

**WASHINGTON COUNTY, TENNESSEE
BOARD OF COUNTY COMMISSIONERS**

RESOLUTION NO. 25-04-18

RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$75,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF GENERAL OBLIGATION CAPITAL OUTLAY NOTES OF WASHINGTON COUNTY, TENNESSEE; MAKING PROVISION FOR THE ISSUANCE, SALE AND PAYMENT OF SAID NOTES; 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 NOTES

WHEREAS, pursuant to authority granted by Sections 9-21-601, *et seq.*, Tennessee Code Annotated, as amended (the "Act"), subject to the approval of the State Division of Local Government Finance (the "State Director"), counties in Tennessee are authorized to issue interest-bearing capital outlay notes to finance public works projects; and

WHEREAS, the County Commission (the "Governing Body") of Washington County, Tennessee (the "County") hereby determines that it is necessary and desirable to issue general obligation capital outlay notes of the County to provide the funds necessary to finance the (i) acquisition, construction, repair, renovation, maintenance and/or equipping of and extensions and improvements to and for (a) public lands, buildings, facilities, roads, streets and bridges of the County, including but not limited to sidewalks, signage, signalization, related facilities, lighting, drainage improvements and riverbank improvements and (b) equipment, including vehicles, for the County; (ii) acquisition of all property real or personal, appurtenant thereto, or connected with the foregoing; (iii) payment of architectural, engineering, legal, fiscal and administrative costs incident to the foregoing (collectively, the "Projects"); (iv) reimbursement to the appropriate fund(s) of the County for prior expenditures for the Projects, if applicable; and (v) payment of costs incident to the issuance and sale of the notes authorized herein; and

WHEREAS, the Projects are necessary to address damage in the County caused by Hurricane Helene; and

WHEREAS, the County was included in the federal disaster declaration resulting from Hurricane Helene; and

WHEREAS, the County has applied for, and/or commits to apply for, federal and state financial assistance in connection with the Projects and the financing thereof; and

WHEREAS, the County intends to allocate any such federal and/or state financial assistance received, to the extent received, to those County purposes eligible to receive such assistance, including the Projects and the financing thereof; and

WHEREAS, it is the intention of the Governing Body to adopt this resolution for the purpose of authorizing not to exceed \$75,000,000 in aggregate principal amount of general obligation capital outlay notes of the County, in one or more series, providing for the issuance, sale and payment of said notes, 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 County Commission of Washington County, Tennessee, as follows:

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

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

- (a) "Act" has the meaning ascribed to it in the above preamble;
- (b) "Book-Entry Form" or "Book-Entry System" means a form or system, as applicable, under which physical note certificates in fully registered form are issued to a Depository, or to its nominee as Registered Owner, with the certificate of notes 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 notes;
- (c) "Code" means the Internal Revenue Code of 1986, as amended, and all regulations promulgated thereunder;
- (d) "County" has the meaning ascribed to it in the above preamble;
- (e) "County Clerk" means the duly acting County Clerk of the County or, in the event that the County Clerk is incapable of acting, his or her duly authorized designee;
- (f) "County Mayor" means the duly acting County Mayor of the County or, in the event that the County Mayor is incapable of acting, his or her duly authorized designee;
- (g) "Debt Management Policy" means the Debt Management Policy adopted by the Governing Body as required by the State Funding Board of the State of Tennessee;

(h) "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;

(i) "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;

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

(k) "Governing Body" means the County Commission of the County;

(l) "Municipal Advisor" means Raymond James & Associates, Inc.;

(m) "Notes" means not to exceed \$75,000,000 in aggregate principal amount of general obligation capital outlay notes of the County, in one or more series, authorized by this resolution, to be dated their date of delivery, with such series designation and such other dated date as the County Mayor shall determine pursuant to Section 8 hereof;

(n) "Projects" has the meaning ascribed to it in the above preamble; and

(o) "Registration Agent" means the registration and paying agent for the Notes, appointed by the County Mayor pursuant to Section 4 hereof, or any successor designated by the Governing Body.

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

(a) In conformance with the directive of the State Funding Board of the State of Tennessee, the County has heretofore adopted its Debt Management Policy. The Governing Body hereby determines that the Notes, in the manner provided herein, have such terms that are in the best interests of the County and address the urgent needs of the County in the aftermath of Hurricane Helene, and the Governing Body further hereby determines that the Notes authorized herein are consistent with the terms of the County's Debt Management Policy.

(b) Preliminary estimates of approximate debt service and costs of issuance of the Notes have been made available to the Governing Body. Actual debt service amounts and costs of issuance depend upon various factors, including market conditions at the time of sale of the Notes. All or a portion of the debt service on the Notes is intended to be paid from amounts provided as part of federal and state financial assistance, though the Governing Body acknowledges that the timing and amount of such federal and state financial assistance depend upon the relevant federal and state entities and cannot be assured.

