from becoming taxable. The Mayor and the County Clerk or any of them, are authorized and directed to make such certifications in this regard and as is otherwise customary or appropriate in connection with the sale of the Bonds as they shall deem appropriate, and such certifications shall constitute the representations and certifications of the Issuer.

SECTION 17. The Issuer hereby designates the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3)(B) of the Code if and to the extent the Bonds may be so designated and to the extent not "deemed designated."

SECTION 18. If the Issuer shall pay and discharge the indebtedness evidenced by any of the Bonds in any one or more of the following ways, to wit:

(a) By paying or causing to be paid the principal of and interest on such Bonds as and when the same become due and payable; or

(b) By depositing or causing to be deposited with any trust company or bank whose deposits are insured by the Federal Deposit Insurance Corporation and which has trust powers (the "Agent;" which Agent may be the Bond Registrar), in trust, on or before the date of maturity or redemption, sufficient money or Obligations of the United States of America, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Bonds and to pay premium, if any, and 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) and if the Issuer shall also pay or cause to be paid all other sums

payable hereunder by the Issuer with respect to such Bonds, or make adequate provision therefor, and by resolution of the Governing Body instruct any such Agent to pay amounts when and as required to the Bond Registrar for further payment to the registered owners for the payment of principal of and interest and redemption premiums, if any, on such Bonds when due; or

(c) By delivering such Bonds to the Bond Registrar for cancellation; then and in that case the indebtedness evidenced by such Bonds shall be discharged and satisfied and all covenants, agreements and obligations of the Issuer to the owners of such Bonds shall be fully discharged and satisfied and shall thereupon cease, terminate and become void.

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

Except as otherwise provided in this Section 18, neither the Obligations of the United States of America nor moneys deposited with the Agent pursuant to this Section nor principal or interest payments on any such Obligations of the United States of America shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal and premium, if any, and interest on said Bonds; provided, that any cash received from such principal or interest payments on such Obligations of the United States of America deposited with the Agent, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to the Issuer as received by the 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 Obligations of the United States of America maturing at times and in amounts sufficient to pay when due the



principal and premium, if any, and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the Issuer, as received by the Agent.

SECTION 19. Continuing Disclosure. The Issuer 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 Mayor is authorized to execute a continuing disclosure 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 the Issuer's obligations relating thereto. Failure of the Issuer to comply with the undertaking herein described and to be detailed in such continuing disclosure 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 Issuer to comply with its undertaking as set forth herein and in such continuing disclosure agreement, including the remedies of mandamus and specific performance.

SECTION 20. All other actions of officers of the Issuer in conformity with the purposes and intent of this resolution and in furtherance of the issuance and sale of the Bonds are hereby approved and confirmed. The officers of the Issuer are hereby authorized and directed to execute and deliver all certificates and instruments and to take all such further action as may be considered necessary or desirable in connection with the issuance, sale and delivery of the Bonds.

SECTION 21. The provisions of this Resolution shall constitute a contract between the Issuer 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 except such changes as shall be required or may be appropriate to assure the validity and/or tax exempt status of the Bonds.

SECTION 22. If any section, paragraph, clause or provision of this Resolution shall be held to be invalid or ineffective for any reason, the remainder of this Resolution shall remain in full force and effect, it being expressly hereby found and declared that the remainder of the Resolution would have been adopted by this Governing Body despite the invalidity of such section, paragraph, clause or provision.

SECTION 23. All orders or resolutions in conflict herewith be and the same are hereby repealed insofar as such conflict exists.

SECTION 24. This resolution shall take effect from and after its approval, the general welfare of Hawkins County requiring it.

Passed and approved January 24, 2011.

(SEAL)

ATTEST:

\_\_\_\_\_  
County Clerk

\_\_\_\_\_  
County Mayor

STATE OF TENNESSEE

COUNTY OF HAWKINS

I, A. Carroll Jenkins, hereby certify that I am the duly elected and qualified County Clerk of Hawkins County, Tennessee, and as such official I further certify that attached hereto is a true and correct copy of excerpts from the minutes of the meeting of the Board of County Commissioners of Hawkins County held on Monday, January 24, 2011, insofar as same pertains to the proceedings in connection with the issuance of not-to-exceed \$410,000 General Obligation Bonds, Series 2011 of Hawkins County, Tennessee.

