

NEW ISSUE
Book-Entry-Only

PRELIMINARY OFFICIAL STATEMENT

\$7,350,000*

HAYWOOD COUNTY, TENNESSEE **General Obligation Refunding Bonds, Series 2015**

OFFERED FOR SALE NOT SOONER THAN

Wednesday, May 13, 2015 at 10:15 a.m., E.D.T.
Through the Facilities of *PARITY*[®]

at the
OFFICES OF
Cumberland Securities Company, Inc.
Knoxville, Tennessee

Cumberland Securities Company, Inc.
Financial Advisor

May 01, 2015

* Preliminary, subject to change.

PRELIMINARY OFFICIAL STATEMENT DATED MAY 01, 2015

In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the County, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, such interest is taken into account in determining adjusted current earnings of certain corporations for purposes of the alternative minimum tax on corporations. For an explanation of certain tax consequences under federal law which may result from the ownership of the Bonds, see the discussion under the heading "LEGAL MATTERS – Tax Matters" herein. Under existing law, the Bonds and the income therefrom will be exempt from all state, county and municipal taxation in the State of Tennessee, except inheritance, transfer, and estate taxes and Tennessee franchise and excise taxes. (See "LEGAL MATTERS -Tax Matters" herein.)

\$7,350,000*

HAYWOOD COUNTY, TENNESSEE
General Obligation Refunding Bonds, Series 2015

Dated: Date of delivery (assume May 29, 2015).

Due: June 1 (as shown below)

The \$7,350,000* General Obligation Refunding Bonds, Series 2015 (the "Bonds") of Haywood County, Tennessee (the "County" or the "Issuer") are issuable in fully registered form in denominations of \$5,000 and authorized integral multiples thereof. The Bonds will be issued in book-entry-only form and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Bonds. So long as Cede & Co. is the registered owner of the Bonds, as the nominee for DTC, principal and interest with respect to the Bonds shall be payable to Cede & Co., as nominee for DTC, which will, in turn, remit such principal and interest to the DTC participants for subsequent disbursements to the beneficial owners of the Bonds. Individual purchases of the Bonds will be made in book-entry-only form, in denominations of \$5,000 or integral multiples thereof and will bear interest at the annual rates as shown below. Interest on the Bonds is payable semi-annually from the date thereof commencing on December 1, 2015 and thereafter on each June 1 and December 1 by check or draft mailed to the owners thereof as shown on the books and records of Regions Bank, Nashville, Tennessee, the registration and paying agent (the "Registration Agent"). In the event of discontinuation of the book-entry system, principal of and interest on the Bonds are payable at the principal corporate trust office of the Registration Agent.

The Bonds are payable from unlimited *ad valorem* taxes to be levied on all taxable property within the County. For the prompt payment of principal of and interest on the Bonds, the full faith and credit of the County are irrevocably pledged. See section entitled "SECURITIES OFFERED – Security".

The Bonds maturing on or after June 1, 2021 are subject to optional redemption prior to maturity on or after June 1, 2020, as described herein.

<u>Due</u> <u>(June 1)</u>	<u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP**</u>	<u>Due</u> <u>(June 1)</u>	<u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP**</u>
2016	\$ 105,000				2023	\$440,000			
2017	430,000				2024	455,000			
2018	425,000				2025	470,000			
2019	1,045,000				2026	465,000			
2020	1,040,000				2027	480,000			
2021	1,070,000				2028	500,000			
2022	425,000								

(Accrued Interest to be added)

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire *Preliminary Official Statement* to obtain information essential to make an informed investment decision.

The Bonds are offered when, as and if issued, subject to the approval of the legality thereof by Glankler Brown, PLLC, Memphis, Tennessee, Bond Counsel, whose opinion will be delivered with the Bonds. Certain legal matters will be passed upon from the County by Michael Banks, Brownsville, Tennessee, County Attorney. It is expected that the Bonds will be available for delivery through the facilities of DTC in New York, New York, on or about May __, 2015.

Cumberland Securities Company, Inc.
Financial Advisor

May __, 2015

* Preliminary, subject to change

This Preliminary Official Statement speaks only as of its date, and the information contained herein is subject to change.

This Preliminary Official Statement may contain forecasts, projections, and estimates that are based on current expectations but are not intended as representations of fact or guarantees of results. If and when included in this Preliminary Official Statement, the words "expects," "forecasts," "projects," "intends," "anticipates," "estimates," and analogous expressions are intended to identify forward-looking statements as defined in the Securities Act of 1933, as amended, and any such statements inherently are subject to a variety of risks and uncertainties, which could cause actual results to differ materially from those contemplated in such forward-looking statements. These forward-looking statements speak only as of the date of this Preliminary Official Statement. The Issuer disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Issuer's expectations with regard thereto or any change in events, conditions, or circumstances on which any such statement is based.

This Preliminary Official Statement and the Appendices hereto contain brief descriptions of, among other matters, the Issuer, the Bonds, the Resolution, as herein after defined, the Disclosure Certificate, as herein after defined, and the security and sources of payment for the Bonds. Such descriptions and information do not purport to be comprehensive or definitive. The summaries of various constitutional provisions and statutes, the Resolution, the Disclosure Certificate, and other documents are intended as summaries only and are qualified in their entirety by reference to such documents and laws, and references herein to the Bonds are qualified in their entirety to the forms thereof included in the Bond Resolution.

The Bonds have not been registered under the Securities Act of 1933, as amended, and the Resolution has not been qualified under the Trust Indenture Act of 1939, in reliance on exemptions contained in such acts. This Preliminary Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale.

No dealer, broker, salesman, or other person has been authorized by the Issuer, the Financial Advisor or the Underwriter, as herein after defined, to give any information or to make any representations other than those contained in this Preliminary Official Statement, and, if given or made, such other information or representations should not be relied upon as having been authorized by the Issuer, the Financial Advisor or the Underwriter. Except where otherwise indicated, all information contained in this Preliminary Official Statement has been provided by the Issuer. The information set forth herein has been obtained by the Issuer from sources which are believed to be reliable but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of, the Financial Advisor or the Underwriter. The information contained herein is subject to change without notice, and neither the delivery of this Preliminary Official Statement nor any sale made hereunder shall under any circumstances create an implication that there has been no change in the affairs of the Issuer, or the other matters described herein since the date hereof or the earlier dates set forth herein as of which certain information contained herein is given.

In connection with this offering, the Underwriter may over-allot or effect transactions which stabilize or maintain the market prices of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

** These CUSIP numbers have been assigned by Standard & Poor's CUSIP Service Bureau, a division of the McGraw-Hill Companies, Inc., and are included solely for the convenience of the Bond holders. The County is not responsible for the selection or use of these CUSIP numbers, nor is any representation made as to their correctness on the Bonds or as indicated herein.