Section 4. Authorization and Terms of the Notes.

(a) For the purpose of providing funds to (i) finance the cost of the Projects, (ii) reimburse the appropriate fund(s) of the County for prior expenditures for the foregoing costs, if applicable; and (iii) pay costs incident to the issuance and sale of the Notes, there is hereby authorized to be issued general obligation capital outlay notes, in one or more series, of the County in the aggregate principal amount of not to exceed \$75,000,000. The Notes shall be issued in fully registered, book-entry form (except as otherwise provided herein), without coupons, shall be known as "General Obligation Capital Outlay Notes" and shall be dated their date of issuance and have such series designation or such other dated date as shall be determined by the County Mayor pursuant to Section 8 hereof. Subject to adjustments permitted pursuant to Section 8 hereof, the Notes shall bear interest at a rate or rates not to exceed the maximum interest rate permitted by applicable law, payable semi-annually on June 1 and December 1 in each year, commencing December 1, 2025. Subject to adjustments permitted in Section 8 hereof, the Notes shall be issued initially in \$5,000 denominations or integral multiples thereof, as shall be requested by the purchaser thereof, and shall mature on June 1 of each year, subject to prior optional redemption as hereinafter provided, either serially or through mandatory redemption, in the years 2029 through 2035, to the extent approved by the State Director and as is otherwise permitted by law. Notwithstanding anything herein to the contrary, the Notes are hereby authorized to amortize in such manner with such principal and interest payment dates and debt service repayment provisions, and Notes of different series are hereby authorized to amortize on different terms, all as may be approved by the State Director and as is otherwise consistent with the provisions of the Act, and as is determined by the County Mayor to be in the best interests of the County, in consultation with the Municipal Advisor. Pursuant to the Act, in no event shall the Notes mature later than the end of the twelfth fiscal year following the fiscal year in which the Notes are issued.

(b) Subject to adjustments permitted in Section 8 hereof, the Notes shall be subject to redemption prior to maturity at the option of the County on June 1, 2028, and thereafter, as a whole or in part at any time at the redemption price of par plus accrued interest to the redemption date.

If less than all of the Notes 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 Notes are being held under a Book-Entry System by DTC, or a successor Depository, the Notes 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 Notes are not being held under a Book-Entry System by DTC, or a successor Depository, the Notes 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 Notes, or any maturities thereof, as term notes ("Term Notes") 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 Notes are sold as Term Notes, the County shall redeem Term Notes 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 and dates may be adjusted pursuant to Section 8 hereof, at a price of par plus accrued interest thereon to the date of redemption. The Term Notes 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 Notes 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 Notes 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 Note 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 Notes 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 twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Notes to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Note 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 Notes for which proper notice was given. An optional redemption notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to affect the redemption with the Registration Agent no later than the redemption date ("Conditional Redemption"). As long as DTC, or a successor Depository, is the registered owner of the Notes, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Notes, 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 Notes called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth herein. In the case of a Conditional Redemption, the failure of the County to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository or the affected Noteholders that the redemption did not occur and that the Notes called for redemption and not so paid remain outstanding.

(e) The County Mayor is hereby authorized and directed to appoint the Registration Agent for the Notes, and the Registration Agent, so appointed, is hereby authorized and directed to maintain Note registration records with respect to the Notes, to authenticate and deliver the Notes as provided herein, either at original issuance or upon transfer, to effect transfers of the Notes, to give all notices of redemption as required herein, to make all payments of principal and interest with respect to the Notes as provided herein, to cancel and destroy Notes 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 Notes canceled and destroyed, and to furnish the County at least annually an audit confirmation of Notes paid, Notes outstanding and payments made with respect to interest on the Notes. 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 Notes 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 Notes by check or draft on each interest payment date directly to the registered owners as shown on the Note 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 Note registration records, without, except for final payment, the presentation or surrender of such registered Notes, and all such payments shall discharge the obligations of the County in respect of such Notes to the extent of the payments so made. Payment of principal of and premium, if any, on the Notes shall be made upon presentation and surrender of such Notes 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 Notes 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 Notes, payment of interest on such Notes 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 Note 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 Notes 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 Note 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 Note registration records maintained by the Registration Agent as of the date of such notice. Nothing contained in this Section or in the Notes 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 Notes when due.

