

**CALL TO ORDER**

**PUBLIC HEARING REGARDING ZONING**

**CZ-6-2012:** Application of Jan Taylor from C-5, Hwy and Arterial Commercial District to R-1 Single-Family Residential District

**RESOLUTIONS**

- 12-8-1:** Resolution to Adopt an Inter-local Agreement Between the City of Clarksville and Montgomery county for Joint Funding from the Bureau of Justice Assistance of the United States Department of Justice on a Joint Award of Federal Byrne Justice Assistance Grant Funds
- 12-8-2:** Resolution to Eliminate the Need to Have an Affixed Motor Vehicle Privilege Tax (Wheel Tax) Decal in Montgomery County
- 12-8-3:** Resolution to Enter into an Inter-local Contract with the City of Clarksville to Provide Lighting for the RJ Corman Bridge
- 12-8-4:** Resolution to Acquire Certain Real Estate Adjoining Rotary Park
- 12-8-5:** Resolution Amending the *General Provisions Applicable to all Committees, Boards and Commissions, Section (8)(a) Compensation of Members* Portion of the Rules of Procedures
- 12-8-6:** Resolution Authorizing the Issuance of General Obligation Refunding Bonds of Montgomery County, Tennessee, in the Aggregate Principal Amount of Not to Exceed Eighteen Million One Hundred Twenty-Five Thousand Dollars (\$18,125,000) for the Purpose of Prepaying the County's Outstanding Loan Agreement, Dated June 6, 2008, by and between the County and the Public Building Authority of the City of Clarksville, Tennessee; Making Provision for the Issuance, Sale and Payment of Said Bonds; Establishing the Terms thereof and the Disposition of Proceeds Therefrom; and Providing for the Levy of Taxes for the Payment of Principal of, Premium, if Any, and Interest on the Bonds
- 12-8-7:** Resolution to Amend the Budgets of Various Funds for Fiscal Year 2013 in Certain Areas of Revenues and Expenditures
- 12-8-8:** Resolution to Accept a Donation of Land Adjacent to Rotary Park

## **REPORTS**

1. Mayor Carolyn Bowers, County Mayor Nominations and Appointments

## **REPORTS FILED**

1. Minutes from July 9, 2012
2. Register of Deeds - Financial Report – July 1, 2011 thru June 30, 2012

## **ANNOUNCEMENTS**

1. Reminder: Please submit items for the 2013 Legislative Agenda as soon as possible to Commissioners Genis, Nichols or Sokol

## **ADJOURN**

**RESOLUTION OF THE MONTGOMERY COUNTY BOARD OF COMMISSIONERS  
AMENDING THE ZONE CLASSIFICATION OF THE PROPERTY OF  
JAN TAYLOR**

WHEREAS, an application for a zone change from C-5 Highway and Arterial Commercial District to R-1 Single-Family Residential District has been submitted by Jan Taylor and

WHEREAS, said property is identified as County Tax Map 086, parcel 031.00, containing 0.63 acres, situated in Civil District 13, located fronting on the north side of Hwy 41-A South, 970+/- feet east of the Hwy 41-A S. & Bagwell Rd. intersection; and

WHEREAS, said property is described as follows:

Beginning at a point being in the north right-of-way of Highway 41-A South, said point being 512+/- feet northwest of the centerline intersection of Welch Road and Highway 41-A South, said point also being the southwest corner of the Berry Hedrick property; thence with the west line of Hedrick in a northerly direction, 298+/- feet to a point in the south line of Miller Property Management, said point also being the northwest corner of the Hedrick property; thence leaving Hedrick with the south line of Miller in a westerly direction, 96.5+/- feet to a point; thence leaving the south line of Miller in a southerly direction, 289.7+/- feet to a point in the north right-of-way of Highway 41-A South; thence with the north right-of-way of Highway 41-A South in an easterly direction, 97+/- feet to the point of beginning; containing 0.63+/- acres. (Montgomery County Tax Map 086, parcel 031.00)

WHEREAS, the Planning Commission staff recommends APPROVAL and the Regional Planning Commission recommends APPROVAL of said application.

NOW, THEREFORE, BE IT RESOLVED by the Montgomery County Board of County Commissioners assembled in regular session on this 13 day of August, 2012, that the zone classification of the property of Jan Taylor from C-5 to R-1 is hereby approved.

Duly passed and approved this 13th day of August, 2012.

Sponsor David D. Ripple  
Commissioner \_\_\_\_\_  
Approved \_\_\_\_\_

Attested: \_\_\_\_\_  
County Clerk

County Mayor

**RESOLUTION TO ADOPT AN INTERLOCAL AGREEMENT BETWEEN THE CITY OF CLARKSVILLE AND MONTGOMERY COUNTY FOR JOINT FUNDING FROM THE BUREAU OF JUSTICE ASSISTANCE OF THE UNITED STATES DEPARTMENT OF JUSTICE ON A JOINT AWARD OF FEDERAL BYRNE JUSTICE ASSISTANCE GRANT FUNDS**

**WHEREAS**, the United States Department of Justice, Bureau of Justice Assistance has granted \$60,434.00 for fiscal year 2013 to be divided equally between the City of Clarksville and Montgomery County for various projects including the monthly service for mobile data terminals and associated wireless data equipment; and

**WHEREAS**, the amount awarded to Montgomery County of \$30,217.00 will support the continued use of mobile data services and equipment resulting in deputies being able to access essential information in the performance of their duties while in the field.

**NOW, THEREFORE, BE IT RESOLVED** by the Montgomery County Board of Commissioners, meeting this the 13<sup>th</sup> day of August, 2012, that:

**SECTION 1.** Montgomery County hereby accepts \$30,217.00 from the United States Department of Justice, Bureau of Justice Assistance for the purposes herein stated and detailed in the Interlocal Agreement between the City of Clarksville and Montgomery County a copy of which is attached hereto and which was adopted by the City on May 3, 2012.

**SECTION 2.** There is no required match and no requirement that these projects be continued under the terms of the block grant at its expiration.

This resolution shall take effect upon its adoption.

**Dated this the 13<sup>th</sup> day of August, 2012.**

**Sponsor** \_\_\_\_\_

**Commissioner** \_\_\_\_\_

**Approved** \_\_\_\_\_

**County Mayor**

**Attest** \_\_\_\_\_

**County Clerk**

GMS APPLICATION NUMBER 2012-H1220-TN-DJ

**INTERLOCAL AGREEMENT BETWEEN THE CITY OF CLARKSVILLE, TN and  
THE COUNTY OF MONTGOMERY, TN  
REGARDING THE  
2012 BYRNE JUSTICE ASSISTANCE GRANT (JAG) PROGRAM AWARD**

This Agreement is made and entered into this 17<sup>th</sup> day of April, 2012, by and between The COUNTY of Montgomery acting by and through its governing body, the County Commission, hereinafter referred to as COUNTY, and the CITY of Clarksville acting by and through its governing body, the City Council, hereinafter referred to as CITY, both of Montgomery County, State of Tennessee, witnesseth:

**WHEREAS**, a combined, disparate allocation of funds of \$60,434 from the JAG Program to the CITY and the COUNTY establishes the need for a joint JAG Program Award Application, and

**WHEREAS**, each governing body, in performing governmental functions or in paying for the performance of governmental functions hereunder, shall make that performance or those payments from current revenues legally available to that party: and

**WHEREAS**, each governing body finds that the performance of this Agreement is in the best interests of both parties, that the undertaking will benefit the public, and that the division of costs fairly compensates the performing party for the services or functions under this agreement: and

**WHEREAS**, the CITY agrees to provide the COUNTY \$30,217 from the JAG award for the Law Enforcement Program; and

**WHEREAS**, the CITY and COUNTY believe it to be in their best interests to reallocate the JAG funds,

**NOW THEREFORE, the COUNTY and CITY agree as follows:**

**Section 1.**

CITY agrees to reimburse COUNTY a total of \$30,217 based upon expenditure records.

**Section 2.**

COUNTY agrees to use \$30,217 for the Law Enforcement Program no later than September 30, 2015.

**Section 3.**

Nothing in the performance of this Agreement shall impose any liability for claims against COUNTY other than claims for which liability may be imposed by the Tennessee Governmental Tort Liability Act.

**Section 4.**

Nothing in the performance of this Agreement shall impose any liability for claims against CITY other than claims for which liability may be imposed by the Tennessee Governmental Tort Liability Act.

**Section 5.**

The CITY shall serve as Applicant and Fiscal Agent for the 2012 JAG Program Application, shall advise the COUNTY of balance available information on a periodic basis, and shall prepare all reports. The COUNTY shall submit claims/requests for distribution of COUNTY share of funds to the CITY for payment processing and provide such summary information as may be required for periodic reports.

**Section 6.**

Each party to this agreement will be responsible for its own actions in providing services under this agreement and shall not be liable for any civil liability that may arise from the furnishing of the services by the other party.

**Section 7.**

The parties to this Agreement do not intend for any third party to obtain a right by virtue of this Agreement.

**Section 8.**

By entering into this Agreement, the parties do not intend to create any obligations express or implied other than those set out herein; further, this Agreement shall not create any rights in any party not a signatory hereto.

**Section 9.**

This interlocal agreement will become effective upon adoption of enabling resolutions by the governing bodies of both the County and the City, and both resolutions must be adopted prior to the applicant's acceptance of the grant award.

For the CITY OF CLARKSVILLE, TN:

  
Kim McMillan, Mayor

4/17/12  
Date

For the COUNTY OF MONTGOMERY, TN

  
Carolyn Bowers, Mayor

4/16/12  
Date



**RESOLUTION TO ELIMINATE THE NEED TO HAVE AN AFFIXED  
MOTOR VEHICLE PRIVILEGE TAX (WHEEL TAX) DECAL  
IN MONTGOMERY COUNTY**

**WHEREAS**, T.C.A. §5-8-102 states in part “In each county that has levied or may hereafter levy a motor vehicle privilege tax under either this chapter or by private act, the county legislative body shall determine by resolution whether a resident who operates a motor vehicle in the county shall have a decal or emblem affixed upon the motor vehicle as evidence of compliance and, if a decal or emblem is required by the county legislative body, the place on the motor vehicle at which it shall be affixed”; and

**WHEREAS**, T.C.A. §55-4-104(d)(1) has been amended to provide that the state registration decal will be evidence that all state and local taxes have been paid, unless the county legislative body requires a separate decal pursuant to T.C.A. §5-8-102; and

**WHEREAS**, the Montgomery County Board of Commissioners has determined that issuing a separate wheel tax decal currently costs Montgomery County over \$5,500 a year, and should be discontinued.

**NOW, THEREFORE, BE IT RESOLVED** by the Montgomery County Board of Commissioners meeting in regular session on this the 13<sup>th</sup> day of August, 2012, that the Montgomery County Clerk will no longer issue a wheel tax decal when payment of the county wheel tax is made and the taxpayer’s state registration and validation decal will be sufficient proof that the county wheel tax has been collected when applicable. This resolution will apply to wheel tax decals for registrations expiring after December 31, 2012.

**Duly passed and approved this 13<sup>th</sup> day of August, 2012.**

**Sponsor** \_\_\_\_\_

**Commissioner** \_\_\_\_\_

**Approved** \_\_\_\_\_

**County Mayor**

**Attested** \_\_\_\_\_

**County Clerk**

**RESOLUTION TO ENTER INTO AN INTER-LOCAL CONTRACT WITH THE CITY OF CLARKSVILLE TO PROVIDE LIGHTING FOR THE RJ CORMAN BRIDGE**

**WHEREAS**, Montgomery County and the City of Clarksville are currently in the process of implementing a rehabilitation project of the RJ Corman bridge which crosses over the Cumberland River; and

**WHEREAS**, the Planning Commission is transferring \$550,000 of Surface Transportation Program (STP) funds into the Montgomery County Rail Service Authority Fund to provide for new lighting across the RJ Corman bridge; and

**WHEREAS**, the City of Clarksville and Montgomery County are required to equally split the 20% match, which equals to \$55,000 from each entity; and

**WHEREAS**, an inter-local contract is needed between the City of Clarksville and Montgomery County to specify and define the respective duties and obligations of each entity concerning the RJ Corman bridge rehabilitation project.

**NOW, THEREFORE, BE IT RESOLVED** by the Montgomery County Board of Commissioners meeting in regular session on this the 13<sup>th</sup> day of August, 2012, that the Inter-local Contract with the City of Clarksville, attached hereto as “Exhibit A”, for the Rehabilitation project of the RJ Corman Bridge is approved.

**Duly passed and approved this 13<sup>th</sup> day of August, 2012.**

**Sponsor** \_\_\_\_\_

**Commissioner** \_\_\_\_\_

**Approved** \_\_\_\_\_

**County Mayor**

**Attested** \_\_\_\_\_  
**County Clerk**

**INTERLOCAL CONTRACT**

**PERTAINING TO FUNDING OF LIGHTING FOR THE R.J. CORMAN RAILROAD BRIDGE RESTORATION PROJECT**

**Whereas** Tennessee Code Annotated Section 12-9-108 authorizes the **City of Clarksville** and **Montgomery County** to contract with the other to perform any governmental service, activity or undertaking which each is authorized by law to perform, provided that such contract is authorized by the governing body of each party to the contract; and

**Whereas** both the City of Clarksville and Montgomery County desire to enter an agreement regarding funding for the lighting portion of the R.J. Corman Railroad Bridge restoration project;

**Therefore**, the **City of Clarksville** and **Montgomery County**, both political subdivisions of the State of Tennessee, do hereby make and enter into this interlocal contract, for good and valuable consideration, regarding funding amounts to be provided by the City and County for the lighting portion of the R. J. Corman RR Bridge restoration project.

1. The City of Clarksville and the County of Montgomery, State of Tennessee, each agree to fund one-half of the costs for the lighting portion of the R.J. Corman RR Bridge restoration project, with each agreeing to pay FIFTY-FIVE THOUSAND DOLLARS AND ZERO CENTS (\$55,000.00).