HAYWOOD COUNTY, TENNESSEE

OFFICIALS

County Mayor
County Clerk
County Attorney

A. Franklin Smith
Sonya Castellaw
Michael Banks

BOARD OF COUNTY COMMISSIONERS

Joe Barden	Chris Lea
Becky Booth	James Morgan
Kathy Chapman	Allan O'Quinn
Wally Eubanks	Jefferey Richmond
John P. Gorman, Jr.	Janice Rogers
Robert Green	Freddy Smith
Sheronda Green	Jerry L. Smith
Richard Jameson	Larry Stanley
Leonard Jones	Joe Stephens
Allen King	Marjorie Vault

BOND COUNSEL

Glankler Brown, PLLC
Memphis, Tennessee

BOND REGISTRATION AND PAYING AGENT

Regions Bank
Nashville, Tennessee

FINANCIAL ADVISOR

Cumberland Securities Company, Inc.
Knoxville, Tennessee

TABLE OF CONTENTS

SUMMARY STATEMENT	i
NOTICE OF SALE	iii
DETAILED NOTICE OF SALE	iv
BID FORM	x
SECURITIES OFFERED	
Authority and Purpose.....	1
Description of the Bonds.....	1
Refunding Plan.....	1
Security.....	2
Verification of Mathematical Computations	2
Qualified Tax-Exempt Obligations.....	2
Optional Redemption of the Bonds.....	3
Notice of Redemption	3
Mandatory Redemption.....	4
Payment of Bonds	5
BASIC DOCUMENTATION	
Registration Agent.....	6
Book-Entry-Only System.....	6
Discontinuance of Book-Entry-Only System	8
Disposition of Bond Proceeds.....	9
Discharge and Satisfaction of Bonds	10
Remedies of Bondholders	11
LEGAL MATTERS	
Litigation	12
Tax Matters	
<i>Federal</i>	12
<i>State</i>	14
Changes in Federal and State Law	14
Closing Certificates	15
Approval of Legal Proceedings.....	15
MISCELLANEOUS	
Rating	16
Competitive Public Sale	16
Financial Advisor; Related Parties; Other	16
Additional Debt	17
Debt Record.....	17
Continuing Disclosure.....	17
<i>Five-Year Filing History</i>	18
<i>Content of Annual Report</i>	18
<i>Reporting of Significant Events</i>	19
<i>Termination of Reporting Obligation</i>	20

<i>Amendment; Waiver</i>	20
<i>Default</i>	21
Additional Information.....	21
CERTIFICATION OF ISSUER	23

APPENDIX A: LEGAL OPINION

APPENDIX B: SUPPLEMENTAL INFORMATION STATEMENT

General Information

Location.....	B-1
General	B-1
Transportation	B-1
Education.....	B-1
Healthcare.....	B-2
Power Production	B-2
Manufacturing and Commerce.....	B-3
<i>Major Employers in the County</i>	B-4
Employment Information	B-4
Economic Data	B-5
Recreation.....	B-5
Recent Developments.....	B-6

Debt Structure

Summary of Bonded Indebtedness.....	B-7
Indebtedness and Debt Ratios	B-8
Debt Service Requirements - General Obligation.....	B-10

Financial Information

Basis of Accounting and Presentation.....	B-11
Fund Balances and Retained Earnings	B-11
Five-Year Summary of Revenues, Expenditures and Changes in Fund Balance – General Fund.....	B-12
Investment and Cash Management Practices	B-13
Property Tax	
<i>Introduction</i>	B-13
<i>Reappraisal Program</i>	B-13
<i>Assessed Valuations</i>	B-14
<i>Property Tax Rates and Collections</i>	B-15
<i>Ten Largest Taxpayers</i>	B-15
Pension Plans	B-16

APPENDIX C: GENERAL PURPOSE FINANCIAL STATEMENTS

SUMMARY STATEMENT

The information set forth below is provided for convenient reference and does not purport to be complete and is qualified in its entirety by the information and financial statements appearing elsewhere in this *Preliminary Official Statement*. This Summary Statement shall not be reproduced, distributed or otherwise used except in conjunction with the remainder of this *Preliminary Official Statement*.

- The IssuerHaywood County, Tennessee (the “County” or “Issuer”). See the section entitled “Supplemental Information Statement” for more information.
- Securities Offered.....\$7,350,000* General Obligation Refunding Bonds, Series 2015 (the “Bonds”) of the County, dated the date of delivery (estimated to be May 29, 2015). The Bonds will mature each June 1 beginning June 1, 2016 through June 1, 2028, inclusive. See the section entitled “SECURITIES OFFERED – Authority and Purpose”.
- Security.....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.
- PurposeThe Bonds are being issued for the purposes of providing funds (i) to refinancing, in whole or in part, the Outstanding Bonds of the County, as described herein, and (ii) to pay costs incident to the issuance and sale of its general obligation bonds to be issued for such purposes.
- Optional RedemptionThe Bonds are subject to optional redemption prior to maturity on or after June 1, 2020, at the redemption price of par plus accrued interest. See section entitled “SECURITIES OFFERED - Optional Redemption”.
- Tax Matters.....In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the County, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, such interest is taken into account in determining adjusted current earnings of certain corporations for purposes of the alternative minimum tax on corporations. For an explanation of certain tax consequences under federal law which may result from the ownership of the Bonds, see the discussion under the heading “LEGAL MATTERS – Tax Matters” herein. Under existing law, the Bonds and the income therefrom will be exempt from all state, county and municipal taxation in the State of Tennessee, except inheritance, transfer, and estate taxes and Tennessee franchise and excise taxes. (See “LEGAL MATTERS -Tax Matters” herein.)
- Bank Qualification.....The Bonds will be treated as “qualified tax-exempt obligations” within the meaning of Section 265 of the Internal Revenue Code of 1986, as amended. See the section entitled “LEGAL MATTERS - Tax Matters” for additional information.
- Rating.....Standard & Poor’s: “A+”. See the section entitled “MISCELLANEOUS - Rating” for more information.
- Underwriter....., _____, _____.
- Financial AdvisorCumberland Securities Company, Inc., Knoxville, Tennessee. See the section entitled “MISCELLANEOUS - Financial Advisor; Related Parties Other”, herein.
- Bond CounselGlankler Brown, PLLC, Memphis, Tennessee.

Book-Entry-OnlyThe Bonds will be issued under the Book-Entry System except as otherwise described herein. For additional information, see the section entitled “BASIC DOCUMENTATION - Book-Entry System”

Registration/Paying Agent.....Regions Bank, Nashville, Tennessee.

GeneralThe Bonds are being issued in full compliance with applicable provisions of Title 9, Chapter 21, *Tennessee Code Annotated*, as supplemented and revised. See “SECURITIES OFFERED” herein. The Bonds will be issued with CUSIP numbers and delivered through the facilities of The Depository Trust Company, New York, New York.

DisclosureIn accordance with Rule 15c2-12 of the U.S. Securities and Exchange Commission as amended, the County will provide the Municipal Securities Rulemaking Board (“MSRB”) through the operation of the Electronic Municipal Market Access system (“EMMA”) and the State information depository (“SID”), if any, annual financial statements and other pertinent credit or event information, including Comprehensive Annual Financial Reports, see the section entitled “MISCELLANEOUS-Continuing Disclosure.”

Other InformationThe information in this *Preliminary Official Statement* is deemed “final” within the meaning of Rule 15c2-12 of the U.S. Securities and Exchange Commission as of the date which appears on the cover hereof except for the omissions of certain pricing information allowed to be omitted pursuant to such Rule 15c2-12. For more information concerning the County or this *Preliminary Official Statement* contact The Honorable A. Franklin Smith, County Mayor, 1 N. Washington, Brownsville, TN 38012, Telephone: (731) 658-3266, or the County's Financial Advisor, Cumberland Securities Company, Inc., 813 S. Northshore Drive, Suite 201A, Knoxville, Tennessee 37919, Telephone: (865) 988-2663. Additional information regarding BiDCOMP™/PARITY® may be obtained from PARITY®, 1359 Broadway - 2nd Floor, New York, NY 10018, Telephone: (800) 850-7422.