(h) The Notes are transferable only by presentation to the Registration Agent by the registered owner, or his legal representative duly authorized in writing, of the registered Note(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 Note(s) accompanied by appropriate documentation necessary to prove the legal capacity of any legal representative of the registered owner. Upon receipt of the Note(s) in such form and with such documentation, if any, the Registration Agent shall issue a new Note or the Note 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 Note during the period commencing on a Regular or Special Record Date and ending on the corresponding interest payment date of such Note, nor to transfer or exchange any Note after the notice calling such Note for redemption has

been made, nor to transfer or exchange any Note during the period following the receipt of instructions from the County to call such Note 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 Note, provided that any transfer tax relating to such transaction shall be paid by the registered owner requesting transfer. The person in whose name any Note 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 Notes shall be overdue. The Notes, upon surrender to the Registration Agent, may, at the option of the registered owner, be exchanged for an equal aggregate principal amount of the Notes of the same maturity in any authorized denomination or denominations.

(i) The Notes 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 Notes shall be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Notes. References in this Section to a Note or the Notes shall be construed to mean the Note or the Notes that are held under the Book-Entry System. One Note for each maturity shall be issued to DTC and immobilized in its custody. A Book-Entry System shall be employed, evidencing ownership of the Notes 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 Notes. Beneficial ownership interests in the Notes 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 Notes 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 Notes. Transfers of ownership interests in the Notes 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 notes, THE REGISTRATION AGENT SHALL TREAT CEDE & CO., AS THE ONLY HOLDER OF THE notes FOR ALL PURPOSES UNDER THIS RESOLUTION, INCLUDING RECEIPT OF ALL PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE notes, 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 Notes, so long as DTC is the only owner of the Notes, 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 Notes 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 Notes or (2) the County determines that the continuation of the Book-Entry System of evidence and transfer of ownership of the Notes would adversely affect their interests or the interests of the Beneficial Owners of the Notes, 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 Notes in the form of fully registered Notes to each Beneficial Owner.

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 NOTES; (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 NOTES; (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 notes; OR (vi) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC, OR ITS NOMINEE, CEDE & CO., AS OWNER.

If the Notes are sold to a single purchaser that certifies that it does not intend to re-offer the Notes to the public, then the Registration Agent may deliver fully registered Notes to the purchaser without utilizing the Book-Entry System and the form of the Note in Section 6 hereof shall be so conformed.

(k) The Registration Agent is hereby authorized to take such action as may be necessary from time to time to qualify and maintain the Notes for deposit with DTC, including but not limited to, wire transfers of interest and principal payments with respect to the Notes, utilization of electronic book-entry data received from DTC in place of actual delivery of Notes and provision of notices with respect to Notes 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 Notes, 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 Notes to the original purchaser, upon receipt by the County of the proceeds of the sale thereof and to authenticate and deliver Notes in exchange for Notes of the same principal amount delivered for transfer upon receipt of the Note(s) to be transferred in proper form with proper documentation as hereinabove described. The Notes 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 Note form.

(m) In case any Note 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 Note of like tenor, amount, maturity and date, in exchange and substitution for, and upon the cancellation of, the mutilated Note, or in lieu of and in substitution for such lost, stolen or destroyed Note, or if any such Note shall have matured or shall be about to mature, instead of issuing a substituted Note the County may pay or authorize payment of such Note 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 Note, and indemnity satisfactory to the County and the Registration Agent; and the County may charge the applicant for the issue of such new Note an amount sufficient to reimburse the County for the expense incurred by it in the issue thereof.

Section 5. Source of Payment and Pledge. The Notes shall be secured by and 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 Notes, the full faith and credit of the County are hereby irrevocably pledged.

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

(Form of Face of Note)

REGISTERED
Number _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF TENNESSEE
WASHINGTON COUNTY
GENERAL OBLIGATION CAPITAL OUTLAY NOTE, SERIES 2025

Interest Rate:

Maturity Date:

Date of Note:

CUSIP No.:

Registered Owner:

Principal Amount:

FOR VALUE RECEIVED, Washington 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 [December 1, 2025], and semi-annually thereafter on the first day of May and November in each year until this Note matures or is redeemed. Both principal hereof and interest hereon are payable in lawful money of the United States of America at the designated corporate trust office of _____, _____, _____, as registration and paying agent (the "Registration Agent"). The Registration Agent shall make all interest payments with respect to this Note on each interest payment date to the registered owner hereof shown on the Note 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 Note registration records, without, except for final payment, the presentation or surrender of this Note, 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 Note 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 Notes of the issue of which this Note is one not less than ten (10) days prior to such Special Record Date. Payment of principal of [and premium, if any,] on this Note shall be made when due upon presentation and surrender of this Note to the Registration Agent.