\_\_\_\_\_  
Kim McMillan, Mayor  
City of Clarksville

\_\_\_\_\_  
Date

\_\_\_\_\_  
Carolyn P. Bowers, Mayor  
Montgomery County

\_\_\_\_\_  
Date

**RESOLUTION TO ACQUIRE CERTAIN REAL ESTATE  
ADJOINING ROTARY PARK**

**WHEREAS**, Herschel T. Harris and/or Martha E. Harris, Revocable Living Trust, own certain real estate consisting of approximately 8 acres adjoining Rotary Park located on Old Ashland City Road, East; and

**WHEREAS**, the Montgomery County Parks Committee desires to acquire said real estate to expand Rotary Park; and

**WHEREAS**, said parcel of real estate would provide additional acreage of park land to the citizens of Montgomery County; and

**WHEREAS**, the compensation for this parcel of real estate will be an amount not to exceed \$120,000; and

**WHEREAS**, the collections for the fiscal year 2012 were collected at an amount greater than budgeted in the County Capital Projects Fund, which will provide sufficient funding for purchase of land adjacent to Rotary Park with no adverse affect to the County Capital Projects fund balance.

**NOW, THEREFORE, BE IT RESOLVED** by the Montgomery County Board of Commissioners assembled in Regular Session on this 13<sup>th</sup> day of August, 2012, that the County Mayor is authorized to sign all necessary documents to purchase the real estate at a price not to exceed \$120,000.

**Duly passed and approved this 13<sup>th</sup> day of August, 2012.**

**Sponsor** \_\_\_\_\_

**Commissioner** \_\_\_\_\_

**Approved** \_\_\_\_\_

**County Mayor**

**Attested** \_\_\_\_\_

**County Clerk**

**RESOLUTION AMENDING THE GENERAL PROVISIONS APPLICABLE TO ALL COMMITTEES, BOARDS AND COMMISSIONS, SECTION (8)(a) COMPENSATION OF MEMBERS PORTION OF THE RULES OF PROCEDURES**

**WHEREAS**, the Rules Committee is charged with the responsibility of analyzing the structure, organization and functions of the various boards, committees and commissions of Montgomery County Government; and

**WHEREAS**, the Rules Committee met on July 23, 2012 and has recommended that the “*General Provisions Applicable To All Committees, Boards And Commissions, Section (8)(a) Compensation of Members*”, portion of the Rules of Procedure be amended as follows:

(8) Compensation of Members. (a) Unless prohibited by law, or unless otherwise provided, members of county committees, boards and commissions shall be entitled to compensation in an amount equal to one-half the amount of the per diem compensation paid to county commissioners for their attendance at regular Board of County Commissioners meetings, for attending and participating in a committee meeting, but not more than twenty-four (24) meetings per committee per fiscal year, *except for the School Liaison Committee which will be compensated for up to thirty-six (36) meetings per fiscal year.*

**NOW, THEREFORE, BE IT RESOLVED** by the Montgomery County Board of Commissioners assembled in Regular Session on this 13<sup>th</sup> day of August, 2012, that the “*General Provisions Applicable To All Committee, Boards And Commissions, Section (8)(a) Compensation of Members*” is hereby amended effective July 1, 2012.

**Duly passed and approved this 13<sup>th</sup> day of August, 2012.**

Sponsor \_\_\_\_\_

Commissioner \_\_\_\_\_

Approved \_\_\_\_\_

**County Mayor**

Attested \_\_\_\_\_

**County Clerk**

A RESOLUTION AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION REFUNDING BONDS OF MONTGOMERY COUNTY, TENNESSEE, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED EIGHTEEN MILLION ONE HUNDRED TWENTY-FIVE THOUSAND DOLLARS (\$18,125,000) FOR THE PURPOSE OF PREPAYING THE COUNTY'S OUTSTANDING LOAN AGREEMENT, DATED JUNE 6, 2008, BY AND BETWEEN THE COUNTY AND THE PUBLIC BUILDING AUTHORITY OF THE CITY OF CLARKSVILLE, TENNESSEE; MAKING PROVISION FOR THE ISSUANCE, SALE AND PAYMENT OF SAID BONDS; ESTABLISHING THE TERMS THEREOF AND THE DISPOSITION OF PROCEEDS THEREFROM; AND PROVIDING FOR THE LEVY OF TAXES FOR THE PAYMENT OF PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS

WHEREAS, Montgomery County, Tennessee (the "County") has outstanding its Loan Agreement (the "Outstanding Loan"), dated June 6, 2008, by and between the County and The Public Building Authority of the City of Clarksville, Tennessee (the "Authority"), in the original principal amount of \$20,140,987 funded by the issuance of Adjustable Rate Pooled Financing Revenue Bonds, Series 2008 (Tennessee Municipal Bond Fund), dated February 14, 2008 (the "Outstanding Bonds") of the Authority; and

WHEREAS, the County, in consultation with Stephens Inc., the County's financial advisor (the "Financial Advisor") has determined that the Outstanding Loan and, in turn, a related portion of the Outstanding Bonds, can be refinanced with fixed rate bonds in order to eliminate the County's exposure to fluctuations in interest rates; and

WHEREAS, counties in Tennessee are authorized by Section 9-21-101 et seq., Tennessee Code Annotated, to issue, by resolution, bonds to refund, redeem or make principal and interest payments on their previously issued bonds, notes or other obligations; and

WHEREAS, the Board of County Commissioners of the County has determined that in order to provide the funds necessary to accomplish said refunding, it is necessary to issue general obligation refunding bonds of the County; and

WHEREAS, the plan of said refunding has been submitted to the Director of State and Local Finance as required by Section 9-21-903, Tennessee Code Annotated, and said report on the plan of refunding has been issued and is attached hereto as Exhibit A; and

WHEREAS, it is the intention of the Board of County Commissioners to adopt this resolution for the purpose of authorizing the issuance of general obligation refunding bonds for the purpose of prepaying the principal portion of the Outstanding Loan, providing for the issuance, sale and payment of said bonds, establishing the terms thereof and the disposition of proceeds therefrom and providing for the levy of a tax for the payment of principal thereof, premium, if any, and interest thereon.

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

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

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

- (a) "Authority" means The Public Building Authority of the City of Clarksville, Tennessee;
- (b) "Bonds" means General Obligation Refunding Bonds authorized herein;
- (c) "Book-Entry Form" or "Book-Entry System" means a form or system, as applicable, under which physical bond certificates in fully registered form are issued to a Depository, or to its nominee as Registered Owner, with the certificate of bonds being held by and "immobilized" in the custody of such Depository, and under which records maintained by persons, other than the County or the Registration Agent, constitute the written record that identifies, and records the transfer of, the beneficial "book-entry" interests in those bonds;
- (d) "Code" shall mean the Internal Revenue Code of 1986, as amended, and all regulations promulgated thereunder;
- (e) "County" shall mean Montgomery County, Tennessee;
- (f) "Depository" means any securities depository that is a clearing agency under federal laws operating and maintaining, with its participants or otherwise, a Book-Entry System, including, but not limited to, DTC;
- (g) "DTC" means the Depository Trust Company, a limited purpose company organized under the laws of the State of New York, and its successors and assigns;
- (h) "DTC Participant(s)" means securities brokers and dealers, banks, trust companies and clearing corporations that have access to the DTC System;
- (i) "Governing Body" means the Board of County Commissioners of the County;
- (j) "Indenture" means the Indenture of Trust, dated as of February 1, 2008, pursuant to which the Outstanding Bonds were issued to fund the Outstanding Loan;
- (k) "Outstanding Loan" shall have the meaning ascribed to it in the preamble hereto;
- (l) "Outstanding Bonds" means the definition ascribed to them in the preambles hereof;
- (m) "Refunded Loan" means the portion of the Outstanding Loan designated for prepayment per Section 8 hereof;
- (n) "Registration Agent" means the registration and paying agent for the Bonds appointed by the County Mayor pursuant to Section 4 hereof; and
- (l) "State Director" shall mean the Director of State and Local Finance for the State of Tennessee.

Section 3. Findings of the Governing Body; Compliance with Debt Management Policy. It is hereby found and determined by the Governing Body as follows:

(a) In conformance with the directive of the State Funding Board of the State of Tennessee, the County has heretofore adopted its Debt Management Policy. The Governing Body hereby finds that the issuance and sale of the Bonds, as proposed herein, is consistent with the County's Debt Management Policy.

(b) The prepayment of the Refunded Loan as set forth herein through the issuance of the Bonds will restructure the County's outstanding debt service by reducing the County's exposure to the variations in interest rates born by the Refunded Loan, and such restructuring is hereby determined to be in the County's best interest.

(c) To ensure that the costs of the Bonds authorized herein have been fully disclosed, the Refunding Report of the State Director has been presented to the members of the Governing Body in connection with their consideration of this resolution and is attached hereto as Exhibit A.

#### Section 4. Authorization and Terms of the Bonds.

(a) For the purpose of providing funds to prepay the principal portion of the Outstanding Loan and pay the costs incident to the issuance and sale of the Bonds, as more fully set forth in Section 9 hereof, there are hereby authorized to be issued bonds of the County in an aggregate principal amount not to exceed \$18,125,000. The Bonds shall be issued in fully registered, book-entry only form (except as otherwise permitted herein), without coupons, shall be issued in one or more series, shall be known as "General Obligation Refunding Bonds" and shall have such series designation and dated date as shall be determined by the County Mayor pursuant to Section 8 hereof. The rate or rates on the Bonds shall not exceed the maximum interest rate permitted by applicable law at the time of the sale of the Bonds, or any series thereof. Subject to the adjustments permitted pursuant to Section 8 hereof, interest on the Bonds shall be payable semi-annually on April 1 and October 1 in each year, commencing October 1, 2012. The Bonds shall be issued initially in \$5,000 denominations or integral multiples thereof, as shall be requested by the original purchaser of the Bonds, and, subject to adjustment as permitted by Section 8 hereof, shall mature, either serially or through mandatory redemption on April 1 of each year, subject to prior optional redemption as hereinafter provided, either serially or through mandatory redemption, in the years 2013 through 2029, inclusive. Attached hereto as Exhibit B is a preliminary debt service estimate of the amortization of the Bonds; provided, however, such amortization may be adjusted in accordance with Section 8 hereof.

(b) Subject to the adjustments permitted pursuant to Section 8 hereof, the Bonds, or any series thereof, maturing on or after April 1, 2023 shall be subject to redemption, at the option of the County, in whole or in part, on April 1, 2022 and on any date thereafter at the redemption price of par plus interest accrued to the redemption date. If less than all the Bonds of such series shall be called for redemption, the maturities to be redeemed shall be selected by the Governing Body in its discretion. If less than all of the Bonds within a single maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

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

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

(c) Pursuant to Section 8 hereof, the County 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 County Mayor. In the event any or all the Bonds are sold as term bonds, the County shall redeem term bonds on redemption dates corresponding to the maturity dates set forth herein, in aggregate principal amounts equal to the maturity amounts established pursuant to Section 8 hereof for each redemption date, as such maturity amounts may be adjusted pursuant to Section 8 hereof, at a price of par plus accrued interest thereon to the date of redemption. The term bonds to be redeemed within a single maturity shall be selected in the manner described in subsection (b) above.

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

(d) Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent on behalf of the County not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for redemption of any of the Bonds for which proper notice was given. As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the County nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant or Beneficial Owner will not affect the validity of such redemption. The Registration Agent shall mail said notices as and when directed by the County pursuant to written instructions from an authorized representative of the County (other than for a mandatory sinking fund redemption, notices of which shall be given on the dates provided herein) given at least forty-five (45) days prior to the redemption date (unless a shorter notice period shall be satisfactory to the Registration Agent). From and after the redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth herein.

(e) The County Mayor is hereby authorized and directed to appoint the Registration Agent for the Bonds and the Registration Agent so appointed is authorized and directed to maintain Bond registration records with respect to the Bonds, to authenticate and deliver the Bonds as provided herein,

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

(f) The Bonds shall be payable, both principal and interest, in lawful money of the United States of America at the main office of the Registration Agent. The Registration Agent shall make all interest payments with respect to the Bonds by check or draft on each interest payment date directly to the registered owners as shown on the Bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by depositing said payment in the United States mail, postage prepaid, addressed to such owners at their addresses shown on said Bond registration records, without, except for final payment, the presentation or surrender of such registered Bonds, and all such payments shall discharge the obligations of the County in respect of such Bonds to the extent of the payments so made. Payment of principal of and premium, if any, on the Bonds shall be made upon presentation and surrender of such Bonds to the Registration Agent as the same shall become due and payable. All rates of interest specified herein shall be computed on the basis of a three hundred sixty (360) day year composed of twelve (12) months of thirty (30) days each. In the event the Bonds are no longer registered in the name of DTC, or a successor Depository, if requested by the Owner of at least \$1,000,000 in aggregate principal amount of the Bonds, payment of interest on such Bonds shall be paid by wire transfer to a bank within the continental United States or deposited to a designated account if such account is maintained with the Registration Agent and written notice of any such election and designated account is given to the Registration Agent prior to the record date.

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

impair any statutory or other rights in law or in equity of any registered owner arising as a result of the failure of the County to punctually pay or duly provide for the payment of principal of, premium, if any, and interest on the Bonds when due.

(h) The Bonds are transferable only by presentation to the Registration Agent by the registered owner, or his legal representative duly authorized in writing, of the registered Bond(s) to be transferred with the form of assignment on the reverse side thereof completed in full and signed with the name of the registered owner as it appears upon the face of the Bond(s) accompanied by appropriate documentation necessary to prove the legal capacity of any legal representative of the registered owner. Upon receipt of the Bond(s) in such form and with such documentation, if any, the Registration Agent shall issue a new Bond or the Bond to the assignee(s) in \$5,000 denominations, or integral multiples thereof, as requested by the registered owner requesting transfer. The Registration Agent shall not be required to transfer or exchange any Bond during the period commencing on a Regular or Special Record Date and ending on the corresponding interest payment date of such Bond, nor to transfer or exchange any Bond after the publication of notice calling such Bond for redemption has been made, nor to transfer or exchange any Bond during the period following the receipt of instructions from the County to call such Bond for redemption; provided, the Registration Agent, at its option, may make transfers after any of said dates. No charge shall be made to any registered owner for the privilege of transferring any Bond, provided that any transfer tax relating to such transaction shall be paid by the registered owner requesting transfer. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the County nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Bonds shall be overdue. The Bonds, upon surrender to the Registration Agent, may, at the option of the registered owner, be exchanged for an equal aggregate principal amount of the Bonds of the same maturity in any authorized denomination or denominations.