WITNESS my signature and official seal this the \_\_th day of January, 2011.

---

A. Carroll Jenkins, County Clerk  
Hawkins County, Tennessee

(SEAL)

TO THE HONORABLE MELVILLE BAILEY, CHAIRMAN, AND MEMBERS OF THE HAWKINS COUNTY BOARD OF COMMISSIONERS IN REGULAR SESSION, MET THIS 24TH DAY OF JANUARY, 2011.

**RESOLUTION IN REFERENCE: BUDGET AMENDMENT - GENERAL FUND**

The following budget amendments are being requested as listed below:

Account Number	Description	Current Budget	Increase	Decrease	Amended Budget
<b>ELECTION COMMISSION</b>					
<b>Increase Expenditures</b>			<b>Increase</b>		
51500-399	Other Contracted Services	12,000.00	4,500.00		16,500.00
<b>Decrease Expenditures</b>				<b>Decrease</b>	
51500-193	Election Workers	74,500.00		(4,500.00)	70,000.00
	<b>Sub-total</b>	<b>\$ 86,500.00</b>	<b>\$ 4,500.00</b>	<b>\$ (4,500.00)</b>	<b>\$ 86,500.00</b>
This increase is needed due to under-estimated expenses for the August election and other unexpected expenses. Funding for this increase will come from a transfer within the Election Commission's Budget.					
<b>OTHER GENERAL ADMINISTRATION</b>					
<b>Increase Expenditures</b>			<b>Increase</b>		
51900-508	Premiums on Corporate Surety Bonds	3,700.00	1,103.00		4,803.00
<b>Decrease Expenditures</b>				<b>Decrease</b>	
51900-513	Workers' Compensation Insurance	138,000.00		(1,103.00)	136,897.00
	<b>Sub-total</b>	<b>\$ 141,700.00</b>	<b>\$ 1,103.00</b>	<b>\$ (1,103.00)</b>	<b>\$ 141,700.00</b>
This increase is needed because this line item was under-estimated. As the Trustee's Statutory Bond is based on currently audited revenue, that bond increased \$1,700 over last year. Trustee bond revenue calculation is made only every four years at each new term of office. Funding will come from a transfer within the Other General Administration Budget.					
		<b>Current Budget</b>	<b>Increase</b>	<b>Decrease</b>	<b>Amended Budget</b>
	<b>Page Totals- Expenditures</b>	<b>\$ 228,200.00</b>	<b>\$ 5,603.00</b>	<b>\$ (5,603.00)</b>	<b>\$ 228,200.00</b>
	<b>Page Totals- Revenues</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

INTRODUCED BY: Gary Hicks, Chrmn Budget Committee

ESTIMATED COST \_\_\_\_\_

SECONDED BY: \_\_\_\_\_

PAID FROM \_\_\_\_\_ FUND \_\_\_\_\_

ACTION: AYE NAY

DATE SUBMITTED 1/10/11

ROLL CALL \_\_\_\_\_

COUNTY CLERK: A. CARROLL JENKINS

VOICE VOTE \_\_\_\_\_

BY: A. Carroll Jenkins

ABSENT \_\_\_\_\_

COMMITTEE ACTION: \_\_\_\_\_

APPROVED \_\_\_\_\_

DISAPPROVED \_\_\_\_\_

CHAIRMAN:

Melville Bailey  
MELVILLE BAILEY

Account Number	Description				
	<b>SHERIFF'S DEPARTMENT</b>	<b>Current Budget</b>			<b>Amended Budget</b>
	<b>Increase Expenditures</b>		<b>Increase</b>		
54110-187	Overtime Pay	25,000.00	16,000.00		41,000.00
54110-201	Social Security	105,000.00	1,159.00		106,159.00
54110-204	State Retirement	129,827.00	1,360.00		131,187.00
54110-513	Workmans' Compensation Insurance	1,500.00	497.00		1,997.00
54110-353	Tow-In Services	1,000.00	1,000.00		2,000.00
	<b>Decrease Expenditures</b>			<b>Deacrease</b>	
54110-106	Deputy(ies)	189,432.00		(1,000.00)	188,432.00
	<b>Sub-Total Expenditures</b>	<b>\$ 451,759.00</b>	<b>\$ 20,016.00</b>	<b>\$ (1,000.00)</b>	<b>\$ 470,775.00</b>
	<b>Increase Revenue</b>		<b>Increase</b>		
48130	Contributions	6,700.00	19,016.00		25,716.00
	<b>Sub-Total Revenue</b>	<b>\$ 6,700.00</b>	<b>\$ 19,016.00</b>	<b>\$ 0.00</b>	<b>\$ 25,716.00</b>
These increases are needed to budget in expenditures and revenue the cost of special assignments being worked by the Sheriff's Department. The Sheriff's Department invoices the various agencies or companies for time worked and associated employer's fixed costs and receives reimbursement for such.					
The increase for tow-in services is due to under-estimating this line item. Funding for this increase will come from a transfer within the Sheriff's Department Budget.					
	<b>PARKS AND FAIR BOARDS</b>	<b>Current Budget</b>			<b>Amended Budget</b>
	<b>Increase Expenditures</b>		<b>Increase</b>		
56700-799	Other Capital Outlay	25,000.00	4,264.00		29,264.00
	<b>Sub-Total Expenditures</b>	<b>\$ 25,000.00</b>	<b>\$ 4,264.00</b>	<b>\$ 0.00</b>	<b>\$ 29,264.00</b>
	<b>Increase Revenue</b>		<b>Increase</b>		
48610	Donations	4,300.00	4,264.00		8,564.00
	<b>Sub-Total Revenue</b>	<b>\$ 4,300.00</b>	<b>\$ 4,264.00</b>	<b>\$ 0.00</b>	<b>\$ 8,564.00</b>
These increases are needed to budget in expenditures and revenue the cost of installing playground equipment at St. Clair Park. Funding will come from donations made by area businesses and St. Clair Ruritan Club.					
	<b>INDUSTRIAL DEVELOPMENT</b>	<b>Current Budget</b>			<b>Amended Budget</b>
	<b>Increase Expenditures</b>		<b>Increase</b>		
58120-301	Accounting Services	2,750.00	260.00		3,010.00
	<b>Decrease Expenditures</b>			<b>Decrease</b>	
58120-399	Other Contracted Services	2,000.00		(260.00)	1,740.00
	<b>Sub-Total Expenditures</b>	<b>\$ 4,750.00</b>	<b>\$ 260.00</b>	<b>\$ (260.00)</b>	<b>\$ 4,750.00</b>
This increase is needed due to under-estimated audit costs for fiscal year ending June 30, 2010. Funding for this increase will come from a transfer within the Industrial Development's Budget.					
<b>Page Totals - Expenditures</b>		<b>\$ 481,509.00</b>	<b>\$ 24,540.00</b>	<b>\$ (1,260.00)</b>	<b>\$ 504,789.00</b>
<b>Page Totals - Revenue</b>		<b>\$ 11,000.00</b>	<b>\$ 23,280.00</b>	<b>\$ 0.00</b>	<b>\$ 34,280.00</b>

**Budget Amendment: General Fund  
 County Commission Meeting  
 Date: January 24, 2011**

Account Number	Description	Current Budget			Amended Budget
	<b>LOCAL HEALTH CENTER</b>				
	<b>Increase Expenditures</b>		<b>Increase</b>		
55110-413	Drugs and Medical Supplies	1,000.00	500.00		1,500.00
55110-599	Other Charges	300.00	225.00		525.00
	<b>Decrease Expenditures</b>			<b>Deacrease</b>	
55110-335	Maintenance and Repair Serv-Building	5,000.00		(725.00)	4,275.00
	<b>Sub-Total Expenditures</b>	<b>\$ 6,300.00</b>	<b>\$ 725.00</b>	<b>\$ (725.00)</b>	<b>\$ 6,300.00</b>
<p>These increases are needed due to unexpected Oxygen tank refills due to expiration dates and unbudgeted notary expenses due to new hires and an employee resignation. Funding for these increases will come from a transfer within the Local Health Center's Budget.</p>					
	<b>Page Totals - Expenditures</b>	<b>\$ 6,300.00</b>	<b>\$ 725.00</b>	<b>\$ (725.00)</b>	<b>\$ 6,300.00</b>
	<b>Page Totals - Revenue</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

TO THE HONORABLE MELVILLE BAILEY, CHAIRMAN, AND MEMBERS OF THE HAWKINS COUNTY BOARD OF COMMISSIONERS IN REGULAR SESSION, MET THIS 24TH DAY OF JANUARY, 2011.