Except as otherwise provided herein or in the Resolution, as hereinafter defined, this Note 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 Notes of the series of which this Note is one. One Note for each maturity of the Notes shall be issued to DTC and immobilized in its custody, or a custodian of DTC. The Registrar is a custodian and agent for DTC and the Notes will be immobilized in its custody. A book-entry system shall be employed, evidencing ownership of the Notes 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 Notes, the County and the Registration Agent shall treat Cede & Co., as the only owner of the Notes for all purposes under the Resolution, including receipt of all principal and maturity amounts of [, premium, if any,] and interest on the Notes, 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 Notes, so long as DTC is the only owner of the Notes, 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 Notes or (2) the County determines that the continuation of the book-entry system of evidence and transfer of ownership of the Notes would adversely affect its interests or the interests of the Beneficial Owners of the Notes, 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 Notes in the form of fully registered Notes 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 Notes; (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 Notes; (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 Notes; or (vi) any consent given or other action taken by DTC, or its nominee, Cede & Co., as owner.

[Notes of the issue of which this Note is one maturing on or before June 1, 20__, shall mature without option of prior redemption and Notes maturing June 1, 20__ and thereafter, shall be subject to redemption prior to maturity at the option of the County on June 1, 20__ and thereafter, as a whole or in part at any time at the redemption price of par plus accrued interest to the redemption date.

If less than all the Notes shall be called for redemption, the maturities to be redeemed shall be designated by the County Commission. If less than all the principal amount of the Notes of a maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

(i) if the Notes 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 Notes 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 Notes are not being held under a Book-Entry System by DTC, or a successor Depository, the Notes 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 Notes 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 Notes of which this Note is one, or such Person as shall then be serving as the securities depository for the Notes, shall determine the interest of each Participant in the Notes 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 Notes, the Notes 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 Notes to be redeemed on said dates are as follows:

<u>Final Maturity</u>	<u>Redemption Date</u>	<u>Principal Amount of Notes Redeemed</u>
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*Final Maturity

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such redemption date, the County may (i) deliver to the Registration Agent for cancellation Notes 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 Notes 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 Note 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 Notes 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 twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Notes to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Note registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any such defect in any such notice so mailed shall affect the sufficiency of the proceedings for the redemption of any of the Notes for which proper notice was given. An optional redemption notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to affect the redemption with the Registration Agent no later than the redemption date ("Conditional Redemption"). As long as DTC, or a successor Depository, is the registered owner of the Notes, all redemption notices shall be mailed

by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Notes, 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 Notes called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth in the Resolution, as hereafter defined.] In the case of a Conditional Redemption, the failure of the County to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository or the affected Noteholders that the redemption did not occur and that the Notes called for redemption and not so paid remain outstanding.]

This Note is transferable by the registered owner hereof in person or by such owner's attorney duly authorized in writing at the designated corporate trust office of the Registration Agent set forth above, 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 Note. Upon such transfer a new Note or Notes 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 Note 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 Note shall be overdue. Notes, 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 Notes 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 Note during the period commencing on a Regular Record Date or Special Record Date and ending on the corresponding interest payment date of such Note[, nor to transfer or exchange any Note after the notice calling such Note for redemption has been made, nor during a period following the receipt of instructions from the County to call such Note for redemption].

This Note is one of a total authorized issue aggregating \$ _____ and issued by the County for the purpose of providing funds necessary to finance the (i) acquisition, construction, repair, renovation, maintenance and/or equipping of and extensions and improvements to and for (a) public lands, buildings, facilities, roads, streets and bridges of the County, including but not limited to sidewalks, signage, signalization, related facilities, lighting, drainage improvements and riverbank improvements and (b) equipment, including vehicles, for the County; (ii) acquisition of all property real or personal, appurtenant thereto, or connected with the foregoing; (iii) payment of architectural, engineering, legal, fiscal and administrative costs incident to the foregoing (collectively, the "Projects"); (iv) reimbursement to the appropriate fund(s) of the County for prior expenditures for the Projects; and (v) payment of costs incident to the issuance and sale of the Notes of which this Note is one, pursuant to Sections 9-21-101 et seq., Tennessee Code Annotated, as amended, and other applicable provisions of law, and pursuant to a resolution duly adopted by the County Commission of the County on the 28th day of April, 2025 (the "Resolution").

This Note is secured by and payable from unlimited ad valorem taxes to be levied on all taxable property within the corporate limits of the County. For the prompt payment of principal of, [premium, if any,] and interest on this Note, the full faith and credit of the County are irrevocably pledged.

This Note and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on interest on the Note during the period the Note 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 (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Note 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 Note exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Note, 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 Note to be signed by its County Mayor with his or her [manual or] [facsimile] signature and attested by its County Clerk with his or 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.

WASHINGTON COUNTY, TENNESSEE

BY: [Form of Note – Do not sign]

County Mayor

(SEAL)

ATTESTED:

 [Form of Note – Do not sign]

County Clerk

Transferable and payable at the designated corporate trust office of:

Date of Registration: _____

This Note is one of the issue of Notes issued pursuant to the Resolution hereinabove described.