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

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

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

REQUESTING OR DIRECTING THE REGISTRATION AGENT TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THIS RESOLUTION.

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

In the event that (1) DTC determines not to continue to act as securities depository for the Bonds or (2) the County determines that the continuation of the Book-Entry System of evidence and transfer of ownership of the Bonds would adversely affect their interests or the interests of the Beneficial Owners of the Bonds, the County shall discontinue the Book-Entry System with DTC. If the County fails to identify another qualified securities depository to replace DTC, the County shall cause the Registration Agent to authenticate and deliver replacement Bonds in the form of fully registered Bonds to each Beneficial Owner. If the purchaser of the Bonds, or any series thereof, does not intend to reoffer the Bonds to the public, then the County Mayor and the purchaser may agree that the Bonds be issued in the form of fully-registered certificated Bonds and not utilize the Book-Entry System.

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

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

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

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

Section 5. Source of Payment. The Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the County. For the prompt payment of principal of, premium, if any, and interest on the Bonds, the full faith and credit of the County are hereby irrevocably pledged.

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

(Form of Face of Bond)

REGISTERED  
Number \_\_\_\_\_

REGISTERED  
\$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF TENNESSEE  
COUNTY OF MONTGOMERY  
GENERAL OBLIGATION REFUNDING BOND, SERIES \_\_\_\_\_

Interest Rate:

Maturity Date:

Date of Bond:

CUSIP No.:

Registered Owner: CEDE & CO.

Principal Amount:

FOR VALUE RECEIVED, Montgomery County, Tennessee (the "County") hereby promises to pay to the registered owner hereof, hereinabove named, or registered assigns, in the manner hereinafter provided, the principal amount hereinabove set forth on the maturity date hereinabove set forth (or upon earlier redemption as set forth herein), and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on said principal amount at the annual rate of interest hereinabove set forth from the date hereof until said maturity date or redemption date, said interest being payable on [October 1, 2012], and semi-annually thereafter on the first day of April and October 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 principal corporate trust office of \_\_\_\_\_, as registration agent and paying agent (the "Registration Agent"). The Registration Agent shall make all interest payments with respect to this Bond on each interest payment date directly to the registered owner hereof shown on the Bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by check or draft

mailed to such owner at such owner's address shown on said Bond registration records, without, except for final payment, the presentation or surrender of this Bond, and all such payments shall discharge the obligations of the County to the extent of the payments so made. Any such interest not so punctually paid or duly provided for on any interest payment date shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such defaulted interest shall be payable to the person in whose name this Bond is registered at the close of business on the date (the "Special Record Date") for payment of such defaulted interest to be fixed by the Registration Agent, notice of which shall be given to the owners of the Bonds of the issue of which this Bond is one not less than ten (10) days prior to such Special Record Date. Payment of principal of [and premium, if any, on] this Bond shall be made when due upon presentation and surrender of this Bond to the Registration Agent.

Except as otherwise provided herein or in the Resolution, as hereinafter defined, this Bond shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds of the series of which this Bond is one. One Bond for each maturity of the Bonds shall be issued to DTC and immobilized in its custody. A book-entry system shall be employed, evidencing ownership of the Bonds in \$5,000 denominations, or multiples thereof, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants, as defined in the Resolution, pursuant to rules and procedures established by DTC. So long as Cede & Co., as nominee for DTC, is the registered owner of the Bonds, the County and the Registration Agent shall treat Cede & Co., as the only owner of the Bonds for all purposes under the Resolution, including receipt of all principal of, [premium, if any,] and interest on the Bonds, receipt of notices, voting and requesting or taking or not taking, or consenting to, certain actions hereunder. Payments of principal and interest [and redemption premium, if any,] with respect to the Bonds, so long as DTC is the only owner of the Bonds, shall be paid directly to DTC or its nominee, Cede & Co. DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners, as defined in the Resolution. Neither the County nor the Registration Agent shall be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants. In the event that (1) DTC determines not to continue to act as securities depository for the Bonds or (2) the County determines that the continuation of the book-entry system of evidence and transfer of ownership of the Bonds would adversely affect its interests or the interests of the Beneficial Owners of the Bonds, the County may discontinue the book-entry system with DTC. If the County fails to identify another qualified securities depository to replace DTC, the County shall cause the Registration Agent to authenticate and deliver replacement Bonds in the form of fully registered Bonds to each Beneficial Owner. Neither the County nor the Registration Agent shall have any responsibility or obligations to any DTC Participant or any Beneficial Owner with respect to (i) the Bonds; (ii) the accuracy of any records maintained by DTC or any DTC Participant; (iii) the payment by DTC or any DTC Participant of any amount due to any Beneficial Owner in respect of the principal or maturity amounts of and interest on the Bonds; (iv) the delivery or timeliness of delivery by DTC or any DTC Participant of any notice due to any Beneficial Owner that is required or permitted under the terms of the Resolution to be given to Beneficial Owners, (v) the selection of Beneficial Owners to receive payments in the event of any partial redemption of the Bonds; or (vi) any consent given or other action taken by DTC, or its nominee, Cede & Co., as owner.

[Bonds of the issue of which this Bond is one maturing April 1, \_\_\_\_ through April 1, \_\_\_\_, inclusive, shall mature without option of prior redemption, and Bonds maturing April 1, \_\_\_\_ and thereafter shall be subject to redemption prior to maturity at the option of the County on April 1, \_\_\_\_ and thereafter, as a whole or in part, at any time, at the 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 designated by the Board of County Commissioners of the County, in its discretion. If less than all the principal amount of the Bonds of a maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

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

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

[Subject to the credit hereinafter provided, the County shall redeem Bonds maturing \_\_\_\_\_ on the redemption dates set forth below opposite the maturity dates, in aggregate principal amounts equal to the respective dollar amounts set forth below opposite the respective redemption dates at a price of par plus accrued interest thereon to the date of redemption. DTC, as securities depository for the series of Bonds of which this Bond is one, or such Person as shall then be serving as the securities depository for the Bonds, shall determine the interest of each Participant in the Bonds to be redeemed using its procedures generally in use at that time. If DTC, or another securities depository is no longer serving as securities depository for the Bonds, the Bonds to be redeemed within a maturity shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall select. The dates of redemption and principal amount of Bonds to be redeemed on said dates are as follows:

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

\*Final Maturity

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

extent the provisions of clauses (i) and (ii) of this subsection are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.]

Notice of call for redemption[, whether optional or mandatory,] shall be given by the Registration Agent not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for the redemption of any of the Bonds for which proper notice was given. As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the County nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant will not affect the validity of such redemption. From and after any redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth in the Resolution, as hereafter defined.]

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

This Bond is one of a total authorized issue aggregating \$\_\_\_\_\_ and issued by the County for the purpose of providing funds to prepay the principal portion of the County's Outstanding Loan Agreement, dated June 6, 2008, by and between the County and The Public Building Authority of the City of Clarksville, Tennessee in the original principal amount of \$20,140,987 and to pay costs of issuance of the Bonds of the issue of which this Bond is one under and in full compliance with the constitution and statutes of the State of Tennessee, including Sections 9-21-101, et seq., Tennessee Code Annotated, and pursuant to a resolution duly adopted by the Board of County Commissioners of the County on August \_\_, 2012 (the "Resolution").

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

This Bond and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) inheritance, transfer and estate taxes, (b) Tennessee excise taxes on interest on the Bond during the period the Bond is held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee, and (c) Tennessee franchise taxes by reason of the inclusion of the book value of the Bond in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

It is hereby certified, recited, and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other indebtedness of the County, does not exceed any limitation prescribed by the constitution and statutes of the State of Tennessee.

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

MONTGOMERY COUNTY

BY: \_\_\_\_\_  
County Mayor

(SEAL)

ATTESTED:

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

Transferable and payable at the principal corporate trust office of: \_\_\_\_\_  
\_\_\_\_\_

Date of Registration: \_\_\_\_\_

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

\_\_\_\_\_  
Registration Agent

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

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns, and transfers unto \_\_\_\_\_, whose address is \_\_\_\_\_ (Please insert Federal Identification or Social Security Number of Assignee \_\_\_\_\_), the within Bond of Montgomery County, Tennessee, and does hereby irrevocably constitute and appoint \_\_\_\_\_, attorney, to transfer the said Bond on the records kept for registration thereof with full power of substitution in the premises.

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

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

Signature guaranteed:

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

Section 7. Pledge of Net Revenues and Levy of Tax. The County, through its Governing Body, shall annually levy and collect a tax upon all taxable property within the County, in addition to all other taxes authorized by law, sufficient to pay principal of, premium, if any, and interest on the Bonds when due, and for that purpose there is hereby levied a direct annual tax in such amount as may be found necessary each year to pay principal and interest coming due on the Bonds in said year. Principal and interest falling due at any time when there are insufficient funds from this tax levy on hand shall be paid from the current funds of the County and reimbursement therefor shall be made out of the taxes hereby provided to be levied when the same shall have been collected. The tax herein provided may be reduced to the extent of any appropriations from other funds, taxes and revenues of the County, to the payment of debt service on the Bonds.

Section 8. Sale of Bonds.

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

(b) The Bonds, or any series thereof, shall be sold by delivery of bids via physical delivery, mail, fax, or telephone or by electronic bidding means of an Internet bidding service as shall be determined by the County Mayor, in consultation with the Financial Advisor.

(c) If the Bonds are sold in more than one series, the County Mayor is authorized to cause to be sold in each series an aggregate principal amount of Bonds less than that shown in Section 4 hereof for each series, so long as the total aggregate principal amount of all series issued does not exceed the total aggregate of Bonds authorized to be issued herein.

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

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

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

(3) change the first interest payment date on the Bonds or any series thereof to a date other than October 1, 2012, provided that such date is not later than twelve months from the dated date of such series of Bonds;

(4) decrease or increase the total amount authorized to be issued herein in an amount necessary to provide funds sufficient to pay principal on the Outstanding Loan and the costs of issuance of the Bonds;

(5) adjust the principal and interest payment dates and maturity amounts of the Bonds or any series thereof, provided that (A) the total principal amount of all series of the Bonds does not exceed the total amount of Bonds authorized herein, as shall be adjusted pursuant to paragraph (4) above, and (B) the final maturity date of each series shall not exceed June 1, 2029;

(6) adjust or remove the County's optional redemption provisions of the Bonds, provided that the premium amount to be paid on Bonds or any series thereof does not exceed two percent (2%) of the principal amount thereof;

(7) sell the Bonds, or any series thereof, or any maturities thereof as Term Bonds with mandatory redemption requirements corresponding to the maturities set forth herein or as otherwise determined by the County Mayor, as she shall deem most advantageous to the County; and

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

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

(f) The County Mayor is authorized to award the Bonds, or any series thereof, in each case to the bidder whose bid results in the lowest true interest cost to the County, provided the rate or rates on the Bonds does not exceed the maximum rate permitted by applicable Tennessee law at the time of the issuance of the Bonds or any series thereof. The award of the Bonds by the County Mayor to the lowest bidder shall be binding on the County, and no further action of the Governing Body with respect thereto

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

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

(h) The County Mayor and the County Clerk, or either of them, are authorized to enter into an agreement with the Registration Agent for providing paying agent services.

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

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

(b) an amount, which together with investment earnings thereon and legally available funds of the County, will be sufficient to prepay the Outstanding Loan (subject to adjustments permitted by Section 8 above) shall be, at the option of the County Mayor, in consultation with the Financial Advisor, (i) deposited with the Trustee under the Indenture to be held and applied as provided therein; or (ii) transferred to an escrow agent, appointed by the County Mayor, under a refunding escrow agreement, in the form acceptable to bond counsel, to be deposited to the escrow fund established thereunder to be held and applied as provided therein with any earnings derived therefrom being used to prepay the Outstanding Loan on its earliest optional prepayment date following delivery of the Bonds or such earnings being transferred to the County's debt service fund to be used to pay principal and interest on the Bonds;

(c) an amount sufficient to pay the costs of issuance of the Bonds shall be paid to and disbursed by Stephens, Inc.; and

(d) any remaining proceeds shall be deposited in the County's debt service fund and used to pay interest on the Bonds.

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

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

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

Section 11. Prepayment the Refunded Loan and Redemption of the Outstanding Bonds. (a) The County Mayor and the County Clerk, or either of them, are hereby authorized and directed to take all steps necessary to prepay the Outstanding Loan in accordance with the terms thereof, including, but not limited to, the execution and delivery of a prepayment notice for the Outstanding Loan in substantially the form attached hereto as Exhibit D.

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

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

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

(b) By depositing or causing to be deposited with any trust company or financial institution whose deposits are insured by the Federal Deposit Insurance Corporation or similar federal agency and which has trust powers ("an Agent"; which Agent may be the Registration Agent) in trust or escrow, on or before the date of maturity or redemption, sufficient money or Federal Obligations, as hereafter defined, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or

redeem such Bonds and to pay interest thereon when due until the maturity or redemption date (provided, if such Bonds are to be redeemed prior to maturity thereof, proper notice of such redemption shall have been given or adequate provision shall have been made for the giving of such notice);

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

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

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

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

Section 14. Continuing Disclosure. The County hereby covenants and agrees that it will provide annual financial information and material event notices as required by Rule 15c2-12 of the Securities Exchange Commission for the Bonds. The County Mayor is authorized to execute at the Closing of the sale of the Bonds, an agreement for the benefit of and enforceable by the owners of the Bonds specifying the details of the financial information and material event notices to be provided and its obligations relating thereto. Failure of the County to comply with the undertaking herein described and to be detailed in said closing agreement, shall not be a default hereunder, but any such failure shall entitle the owner or owners of any of the Bonds to take such actions and to initiate such proceedings as shall be necessary and appropriate to cause the County to comply with their undertaking as set forth herein and in said agreement, including the remedies of mandamus and specific performance.