GENERAL FUND BALANCES

Summary of Changes In Fund Balances For the Fiscal Year Ended June 30

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Beginning Fund Balance	\$2,357,441	\$2,055,446	\$1,944,967	\$2,714,772	\$2,987,958
Revenues	9,783,548	10,253,059	10,856,049	10,658,089	10,878,936
Expenditures	10,019,011	10,486,191	10,109,961	10,493,488	10,547,387
Excess (Deficiency) of Revenues Over Expenditures	(235,463)	(233,132)	746,088	164,601	331,549
Capital Leases Issued	-	93,625	3,092	100,085	-
Insurance Recovery	2,886	29,028	20,625	-	186,004
Transfers In	-	-	-	-	-
Transfers Out	(69,418)	-	-	-	-
Ending Fund Balance	<u>\$2,055,446</u>	<u>\$1,944,967</u>	<u>\$2,714,772</u>	<u>\$2,987,958</u>	<u>\$3,505,511</u>

Source: Comprehensive Annual Financial Reports of the County.

NOTICE OF SALE

\$7,350,000*

HAYWOOD COUNTY, TENNESSEE

General Obligation Refunding Bonds, Series 2015

NOTICE IS HEREBY GIVEN that the County Mayor of Haywood County, Tennessee (the “County” or “Issuer”) will receive electronic or written sealed bids for the purchase of all, but not less than all, of the County’s \$7,350,000* General Obligation Refunding Bonds, Series 2015 (the “Bonds”) at the office of the County’s Financial Advisor, Cumberland Securities Company, Inc., Knoxville, Tennessee, until **10:15 a.m. E.D.T. on Wednesday, May 13, 2015**. Prior to accepting bids, the County reserves the right to adjust the principal amount of the Bonds being offered as set forth in the Detailed Notice of Sale, to postpone the sale to a later date, or to cancel the sale based upon market conditions via Bloomberg News Service and/or the *PARITY*[®] System not later than 9:30 a.m., Eastern Daylight Time, on the day of the bid opening. Such notice will specify the revised principal amounts, if any, and any later date selected for the sale, which may be postponed or cancelled in the same manner. If the sale is postponed, a later public sale may be held at the hour and place and on such date as communicated upon at least forty-eight hours notice via Bloomberg News Service and/or the *PARITY*[®] System.

Electronic bids must be submitted through *PARITY*[®] via the BiDComp Competitive Bidding Service as described in the Detailed Notice of Sale and no other provider of electronic bidding services will be accepted. For the purposes of the bidding process, both written and electronic, the time maintained by *PARITY*[®] shall constitute the official time with respect to all bids. To the extent any instructions or directions set forth in *PARITY*[®] conflict with the terms of the Detailed Notice of Sale and this Summary Notice of Sale, the Detailed Notice of Sale and this Summary Notice of Sale shall prevail.

The Bonds will be issued in book-entry form (except as otherwise described in the “Detailed Notice of Sale”) and dated their date of issuance and delivery (assume May 29, 2015) and will mature on June 1, 2016 through June 1, 2028, inclusive with term bonds optional, and will be subject to optional redemption prior to maturity on or after June 1, 2020. Bidders must bid not less than ninety-nine and one-quarter percent (99.25%) of par or no more than one hundred and twenty-five percent (125%) of par for the Bonds. The approving opinion for the Bonds will be furnished at the expense of the County by Glankler Brown, PLLC, Bond Counsel, Memphis, Tennessee. No rate or rates bid for the Bonds shall exceed five percent (5.00%) per annum. Unless bids are rejected, the Bonds will be awarded by the County Mayor of the County on the sale date to the bidder whose bid results in the lowest true interest rate on the Bonds.

Additional information, including the PRELIMINARY OFFICIAL STATEMENT in near final form and the Detailed Notice of Sale, may be obtained from the undersigned The Honorable A. Franklin Smith, County Mayor, 1 N. Washington, Brownsville, TN 38012, Telephone: (731) 658-3266 or from the County’s Financial Advisor, Cumberland Securities Company, Inc., 813 S. Northshore Drive, Suite 201A, Knoxville, Tennessee 37919, (865) 988-2663. Further information regarding *PARITY*[®] may be obtained from i-Deal LLC, 1359 Broadway, 2nd Floor, New York, New York, 10018, Telephone: 212-849-5000.

/s/ A. Franklin Smith
County Mayor

DETAILED NOTICE OF SALE

\$7,350,000*

HAYWOOD COUNTY, TENNESSEE

General Obligation Refunding Bonds, Series 2015

NOTICE IS HEREBY GIVEN that electronic or sealed written bids will be received by the County Mayor of Haywood County, TENNESSEE (the “County” or “Issuer”), all or none, until 10:15 a.m. E.D.T. on Wednesday, May 13, 2015 (or at such later time and date announced at least forty-eight hours in advance via Bloomberg News Service or the *PARITY*[®] system) for the purchase of \$7,350,000* General Obligation Refunding Bonds, Series 2015 (the “Bonds”). Electronic bids must be submitted through *PARITY*[®] as described in this “Detailed Notice of Sale.” In case of written sealed bids, bids will be received at the office of the County’s Financial Advisor, Cumberland Securities Company, Inc., 813 S. Northshore Drive, Suite 201A, Knoxville, Tennessee 37919. Prior to accepting bids, the County reserves the right to adjust the principal amount of the Bonds being offered as set forth herein, to postpone the sale to a later date, or to cancel the sale based upon market conditions via Bloomberg News Service and/or the *PARITY*[®] System not later than 9:30 a.m., Eastern Daylight Time, on the day of the bid opening. Such notice will specify the revised principal amounts, if any, and any later date selected for the sale, which may be postponed or cancelled in the same manner. If the sale is postponed, a later public sale may be held at the hour and place and on such date as communicated upon at least forty-eight hours notice via Bloomberg News Service and/or the *PARITY*[®] System.

Description of the Bonds. The Bonds will be issued in book-entry-only form without coupons and will be issued or reissued upon transfer, in \$5,000 denominations or multiples thereof, as shall be requested by the purchaser or registered owner thereof, as applicable. Interest on the Bonds will be payable on June 1 and December 1 of each year, commencing December 1, 2015.

The Bonds will mature and be payable on June 1 of each year as outlined below:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2016	\$ 105,000	2023	\$440,000
2017	430,000	2024	455,000
2018	425,000	2025	470,000
2019	1,045,000	2026	465,000
2020	1,040,000	2027	480,000
2021	1,070,000	2028	500,000
2022	425,000		

Bank Qualification. The Bonds are “qualified tax-exempt obligations” within the meaning of Section 265 of the Internal Revenue Code of 1986, as amended.

Registration and Depository Participation. The Bonds, when issued, will be registered in the name of Cede & Co., DTC’s partnership nominee. When the Bonds are issued, ownership interests will be available to purchasers only through a book-entry system maintained by DTC (the “Book-Entry-Only System”). One or more fully-registered bond certificates (the “Bond Certificates”) will be issued for each maturity, in the entire aggregate principal amount of the Bonds and will be deposited with DTC. The Book-Entry-Only System will evidence beneficial ownership interests of the Bonds in the principal amount of \$5,000 for the Bonds and any integral multiple of \$5,000, with transfers of beneficial ownership interest effected on the records of DTC participants and, if necessary, in turn by DTC, pursuant to rules and

procedures established by DTC and its participants. The successful bidder, as a condition to delivery of the Bonds, shall be required to deposit the bond certificates with DTC, registered in the name of Cede & Co., nominee of DTC. The Bonds will be payable, at maturity, to DTC or its nominee, as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC, and transfer of principal and interest payments (as applicable) to beneficial owners of the Bonds by participants of DTC, will be the responsibility of such participants and of the nominees of beneficial owners. The County will not be responsible or liable for such transfer of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. Notwithstanding the foregoing, if the winning bidder certifies that it intends to hold the Bonds for its own account and has no present intent to re-offer the Bonds, the use of the Book-Entry-Only system is not required.