Registration Agent

By: _____
Authorized Representative

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns, and transfers unto _____, whose address is _____ (Please insert Social Security or Federal Tax Identification Number _____) the within Note of Washington County, Tennessee, and does hereby irrevocably constitute and appoint _____, attorney, to transfer the said Note 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 Note 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.

[End of Note Form]

Section 7. Levy of Tax. The County, through its Governing Body, shall annually levy and collect a tax upon all taxable property within the County, in addition to all other taxes authorized by law, sufficient to pay principal of, premium, if any, and

interest on the Notes 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 of, premium, if any, and interest coming due on the Notes in said year. Principal, premium, if any, 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 Notes.

Section 8. Sale of Notes.

(a) The Notes shall be offered at competitive public sale in the manner required by applicable law at prices not less than those required by applicable law. The competitive public sale of the Notes shall be by physical, facsimile or electronic delivery of bids and/or by electronic bidding by means of an internet bidding service as shall be determined by the County Mayor, in consultation with the Municipal Advisor. The County Mayor is authorized to award the Notes to the bidder whose bid results in the lowest true interest cost to the County, provided the rate or rates on none of the Notes exceeds the maximum interest rate or rates permitted by applicable law. The award of the Notes 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. Notwithstanding anything herein to the contrary, Notes sold as different series may be purchased by different bidders and be sold with different terms pursuant to the provisions and in the manner herein.

(b) The County Mayor is further authorized, with respect to each series of Notes, to:

(1) change the dated date of the Notes to a date other than the date of issuance of the Notes;

(2) designate the Notes as a designation other than "General Obligation Capital Outlay Notes" and to specify the series designation of the Notes, or any series thereof;

(3) in order to facilitate the sale of the Notes in a manner that is in the best interest of the County, cause to be sold less than the principal amount authorized herein;

(4) adjust the principal and interest payment dates and the maturity amounts of the Notes, including any series thereof, subject to the limits in Section 4;

(5) modify or remove the redemption provisions of the Notes and provide that Notes of different series may have different redemption provisions; and if subject to optional redemption, to provide for the Notes to be redeemed at a price of par plus accrued interest without a redemption premium or for the Notes

to be redeemed with a redemption premium of not greater than one percent (1%) of par thereof, if the Notes are originally sold for not less than par;

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

(7) to cause all or a portion of the Notes to be insured by a bond insurance policy issued by a nationally recognized bond insurance company if such insurance (a) is determined to be advantageous to the County and such premium to be paid by the County or (b) is requested and paid for by the winning bidder of the Notes, or any series thereof, and to enter into an agreement with such bond insurance company with respect to such bond insurance on terms not inconsistent with the provisions of this resolution.

(c) The form of the Note set forth in Section 6 hereof, shall be conformed to reflect any changes made pursuant to this Section 8 hereof.

(d) If permitted in the notice of sale for the Notes: (i) the successful bidder may request that the Notes, or any such series thereof, be issued in the form of fully registered certificated Notes in the name of the successful bidder or as directed by the successful bidder, in lieu of registration using the Book-Entry System, and (ii) the successful bidder may assign its right to purchase the Notes, or any series thereof, to a third party provided, however, that upon such assignment, the successful bidder shall remain obligated to perform all obligations relating to the purchase of the Notes as the successful bidder, including the delivery of a good faith deposit, the execution of required documents and the payment of the purchase price, if such successful bidder's assignee does not perform any of such obligations.

(e) The County Mayor and County Clerk are authorized to cause the Notes, in book-entry form (except as otherwise permitted herein), to be authenticated and delivered by the Registration Agent to the successful bidder, and such officers, along with any other officer of the County as determined by the County Mayor, are further authorized 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 Notes. The County Mayor is hereby authorized to (i) enter into a contract with the Municipal Advisor for municipal advisory services in connection with the sale of the Notes, as such contract is attached hereto as Exhibit A, and (ii) accept the engagement letter from Bass, Berry & Sims PLC, attached hereto as Exhibit B, regarding representation of the County as bond counsel in connection with the Notes.

(f) The Notes shall not be issued until after the County has received the approval from the State Director, as required by Sections 9-21-101 *et seq.*, Tennessee Code Annotated, as amended, and the County hereby agrees to comply with any requirements of the State Director included in such approval.

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

(a) Accrued interest, if any, shall be deposited to the appropriate fund of the County to be used to pay interest on the Notes on the first interest payment date following delivery of the Notes.