Section 15. Resolution a Contract. The provisions of this resolution shall constitute a contract between the County and the registered owners of the Bonds, and after the issuance of the Bonds, no change, variation or alteration of any kind in the provisions of this resolution shall be made in any manner until such time as the Bonds and interest due thereon shall have been paid in full.

Section 16. Separability. If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

Section 17. Repeal of Conflicting Resolutions and Effective Date. All other resolutions and orders, or parts thereof, in conflict with the provisions of this resolution are, to the extent of such conflict, hereby repealed and this resolution shall be in immediate effect from and after its adoption.

Adopted and approved this 13<sup>th</sup> day of August, 2012.

Sponsor *Eunice J. Hester*

Commissioner *Joe C. Cook*

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

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

STATE OF TENNESSEE )

COUNTY OF MONTGOMERY)

I, Kellie A. Jackson, certify that I am the duly qualified and acting County Clerk of Montgomery County, Tennessee, and as such official I further certify that attached hereto is a copy of excerpts from the minutes of a regular meeting of the governing body of the County held on March 12, 2012; that these minutes were promptly and fully recorded and are open to public inspection; that I have compared said copy with the original minute record of said meeting in my official custody; and that said copy is a true, correct and complete transcript from said original minute record insofar as said original record relates to the prepayment of the County's outstanding Loan Agreement, dated June 6, 2008, by and between the County and The Public Building Authority of the City of Clarksville, Tennessee.

WITNESS my official signature and seal of said County this \_\_\_\_ day of \_\_\_\_\_, 2012.

---

County Clerk

(SEAL)

The Board of County Commissioners of Montgomery County, Tennessee, met in a regular session on August 13, 2012, at 7:00 p.m., at the Montgomery County Courthouse, 1 Millennium Plaza, Clarksville, Tennessee with Carolyn P. Bowers, County Mayor, presiding, and the following members present:

There were absent:

There were also present Kellie A. Jackson, County Clerk and Erinne J. Hester, Accounts and Budgets Director.

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

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

AYE:

NAY:

**EXHIBIT A**  
**MONTGOMERY COUNTY, TENNESSEE**  
**PLAN OF REFUNDING FOR VARIOUS BOND ISSUES**  
**INFORMATION SUBMITTED TO THE STATE OFFICE OF STATE AND LOCAL FINANCE**  
**Dated: July 25, 2012**

**1. Entity Information:**

|  |   |
|--|---|
| <b>a. Name of Government:</b>                        | Montgomery County, Tennessee  |
| <b>b. Name of Governing Body:</b>                    | Montgomery County Board of Commissioners  |
| <b>c. County Mayor</b>                               | Carolyn P Bowers  |
| <b>d. Mailing Address:</b>                           | One Millennium Plaza, Suite 205<br>Montgomery County Historic Courthouse<br>Clarksville, TN 37040 |
| <b>e. Telephone Number:</b>                          | 931-648-5787  |
| <b>Fax Number:</b>                                   | 931-553-5177  |
| <b>f. E-mail Address:</b>                            | <a href="mailto:mayorbowers@montgomerycountyttn.org">mayorbowers@montgomerycountyttn.org</a>      |
| <b>g. Contact for Additional Information:</b>        | Erinne J. Hester<br>Director of Accounts and Budgets  |
| <b>Telephone Number:</b>                             | 931-648-5705  |
| <b>Fax Number:</b>                                   | 931-553-5150  |
| <b>E-Mail Address</b>                                | <a href="mailto:ejhester@montgomerycountyttn.org">ejhester@montgomerycountyttn.org</a>            |
| <b>h. Third Party Authorization and Underwriter:</b> | Tom McAnulty<br>Stephens Inc.   |
| <b>Telephone Number:</b>                             | 615-279-4333  |
| <b>E-Mail Address</b>                                | 615-279-4351<br><a href="mailto:tmcanulty@stephens.com">tmcanulty@stephens.com</a>                |

**2. Timing of Information:**

|  |                         |
|--|-------------------------|
| <b>a. Informal County Comm Meeting:</b>      | Monday, August 06, 2012 |
| <b>b. County Commission Regular Meeting:</b> | Monday, August 13, 2012 |

**MONTGOMERY COUNTY, TENNESSEE**  
**PLAN OF REFUNDING FOR VARIOUS BOND ISSUES**  
**INFORMATION SUBMITTED TO THE STATE OFFICE OF STATE AND LOCAL FINANCE**

Dated: July 25, 2012

3. Specific Request for:

- a. Pursuant to TCA 9-21-101 et seq., specifically TCA 9-21-903:

It is requested that the Comptroller's designee review and approve the refinancing of the County's Loan issued by the City of Clarksville Public Building Authority in the form of a daily reset variable rate. The Refunding Bonds will be sold at a public competitive sale with the proceeds to be used to pay off the loan as further described in this request.

The Refunding issue will be structured to maintain approximately the same weighted average life of the issue considering the restructure of the \$1,000 multiple variable rate principal amounts by each maturity to \$5,000 multiples of a fixed rate Refunding Bond issue plus the underwriting fee and any other costs not to exceed the \$18,125,000 estimated for the total refinancing.

The County plans to pay the variable rate interest until the Bonds are called for the current Loan, any cost associated with the recurring fees related to the variable rate loan, and the cost of issuance except the underwriter's fee retained for selling the bonds in competitive sale..

| <u>Series</u> | <u>Dated Date &amp; Maturties to Refinance</u> | <u>Amount Callable</u> | <u>General Obligation Loan Agreement</u> |
|---------------|--|------------------------|--|
|---------------|--|------------------------|--|

(To be refinanced with Series 2012)

|      |   |              |  |
|------|---|--------------|--|
| 2008 | All remaining maturities of May 25, 2013 through May 25, 2029 | \$17,941,000 | The original Loan Agreement was issued for the purpose of funding school capital assets --- purchase of land, construction of buildings, and equipping thereof. The original loan was approved by the Division of Local Finance on May 28, 2008 that authorized an amount of \$20,140,987 with the payment of principal beginning May 25, 2010 with final payment May 25, 2029. The Loan as approved by the State may be prepaid with a minimum 90 calendar days' written notice signed by an Authorized Officer of the Borrower by certified or registered mail to the Issuer, the Administrator and the Trustee. Based on the Administrator's implementation of prepayment, the time usually amounts to 120 days or more. The 90 day notice may be waived by the Administrator. See the Loan Agreement relative to the prepayment of the Loan. |
|------|---|--------------|--|

**MONTGOMERY COUNTY, TENNESSEE**  
**PLAN OF REFUNDING FOR VARIOUS BOND ISSUES**  
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**Dated: July 25, 2012**

Section 3.13 - Optional Prepayment of the Loan Agreement describes the depositing of funds, investment of the funds, and the interest earned on the investment being retained by the Administrator.

**IN ACCORDANCE WITH THE LOAN AGREEMENT APPROVED BY THE STATE DIVISION OF LOCAL FINANCE, THERE IS NO FORMAL ESCROW AGREEMENT FOR DEPOSITING THE COUNTY'S REFUNDING BOND PROCEEDS AS SPECIFIED AND REQUIRED BY TCA 9-21-914 FOR DEPOSITING OF THE REFUNDING BOND PROCEEDS.**

**SEE THE ATTACHED LOAN AGREEMENT.**

**b. Approval for:**

**i. Final Maturity:**

Final maturity of the Refunding Bonds will be the same as the Loan Agreement. There is NO planned restructuring or extending of original maturities.

**ii. Competitive Sale**

Pursuant to TCA 9-21-903, the approval of a public competitive sale is requested as the "governing body of the local government may direct". Pursuant to TCA 9-21-902 before the underwriter enters the capital market to sell the Refunding Bonds, the County's designated official after a review of the offering and the current financial analysis considering the current tax-exempt interest rates will approve the timing of the competitive sale to awarded to the bidder offering the lowest average true interest cost (TIC).

**(a) Reasons for a Competitive Sale:**

The primary reasons for requesting approval for a competitive sale are:

**(1) Volatile Interest Rate Market:**

Current fixed, tax-exempt interest rates are at a 50 year all time low point allowing the County to issue fixed interest rate refunding bonds to pay off the variable rate loan at an projected average rate of 2.25% to 2.90%.

**MONTGOMERY COUNTY, TENNESSEE**  
**PLAN OF REFUNDING FOR VARIOUS BOND ISSUES**  
**INFORMATION SUBMITTED TO THE STATE OFFICE OF STATE AND LOCAL FINANCE**

**Dated: July 25, 2012**

- (2) Elimination of Risks Associated with the Variable Rate Loan: The Administrator of the Tennessee Municipal Bond Fund has notified the County that the credit rating of the letter of credit (liquidity provider) has been downgraded that has caused the variable rate to increase with the future concern of marketing of the variable rate bonds. Other risks include the increase in the variable rate, remarketing failure, the variable rate bonds becoming bank bonds with a required pay out in 5 years plus subject to future interest rates. See the Letter received from the Tennessee County Service Loan Program.
- (3) Options Offered by the Tennessee Municipal Bond Fund: The options offered by the TMBF only included refunding a bond issue through a public building authority and only by a negotiated sale. The recurring cost associated with the PBA options are estimated at .25% to .50% until final maturity 2029. This is estimated to cost from \$437,000 to \$874,000.
- (4) Refunding Bonds to be Sold with New Money Bonds to fund the Capital Asset Needs of the County: The various departments of the County have evaluated the need for capital assets and recommended the needs to the County Commission. After consideration of the needs, the County Commission approved a new money bond issue that will be sold at the same time of the proposed Refunding Bonds.

**c. Information and Documents Related to New Refunding Bond Issue**

- (a) Proposed Refunding Bond: Not required for a Competitive Sale
- (b) Preliminary Official Statement: Not required for a Competitive Sale
- (c) Detailed Statement of the Cost of Issuance: See the attached Detailed Cost of Issuance on page 25 of the **Exhibit F1 Financial Analysis** of the PBA Loan Agreement Dated: June 6, 2008
- (d) Local Government Statement: "The proposed public competitive sale is feasible; considering the issuance as a current refinancing and being sold with new money funding of capital asset needs at the same time. The County will amortize the proposed indebtedness together with all of other obligations outstanding as it had intended when the original Loan Agreement was issued."

# MONTGOMERY COUNTY, TENNESSEE

## PLAN OF REFUNDING FOR VARIOUS BOND ISSUES

### INFORMATION SUBMITTED TO THE STATE OFFICE OF STATE AND LOCAL FINANCE

Dated: July 25, 2012

(e) Montgomery County Debt Management Policy Statement authorization of a private negotiated sale:

The County considered the following Policy statements in evaluating the importance of refinancing variable rate loans at this time:

1). The TMBF clearly presented various risks associated with the variable rate obligations and offered three options to consider for changing the variable rate loan. Our policy on Page 14 states that "the County shall evaluate each transaction, considering all available means to mitigate those risks." The various risks of Liquidity, Interest Rate (increase in the variable rates), Rollover, Credit Risk (LOC provider), Fee (administrator fee increase related to the PBA), and other risks especially the possibility of increasing interest rates.

2). In accordance with the Policy page 10, Refinancing Outstanding Debt, the propose refinancing presents the need to "restructure" its variable rate loan due to the risks of the loan, the contractual covenants and indemnification of liability for the PBA, Administrator, and all other parties of the variable rate Loan Agreement and Trust Indenture. See the Loan Agreement and Trust Indenture received by the Office of the State and Local Finance.

3). Pursuant to the Policy on page 11, Method of Sale, the County proposes to sell the refunding bonds with new money bonds at a competitive sale as authorized by the Policy and state law.

#### 4. Identification of Key Professionals:

See Exhibit D: Distribution List

#### 5. Purpose of Refunding:

##### a. Eliminate Risks Associated with a Variable Loan through a PBA:

While there may be an annual savings related to the budgeting of a variable rate loan by converting to a fixed rate bond issue, the primary reason for replacing the variable rate loan at this time is the tax-exempt fixed interest rate are at a 50 year low point. Also, the County can eliminate various risks related to its current PBA Loan and lock in a fixed rate to final maturity without these risks.

##### b. Financial Analysis Schedules:

See Exhibit F1 Projected Prepayment of PBA Loan Agreement Dated: June 6, 2008 for the complete financial analysis of the refunding transaction.

**MONTGOMERY COUNTY, TENNESSEE**  
**PLAN OF REFUNDING FOR VARIOUS BOND ISSUES**  
**INFORMATION SUBMITTED TO THE STATE OFFICE OF STATE AND LOCAL FINANCE**

**Dated: July 25, 2012**

- c. **Restructuring of Current Debt Principal Amounts:** NO restructuring of the principal payments of the current obligations is being considered.
- d. **Restructure and Elimination of Contractual Covenants:** Contractual covenants of the PBA Loan Agreement and Trust Indenture will be eliminated.
- e. **Restructure the Form of Obligation to Reduce or Eliminate Risks:** The current obligations have been issued with a variable rate reset daily that will be eliminated with the proposed issuance of a fixed rate bond issue thereby minimizing or eliminating the risks associated with variable rate obligations.
6. **Montgomery County Debt Management Policy Requirements:** The refinancing request complies with the County's debt management policy. See County's Debt Management Policy Exhibit G and the Policy quotes in 3. above.
7. **Refunding Financial Analysis Schedules:** See **Exhibit F1: Refunding Financial Analysis Schedules** presents the Anticipated size of the Refunding Bond issue based on interest rates as of July 24, 2012.
- a. **Refunding Debt:**
- i. **Maximum Size:** Since the County proposes to pay from the General Debt Service Fund budgeted funds, the variable rate interest required to the Call Date projected December 5, 2012 or January 5, 2013, pay the PBA recurring fees, and pay the cost of issuance, excluding the fee retained by the low bid underwriter, the size of the bond issue will be the current outstanding loan principal amounts plus the underwriter fee that could vary based on the reoffering premium of the low bidder. So, **Exhibit F1** projects the maximum size of the issue.
  - ii. **Anticipated Size:** There is no anticipated size different than the Maximum Size.
  - iii. **Final Weighted Average Maturity Compared to the PBA Loan:** The weighted average of the current variable rate loan will be almost the same based on the additional bonds for the underwriter fee. The weighted average of the variable rate loan is 9.451 years and the Refunding Bonds is projected to be 9.254 Years. See page 6 and 18 of **Exhibit F1 Financial Analysis** for a comparison of the two weighted averages.
  - iv. **Type of Refunding:** Based on the timing of the Trustee Payments as approved by the Administrator, the County plans to issue the Refunding Bonds as a current refunding of the variable rate loan.