In the event that the Book-Entry-Only only system for the Bonds is discontinued and a successor securities depository is not appointed by the County, Bond Certificates in fully registered form will be delivered to, and registered in the names of the DTC participants or such other persons as such DTC participants may specify (which may be the indirect participants or beneficial owners), in authorized denominations of \$5,000 for the Bonds or integral multiples thereof. The ownership of Bonds so delivered shall be registered in registration books to be kept by the Registration Agent (named herein) at its principal corporate trust office, and the County and the Registration Agent shall be entitled to treat the registered owners of the Bonds, as their names appear in such registration books as of the appropriate dates, as the owners thereof for all purposes described herein and in the Resolution authorizing the Bonds.

Security Pledged. 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.

Purpose. The Bonds are being issued for the purposes of providing funds (i) to refinancing, in whole or in part, the Outstanding Bonds of the County, as described herein, and (ii) to pay costs incident to the issuance and sale of its general obligation bonds to be issued for such purposes.

Optional Redemption. The Bonds maturing on and after June 1, 2021 will be subject to optional redemption prior to maturity at the option of the County on and after June 1, 2020 at the redemption price of par plus accrued interest as provided herein.

Term Bond Option; Mandatory Redemption. Bidders shall have the option to designate certain consecutive serial maturities of the Bonds as one or more term bonds (“Term Bonds”) bearing a single interest rate. If the successful bidder for the Bonds designates certain consecutive serial maturities of such series of Bonds to be combined as one or more Term Bonds as allowed herein, then each Term Bond shall be subject to mandatory sinking fund redemption by the County at a redemption price equal to one hundred percent (100%) of the principal amount thereof, together with accrued interest to the date fixed for redemption at the rate stated in the Term Bonds to be redeemed. Each such mandatory sinking fund redemption shall be made on the date on which a consecutive maturity included as part of a Term Bond is payable in accordance with the proposal of the successful bidder for the Bonds and in the amount of the maturing principal installment for the Bonds listed herein for such principal payment date. Term Bonds to be redeemed within a single maturity shall be selected in the same manner as above for optional redemption of Bonds within a single maturity.

Bidding Instructions. The County will receive electronic or sealed written bids for the purchase of all, but not less than all, of the Bonds. Bidders for the Bonds are requested to name the interest rate or rates the Bonds are to bear in multiples of one-eighth of one percent and/or one-hundredth of one percent (.01%) or one (1) basis point, but no rate specified shall be in excess of five percent (5.00%) per annum. There will be no limitation on the number of rates of interest that may be specified in a single bid for the Bonds but a single rate

shall apply to each single maturity of the Bonds. Bidders must bid not less than ninety-nine and one-quarter percent (99.25%) of par or no more than one hundred and twenty-five percent (125%) of par.

Bidders may designate two or more consecutive serial maturities of the Bonds as one or more Term Bond maturities equal in aggregate principal amount to, and with mandatory redemption requirements corresponding to, such designated serial maturities.

Electronic bids must be submitted through **PARITY**[®] via BiDCOMP Competitive Bidding System and no other provider of electronic bidding services will be accepted. Subscription to the i-Deal LLC Dalcomp Division's BiDCOMP Competitive Bidding System is required in order to submit an electronic bid. The County will not confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe. For the purposes of the bidding process, the time as maintained by **PARITY**[®] shall constitute the official time with respect to all bids whether in electronic or written form. To the extent any instructions or directions set forth in **PARITY**[®] conflict with the terms of the Detailed Notice of Sale, this Notice shall prevail. An electronic bid made through the facilities of **PARITY**[®] shall be deemed an offer to purchase in response to the Detailed Notice of Sale and shall be binding upon the bidder as if made by a signed, sealed written bid delivered to the County. The County shall not be responsible for any malfunction or mistake made by or as a result of the use of the electronic bidding facilities provided and maintained by **PARITY**[®]. The use of **PARITY**[®] facilities are at the sole risk of the prospective bidders.

For further information regarding **PARITY**[®], potential bidders may contact i-Deal LLC at 1359 Broadway, 2nd Floor, New York, NY 10018, Telephone: 212-849-5000.

In the event of a system malfunction in the electronic bidding process only, bidders may submit bid prior to the established date and time by FACSIMILE transmission sent to the County's Financial Advisor, Cumberland Securities Company, Inc., at 865-988-1863. Any facsimile submission is made at the sole risk of the prospective bidder. The County and the Financial Advisor shall not be responsible for confirming receipt of any facsimile bid or for any malfunction relating to the transmission and receipt of such bids.

Separate written sealed bids should be submitted in a sealed envelope marked "Bid for Bonds" at the offices of the County's Financial Advisor, 350 Lighthouse Pointe Dr., Lenoir City, TN 37772. Written bids must be submitted on the Bid Forms included with the PRELIMINARY OFFICIAL STATEMENT.

Acceptance or rejection of "Bids for Bonds" for the Bonds will not obligate the County to accept or reject "Bids for Bonds".

Unless all bids for the Bonds are rejected, the Bonds will be awarded by the Mayor of the County to the bidder whose bid complies with this notice and results in the lowest true interest rate on the Bonds to be calculated as that rate that, when used in computing the present worth of all payments of principal and interest on the Bonds (compounded semi-annually from the date of the Bonds), produces an amount equal to the purchase price of the Bonds exclusive of accrued interest. For purposes of calculating the true interest cost, the principal amount of Term Bonds scheduled for mandatory sinking fund redemption as part of the Term Bond shall be treated as a serial maturity in such year. In the event that two or more bidders offer to purchase the Bonds at the same lowest true interest rate, the County Mayor shall determine in his sole discretion which of the bidders shall be awarded the Bonds.

The County reserves the right to reject all bids and to waive informalities in the bids accepted.

Adjustment and/or Revision. While it is the County's intention to sell and issue the approximate par amounts of the Bonds as offered herein, there is no guarantee that adjustment and/or revision may not be necessary in order to properly size the Bonds. Accordingly, the County Mayor reserves the right, in his

sole discretion, to adjust down the original par amount of the Bonds by up to \$1,250,000. The primary factor in determining the amount of any adjustment shall be the premium, if any, that is bid. Among other factors the County Mayor may (but shall be under no obligation to) consider in sizing the par amounts and individual maturities of the Bonds is the amount of premium bid and size of individual maturities or sinking fund installments and/or other preferences of the County. Additionally, the County Mayor reserves the right to change the dated date of the Bonds. The maximum adjustment will only be needed if the maximum bid is received.

In the event of any such adjustment and/or revision with respect to the Bonds, no rebidding will be permitted, and the portion of such premium or discount (as may have been bid for the Bonds) shall be adjusted in the same proportion as the amount of such revision in par amount of the Bonds bears to the original par amount of such Bonds offered for sale.

The successful bidder for the Bonds will be tentatively notified by not later than 5:00 p.m. (Eastern Daylight Time), on the sale date of the exact revisions and/or adjustments required, if any.