(b) The remainder of the proceeds of the sale of the Notes shall be deposited with a financial institution regulated by the Federal Deposit Insurance Corporation or similar or successor federal agency in a special fund known as the 2025 Construction Fund (the "Construction Fund"), or such other designation as shall be determined by the County Mayor to be kept separate and apart from all other funds of the County, or shall be deposited in such other manner as permitted by applicable law. The funds in the Construction Fund shall be disbursed solely to pay the costs of the Projects (including reimbursing the County for the prior payment thereof), including necessary legal, accounting, engineering, architectural and fiscal expenses, printing, engraving, advertising and similar expenses, administrative and clerical costs, rating agency fees, Registration Agent fees, bond insurance premiums (if any) and other necessary miscellaneous expenses incurred in connection with the Projects, and the costs of issuance and sale of the Notes. Notwithstanding the foregoing, costs of issuance of the Notes may be withheld from the good faith deposit, if any, or purchase price of the Notes and paid to the Municipal Advisor to be used to pay costs of issuance of the Notes. Moneys in the Construction Fund shall be invested as directed by the County Clerk in such investments as shall be permitted by applicable law. Earnings from such investments shall be, to the extent permitted by applicable law, at the discretion of the County Mayor, (i) deposited to the Construction Fund to reimburse the Construction Fund for any costs of issuance paid related to the issuance of the Notes and/or to pay costs of the Projects or (ii) used to pay debt service on the Notes. To the extent permitted by applicable law and subject to consultation with Bond Counsel, any funds remaining in the Construction Fund after completion of the Projects, including earnings from such investments, shall be used to pay debt service on the Notes or to satisfy obligations of the County under the Code related to the Notes, subject to any modifications by the Governing Body.

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

Section 10. Official Statement. The County Mayor and the County Clerk, or either of them, working with the Municipal 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 Notes. After bids have been received and the Notes have been awarded, the County Mayor and the County Clerk, or either of them, shall make such completions, omissions, insertions and

changes in the Preliminary Official Statement not inconsistent with this resolution as are necessary or desirable to complete it as a final Official Statement for purposes of Rule 15c2-12(e)(3) of the Securities and Exchange Commission. The County Mayor and the County Clerk, or either of them, shall arrange for the delivery to the successful bidder on the Notes of a reasonable number of copies of the Official Statement within seven (7) business days after the Notes have been awarded for delivery, by the successful bidder on the Notes, 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 Notes.

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

If the winning bidder or its purchaser or assignee does not intend to reoffer the Notes to the public as evidenced by a certificate executed by the winning bidder and/or its purchaser or assignee, then an Official Statement is authorized, but not required, as shall be determined by the County Mayor in consultation with the Municipal Advisor and Bond Counsel.

Section 11. Tax Matters.

(a) The Notes are expected to be issued as federally tax-exempt notes. In such event and to that end, the County hereby covenants that it will not use, or permit the use of, any proceeds of the Notes in a manner that would cause the Notes to be subjected to treatment under Section 148 of the Code, and applicable regulations thereunder, as an "arbitrage bond". Also, to that end, the County shall comply with applicable regulations adopted under said Section 148. The County further covenants with the registered owners from time to time of the Notes that it will, throughout the term of the Notes and through the date that the final rebate, if any, must be made to the United States in accordance with Section 148 of the Code, comply with the provisions of Sections 103 and 141 through 150 of the Code and all regulations proposed and promulgated thereunder that must be satisfied in order that interest on the Notes shall be and continue to be excluded from gross income for federal income tax purposes under Section 103 of the Code.

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

(c) The officers of the County are authorized and directed, on behalf of the County, to execute and deliver all such certificates and documents and to adopt and follow all such regulations, policies and procedures that may be required or advisable, as determined in consultation with Bond Counsel, when complying with the provisions of this Section related to the issuance of the Notes.

Section 12. Discharge and Satisfaction of Notes. If the County shall pay and discharge the indebtedness evidenced by any of the Notes 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 Notes 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 Notes and to pay interest thereon when due until the maturity or redemption date (provided, if such Notes 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 Notes 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 Notes, or make adequate provision therefor, and by resolution of the Governing Body instruct any such Escrow Agent to pay amounts when and as required to the Registration Agent for the payment of principal of and interest on such Notes when due, then and in that case the indebtedness evidenced by such Notes shall be discharged and satisfied and all covenants, agreements and obligations of the County to the holders of such Notes 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 Notes 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, premium, if any, and interest on said Notes; 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, premium, if any, and interest to become due on said Notes 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, which notes or other obligations shall not be subject to redemption prior to their maturity other than at the option of the registered owner thereof.

Section 13. Reasonably Expected Weighted Average Life of Projects. The weighted average maturity of the Notes will not exceed the reasonably expected weighted average life of the Projects in accordance with Section 9-21-602, Tennessee Code Annotated, as amended.