# MONTGOMERY COUNTY, TENNESSEE

## PLAN OF REFUNDING FOR VARIOUS BOND ISSUES

### INFORMATION SUBMITTED TO THE STATE OFFICE OF STATE AND LOCAL FINANCE

Dated: July 25, 2012

- v. Principal Maturity Structure      Principal payments will be from April 1, 2013 to April 1, 2029 as currently scheduled for the PBA Loan Agreement.
- vi. Cost of Issuance:      The estimated cost of issuance for the Refunding bonds is \$66,431 plus an estimated underwriter fee of \$103,758.75 or \$5.75 per \$1,000 bonds issued for a total of \$170,189.75 or .00943 (.943%) of the total principal of \$18,045,000 projected for the issue.
- vii. Sources and Uses of Funds      The estimated sources and uses of funds are presented on page 24 of **Exhibit F1 Financial Analysis**.

#### b. Refunded Debt Issues

- i. Current Debt Issue :
- (a) Date of Issue:      June 6, 2008
- (b) Date of Authorization:      May 12, 2008
- (c) Type of Debt:      General Obligation security of all property in the County, PBA loan agreement with serial principal payments, daily adjustable variable interest rates, Federal and State tax-exempt interest income and loaded with recurring fees.
- (d) Bank-qualified:      Not bank-qualified
- (e) Small Issuer IRS Exception:      Not Applicable
- (f) Copy of State Report CT-0253:      See **Exhibit H1**
- (g) Projects Funded with Proceeds:      All original PBA Loan Agreement proceeds were used to fund capital assets for schools. The original Loan Agreement was reviewed various legal counsel and were in compliance with the state laws authorizing the the issue. The County has maintained accounting records that have been audited by the State Comptroller's County Audit Division. Construction, renovation, and equipping of County authorized facilities, purchased of land, and cost associated with the issuance of the Bonds. See the Loan Agreement Documents as attached.
- (h) Weighted Average Life of Issue:      The weighted average life of the Loan Agreement principal amount and the projected Refunding Bonds is 9.451 years for the Loan and 9.254 years for the proposed refunding bond issue. These calculations are presented on pages 6 and 18 respectively of **Exhibit F1**.
- (l) Projected Life of Capital Assets:      The life of the Refunding Bond issue does not exceed the life of the capital assets financed by the proceeds of the original PBA Loan Agreement.

**MONTGOMERY COUNTY, TENNESSEE**  
**PLAN OF REFUNDING FOR VARIOUS BOND ISSUES**  
**INFORMATION SUBMITTED TO THE STATE OFFICE OF STATE AND LOCAL FINANCE**

**Dated: July 25, 2012**

- (j) Remaining Project Life as of July 25, 2012      The projected life of the Refunding Bonds does NOT exceed the original expected life of the capital assets funded by the PBA Loan Agreement.
- (k) CUSIP Number of Final Maturity      The TMBF Loan Agreement document does not list the CUSIP number.
- (l) Current Outstanding Obligations:      The current outstanding obligations for the County is presented on **Exhibit I**. The current variable rate debt is 5.10% of the total principal outstanding of the County. After the issuance of the refunding bonds, the percentage will be zero (0.0%).
- (m) Principal Amounts to be Refunded:      All of the remaining principal balance of the PBA Loan will be refunded maturing 2013 through 2029.
- (n) Callable Feature:      The Refunding Bonds will have a final maturity of April 1, 2029 which is 17 years. The callable feature will be decided after a review of other bond issues in the current market considering the traditional 10 year call as impacted by any reoffering premiums of other issues in the market.

**c. Derivative Products:**      After the refunding, the County will not have any variable rate debt, auction rate obligations, SWAPs, letter of credit obligations, public building authority transactions or any other derivative products, not the risks associated with these products.

**d. Prior Refunding of Current Refunded Debt**      There is NO prior refunding related to the PBA Loan Agreement.

## Exhibit B1 to Refunding Bond Resolution

### PROJECTED REFUNDING BONDS AFTER COMPETITIVE SALE After the Refinancing

#### MONTGOMERY COUNTY, TENNESSEE

\$18,045,000 G.O.Refunding Bonds, Series 2012, Dated: October 9, 2012

For Prepayment of the PBA Loan Agreement

Interest Rates as of July 24, 2012

### Debt Service Schedule

| Date         | Principal              | Coupon   | Interest              | Total P+I              |
|--------------|------------------------|----------|-----------------------|------------------------|
| 06/30/2013   | 790,000.00             | 0.500%   | 149,862.17            | 939,862.17             |
| 06/30/2014   | 885,000.00             | 0.600%   | 309,715.00            | 1,194,715.00           |
| 06/30/2015   | 890,000.00             | 0.700%   | 304,405.00            | 1,194,405.00           |
| 06/30/2016   | 890,000.00             | 0.800%   | 298,175.00            | 1,188,175.00           |
| 06/30/2017   | 890,000.00             | 0.950%   | 291,055.00            | 1,181,055.00           |
| 06/30/2018   | 940,000.00             | 1.200%   | 282,600.00            | 1,222,600.00           |
| 06/30/2019   | 970,000.00             | 1.400%   | 271,320.00            | 1,241,320.00           |
| 06/30/2020   | 1,000,000.00           | 1.600%   | 257,740.00            | 1,257,740.00           |
| 06/30/2021   | 1,040,000.00           | 1.800%   | 241,740.00            | 1,281,740.00           |
| 06/30/2022   | 1,075,000.00           | 1.920%   | 223,020.00            | 1,298,020.00           |
| 06/30/2023   | 1,115,000.00           | 2.050%   | 202,380.00            | 1,317,380.00           |
| 06/30/2024   | 1,155,000.00           | 2.150%   | 179,522.50            | 1,334,522.50           |
| 06/30/2025   | 1,195,000.00           | 2.250%   | 154,690.00            | 1,349,690.00           |
| 06/30/2026   | 1,235,000.00           | 2.350%   | 127,802.50            | 1,362,802.50           |
| 06/30/2027   | 1,280,000.00           | 2.400%   | 98,780.00             | 1,378,780.00           |
| 06/30/2028   | 1,325,000.00           | 2.500%   | 68,060.00             | 1,393,060.00           |
| 06/30/2029   | 1,370,000.00           | 2.550%   | 34,935.00             | 1,404,935.00           |
| <b>Total</b> | <b>\$18,045,000.00</b> | <b>-</b> | <b>\$3,495,802.17</b> | <b>\$21,540,802.17</b> |

#### Yield Statistics

|                                   |              |
|-----------------------------------|--------------|
| Bond Year Dollars                 | \$166,996.50 |
| Average Life                      | 9.254 Years  |
| Average Coupon                    | 2.0933386%   |
| Net Interest Cost (NIC)           | 2.1554709%   |
| True Interest Cost (TIC)          | 2.1447243%   |
| Bond Yield for Arbitrage Purposes | 2.0192835%   |
| All Inclusive Cost (AIC)          | 2.1898325%   |

#### IRS Form 8038

|                           |             |
|---------------------------|-------------|
| Net Interest Cost         | 2.0933386%  |
| Weighted Average Maturity | 9.254 Years |

2012 COMBINED ISSUE SUMMA | 2008 GO Refg Loan Var Rat | 7/24/2012 | 8:25 PM

Stephens Inc.  
Tennessee Public Finance

**Exhibit B2 to Refunding Bond Resolution  
Original Loan Agreement Principal Payments  
Before the Refinancing**

**MONTGOMERY COUNTY, TENNESSEE**

\$17,941,000 GO PBA Loan (Variable Rate), Series 2008, Dated: 6/6/2008

City of Clarksville PBA Loan with Daily Variable Rate

Callable with 90 days Notice PLUS Interest Earned on Escrow Account

**Total Refunded Debt Service**

| Date         | Principal              | Coupon   | Interest              | Total P+I              |
|--------------|------------------------|----------|-----------------------|------------------------|
| 06/30/2013   | 790,000.00             | 4.000%   | 535,596.64            | 1,325,596.64           |
| 06/30/2014   | 817,000.00             | 4.000%   | 683,316.67            | 1,500,316.67           |
| 06/30/2015   | 846,000.00             | 4.000%   | 650,540.04            | 1,496,540.04           |
| 06/30/2016   | 876,000.00             | 4.000%   | 616,600.04            | 1,492,600.04           |
| 06/30/2017   | 906,000.00             | 4.000%   | 581,460.04            | 1,487,460.04           |
| 06/30/2018   | 938,000.00             | 4.000%   | 545,113.37            | 1,483,113.37           |
| 06/30/2019   | 971,000.00             | 4.000%   | 507,483.33            | 1,478,483.33           |
| 06/30/2020   | 1,005,000.00           | 4.000%   | 468,529.96            | 1,473,529.96           |
| 06/30/2021   | 1,040,000.00           | 4.000%   | 428,213.30            | 1,468,213.30           |
| 06/30/2022   | 1,077,000.00           | 4.000%   | 386,490.04            | 1,463,490.04           |
| 06/30/2023   | 1,115,000.00           | 4.000%   | 343,283.37            | 1,458,283.37           |
| 06/30/2024   | 1,154,000.00           | 4.000%   | 298,553.33            | 1,452,553.33           |
| 06/30/2025   | 1,194,000.00           | 4.000%   | 252,259.96            | 1,446,259.96           |
| 06/30/2026   | 1,236,000.00           | 4.000%   | 204,359.96            | 1,440,359.96           |
| 06/30/2027   | 1,280,000.00           | 4.000%   | 154,773.30            | 1,434,773.30           |
| 06/30/2028   | 1,325,000.00           | 4.000%   | 103,423.37            | 1,428,423.37           |
| 06/30/2029   | 1,371,000.00           | 4.000%   | 50,270.00             | 1,421,270.00           |
| <b>Total</b> | <b>\$17,941,000.00</b> | <b>-</b> | <b>\$6,810,266.72</b> | <b>\$24,751,266.72</b> |

**Yield Statistics**

|   |             |
|---|-------------|
| Base date for Avg. Life & Avg. Coupon Calculation | 10/09/2012  |
| Average Life                                      | 9.451 Years |
| Average Coupon                                    | 4.0000000%  |
| Weighted Average Maturity (Par Basis)             | 9.451 Years |

**Refunding Bond Information**

|                         |            |
|-------------------------|------------|
| Refunding Dated Date    | 10/09/2012 |
| Refunding Delivery Date | 10/09/2012 |

**EXHIBIT B3**

**MONTGOMERY COUNTY, TENNESSEE**

**Costs of Issuance Relative to a Competitive Refunding Bond Sale  
in the Approximate Amount of \$18,045,000**

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

| <b>Entity Responsible</b>                      | <b>Associated Responsibilities</b>  | <b>Projected Maximum Expense</b> |
|--|---|----------------------------------|
| <p align="center"><b>Financial Advisor</b></p> | <p>The Financial Advisor, registered with the Securities Exchange Commission and regulated by the Municipal Securities Rulemaking Board, is the primary entity responsible for organizing and coordinating the bond financing for the County including but not limited to the following:</p> <ul style="list-style-type: none"> <li>- Provides options and recommendations as to bond size, structure and amortization schedules and other factors;</li> <li>- Coordinates with Bond Counsel the development of a bond resolution with flexibility in accordance with state law that is prepared by bond counsel to be approved by the County;</li> <li>- Prepares information and documents required of the County by the State Division of State and Local Finance;</li> <li>- Assists with preparing information and presenting this information to the credit rating agencies;</li> <li>- Evaluates the cost feasibility of bond insurance, if necessary;</li> <li>- Prepares, prints, and distributes an offering document in the form of Preliminary Official Statement before the sale of the securities and a Final Official Statement after the sale of the securities as described under the below Official Statements section. Commission and the Municipal Securities Rulemaking Board;</li> <li>Prepares, prints, and distributes the Final Official Statement in accordance with Securities Exchange Commission and the Municipal Securities Rulemaking Board;</li> </ul> <ul style="list-style-type: none"> <li>- Structures and coordinates the bond sale in accordance with state law, IRS Tax Code, SEC regulations, MSRB regulations and the County's adopted bond resolution and debt policy statement;</li> <li>- Receives, verifies and adjusts principal amounts and recommends awards of the lowest true interest cost bid underwriter for approval by the Issuer;</li> <li>- Prepares and prints final numbers and debt service amortization schedules;</li> <li>- Coordinates the wiring and verifies receipt of the good faith deposit receipt by the County;</li> <li>- Coordinates the closing of the transaction; and</li> </ul> <p>The Financial Advisor enters contracts with local government and is paid one-time upfront from bond proceeds or budgeted funds. Usually, there are no ongoing fees or charges unless authorized the local government.</p> | <p align="center">24,156</p>     |