**RESOLUTION IN REFERENCE: BUDGET AMENDMENT - DRUG CONTROL FUND**

The following budget amendments are being requested as listed below:

Account Number	Description	Current Budget	Increase	Decrease	Amended Budget
<b>DRUG ENFORCEMENT</b>					
<b>Increase Expenditures</b>			<b>Increase</b>		
54150-399	Other Contracted Services	500.00	300.00		800.00
54150-718	Motor Vehicles	25,000.00	119,499.00		144,499.00
<b>Decrease Undesignated Fund Balance</b>				<b>Decrease</b>	
39000	Undesignated Fund Balance	227,090.00		(119,799.00)	107,291.00
<b>Sub-total</b>		<b>\$ 252,590.00</b>	<b>\$ 119,799.00</b>	<b>\$ (119,799.00)</b>	<b>\$ 252,590.00</b>
The Other Contracted Services increase is needed to make sufficient appropriations for canine training.					
The increase in Motor Vehicles is needed to purchase four new vehicles. Funding for these increases will come from Undesignated Fund Balance of the Drug Control Fund.					
		<b>Current Budget</b>	<b>Increase</b>	<b>Decrease</b>	<b>Amended Budget</b>
<b>Page Total - Expenditures and Undesignated Fund Balance</b>		<b>\$ 252,590.00</b>	<b>\$ 119,799.00</b>	<b>\$ (119,799.00)</b>	<b>\$ 252,590.00</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

INTRODUCED BY: Gary Hicks, Chairman  
Budget Committee

ESTIMATED COST \_\_\_\_\_

SECONDED BY: \_\_\_\_\_

PAID FROM \_\_\_\_\_ FUND

ACTION: AYE NAY

DATE SUBMITTED 1/10/11

ROLL CALL \_\_\_\_\_

COUNTY CLERK: A. CARROLL JENKINS

VOICE VOTE \_\_\_\_\_

BY: A. Carroll Jenkins

ABSENT \_\_\_\_\_

COMMITTEE ACTION: \_\_\_\_\_

APPROVED \_\_\_\_\_ DISAPPROVED \_\_\_\_\_

CHAIRMAN:

Melville Bailey  
MELVILLE BAILEY

TO THE HONORABLE MELVILLE BAILEY, CHAIRMAN, AND MEMBERS OF THE HAWKINS COUNTY BOARD OF COMMISSIONERS IN REGULAR SESSION, MET THIS 24TH DAY OF JANUARY, 2011.

**RESOLUTION IN REFERENCE: BUDGET AMENDMENT - HIGHWAY FUND**

The following budget amendments are being requested as listed below:

Account Number	Description	Current Budget			Amended Budget
	<b>HIGHWAY &amp; BRIDGE MAINTENANCE, OPERATION AND MANINENCE OF EQUIPMENT</b>				
	<b>Increase Expenditures</b>		<b>Increase</b>		
62000-351	Rentals	10,000.00	7,000.00		17,000.00
63100-336	Maintenance & Repair Services-Equip	12,000.00	4,000.00		16,000.00
	<b>Sub-total</b>	<b>\$ 22,000.00</b>	<b>\$ 11,000.00</b>	<b>\$ 0.00</b>	<b>\$ 33,000.00</b>
	<b>Decrease Expenditures</b>			<b>Decrease</b>	
62000-408	Concrete	3,000.00		(1,600.00)	1,400.00
62000-447	Structural Steel	3,000.00		(1,500.00)	1,500.00
62000-440	Pipe-Metal	80,000.00		(3,900.00)	76,100.00
63100-338	Maintenance & Repair Serv-Vehicles	12,000.00		(2,000.00)	10,000.00
63100-424	Garage Supplies	22,000.00		(2,000.00)	20,000.00
	<b>Sub-total</b>	<b>\$ 120,000.00</b>	<b>\$ 0.00</b>	<b>\$ (11,000.00)</b>	<b>\$ 109,000.00</b>
The increase in Rentals is needed due to the increase in useage of cold mix and an increase of five cents per gallons for rental of pug-mill to mix cold-mix.					
The increase in Maintenance and Repair Services - Equipment is due to the under-estimated number of breakdowns of equipment. Funding for these increases will come from transfers within the Highway Departments Budget.					
		<b>Current Budget</b>	<b>Increase</b>	<b>Decrease</b>	<b>Amended Budget</b>
	<b>Page Totals- Expenditures</b>	<b>\$ 142,000.00</b>	<b>\$ 11,000.00</b>	<b>\$ (11,000.00)</b>	<b>\$ 142,000.00</b>
	<b>Page Totals- Revenues</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>