Good Faith Deposit. No good faith check will be required to accompany any bid submitted. The successful bidder shall be required to deliver to the County's Financial Advisor (via wire transfer or certified check) the amount of two percent (2%) of the aggregate principal amount of the Bonds offered for sale which will secure the faithful performance of the terms of the bid. A certified check or wire transfer must be received by the County's Financial Advisor no later than the close of business on the day following the competitive sale. A wire transfer may be sent to First Tennessee Bank, ABA Number: 084-000-026 First Tenn Mem, FAO Cumberland Securities Company, Inc., Account No. 183302631, for further credit to Good Faith Trust Account.

The good faith deposit shall be applied (without interest) to the purchase price of the Bonds. If the successful bidder should fail to accept or pay for the Bonds when tendered for delivery and payment, the good faith deposit will be retained by the County as liquidated damages.

In the event of the failure of the County to deliver the Bonds to the purchaser in accordance with the terms of this Notice within forty-five (45) days after the date of the sale, the good-faith deposit will be promptly returned to the purchaser unless the purchaser directs otherwise.

Reoffering Prices; Other Information. The successful bidder must furnish the following information to the County to complete the *Official Statement* in final form within two (2) hours after receipt and award of the bid for the Bonds:

1. The offering prices or yields for the Bonds (expressed as a price or yield per maturity, exclusive of any accrued interest, if applicable);
2. Selling compensation (aggregate total anticipated compensation to the underwriter(s) expressed in dollars, based on the expectation that all Bonds are sold at the prices or yields as provided above);
3. The identity of the underwriters if the successful bidder is part of a group or syndicate; and
4. Any other material information necessary to complete the *Official Statement* in final form but not known to the County.

In addition, within two hours of the award of the Bonds, the successful bidder shall furnish to the County a certificate acceptable to Bond Counsel stating: (i) the reoffering prices (as shown in the bidder's winning bid); (ii) that the successful bidder will make a bona fide public offering of all of the Bonds at such reoffering prices; and (iii) that the successful bidder reasonably expects that the Bonds (or at least 10% of

each maturity of the Bonds) will be sold to the public (excluding bond houses, brokers and other intermediaries) at those reoffering prices.

As a condition to the delivery of the Bonds, the successful bidder will be required to deliver a certificate to the County confirming that nothing has come to the bidder's attention that would lead it to believe that its certification with respect to the reoffering prices of the Bonds given in connection with the award of the Bonds is inaccurate, and addressing such other matters as to the reoffering prices of the Bonds as bond counsel may request.

Legal Opinion. The unqualified approving opinion of Glankler Brown, PLLC, Memphis, Tennessee, Bond Counsel along with other certificates including, but not limited to, a tax certificate and a continuing disclosure certificate dated as of the date of delivery of the Bonds will be furnished to the purchaser at the expense of the County. As set forth in the *Preliminary Official Statement*, Bond Counsel's opinion with respect to the Bonds will state that interest on the Bonds will be excluded from gross income for federal income tax purposes; is not an item of tax preference for purposes of the federal law alternative minimum tax imposed on individuals and corporations; and is taken into account in determining adjusted current earnings of certain corporations for purposes of the alternative minimum tax on corporations. As set forth in the *Preliminary Official Statement*, the owners of the Bonds, however, may be subject to certain additional taxes or tax consequences arising with respect to ownership of the Bonds. Reference is hereby made to the *Preliminary Official Statement* and the form of the opinion contained in Appendix A.

Continuing Disclosure. At the time the Bonds are delivered, the County will execute a Continuing Disclosure Certificate in which it will covenant for the benefit of holders and beneficial owners of the Bonds to provide certain financial information relating to the County by not later than twelve months after each of the County's fiscal years, (the "Annual Report"), and to provide notice of the occurrence of certain enumerated events, if determined by the County to be material under applicable federal securities laws. The Annual Report (and audited financial statements, if filed separately) will be filed with the Municipal Securities Rulemaking Board (the "MSRB") through the operation of the Electronic Municipal Market Access system (the "EMMA") and any State Information Depository established in the State of Tennessee (the "SID"). If the County is unable to provide the Annual Report to the MSRB and the SID by the date required, notice of each failure will be sent to the MSRB and the SID on or before such date. The notices of material events will be filed by the County either with the MSRB and the SID. The specific nature of the information to be contained in the Annual Report or the notices of material events will be summarized in the County's *Official Statement* to be prepared and distributed in connection with the sale of the Bonds.

Delivery of Bonds. Delivery of the Bonds is expected within forty-five (45) days. At least five (5) days notice will be given the successful bidder. Delivery will be made in book-entry form through the facilities of The Depository Trust Company, New York, New York. Payment for the Bonds must be made in *Federal Funds* or other immediately available funds. Delivery is currently expected on or about May 29, 2015.

CUSIP Numbers. CUSIP numbers will be assigned to the Bonds at the expense of the County. The County will assume no obligation for assignment of such numbers or the correctness of such numbers and neither failure to record such numbers on Bonds nor any error with respect thereto shall constitute cause for failure or refusal by the purchaser thereof to accept delivery of and make payment for the Bonds.

Official Statements; Other. The County has deemed the PRELIMINARY OFFICIAL STATEMENT to be final as of its date within the meaning of Rule 15c2-12 of the U.S. Securities and Exchange Commission (the "SEC") except for the omission of certain pricing and other information. The County will furnish the successful bidder at the expense of the County a reasonable number of copies of *Official Statement* in final form, containing the pricing and other information to be supplied by the successful bidder and to be dated the date of the sale, to be delivered by the successful bidder(s) to the persons to whom such bidder and members of

its bidding group initially sell the Bonds. Acceptance of the bid will constitute a contract between the County and the successful bidder for the provision of such copies within seven business days of the sale date.

Further Information. Additional information, including the *Preliminary Official Statement*, the Detailed Notice of Sale and the Official Bid Form, may be obtained from The Honorable A. Franklin Smith, County Mayor or the County's Financial Advisor, Cumberland Securities Company, Inc., 813 S. Northshore Drive, Suite 201A, Knoxville, Tennessee 37919, Telephone: 865-988-2663. Further information regarding **PARITY**[®] may be obtained from i-Deal LLC, 1359 Broadway, 2nd Floor, New York, New York 10018, Telephone: 212-849-5000.

/s/ A. Franklin Smith, County Mayor

[This page was left blank intentionally]

BID FORM
(Written Alternative)

Honorable A. Franklin Smith, County Mayor
1 N. Washington
Brownsville, TN 38012

May 13, 2015

Dear Mayor Smith:

For your legally issued, properly executed \$7,350,000* General Obligation Refunding Bonds, Series 2015 (the "Bonds") of Haywood County, Tennessee (the "County") in all respects as more fully outlined in your Notices of Sale which by reference are made a part hereof, we will pay you a sum of _____.

The Bonds shall be dated the date of delivery (assume May 29, 2015) and shall be callable in accordance with the Detailed Notice of Sale. The Bonds shall mature on June 1 and bear interest at the following rates:

<u>Year</u>	<u>Amount*</u>	<u>Rate</u>	<u>Year</u>	<u>Amount*</u>	<u>Rate</u>
2016	\$ 105,000	_____%	2023	\$440,000	_____%
2017	430,000	_____%	2024	455,000	_____%
2018	425,000	_____%	2025	470,000	_____%
2019	1,045,000	_____%	2026	465,000	_____%
2020	1,040,000	_____%	2027	480,000	_____%
2021	1,070,000	_____%	2028	500,000	_____%
2022	425,000	_____%			

We have the option to designate two or more consecutive serial maturities of the Bonds as term bond maturities as indicated:

- Term Bond 1: Maturities from June 1, 20_____ through June 1, 20_____ @ _____%.
- Term Bond 2: Maturities from June 1, 20_____ through June 1, 20_____ @ _____%.
- Term Bond 3: Maturities from June 1, 20_____ through June 1, 20_____ @ _____%.
- Term Bond 4: Maturities from June 1, 20_____ through June 1, 20_____ @ _____%.
- Term Bond 5: Maturities from June 1, 20_____ through June 1, 20_____ @ _____%.
- Term Bond 6: Maturities from June 1, 20_____ through June 1, 20_____ @ _____%.