Section 14. Continuing Disclosure. The County hereby covenants and agrees that it will provide annual financial information and certain event notices if and as required by Rule 15c2-12 of the Securities Exchange Commission for the Notes. The County Mayor is authorized to execute at the closing of the sale of the Notes, an agreement for the benefit of and enforceable by the owners of the Notes specifying the details of the financial information and event notices to be provided and its obligations relating thereto, if any. 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 Notes 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. State Interest Payment Assistance. The County Mayor, County Clerk and other officers of the County, as applicable, are hereby authorized to take all such actions and execute and deliver all such agreements, certificates and other documents, as are necessary or advisable, as determined by the County Mayor, in consultation with the Municipal Advisor, the County Attorney and Bond Counsel, for the purpose of applying to the State of Tennessee for a reimbursement grant or grants or other financial assistance from the State of Tennessee pursuant to Section 9-4-215, Tennessee Code Annotated, as amended, to offset interest costs on the Notes, to the extent eligible, for up to three (3) years and up to the lower of five percent (5%) or the prime interest rate, as further provided in Section 9-4-215, Tennessee Code Annotated, as amended. Any such actions heretofore taken by the County in this regard are hereby ratified.

Section 16. Resolution a Contract. The provisions of this resolution shall constitute a contract between the County and the registered owners of the Notes, and after the issuance of the Notes, no change, variation or alteration of any kind in the provisions of this resolution that would adversely affect the security of the Notes or the

rights of the Noteholders shall be made in any manner until such time as the Notes and interest due thereon shall have been paid in full.

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

Section 18. Repeal of Conflicting Resolutions and Effective Date. All other resolutions and orders, or parts thereof, in conflict with the provisions of this resolution are, to the extent of such conflict, hereby repealed and this resolution shall be in immediate effect from and after its adoption.

Introduced by Commissioner: *Davenport*

Seconded by Commissioner: *Carder*

Commissioners Voting FOR: *Tucker, Johnson, Davenport, Matherly, England, Malone, Stout, Tomita, Jones, Wexler, Huffine, Wheeler, Carder*

Commissioners Voting AGAINST: *None*

Commissioners Abstaining: *None*

Commissioners Absent: *Fitzgerald, Edens*

ADOPTED BY THE COUNTY LEGISLATIVE BODY, in session duly assembled, on this the 28th day of April, 2025.

Cheryl Storey

CHERYL STOREY, County Clerk

Greg Matherly

GREG MATHERLY, Chair of the Board

REFERRED to County Mayor this the 1 day of May 2025.
Cheryl Storey

CHERYL STOREY, County Clerk

APPROVED by County Mayor on this the 1 day of May 2025.
William J. Grandy

WILLIAM J. GRANDY, County Mayor

The County Mayor having declined to approve this Resolution, the same became effective on the ___ day of _____ 2025, pursuant to Tennessee Code Annotated § 5-6-107(b)(5).

CHERYL STOREY, County Clerk

Approved as to form by the County Attorney this 30th day of April 2025.
Allyson L. Wilkinson

ALLYSON L. WILKINSON, County Attorney

EXHIBIT A
PROJECT AMENDMENT
BY AND BETWEEN
WASHINGTON COUNTY, TENNESSEE
AND
RAYMOND JAMES & ASSOCIATES INC.

Section 1. Consistent with the Municipal Advisor Agreement executed on April 28, 2016, (the "Master Agreement") incorporated herein by reference, the Issuer's formally adopted Debt Management Policy as supplemented or revised and in the interest of full disclosure and transparency, the following disclosures supplement those included in the Master Agreement and are made and hereby acknowledged as fully disclosed and waived where applicable.

Section 2. It is hereby acknowledged that a copy of the services, service providers and estimated costs related to the sale, issuance and delivery of the Debt Obligations contemplated by this "Project Amendment" has been provided to the Issuer at the earliest possible date once individual projects, timetables and similar determinations are made. Fees payable to the Municipal Advisor shall be determined based on Article III of the Master Agreement.

The services, service providers and estimated costs related to the sale and issuance of Debt Obligations to provide funds to finance the Issuer's proposed (i) General Obligation Capital Outlay Note, Series 2025 to provide funds for equipment upgrades to County municipal buildings; and (ii) to pay costs related to the sale and issuance of the Debt Obligations (collectively, the "Project") are estimated as follows:

<u>Service</u>	<u>Provider</u>	<u>Estimated Cost</u>
Municipal Advisor:	Raymond James & Associates	\$62,500
Bond Counsel:	Bass Berry & Sims PLC	65,000
Rating Agency:	Moody's	23,000
Registration/Paying Agent:	TBD	750
POS/OS Distribution	I-deal Prospectus	1,500
Estimated Total:		<u>\$152,750</u>

Section 3. Underwriter's compensation relating to the purchase of the of the Issuer's Debt Obligations is determined through the formal pricing process on the sale date. This compensation is embedded in the Debt Obligation pricing and is not a separately stated cost of issuance.