INTRODUCED BY: Gary Hicks, Chrmn. Budget Committee

ESTIMATED COST \_\_\_\_\_

SECONDED BY: \_\_\_\_\_

PAID FROM \_\_\_\_\_ FUND \_\_\_\_\_

ACTION: AYE \_\_\_\_\_ NAY \_\_\_\_\_

DATE SUBMITTED 1/10/11

ROLL CALL \_\_\_\_\_

COUNTY CLERK: A. CARROLL JENKINS

VOICE VOTE \_\_\_\_\_

BY: A. Carroll Jenkins

ABSENT \_\_\_\_\_

COMMITTEE ACTION: \_\_\_\_\_

APPROVED \_\_\_\_\_

DISAPPROVED \_\_\_\_\_

CHAIRMAN: \_\_\_\_\_

Melville Bailey  
MELVILLE BAILEY



RESOLUTION NO. 2011 01 1 1b

TO THE HONORABLE MELVILLE E. BAILEY, CHAIRMAN, AND MEMBERS OF THE HAWKINS COUNTY BOARD OF COMMISSIONERS IN REGULAR SESSION, MET THIS 24<sup>TH</sup> DAY OF JANUARY 2011.

**RESOLUTION IN REF: FEDERAL PROJECTS FUND BUDGET AMENDMENT**

WHEREAS, the Hawkins County Board of Education has approved the attached budget amendment to the Federal Projects Fund, and now requests approval of said amendment by the Hawkins County Board of Commissioners.

NOW THEREFORE BE IT RESOLVED THAT the Hawkins County Board of Commissioners, meeting in regular session, January 24, 2011, go on record as passing this resolution.

Introduced by Esq. Gary Hicks

Estimated Cost: \_\_\_\_\_

Seconded by Esq. \_\_\_\_\_

Paid From \_\_\_\_\_ Fund

ACTION:    Aye    Nay

Date Submitted 1/10/11

Roll Call    \_\_\_\_\_    \_\_\_\_\_

County Clerk: A. Carroll Jenkins

Voice Vote    \_\_\_\_\_    \_\_\_\_\_

By: A. Carroll Jenkins

Absent    \_\_\_\_\_    \_\_\_\_\_

COMMITTEE ACTION:

APPROVED

DISAPPROVED

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

CHAIRMAN: Melville E. Bailey

FUND: 142 FEDERAL PROJECTS FUND  
 AMENDMENT NUMBER: 4  
 DATE: January 24, 2011

ORIGINAL BUDGET AMOUNT	6,312,322.00
PREVIOUS AMENDMENTS	2,993,722.86
TOTAL	9,306,044.86
REQUESTED AMENDMENT	-19,870.66
TOTAL	9,286,174.20