**EXHIBIT B3****MONTGOMERY COUNTY, TENNESSEE****Costs of Issuance Relative to a Competitive Refunding Bond Sale  
in the Approximate Amount of \$18,045,000**

| <b>Entity Responsible</b>            | <b>Associated Responsibilities</b>   | <b>Projected Maximum Expense</b> |
|--------------------------------------|--|----------------------------------|
| <b>Bond Counsel</b>                  | <p>Whenever a local government issues long-term debt obligations, the process involves the issuance of securities in the form of bonds or notes that are subject to state and federal laws and regulations, rules of the Securities and Exchange Commission (SEC), rules of the Municipal Securities Rulemaking Board (MSRB), the Federal Internal Revenue Code, and policies of the local government. To comply with the complex legal structure and provide confidence to investors who purchase the bonds or notes, the local government contracts with a bond counsel firm and its attorneys to coordinate the legal process, prepare the proper legal documents and the distribution of the various legal documents.</p> <p>Ususally, the bond counsel firm and its attorneys enter into an engagement with the local government to provide the services as prescribed in the engagement agreement.</p> | 22,375                           |
| <b>Official Statements</b>           | <p>The issuance of bonds and notes of local governments are issued in the form of a security as prescribed by state law, the Securities Exchange Commission (SEC), and the Municipal Securities Rulemaking Board (MSRB). A Preliminary Official Statement is prepared before the security sale and a Final Official Statement is prepared after the security sale. These Statements provide financial and/or operating data about the issuer of the securities or any other parties who are responsible for repayment of the bonds, together with descriptions of any covenants of the issuer or other parties.</p>  | 5,301                            |
| <b>Registration and Paying Agent</b> | <p>The fiscal agent that distributes the payment of principal annually and interest semi-annually to bondholders, answers bondholder questions regarding call provisions and payment terms, and other bondholder correspondence.</p>   | 920                              |

**Marketing Factors:**

|                                    |  |               |
|------------------------------------|--|---------------|
| <b>Miscellaneous Costs</b>         | <p>Travel expenses, mailing costs, and other incidental expenses associated with the bond issue</p>  | 1,414         |
| <b>Credit Rating Agency</b>        | <p>Agencies that give relative indications of bond and note creditworthiness based on a rating scale. The Rating Agencies consist of Moody's, Standard &amp; Poor's and Fitch Investors Service Inc. The credit rating increases the range of investment alternatives and provides an independent measurement of relative credit risk; this generally increases the marketability of the bond issue, lowering costs for both the County and the Underwriter.</p> | 12,265        |
| <b>Sub-Total Costs of Issuance</b> |  | <b>66,431</b> |

**EXHIBIT B3**

**MONTGOMERY COUNTY, TENNESSEE**

**Costs of Issuance Relative to a Competitive Refunding Bond Sale  
in the Approximate Amount of \$18,045,000**

|                           |   |                 |
|---------------------------|---|-----------------|
| <p><b>Underwriter</b></p> | <p>The bonds or notes are sold at a competitive public sale to receive bids from multiple underwriters of municipal securities. The Underwriter is a securities dealer, or intermediary, whose primary role is to bring together bond securities buyers and investors and bond securities sellers and investors.</p> <p>The Underwriter submits a sealed bid in a written form or an electronic form under state law for purchasing the bonds to the County at a specific time on a specified date. The Underwriter offering the lowest average true interest cost (TIC) rate to the issuer (i.e., interest cost that takes into account the time value of money) will be awarded the bonds.</p> <p>The underwriting expenses are based on the assumption that the debt issuance is General Obligation Bonds sold through a public sale. The underwriter is paid a one-time upfront fee from bond proceeds, and there are no ongoing fees or charges. Since the lowest TIC interest rate bidder is awarded the bid, the underwriter's fee will vary but will be included in the TIC rate as bid.</p> <p>* Based on a bid submitted for a competitive public bid sale.</p> | <p>103,759*</p> |
|---------------------------|---|-----------------|

EXHIBIT C

FORM OF ENGAGEMENT LETTER

LETTERHEAD OF BASS, BERRY & SIMS PLC

\_\_\_\_\_, 2012

Montgomery County, Tennessee  
Montgomery County Courthouse  
1 Millennium Plaza  
Clarksville, Tennessee 37040  
Attention: Carolyn P. Bowers, County Mayor

**Re: Issuance of Not to Exceed \$18,125,000 in Aggregate Principal Amount of  
General Obligation Refunding Bonds.**

Dear Mayor:

The purpose of this engagement letter is to set forth certain matters concerning the services we will perform as bond counsel to Montgomery County, Tennessee (the "Issuer"), in connection with the issuance of the above-referenced bonds (the "Bonds"). We understand that the Bonds are being issued for the purpose of providing funds necessary to prepay all or a portion of the Issuer's Outstanding Loan Agreement, dated June 6, 2008, by and between the County and The Public Building Authority of the City of Clarksville, Tennessee, in the original principal amount of \$20,140,987; and to pay costs of issuance of the Bonds, as more fully set forth in the resolution adopted by the County Commission on August \_\_, 2012. We further understand that the Bonds will be sold at a competitive public sale and, in consultation with Stephens Inc., the County's financial advisor, will be sold as (i) a single issue, (ii) as part of a single issue together with other general obligation bonds of the County; or (iii) simultaneously with other general obligation bonds of the County.

**SCOPE OF ENGAGEMENT**

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

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

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

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

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

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

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

- e. Pursuing test cases or other litigation, (such as contested validation proceedings).
- f. Making an investigation or expressing any view as to the creditworthiness of the Issuer or the Bonds.
- g. Except as described in paragraph 8 above, assisting in the preparation of, or opining on, a continuing disclosure undertaking pertaining to the Bonds or, after Closing, providing advice concerning any actions necessary to assure compliance with any continuing disclosure undertaking.
- h. Representing the Issuer in Internal Revenue Service examinations or inquiries, or Securities and Exchange Commission investigations.
- i. After Closing, providing continuing advice to the Issuer or any other party concerning any actions necessary to assure that interest paid on the Bonds will continue to be excludable from gross income for federal income tax purposes (e.g., our engagement does not include rebate calculations for the Bonds).
- j. Addressing any other matter not specifically set forth above that is not required to render our Bond Opinion.

#### **ATTORNEY-CLIENT RELATIONSHIP**

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

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

As you are aware, our firm represents many political subdivisions, companies and individuals. It is possible that during the time that we are representing the Issuer, one or more of our present or future clients will have transactions with the Issuer. It is also possible that we may be asked to represent, in an unrelated matter, one or more of the entities involved in the issuance of the Bonds. We do not believe such representation, if it occurs, will adversely affect our ability to represent you as provided in this letter, either because such matters will be sufficiently different from the issuance of the Bonds as to make such representations not adverse to our representation of you, or because the potential for such adversity is remote or minor and outweighed by the consideration that it is unlikely that advice given to the other client will be relevant to any aspect of the issuance of the Bonds. Our firm represents Stephens Inc. in matters unrelated to the Bonds. We believe this representation fits within the foregoing description.

Execution of this letter will signify the Issuer's consent to such representation of the Underwriter and to our representation of others consistent with the circumstances described in this paragraph.

### **FEES**

Based upon: (i) our current understanding of the terms, structure, size and schedule of the financing represented by the Bonds; (ii) the duties we will undertake pursuant to this engagement letter; (iii) the time we anticipate devoting to the financings; and (iv) the responsibilities we will assume in connection therewith, we estimate that our fee will be \$24,375 for the Bonds. Our fees may vary: (a) if the principal amount of Bonds actually issued differs significantly from the amounts stated above; (b) if material changes in the structure or schedule of the respective financings occur; or (c) if unusual or unforeseen circumstances arise which require a significant increase in our time or responsibility. If, at any time, we believe that circumstances require an adjustment of our original fee estimates, we will advise you and prepare and provide to you an amendment to this engagement letter. The fees quoted above will include all out-of-pocket expenses advanced for your benefit, such as travel costs, photocopying, deliveries, long distance telephone charges, telecopier charges, filing fees, computer-assisted research and other expenses. The fee will also include incidental phone calls and discussions with Issuer officials on matters related to the issuance of the Bonds. If advice or representation on matters not related to the Bonds exceeds incidental phone calls and discussions, we will advise you and negotiate an acceptable fee arrangement at that time.

If, for any reason, the financing represented by the Bonds is completed without the delivery of our Bond Opinion as bond counsel or our services are otherwise terminated, we will expect to be compensated at our normal rates for the time actually spent on your behalf plus client charges as described above unless we have failed to meet our responsibilities under this engagement, but in no event will our fees exceed \$24,375.

### **RECORDS**

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

### **OTHER MATTERS**

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

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

**CONCLUSION**

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

**MONTGOMERY COUNTY, TENNESSEE:**

**BASS, BERRY & SIMS PLC:**

By: \_\_\_\_\_  
Carolyn P. Bowers, County Mayor

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

EXHIBIT D

FORM OF PREPAYMENT LETTER

(to be prepared on County letterhead)

\_\_\_\_\_, 2012

VIA FAX AND REGISTERED/CERTIFIED MAIL

Tennessee Municipal Bond Fund – FAX 255-7428  
Administrator  
c/o Linda Mooningham  
Suite 502  
226 Capitol Boulevard  
Nashville, TN 37219

The Public Building Authority of the  
City of Clarksville, Tennessee – FAX 255-7428  
c/o Tennessee County Services Loan Program  
226 Capitol Boulevard, Suite 502  
Nashville, TN 37219

The Bank of New York Mellon Trust Company, N.A.  
as Trustee – FAX 770-698-5195  
900 Ashford Parkway, Suite 425  
Atlanta, GA 30338  
Attn: TMBF Administrator

Re: Loan Agreement between The Public Building Authority of the City of Clarksville, Tennessee (the "PBA") and Montgomery County, Tennessee (the "County"), dated June 6, 2008, in the original principal amount of \$20,140,987 (the "Loan Agreement")

Dear Administrator, Issuer, and Trustee:

This is to notify you pursuant to Section 3.13 of the \_\_\_\_\_ Loan Agreement, that the County intends to prepay in full the outstanding principal balance of the Loan Agreement in the amount of \$17,941,000, together with interest and other sums as provided in said Section 3.13, on or about \_\_\_\_\_, 2012 by depositing funds with the Trustee to be used to redeem the PBA Bonds on the earliest practicable redemption date for the PBA Bonds which is on or about \_\_\_\_\_, 2012.

I look forward to your confirmation of this schedule. Thank you very much for your assistance in this matter.

Very truly yours,

\_\_\_\_\_  
Carolyn P. Bowers, County Mayor  
Montgomery County, Tennessee

**RESOLUTION TO AMEND THE BUDGETS  
OF VARIOUS FUNDS FOR FISCAL YEAR 2013  
IN CERTAIN AREAS OF REVENUES AND EXPENDITURES**

**WHEREAS**, the Director of Accounts and Budgets has performed continuing reviews of the status of funding needs and the receipts of revenues anticipated in support of the various budgets; and

**WHEREAS**, the County Commission desires to appropriate funding to these expenditure accounts from various sources including revenues, designated fund balances, and/or other sources within the funds in which those accounts operate.

**NOW THEREFORE BE IT RESOLVED**, by the Montgomery County Board of Commissioners, assembled in regular business session this 13<sup>th</sup> day of August 2012, that the budgets for various funds for FY13 be amended as to revenues and expenditures, according to the attached Account Schedule 1.

**Duly passed and approved this 13<sup>th</sup> day of August, 2012.**

**Sponsor** \_\_\_\_\_

**Commissioner** \_\_\_\_\_

**Approved** \_\_\_\_\_

**County Mayor**

**Attested** \_\_\_\_\_

**County Clerk**

# Montgomery County Government

## Schedule 1

### General Fund Budget

| 2012-2013<br>Budget<br>as of 7/17/12 | Proposed<br>Increase<br>(Decrease) | 2012-2013<br>Amended<br>Budget |
|--------------------------------------|------------------------------------|--------------------------------|
|--------------------------------------|------------------------------------|--------------------------------|

**ESTIMATED REVENUES**

**Local Taxes**

|                                      |                   |   |                   |
|--------------------------------------|-------------------|---|-------------------|
| 40110 CURRENT PROPERTY TAX           | 28,830,000        | - | 28,830,000        |
| 40120 TRUSTEE'S COLLECTIONS - PYR    | 900,000           | - | 900,000           |
| 40140 INTEREST & PENALTY             | 200,000           | - | 200,000           |
| 40161 PMTS IN LIEU OF TAXES - T.V.A. | 2,500             | - | 2,500             |
| 40162 PMTS IN LIEU OF TAXES -UTILITY | 925,000           | - | 925,000           |
| 40163 PMTS IN LIEU OF TAXES - OTHER  | 442,700           | - | 442,700           |
| 40220 HOTEL/MOTEL TAX                | 1,750,000         | - | 1,750,000         |
| 40250 LITIGATION TAX - GENERAL       | 411,000           | - | 411,000           |
| 40260 LITIGATION TAX-SPECIAL PURPOSE | 60,000            | - | 60,000            |
| 40270 BUSINESS TAX                   | 950,000           | - | 950,000           |
| 40320 BANK EXCISE TAX                | 65,000            | - | 65,000            |
| 40330 WHOLESALE BEER TAX             | 420,000           | - | 420,000           |
| 40350 INTERSTATE TELECOMMUNICATIONS  | 2,600             | - | 2,600             |
| <b>Total Local Taxes</b>             | <b>34,958,800</b> | - | <b>34,958,800</b> |

**Licenses and Permits**

|                                   |                |   |                |
|-----------------------------------|----------------|---|----------------|
| 41120 ANIMAL REGISTRATION         | 22,800         | - | 22,800         |
| 41130 ANIMAL VACCINATION          | 4,000          | - | 4,000          |
| 41140 CABLE TV FRANCHISE          | 200,000        | - | 200,000        |
| 41520 BUILDING PERMITS            | 420,000        | - | 420,000        |
| 41540 PLUMBING PERMITS            | 10,000         | - | 10,000         |
| 41590 OTHER PERMITS               | 169,340        | - | 169,340        |
| <b>Total Licenses and Permits</b> | <b>826,140</b> | - | <b>826,140</b> |