It is our understanding that the Bonds will be issued as "qualified tax-exempt obligations" subject to the final approving opinion of Glankler Brown, PLLC, Bond Counsel, Memphis, Tennessee, whose opinion together with the executed Bonds, will be furnished by the County without cost to us.

If our bid is accepted, we agree to provide a good faith deposit for 2% of the aggregate principal amount of the Bonds on which we have bid by the close of business on the date of the competitive public sale as outlined in the *Detailed Notice of Sale*. Should for any reason we fail to comply with the terms of this bid, this good faith deposit shall be forfeited by us as full liquidated damages. Otherwise, this good faith deposit shall be applied to the purchase price of the Bonds on which we have bid.

Accepted for and on behalf of the
Haywood County, Tennessee, this
13th day of May 2015.

Respectfully submitted,

A. Franklin Smith, County Mayor

Total interest cost from
May 29, 2015 to final maturity \$ _____
Less: Premium /plus discount, if any \$ _____
Net Interest Cost..... \$ _____
True Interest Rate _____%

The computations of net interest cost and true interest rate are for comparison purposes only and are not to be considered as part of this proposal.

* Preliminary, subject to change.

\$7,350,000*
HAYWOOD COUNTY, TENNESSEE
General Obligation Refunding Bonds, Series 2015

SECURITIES OFFERED

AUTHORITY AND PURPOSE

This *Preliminary Official Statement*, which includes the Summary Statement and appendices, is furnished in connection with the offering by Haywood County, Tennessee (the “County” or “Issuer”) of its \$7,350,000* General Obligation Refunding Bonds, Series 2015 (the “Bonds”).

The Bonds are authorized to be issued pursuant to the provisions of Title 9, Chapter 21, *Tennessee Code Annotated*, as supplemented and amended, and other applicable provisions of law and pursuant to the bond resolution (the “Resolution”) duly adopted by the County Commission of the County on February 16, 2015.

The Bonds are being issued for the purposes of providing funds (i) to refinancing, in whole or in part, the Outstanding Bonds of the County, as described herein, and (ii) to pay costs incident to the issuance and sale of its general obligation bonds to be issued for such purposes.

DESCRIPTION OF THE BONDS

The Bonds will be initially dated and bear interest from their date of issuance and delivery (assume May 29, 2015). Interest on the Bonds will be payable semi-annually on June 1 and December 1, commencing December 1, 2015. The Bonds are issuable in book-entry-only form in \$5,000 denominations or integral multiples thereof as shall be requested by each respective registered owner.

The Bonds shall be signed by the County Mayor and shall be attested by the County Clerk. No Bond shall be valid until it has been authorized by the manual signature of an authorized officer or employee of the Registration Agent and the date of the authentication noted thereon.

REFUNDING PLAN

The Bonds are being issued to refinance all or a portion of the following (i) General Obligation Bonds, Series 2007, dated December 20, 2007, maturing June 1, 2017 through June 1, 2028 in the outstanding principal amount of \$5,000,000 to the June 1, 2016 redemption date of par plus accrued interest and (ii) General Obligation Bonds, Series 2008, dated December 23, 2008, maturing June 1, 2019 through June 1, 2021 in the outstanding principal amount of \$1,850,000 to the June 1, 2017 redemption date of par plus accrued interest (collectively, the “Outstanding Bonds”).

As required by Title 9, Chapter 21, Part 9 of *Tennessee Code Annotated* as supplemented and revised, a plan of refunding (the "Plan") for the Outstanding Bonds was submitted to the Director of State and Local Finance for review and that office's report on the Plan was submitted to the County.

SECURITY

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.

The County through its governing body, shall annually levy and collect a tax on all taxable property within the County, in addition to all other taxes authorized by law, sufficient to pay the principal of and interest on the Bonds when due. Principal and interest on the Bonds falling due at any time when there are insufficient funds from such tax shall be paid from the current funds of the County and reimbursement therefore shall be made out of taxes provided by the Resolution when the same shall have been collected. The taxes may be reduced to the extent of direct appropriations from the General Fund of the County to the payment of debt service on the Bonds.

The Bonds will not be obligations of the State of Tennessee.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

Souther & Newhouse, PC, Knoxville, Tennessee, a firm of independent arbitrage consultants, will deliver to the County, on or before the settlement date of the Bonds, its attestation report indicating that it has examined, in accordance with standards established by the American Institute of Certified Public Accountants, the information and assertions provided by the County and its representatives. Included in the scope of its examination will be a verification of the mathematical accuracy of (a) the mathematical computations of the adequacy of the cash and the maturing principal of and interest on the Escrow Investments to pay, when due, the principal of, premium, and interest on the Outstanding Bonds and (b) the mathematical computations supporting the conclusion of Bond Counsel that the Bonds are not "arbitrage bonds" under the Code and the regulations promulgated thereunder. The examinations performed by Souther & Newhouse, PC will be solely based upon data, information and documents provided to it by the County and its representatives. Souther & Newhouse, PC report of its examination will state that it has no obligation to update the report because of events occurring, or data or information coming to its attention, subsequent to the date of the report.

QUALIFIED TAX-EXEMPT OBLIGATIONS

Under the Internal Revenue Code of 1986, as amended (the "Code"), in the case of certain financial institutions, no deduction from income under the federal tax law will be allowed for that portion of such institution's interest expense which is allocable to tax-exempt interest received on account of tax-exempt obligations acquired after August 7, 1986. The Code, however, provides that certain "qualified tax-exempt obligations," as defined in the Code, will be treated as if acquired on August 7, 1986. Based on an examination of the Code and the factual

representations and covenants of the County as to the Bonds, Bond Counsel has determined that the Bonds upon issuance will be "qualified tax-exempt obligations" within the meaning of the Code.

OPTIONAL REDEMPTION OF THE BONDS

Bonds maturing on June 1, 2021 and thereafter shall be subject to optional redemption prior to maturity at the option of the County on June 1, 2020 and thereafter, as a whole or in part, at any time, at the redemption price of par plus accrued interest to the redemption date.

If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be designated by the Board of County Commissioners, 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.

NOTICE OF REDEMPTION

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 Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for redemption of any of the Bonds for which proper notice was given. The notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to 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 Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the County nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant or Beneficial Owner will not affect the validity of such redemption. The Registration Agent shall mail said notices as and when directed by the County pursuant to written instructions from an authorized representative of the County (other than for a mandatory sinking fund redemption, notices of which shall be given on the dates provided herein) given at least forty-five (45) days prior to the redemption date (unless a shorter notice period shall be satisfactory to the Registration Agent). From and

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

MANDATORY REDEMPTION

The bidders have the option of creating term bonds pursuant to the Detailed Notice of Sale. If term bonds are created, then the following provisions will apply. Subject to the credit hereinafter provided, the County shall redeem Bonds maturing June 1, 20__, and June 1, 20__ on the redemption dates set forth below opposite the maturity date, 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. The Bonds to be so redeemed shall be selected by lot or in such other random manner as the Registration Agent in its discretion may designate.