ACCOUNT	DESCRIPTION EXPENDITURES	CURRENT BUDGET	INCREASE	DECREASE	AMENDED BUDGET
	71100 REGULAR INSTRUCTION PROGRAM				
71100-116	Teachers	340,229.00	1,825.00		342,054.00
71100-195	Certified Substitute Teachers	3,000.00	200		3,200.00
71100-198	Non-Certified Substitute Teachers	18,000.00	1,700.00		19,700.00
71100-201	Social Security	92,556.00	230		92,786.00
71100-204	State Retirement	138,631.00	163		138,794.00
71100-207	Medical Insurance	200,133.00		4,080.00	196,053.00
71100-210	Unemployment Compensation	5,300.00		195	5,105.00
71100-212	Employer Medicare	21,743.00	55		21,798.00
71100-722	Regular Instruction Equipment	800,752.59	8,788.71		809,541.30
	Subtotal	1,620,344.59	12,961.71	4,275.00	1,629,031.30
	72120 HEALTH SERVICES				
72120-399	Other Contracted Services	64,589.15		3,440.40	61,148.75
72120-499	Other Supplies & Materials	5,000.00		1,989.36	3,010.64
72120-735	Health Equipment	73,930.21	5,429.76		79,359.97
	Subtotal	143,519.36	5,429.76	5,429.76	143,519.36
	72210 REGULAR INSTRUCTION SUPPORT				
72210-308	Consultants	200,000.00		55,000.00	145,000.00
72210-499	Other Supplies & Materials	90,332.00		39,076.94	51,255.06
72210-524	In Service/Staff Development	933,813.00	26,912.11		960,725.11
72210-599	Other Charges	235,302.98	10,000.00		245,302.98
72210-790	Other Equipment	78,418.00	28,607.46		107,025.46
	Subtotal	1,537,865.98	65,519.57	94,076.94	1,509,308.61
	TOTAL EXPENDITURES	3,301,729.93	83,911.04	103,781.70	3,281,859.27
	REVENUE				
47189	Eisenhower Prof Development State Grants	811,446.00		19,870.66	791,575.34

The above amendment increases underestimated line items and decreases overestimated line items to allow for the completion of the Carol M. White Pep Grant. The amendment also budgets funds based upon final allocation approval by the State in the Title II-Part A, Title II-Part D, and Title II-Part D ARRA federal projects.

**CERTIFICATE OF ELECTION OF NOTARIES PUBLIC**

Resolution No. 2011/01/11

**AS CLERK OF THE COUNTY OF HAWKINS, TENNESSEE**

**NOTARY PUBLIC DURING THE JANUARY 24, 2011 MEETING OF THE GOVERNING BODY:**

NAME	HOME ADDRESS AND PHONE	BUSINESS
1. CONSTANCE ELIZABETH BARE	932 OLD HWY 70 S ROGERSVILLE, TN. 37857 423-923-0330	STATE OF TENNESSEE DEPT. OF HEALTH CHURCH HILL, TN. 37642
2. DANNY L. BREEDING	408 LYNCHBURG LN. SURGOINSVILLE, TN. 37873 423-345-5000	HAWKINS COUNTY ROGERSVILLE, TN. 37857
3. PATRICIA T. CASE	931 STANLEY VALLEY RD. ROGERSVILLE, TN. 37857 423-345-2873	MARK S. STAPLETON, ATTORNEY ROGERSVILLE, TN. 37857
4. CAROLYN L. GRIGSBY	118 NOLICHUCKY ST. CHURCH HILL, TN. 37642 423-357-7872	EASTMAN CREDIT UNION KINGSPORT, TN. 37860
5. KARI J. GYORI	4315 STILLWOOD AVE. KINGSPORT, TN. 37664 423-384-9812	THE FAULK LAW OFFICE CHURCH HILL, TN. 37642
6. MAURICIA J. MOORE	147 CONANT RD. CHURCH HILL, TN. 37642 423-357-7850	FIRST COMMUNITY BANK CHURCH HILL, TN. 37642
7. VONDA DARLENE PRESLEY	218 RUSSELL DR. ROGERSVILLE, TN. 37857 423-923-0848	HAWKINS COUNTY HEALTH DEPARTMENT ROGERSVILLE, TN. 37857
8. ELIZABETH CONNET REESE	191 EVERHART DR. GREENEVILLE, TN. 37745 865-235-5132	HAWKINS COUNTY HEALTH DEPARTMENT ROGERSVILLE, TN. 37857
9. RACHAEL W. STEWART	230 N. MAIN ST. BULLS GAP, TN. 37711 423-235-6125	GREENBANK BULLS GAP, TN. 37711
10. WANDA Y. TRENT	219 GILDA AVE. CHURCH HILL, TN. 37642 423-357-6788	MOUNTAIN REGION FAMILY MEDICINE KINGSPORT, TN. 37860
11. JENNIFER J. WINEGAR	300 TAYLOR ST. ROGERSVILLE, TN. 37857 423-327-0170	HAWKINS COUNTY BOARD OF EDUCATION ROGERSVILLE, TN. 37857

(Seal)

\_\_\_\_\_  
Signature

Clerk of the County of Hawkins, Tennessee

\_\_\_\_\_  
Date