**Fines, Forfeitures and Penalties**

|                                       |               |                 |                  |
|---------------------------------------|---------------|-----------------|------------------|
| 42110 FINES                           | 3,200         | -               | 3,200            |
| 42120 OFFICERS COSTS                  | 41,000        | -               | 41,000           |
| 42141 DRUG COURT FEES                 | 4,000         | -               | 4,000            |
| 42150 JAIL FEES CIRCUIT COURT         | 26,000        | -               | 26,000           |
| 42190 DATA ENTRY FEES -CIRCUIT COURT  | 14,400        | -               | 14,400           |
| 42191 COURTROOM SECURITY - CIRCUIT    | 9,000         | -               | 9,000            |
| 42192 CIRCUIT COURT VICTIMS ASSESS    | 6,100         | -               | 6,100            |
| <b>101-53600-00000-53-42192</b>       | <b>23,100</b> | <b>(23,100)</b> | -                |
|                                       |               |                 | Move to Fund 364 |
| 42310 FINES                           | 136,000       | -               | 136,000          |
| 42311 FINES - LITTERING               | 500           | -               | 500              |
| 42320 OFFICERS COSTS                  | 183,000       | -               | 183,000          |
| 42330 GAME & FISH FINES               | 1,000         | -               | 1,000            |
| 42341 DRUG COURT FEES                 | 15,000        | -               | 15,000           |
| 42350 JAIL FEES GENERAL SESSIONS      | 220,000       | -               | 220,000          |
| 42380 DUI TREATMENT FINES             | 30,000        | -               | 30,000           |
| 42390 DATA ENTRY FEE-GENERAL SESS     | 52,000        | -               | 52,000           |
| 42392 GEN SESSIONS VICTIM ASSESSMNT   | 63,000        | -               | 63,000           |
| 42410 FINES                           | 2,000         | -               | 2,000            |
| 42420 OFFICER COSTS                   | 5,000         | -               | 5,000            |
| 42450 JAIL FEES                       | 60,000        | -               | 60,000           |
| 42460 DISTRICT ATTORNEY GENERAL FEE   | 1,000         | -               | 1,000            |
| 42490 DATA ENTRY FEE-JUVENILE COURT   | 9,000         | -               | 9,000            |
| 42520 OFFICERS COSTS                  | 26,000        | -               | 26,000           |
| 42530 DATA ENTRY FEE -CHANCERY COURT  | 2,000         | -               | 2,000            |
| 42610 FINES                           | 2,500         | -               | 2,500            |
| 42641 DRUG COURT FEES                 | 20,000        | -               | 20,000           |
| 42660 DISTRICT ATTORNEY GENERAL FEES  | -             | -               | -                |
| <b>101-53600-00000-53-42660-P0055</b> | <b>23,500</b> | <b>(23,500)</b> | -                |
|                                       |               |                 | Move to Fund 364 |

**Montgomery County Government**  
**Schedule 1**  
**General Fund Budget**

|   | <i>2012-2013<br/>Budget<br/>as of 7/17/12</i> | <i>Proposed<br/>Increase<br/>(Decrease)</i> | <i>2012-2013<br/>Amended<br/>Budget</i> |                  |
|---|---|---|---|------------------|
| 42900 OTHER FINES/FORFEITURE/PENALTY          | 600   | -   | 600                                     |                  |
| <b>Total Fines, Forfeitures and Penalties</b> | <b>978,900</b>                                | <b>(46,600)</b>                             | <b>932,300</b>                          |                  |
| <b>Charges for Current Services</b>           |   |   |   |                  |
| 43120 PATIENT CHARGES                         | 4,800,000                                     | -   | 4,800,000                               |                  |
| 43140 ZONING STUDIES                          | 2,000   | -   | 2,000                                   |                  |
| 43190 OTHER GENERAL SERVICE CHARGES           | 45,000  | -   | 45,000                                  |                  |
| 43340 RECREATION FEES                         | 12,000  | -   | 12,000                                  |                  |
| 43350 COPY FEES                               | 6,200   | -   | 6,200                                   |                  |
| 43365 ARCHIVE AND RECORD MANAGEMENT           | 344,000                                       | -   | 344,000                                 |                  |
| 43370 TELEPHONE COMMISSIONS                   | 105,000                                       | -   | 105,000                                 |                  |
| 43380 VENDING MACHINE COLLECTIONS             | 55,000  | -   | 55,000                                  |                  |
| 43392 DATA PROCESSING FEES -REGISTER          | 75,000  | -   | 75,000                                  |                  |
| 43393 PROBATION FEES                          | 12,000  | -   | 12,000                                  |                  |
| 43394 DATA PROCESSING FEES - SHERIFF          | 33,000  | -   | 33,000                                  |                  |
| 43395 SEXUAL OFFENDER FEE - SHERIFF           | 13,000  | -   | 13,000                                  |                  |
| 43396 DATA PROCESSING FEE-COUNTY CLK          | 13,200  | -   | 13,200                                  |                  |
| 43990 OTHER CHARGES FOR SERVICES              | 86  | -   | 86                                      |                  |
| <b>Total Charges for Current Services</b>     | <b>5,489,086</b>                              | <b>-</b>                                    | <b>5,489,086</b>                        |                  |
| <b>Other Local Revenues</b>                   |   |   |   |                  |
| 44110 INTEREST EARNED                         | 600,000                                       | -   | 600,000                                 |                  |
| 44120 LEASE/RENTALS                           | 643,512                                       | -   | 643,512                                 |                  |
| 44140 SALE OF MAPS                            | 1,000   | -   | 1,000                                   |                  |
| 44170 MISCELLANEOUS REFUNDS                   | 170,276                                       | -   | 170,276                                 |                  |
| <b>101-53600-00000-53-44170-P0055</b>         | <b>4,500</b>                                  | <b>(4,500)</b>                              | -                                       | Move to Fund 364 |
| 44570 CONTRIBUTIONS & GIFTS                   | 9,688   | -   | 9,688                                   |                  |
| 44990 OTHER LOCAL REVENUES                    | 667,500                                       | -   | 667,500                                 |                  |
| <b>Total Other Local Revenues</b>             | <b>2,096,476</b>                              | <b>(4,500)</b>                              | <b>2,091,976</b>                        |                  |
| <b>Fees Received from County Officials</b>    |   |   |   |                  |
| 45510 COUNTY CLERK                            | 1,500,000                                     | -   | 1,500,000                               |                  |
| 45520 CIRCUIT COURT CLERK                     | 882,000                                       | -   | 882,000                                 |                  |
| 45540 GENERAL SESSIONS COURT CLERK            | 1,353,000                                     | -   | 1,353,000                               |                  |
| 45550 CLERK & MASTER                          | 340,000                                       | -   | 340,000                                 |                  |
| 45560 JUVENILE COURT CLERK                    | 95,000  | -   | 95,000                                  |                  |
| 45580 REGISTER                                | 1,000,000                                     | -   | 1,000,000                               |                  |
| 45590 SHERIFF                                 | 28,000  | -   | 28,000                                  |                  |
| 45610 TRUSTEE                                 | 2,850,000                                     | -   | 2,850,000                               |                  |
| <b>Fees Received from County Officials</b>    | <b>8,048,000</b>                              | <b>-</b>                                    | <b>8,048,000</b>                        |                  |
| <b>State of Tennessee</b>                     |   |   |   |                  |
| 46110 JUVENILE SERVICES PROGRAM               | 85,000  | -   | 85,000                                  |                  |
| 46210 LAW ENFORCEMENT TRAINING PROG           | 48,000  | -   | 48,000                                  |                  |
| 46810 FLOOD CONTROL                           | 330   | -   | 330                                     |                  |
| 46830 BEER TAX                                | 17,500  | -   | 17,500                                  |                  |
| 46840 ALCOHOLIC BEVERAGE TAX                  | 175,000                                       | -   | 175,000                                 |                  |
| 46851 STATE REVENUE SHARING - T.V.A.          | 1,400,000                                     | -   | 1,400,000                               |                  |
| 46880 BOARD OF JURORS                         | 5,000   | -   | 5,000                                   |                  |
| 46890 PRISONER TRANSPORTATION                 | 14,000  | -   | 14,000                                  |                  |
| 46915 CONTRACTED PRISONER BOARDING            | 1,022,000                                     | -   | 1,022,000                               |                  |
| 46960 REGISTRAR'S SALARY SUPPLEMENTS          | 15,164  | -   | 15,164                                  |                  |
| 46980 OTHER STATE GRANTS                      | 2,762,381                                     | -   | 2,762,381                               |                  |
| <b>101-51500-00000-51-46980</b>               | <b>15,164</b>                                 | <b>(15,164)</b>                             | -                                       | Duplicate Budget |
| 46990 OTHER STATE REVENUES                    | 10,800  | -   | 10,800                                  |                  |
| <b>Total State of Tennessee</b>               | <b>5,570,339</b>                              | <b>(15,164)</b>                             | <b>5,555,175</b>                        |                  |

**Montgomery County Government**  
**Schedule 1**  
**General Fund Budget**

| <i>2012-2013<br/>Budget<br/>as of 7/17/12</i> | <i>Proposed<br/>Increase<br/>(Decrease)</i> | <i>2012-2013<br/>Amended<br/>Budget</i> |
|---|---|---|
|---|---|---|

**Federal Revenue**

|                                       |                |               |                |                                       |
|---------------------------------------|----------------|---------------|----------------|---------------------------------------|
| 47220 CIVIL DEFENSE REIMBURSEMENT     | 68,000         | -             | 68,000         |                                       |
| 47235 HOMELAND SECURITY GRANTS        | 692,068        | -             | 692,068        |                                       |
| 47250 LAW ENFORCEMENT GRANTS          | 3,374          | -             | 3,374          |                                       |
| <i>101-53520-00000-53-47590-G1210</i> | -              | <i>2,904</i>  | <i>2,904</i>   | Juvenile Scanning Grant Carry Forward |
| 47990 OTHER DIRECT FEDERAL REVENUE    | 68,813         | -             | 68,813         |                                       |
| <i>101-54110-00000-54-47990-G1230</i> | -              | <i>24,608</i> | <i>24,608</i>  | CITI VII Grant Carry Forward          |
| <b>Total Federal Revenue</b>          | <b>832,255</b> | <b>27,512</b> | <b>859,767</b> |                                       |

**Federal Revenue**

|                              |                |          |                |
|------------------------------|----------------|----------|----------------|
| 48130 CONTRIBUTIONS          | 163,337        | -        | 163,337        |
| 48610 DONATIONS              | 33,170         | -        | 33,170         |
| <b>Total Federal Revenue</b> | <b>196,507</b> | <b>-</b> | <b>196,507</b> |

**Non-Revenue Sources**

|                                       |                |                 |                |                                       |
|---------------------------------------|----------------|-----------------|----------------|---------------------------------------|
| 49800 OPERATING TRANSFERS             | 399,125        | -               | 399,125        |                                       |
| <i>101-53600-00000-53-49800-P0055</i> | <i>12,500</i>  | <i>(12,500)</i> | -              | Move to Fund 364 Comptroller's Office |
| <i>101-53910-00000-53-49800</i>       | -              | <i>8,800</i>    | <i>8,800</i>   | Adult Probation Donation Reserves     |
| <i>101-54110-00000-54-49800</i>       | -              | <i>400</i>      | <i>400</i>     | Courtroom Security Reserves           |
| <b>Total Non-Revenue Sources</b>      | <b>411,625</b> | <b>(3,300)</b>  | <b>408,325</b> |                                       |

**TOTAL GENERAL FUND REVENUES**

|                   |                 |                   |
|-------------------|-----------------|-------------------|
| <b>59,408,128</b> | <b>(42,052)</b> | <b>59,366,076</b> |
|-------------------|-----------------|-------------------|

**Montgomery County Government**  
**Schedule 1**  
**General Fund Budget**

| <i>2012-2013<br/>Budget<br/>as of 7/17/2012</i> | <i>Proposed<br/>Increase<br/>(Decrease)</i> | <i>2012-2013<br/>Amended<br/>Budget</i> |
|---|---|---|
|---|---|---|