Section 4. A State Form CT-0253 depicting the actual costs of issuance of all actual transaction costs will be prepared and executed at the closing and delivery of the Debt Obligations, presented to the Board of County Commissioners of the Issuer at its next scheduled meeting following the delivery of the Debt Obligations and filed with the

Tennessee Comptroller of the Treasury's Director of State and Local Finance in a timely fashion as required by prevailing State law.

Section 5. To the extent other related Raymond James personnel assist with and provide investment services to the Issuer, it is acknowledged that separate compensation will be paid for any such services and that up to one-half of any such fees paid to Raymond James may be shared internally with representatives of the Municipal Advisor acting as a solicitor and that any such fees charged will be the same regardless of whether a solicitor is used or not.

Section 6. Raymond James serves as Dissemination Agent for the Issuer. Accordingly, a separate annual fee for performance of such services paid.

Section 7. From time to time, Bass Berry & Sims PLC has represented Raymond James on matters unrelated to the Issuer and may continue to do so in the future.

Section 8. We have reviewed Exhibit A "Disclosure for Municipal Advisor Agreement" which is part of the Master Agreement. Other than as disclosed above, we are not aware of any updates needed nor are there any additional disclosures that should be added.

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE DULY CAUSED THIS PROJECT AMENDMENT to be signed and sealed by their respective authorized officers this __ day of April 2025.

WASHINGTON COUNTY, TENNESSEE

By: _____
Name: Joe Grandy
Title: County Mayor

RAYMOND JAMES & ASSOCIATES, INC.

By: _____
Name: Elizabeth Zuelke
Title: Director

EXHIBIT B

ENGAGEMENT LETTER OF BOND COUNSEL

April 28, 2025

Washington County, Tennessee
P.O. Box 219
Jonesborough, TN 37659
Attention: County Mayor

**Re: Issuance of Not to Exceed \$75,000,000 in Aggregate
Principal Amount of General Obligation Capital Outlay Notes.**

Dear County Mayor:

The purpose of this engagement letter is to set forth certain matters concerning the services we will perform as bond counsel to Washington County, Tennessee (the "Issuer"), in connection with the issuance of the above-referenced notes (the "Notes"). We understand that the Notes are being issued for the purpose of providing funds necessary to finance projects identified in the note resolution (the "Resolution") authorizing the Notes, adopted on April 28, 2025, and to pay costs of issuance of the Notes, as more fully set forth in the Resolution. We further understand that the Notes will be sold by competitive sale.

SCOPE OF ENGAGEMENT

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

1. Subject to the completion of proceedings to our satisfaction, render our legal opinion (the "Note Opinion") regarding the validity and binding effect of the Notes, the source of payment and security for the Notes, and the excludability of interest on the Notes from gross income for federal income tax purposes.
2. Prepare and review documents necessary or appropriate for the authorization, issuance and delivery of the Notes, 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 Notes, except that we will not be responsible for any required blue-sky filings.

4. Review legal issues relating to the structure of the Note issue.
5. Draft those sections of the official statement to be disseminated in connection with the sale of the Notes, describing the Note Opinion, the terms of and security for the Notes, and the treatment of the Notes 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 Notes, if requested.
7. Prepare and review the notice of sale pertaining to the competitive sale of the Notes.

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

The Note Opinion will be based on facts and law existing as of its date. In rendering our Note 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 Notes. 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 Notes 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 Notes, 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 Notes.
- 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 Notes.
- g. Assisting in the preparation of, or opining on, any continuing disclosure undertaking pertaining to the Notes or any other debt of the Issuer, 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 Notes will continue to be excludable from gross income for federal income tax purposes (e.g., our engagement does not include rebate calculations for the Notes).
- j. Addressing any other matter not specifically set forth above that is not required to render our Note Opinion.

ATTORNEY-CLIENT RELATIONSHIP

Upon acceptance 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 Note 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 Notes. 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 Notes.

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 Notes. 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 Notes 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 Notes. Acceptance of this letter will signify the Issuer's consent 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 Notes; (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 \$65,000 for the Notes. Our fees may vary: (a) if the principal amount of Notes actually issued differs significantly from the amounts stated above; (b) if material changes in the structure or schedule of the respective financings occur; or (c) if unusual or unforeseen circumstances arise which require a significant increase in our time or responsibility. If, at any time, we believe that circumstances require an adjustment of our original fee estimates, we will advise you and prepare and provide to you an amendment to this engagement letter. The fees quoted above will include all out-of-pocket expenses advanced for your benefit, such as travel costs, photocopying, deliveries, long distance telephone charges, telecopier charges, filing fees, computer-assisted research and other expenses.

If, for any reason, the financing represented by the Notes is completed without the delivery of our Note 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 the amount set forth above.

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 Closing(s) 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. To the extent permitted by applicable law, 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 not acceptable to you, please so indicate in a writing signed by an authorized officer. Otherwise, we look forward to working with you.

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