The dates of redemption and principal amount of Bonds to be redeemed on said dates are as follows:

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

*Final Maturity

At its option, to be exercised on or before the forty-fifth (45) day next preceding any such redemption date, the County may (i) deliver to the Registration Agent for cancellation Bonds of the maturity to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation 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 section) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation. 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 shall be accordingly reduced. The County shall on or before the forty-fifth (45) 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.

PAYMENT OF BONDS

The Bonds will bear interest from their date or from the most recent interest payment date to which interest has been paid or duly provided for, on the dates provided herein, such interest being computed upon the basis of a 360-day year of twelve 30-day months. Interest on each Bond shall be paid by check or draft of the Bond Registrar to the person in whose name such Bond is registered at the close of business on the 15th day of the month next preceding the interest payment date. The principal of and premium, if any, on the Bonds shall be payable in lawful money of the United States of America at the principal corporate trust office of the Bond Registrar.

(The remainder of this page left blank intentionally.)

BASIC DOCUMENTATION

REGISTRATION AGENT

The Bond Registration and Paying Agent, Regions Bank, Nashville, Tennessee, its successor (the “Registration Agent”) or the County will make all interest payments with respect to the Bonds on each interest payment date directly to Cede & Co., as nominee of DTC, the registered owner as shown on the Bond registration records maintained by the Registration Agent, except as denoted in the following section titled “Book-Entry-Only System”. However, if the winning bidder certifies to the County that it intends to hold the Bonds for its own account and has no present intent to reoffer the Bonds, then the use of the Book-Entry System is not required.

So long as Cede & Co. is the Registered Owner of the Bonds, as nominee of DTC, references herein to the Bondholders, Holders or Registered Owners (as herein after defined) of the Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the Bonds. For additional information, see the following section.

BOOK-ENTRY-ONLY SYSTEM

The Registration Agent, its successor or the Issuer will make all interest payments with respect to the Bonds on each interest payment date directly to Cede & Co., as nominee of DTC, the registered owner 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 check or draft mailed to such owner at its address shown on said Bond registration records, without, except for final payment, the presentation or surrender of such registered Bonds, and all such payments shall discharge the obligations of the Issuer in respect of such Bonds to the extent of the payments so made, except as described above. Payment of principal of the Bonds shall be made upon presentation and surrender of such Bonds to the Registration Agent as the same shall become due and payable.

So long as Cede & Co. is the Registered Owner of the Bonds, as herein after defined, as nominee of DTC, references herein to the Bondholders, Holders or Registered Owners (as herein after defined) of the Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the Bonds.

The Bonds, when issued, will be registered in the name of Cede & Co., DTC’s partnership nominee, except as described above. When the Bonds are issued, ownership interests will be available to purchasers only through a book entry system maintained by DTC (the “Book Entry Only System”). One fully registered bond certificate will be issued for each maturity, in the entire aggregate principal amount of the Bonds and will be deposited with DTC.

DTC and its Participants. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities

Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC rules applicable to its Participants are on file with the U.S. Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchase of Ownership Interests. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

Payments of Principal and Interest. Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Registration Agent on the payable date in accordance with their respective holdings shown on DTC's records, unless DTC has reason to believe it will not receive payment on such date. Payments by Direct and Indirect Participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with municipal securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, the Issuer or the Registration Agent subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal, tender price and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Registration Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the beneficial owners shall be the responsibility of Direct and Indirect Participants.

Notices. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as practicable after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

NONE OF THE ISSUER, THE UNDERWRITER, THE BOND COUNSEL, THE FINANCIAL ADVISOR OR THE REGISTRATION AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENT TO, OR THE PROVIDING OF NOTICE FOR, SUCH PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES.

Transfers of Bonds. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the beneficial owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

None of the Issuer, the Bond Counsel, the Registration Agent, the Financial Advisor or the Underwriter will have any responsibility or obligation, legal or otherwise, to any party other than to the registered owners of any Bond on the registration books of the Registration Agent.

DISCONTINUANCE OF BOOK-ENTRY-ONLY SYSTEM

In the event that (i) DTC determines not to continue to act as securities depository for the Bonds or (ii) to the extent permitted by the rules of DTC, the County determines to discontinue the Book-Entry-Only System, the Book-Entry-Only System shall be discontinued. Upon the

occurrence of the event described above, the County will attempt to locate another qualified securities depository, and if no qualified securities depository is available, Bond certificates will be printed and delivered to Beneficial Owners.

No Assurance Regarding DTC Practices. The foregoing information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but the County, the Bond Counsel, the Registration Agent, the Financial Advisor and the Underwriter do not take any responsibility for the accuracy thereof. So long as Cede & Co. is the registered owner of the Bonds as nominee of DTC, references herein to the holders or registered owners of the Bonds will mean Cede & Co. and will not mean the Beneficial Owners of the Bonds. None of the County, the Bond Counsel, the Registration Agent, the Financial Advisor or the Underwriter will have any responsibility or obligation to the Participants, DTC or the persons for whom they act with respect to (i) the accuracy of any records maintained by DTC or by any Direct or Indirect Participant of DTC, (ii) payments or the providing of notice to Direct Participants, the Indirect Participants or the Beneficial Owners or (iii) any other action taken by DTC or its partnership nominee as owner of the Bonds.

For more information on the duties of the Registration Agent, please refer to the Resolution. Also, please see the section entitled "SECURITIES OFFERED – Redemption."

DISPOSITION OF BOND PROCEEDS

The proceeds of the sale of the Bonds shall be applied by the County as follows:

- (a) all accrued interest shall be deposited into the Bond Fund of the Issuer and used to pay interest on the Bonds on the first interest payment date following delivery of the Bonds;
- (b) the Issuer shall pay, or cause to be paid, all costs of issuance of the Bonds, including, but not limited to, necessary legal, accounting and fiscal expenses, printing, engraving, advertising and similar expenses, bond insurance premiums, bond rating fees, Registration Agent fees, administrative and clerical costs, and other necessary miscellaneous expenses incurred in connection with the authorization, issuance and sale and delivery of the Bonds; and
- (c) the balance of the proceeds will be used for the purpose of providing for the payment of the principal of and interest on the Refunded Obligations, the County Mayor is hereby authorized and directed to execute and the County Clerk to attest on behalf of the Issuer a refunding escrow agreement (the "Refunding Escrow Agreement") with Regions Bank, Nashville, Tennessee as the escrow agent (the "Escrow Agent") and to deposit with the Escrow Agent all or a portion of the Bond proceeds and other funds of the Issuer legally available therefor. Said funds will be used by the Escrow Agent to purchase the Permitted Securities as provided in the Refunding Escrow Agreement; provided, however, that the yield on such investments shall be determined in such manner that none of the Bonds will be an "arbitrage bond" within the meaning of Section 148(a) of the Code. The Escrow Agent is hereby authorized to hold and administer all funds deposited in trust for the payment when due of principal of and interest on the Refunded Obligations and to exercise the duties set

forth in the Refunding Escrow Agreement. The County Commission of the Issuer has authorized the County Mayor to subscribe for the purchase of Permitted Securities for deposit pursuant to the Refunding Escrow Agreement.