|                                       |                |                 |                |  |
|---------------------------------------|----------------|-----------------|----------------|--|
| 51100 COUNTY COMMISSION               | 217,656        | -               | 217,656        |  |
| 51210 BOARD OF EQUALIZATION           | 2,688          | -               | 2,688          |  |
| 51220 BEER BOARD                      | 1,615          | -               | 1,615          |  |
| 51240 OTHER BOARDS & COMMITTEES       | 3,121          | -               | 3,121          |  |
| 51300 COUNTY MAYOR                    | 434,482        | -               | 434,482        |  |
| 51310 HUMAN RESOURCES                 | 321,882        | -               | 321,882        |  |
| 51400 COUNTY ATTORNEY                 | 24,000         | -               | 24,000         |  |
| 51500 ELECTION COMMISSION             | 661,810        | -               | 661,810        |  |
| 51600 REGISTER OF DEEDS               | 504,214        | -               | 504,214        |  |
| 51720 PLANNING                        | 311,112        | -               | 311,112        |  |
| 51730 BUILDING                        | 107,318        | -               | 107,318        |  |
| 51750 CODES COMPLIANCE                | 622,142        | -               | 622,142        |  |
| 51760 GEOGRAPHICAL INFO SYSTEMS       | 164,005        | -               | 164,005        |  |
| 51800 COUNTY BUILDINGS                | 1,663,547      | -               | 1,663,547      |  |
| 51810 COURTS COMPLEX                  | 1,109,347      | -               | 1,109,347      |  |
| 51900 OTHER GENERAL ADMINISTRATION    | 667,357        | -               | 667,357        |  |
| <b>101-51900-00000-51-51200-P0004</b> | <b>53,852</b>  | <b>(53,852)</b> | <b>-</b>       | Move Web Designer Position to Information Systems              |
| <b>101-51900-00000-51-52010-P0004</b> | <b>6,548</b>   | <b>(3,339)</b>  | <b>3,209</b>   | Move Web Designer Position to Information Systems              |
| <b>101-51900-00000-51-52040-P0004</b> | <b>15,133</b>  | <b>(7,717)</b>  | <b>7,416</b>   | Move Web Designer Position to Information Systems              |
| <b>101-51900-00000-51-52060-P0004</b> | <b>77</b>      | <b>(38)</b>     | <b>39</b>      | Move Web Designer Position to Information Systems              |
| <b>101-51900-00000-51-52120-P0004</b> | <b>1,532</b>   | <b>(781)</b>    | <b>751</b>     | Move Web Designer Position to Information Systems              |
| 51910 ARCHIVES                        | 121,701        | -               | 121,701        |  |
| 52100 ACCOUNTS & BUDGETS              | 529,220        | -               | 529,220        |  |
| 52200 PURCHASING                      | 279,623        | -               | 279,623        |  |
| 52300 PROPERTY ASSESSOR'S OFFICE      | 1,040,647      | -               | 1,040,647      |  |
| 52400 COUNTY TRUSTEES OFFICE          | 518,847        | -               | 518,847        |  |
| 52500 COUNTY CLERK'S OFFICE           | 1,878,165      | -               | 1,878,165      |  |
| 52600 INFORMATION SYSTEMS             | 924,281        | -               | 924,281        |  |
| <b>101-52600-00000-51-51200</b>       | <b>261,768</b> | <b>53,852</b>   | <b>315,620</b> | Offset Web Designer Position                                   |
| <b>101-52600-00000-52-52010</b>       | <b>36,720</b>  | <b>3,339</b>    | <b>40,059</b>  | Offset Web Designer Position                                   |
| <b>101-52600-00000-52-52040</b>       | <b>84,870</b>  | <b>7,717</b>    | <b>92,587</b>  | Offset Web Designer Position                                   |
| <b>101-52600-00000-52-52060</b>       | <b>461</b>     | <b>38</b>       | <b>499</b>     | Offset Web Designer Position                                   |
| <b>101-52600-00000-52-52120</b>       | <b>8,588</b>   | <b>781</b>      | <b>9,369</b>   | Offset Web Designer Position                                   |
| 52900 OTHER FINANCE                   | 50,550         | -               | 50,550         |  |
| 53100 CIRCUIT COURT                   | 1,038,345      | -               | 1,038,345      |  |
| <b>101-53100-00000-53-51060</b>       | <b>743,455</b> | <b>24,087</b>   | <b>767,542</b> | Move Position from Juvenile Court Clerk to Circuit Court Clerk |
| <b>101-53100-00000-53-52010</b>       | <b>73,423</b>  | <b>1,494</b>    | <b>74,917</b>  | Move Position from Juvenile Court Clerk to Circuit Court Clerk |
| <b>101-53100-00000-53-52040</b>       | <b>169,702</b> | <b>2,452</b>    | <b>172,154</b> | Move Position from Juvenile Court Clerk to Circuit Court Clerk |
| <b>101-53100-00000-53-52060</b>       | <b>1,440</b>   | <b>39</b>       | <b>1,479</b>   | Move Position from Juvenile Court Clerk to Circuit Court Clerk |
| <b>101-53100-00000-53-52120</b>       | <b>17,172</b>  | <b>350</b>      | <b>17,522</b>  | Move Position from Juvenile Court Clerk to Circuit Court Clerk |
| 53300 GENERAL SESSIONS COURT          | 649,684        | -               | 649,684        |  |
| 53330 DRUG COURT                      | 50,000         | -               | 50,000         |  |
| 53400 CHANCERY COURT                  | 489,198        | -               | 489,198        |  |
| 53500 JUVENILE COURT                  | 966,060        | -               | 966,060        |  |
| 53520 JUVENILE COURT CLERK            | 211,978        | -               | 211,978        |  |
| <b>101-53520-00000-53-51060</b>       | <b>194,140</b> | <b>(24,087)</b> | <b>170,053</b> | Move Position from Juvenile Court Clerk to Circuit Court Clerk |
| <b>101-53520-00000-53-52010</b>       | <b>17,749</b>  | <b>(1,494)</b>  | <b>16,255</b>  | Move Position from Juvenile Court Clerk to Circuit Court Clerk |
| <b>101-53520-00000-53-52040</b>       | <b>41,022</b>  | <b>(2,452)</b>  | <b>38,570</b>  | Move Position from Juvenile Court Clerk to Circuit Court Clerk |
| <b>101-53520-00000-53-52060</b>       | <b>365</b>     | <b>(39)</b>     | <b>326</b>     | Move Position from Juvenile Court Clerk to Circuit Court Clerk |
| <b>101-53520-00000-53-52120</b>       | <b>4,151</b>   | <b>(350)</b>    | <b>3,801</b>   | Move Position from Juvenile Court Clerk to Circuit Court Clerk |
| <b>101-53520-00000-53-51680-G1210</b> | <b>-</b>       | <b>2,904</b>    | <b>2,904</b>   | Offset Grant Revenue - Scanning Grant                          |
| 53600 DISTRICT ATTORNEY GENERAL       | 40,300         | -               | 40,300         |  |
| <b>101-53600-00000-53-51030</b>       | <b>37,500</b>  | <b>(37,500)</b> | <b>-</b>       | Move to Fund 364 - Comptroller's Office                        |

**Montgomery County Government**  
**Schedule 1**  
**General Fund Budget**

| 2012-2013<br>Budget<br>as of 7/17/2012 | Proposed<br>Increase<br>(Decrease) | 2012-2013<br>Amended<br>Budget |
|--|------------------------------------|--------------------------------|
|--|------------------------------------|--------------------------------|

|                                     |            |          |            |   |
|-------------------------------------|------------|----------|------------|---|
| 101-53600-00000-53-52010            | 2,400      | (2,400)  | -          | Move to Fund 364 - Comptroller's Office                             |
| 101-53600-00000-53-52120            | 556        | (556)    | -          | Move to Fund 364 - Comptroller's Office                             |
| 101-53600-00000-53-53070-P0055      | 1,500      | (1,500)  | -          | Move to Fund 364 - Comptroller's Office                             |
| 101-53600-00000-53-53090-P0055      | -          | -        | -          | Move to Fund 364 - Comptroller's Office                             |
| 101-53600-00000-53-53280-P0055      | 3,000      | (3,000)  | -          | Move to Fund 364 - Comptroller's Office                             |
| 101-53600-00000-53-53550-P0055      | 7,000      | (7,000)  | -          | Move to Fund 364 - Comptroller's Office                             |
| 101-53600-00000-53-53560-P0055      | 10,000     | (10,000) | -          | Move to Fund 364 - Comptroller's Office                             |
| 101-53600-00000-53-53990-P0055      | 1,500      | (1,500)  | -          | Move to Fund 364 - Comptroller's Office                             |
| 101-53600-00000-53-54110-P0055      | -          | -        | -          | Move to Fund 364 - Comptroller's Office                             |
| 101-53600-00000-53-54320-P0055      | 500        | (500)    | -          | Move to Fund 364 - Comptroller's Office                             |
| 101-53600-00000-53-54350-P0055      | 250        | (250)    | -          | Move to Fund 364 - Comptroller's Office                             |
| 101-53600-00000-53-54520-P0055      | -          | -        | -          | Move to Fund 364 - Comptroller's Office                             |
| 101-53600-00000-53-54990-P0055      | 500        | (500)    | -          | Move to Fund 364 - Comptroller's Office                             |
| 101-53600-00000-53-55080-P0055      | 250        | (250)    | -          | Move to Fund 364 - Comptroller's Office                             |
| 101-53600-00000-53-57080-P0055      | -          | -        | -          | Move to Fund 364 - Comptroller's Office                             |
| 101-53600-00000-53-57090-P0055      | 8,000      | (8,000)  | -          | Move to Fund 364 - Comptroller's Office                             |
| 101-53600-00000-53-57110-P0055      | 3,000      | (3,000)  | -          | Move to Fund 364 - Comptroller's Office                             |
| 101-53600-00000-53-57170-P0055      | -          | -        | -          | Move to Fund 364 - Comptroller's Office                             |
| 101-53600-00000-53-57190-P0055      | 500        | (500)    | -          | Move to Fund 364 - Comptroller's Office                             |
| 53610 OFFICE OF PUBLIC DEFENDER     | 7,725      | -        | 7,725      |   |
| 53700 JUDICIAL COMMISSIONERS        | 266,134    | -        | 266,134    |   |
| 53900 OTHER ADMINISTRATION/ JUSTICE | 89,726     | -        | 89,726     |   |
| 53910 ADULT PROBATION SERVICES      | 781,865    | -        | 781,865    |   |
| 101-53910-00000-53-53220            | 57,000     | 2,000    | 59,000     | Adult Probation Donation Reserves                                   |
| 101-53910-00000-53-53550            | 5,000      | 2,000    | 7,000      | Adult Probation Donation Reserves                                   |
| 101-53910-00000-53-53990            | 29,450     | 2,000    | 31,450     | Adult Probation Donation Reserves                                   |
| 101-53910-00000-53-54990            | 5,250      | 2,800    | 8,050      | Adult Probation Donation Reserves                                   |
| 54110 SHERIFF'S DEPARTMENT          | 7,546,343  | -        | 7,546,343  |   |
| 101-54110-00000-54-53560            | -          | 400      | 400        | Courtroom Security Reserves - TLETA Training for Courtroom Security |
| 101-54110-00000-54-51870-G1230      | -          | 22,337   | 22,337     | Offset Grant Revenue - CITI VII                                     |
| 101-54110-00000-54-53490-G1230      | -          | 500      | 500        | Offset Grant Revenue - CITI VII                                     |
| 101-54110-00000-54-53550-G1230      | -          | 345      | 345        | Offset Grant Revenue - CITI VII                                     |
| 101-54110-00000-54-54310-G1230      | -          | 1,426    | 1,426      | Offset Grant Revenue - CITI VII                                     |
| 54120 SPECIAL PATROLS               | 1,638,522  | -        | 1,638,522  |   |
| 54160 SEXUAL OFFENDER REGISTRY      | 13,340     | -        | 13,340     |   |
| 54210 JAIL                          | 11,509,772 | -        | 11,509,772 |   |
| 54220 WORKHOUSE                     | 1,682,299  | -        | 1,682,299  |   |
| 54230 COMMUNITY CORRECTIONS         | 478,406    | -        | 478,406    |   |
| 54240 JUVENILE SERVICES             | 134,097    | -        | 134,097    |   |
| 54310 FIRE PREVENTION & CONTROL     | 220,948    | -        | 220,948    |   |
| 54410 EMERGENCY MANAGEMENT          | 406,834    | -        | 406,834    |   |
| 54490 OTHER EMERGENCY MANAGEMENT    | 692,068    | -        | 692,068    |   |
| 54610 COUNTY CORONER / MED EXAMINER | 215,500    | -        | 215,500    |   |
| 55110 HEALTH DEPARTMENT             | 195,865    | -        | 195,865    |   |
| 55120 RABIES & ANIMAL CONTROL       | 553,645    | -        | 553,645    |   |
| 55130 AMBULANCE SERVICE             | 8,148,101  | -        | 8,148,101  |   |
| 55190 OTHER LOCAL HLTH SRVCS (WIC)  | 2,238,600  | -        | 2,238,600  |   |
| 55310 REGIONAL MENTAL HEALTH CENTER | 7,000      | -        | 7,000      |   |
| 55390 APPROPRIATION TO STATE        | 183,912    | -        | 183,912    |   |
| 55590 OTHER LOCAL WELFARE SERVICES  | 32,825     | -        | 32,825     |   |
| 55900 OTHER PUBLIC HEALTH & WELFARE | 15,000     | -        | 15,000     |   |
| 56500 LIBRARIES                     | 1,630,891  | -        | 1,630,891  |   |
| 56700 PARKS & FAIR BOARDS           | 437,822    | -        | 437,822    |   |
| 56900 OTHER SOCIAL, CULTURAL & REC  | 9,688      | -        | 9,688      |   |

**Montgomery County Government**  
**Schedule 1**  
**General Fund Budget**

|   | <i>2012-2013<br/>Budget<br/>as of 7/17/2012</i> | <i>Proposed<br/>Increase<br/>(Decrease)</i> | <i>2012-2013<br/>Amended<br/>Budget</i> |
|---|---|---|---|
| 57100 AGRICULTURAL EXTENSION SERVICE                | 340,977   | -   | 340,977                                 |
| 57300 FOREST SERVICE                                | 2,000   | -   | 2,000                                   |
| 57500 SOIL CONSERVATION                             | 32,591  | -   | 32,591                                  |
| 58110 TOURISM                                       | 1,504,000                                       | -   | 1,504,000                               |
| 58120 INDUSTRIAL DEVELOPMENT                        | 600,404   | -   | 600,404                                 |
| 58220 AIRPORT                                       | 200,919   | -   | 200,919                                 |
| 58300 VETERAN'S SERVICES                            | 357,318   | -   | 357,318                                 |
| 58400 OTHER CHARGES                                 | 1,246,178                                       | -   | 1,246,178                               |
| 58500 CONTRIBUTION TO OTHER AGENCIES                | 180,500   | -   | 180,500                                 |
| 58600 EMPLOYEE BENEFITS                             | 493,896   | -   | 493,896                                 |
| 58900 MISC-CONT RESERVE                             | 18,400  | -   | 18,400                                  |
| 64000 LITTER & TRASH COLLECTION                     | 102,410   | -   | 102,410                                 |
| <b>Total General Fund Expenditures</b>              | <b>61,726,740</b>                               | <b>(39,744)</b>                             | <b>61,686,996</b>                       |
| <b>Increase (Decrease) in Budgeted Fund Balance</b> |   | <b>(2,308)</b>                              |   |

**RESOLUTION TO ACCEPT A DONATION OF LAND  
ADJACENT TO ROTARY PARK**

**WHEREAS**, Jann Lee Powell is the owner of an 3.11 acre tract of land located on the southerly boundary line of Rotary Park; and

**WHEREAS**, Jann Lee Powell desires to donate this real property to Montgomery county to enhance Rotary Park; and

**WHEREAS**, the acquisition of this real estate by Montgomery County will enhance the benefits of the park for the citizens of Montgomery County.

**NOW, THEREFORE, BE IT RESOLVED** by the Montgomery County Board of Commissioners assembled in Regular Session on this 13<sup>th</sup> day of August, 2012, that the County Mayor is authorized to execute all necessary documents to accept the donation of land from Jann Lee Powell which is more particularly described in Exhibit "A" attached hereto.

**Duly passed and approved this 13<sup>th</sup> day of August, 2012.**

**Sponsor** \_\_\_\_\_

**Commissioner** \_\_\_\_\_

**Approved** \_\_\_\_\_

**County Mayor**

**Attested** \_\_\_\_\_

**County Clerk**