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:

- (a) By paying or causing to be paid, by deposit of sufficient funds as and when required with the Registration Agent, the principal of and interest on such Bonds as and when the same become due and payable;
- (b) By depositing or causing to be deposited with any trust company or financial institution whose deposits are insured by the Federal Deposit Insurance Corporation or similar federal agency and which has trust powers (“an Agent”; which Agent may be the Registration Agent) in trust or escrow, on or before the date of maturity or redemption, sufficient money or Defeasance Obligations, as hereafter defined, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Bonds and to pay interest thereon when due until the maturity or redemption date (provided, if such Bonds are to be redeemed prior to maturity thereof, proper notice of such redemption shall have been given or adequate provision shall have been made for the giving or such notice); and
- (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 County Commission of the Issuer instruct any such escrow agent to pay amounts when and as required to the Registration Agent for the payment of principal of and interest on such Bonds when due, then and in that case the indebtedness evidenced by such Bonds shall be discharged and satisfied and all covenants, agreements and obligations of the County to the holders of such Bonds shall be fully discharged and satisfied and shall thereupon cease, terminate and become void.

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

Except as otherwise provided in this section, neither Defeasance Obligations nor moneys deposited with the Registration Agent nor principal or interest payments on any such Defeasance Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal and interest on said Bonds; provided that any cash received from such principal or interest payments on such Defeasance Obligations deposited with the Registration Agent, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to the County as received by the Registration Agent and (B) to the extent such cash will be

required for such purpose at a later date, shall, to the extent practicable, be reinvested in Defeasance Obligations maturing at times and in amounts sufficient to pay when due the principal and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the County, as received by the Registration Agent. For the purposes hereof, Defeasance 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 herein, 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.

REMEDIES OF BONDHOLDERS

Under Tennessee law, any Bondholder has the right, in addition to all other rights:

(1) By mandamus or other suit, action or proceeding in any court of competent jurisdiction to enforce its rights against the County, including, but not limited to, the right to require the County to assess, levy and collect taxes adequate to carry out any agreement as to, or pledge of, such taxes, fees, rents, tolls, or other charges, and to require the County to carry out any other covenants and agreements, or

(2) By action or suit in equity, to enjoin any acts or things which may be unlawful or a violation of the rights of such Bondholder

(The remainder of this page left blank intentionally.)

LEGAL MATTERS

LITIGATION

There are no claims against the County, including claims in litigation, which, in the opinion of the County, would materially affect the County's financial position as it relates to its ability to make payments on the Bonds. There are no suits threatened or pending challenging the legality or validity of the Bonds or the right of the County to sell or issue the Bonds.

TAX MATTERS

Federal

General. Glankler Brown, PLLC, Memphis, Tennessee, is Bond Counsel for the Bonds. Their opinion under existing law, relying on certain statements by the County and assuming compliance by the County with certain covenants, is that interest on the Bonds:

- is excluded from a bondholder's federal gross income under the Internal Revenue Code of 1986, as amended (the "Code"),
- is not a preference item for a bondholder under the federal alternative minimum tax, and
- is included in the adjusted current earnings of a corporation under the federal corporate alternative minimum tax.

The Internal Revenue Code of 1986, as amended (the "Code"), imposes requirements on the Bonds that the County must continue to meet after the Bonds are issued. These requirements generally involve the way that Bond proceeds must be invested and ultimately used. If the County does not meet these requirements, it is possible that a bondholder may have to include interest on the Bonds in its federal gross income on a retroactive basis to the date of issue. The County has covenanted to do everything necessary to meet these requirements of the Code.

A bondholder who is a particular kind of taxpayer may also have additional tax consequences from owning the Bonds. This is possible if a bondholder is:

- an S corporation,
- a United States branch of a foreign corporation,
- a financial institution,
- a property and casualty or a life insurance company,
- an individual receiving Social Security or railroad retirement benefits,
- an individual claiming the earned income credit or
- a borrower of money to purchase or carry the Bonds.

If a bondholder is in any of these categories, it should consult its tax advisor.

Bond Counsel is not responsible for updating its opinion in the future. It is possible that future events or changes in applicable law could change the tax treatment of the interest on the

Bonds or affect the market price of the Bonds. See also "Proposed Legislation and Other Matters" below in this heading.

Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel on the federal income tax treatment of interest on the Bonds, or under State, local or foreign tax law.

Bond Premium. If a bondholder purchases a Bond for a price that is more than the principal amount, generally the excess is "bond premium" on that Bond. The tax accounting treatment of bond premium is complex. It is amortized over time and, as it is amortized, a bondholder's tax basis in that Bond will be reduced. The holder of a Bond that is callable before its stated maturity date may be required to amortize the premium over a shorter period, resulting in a lower yield on such Bonds. A bondholder in certain circumstances may realize a taxable gain upon the sale of a Bond with a bond premium, even though the Bond is sold for an amount less than or equal to the owner's original cost. If a bondholder owns any Bonds with bond premium, it should consult its tax advisor regarding the tax accounting treatment of bond premium.

Original Issue Discount. A Bond will have "original issue discount" if the price paid by the original purchaser of such Bond is less than the principal amount of such Bond. Bond Counsel's opinion is that any original issue discount on these Bonds as it accrues is excluded from a bondholder's federal gross income under the Internal Revenue Code. The tax accounting treatment of an original issue discount is complex. It accrues on an actuarial basis and as it accrues a bondholder's tax basis in these Bonds will be increased. If a bondholder owns one of these Bonds, it should consult its tax advisor regarding the tax treatment of original issue discount

Qualified Tax-Exempt Obligations. Under the Code, in the case of certain financial institutions, no deduction from income under the federal tax law will be allowed for that portion of such institution's interest expense which is allocable to tax-exempt interest received on account of tax-exempt obligations acquired after August 7, 1986. The Code, however, provides that certain "qualified tax-exempt obligations", as defined in the Code, will be treated as if acquired on August 7, 1986. Based on an examination of the Code and the factual representations and covenants of the County as to the Bonds, Bond Counsel has determined that the Bonds, upon issuance, will be "qualified tax-exempt obligations" within the meaning of the Code.

Information Reporting and Backup Withholding. Information reporting requirements apply to interest on tax-exempt obligations, including the Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Bonds from gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's Federal income tax once the required information is furnished to the Internal Revenue Service.

State Taxes

Under existing law, the Bonds 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 Bonds during the period the Bonds are held or beneficially owned by any organization or entity, or 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 Bonds 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.

CHANGES IN FEDERAL AND STATE TAX LAW

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

CLOSING CERTIFICATES

Upon delivery of the Bonds, the County will execute in a form satisfactory to Bond Counsel, certain closing certificates including the following: (i) a certificate as to the *Official Statement*, in final form, signed by the County Mayor acting in his official capacity to the effect that to the best of his knowledge and belief, and after reasonable investigation, (a) neither the *Official Statement*, in final form, nor any amendment or supplement thereto, contains any untrue statements of material fact or omits to state any material fact necessary to make statements therein, in light of the circumstances in which they are made, misleading, (b) since the date of the *Official Statement*, in final form, no event has occurred which should have been set forth in such a memo or supplement, (c) there has been no material adverse change in the operation or the affairs of the County since the date of the *Official Statement*, in final form, and having attached thereto a copy of the *Official Statement*, in final form, and (d) there is no litigation of any nature pending or threatened seeking to restrain the issuance, sale, execution and delivery of the Bonds, or contesting the validity of the Bonds or any proceeding taken pursuant to which the Bonds were authorized; (ii) certificates as to the delivery and payment, signed by the County Mayor acting in his official capacity, evidencing delivery of and payment for the Bonds; (iii) a signature identification and incumbency certificate, signed by the County Mayor and County Clerk acting in their official capacities certifying as to the due execution of the Bonds; and, (iv) a Continuing Disclosure Certificate regarding certain covenants of the County concerning the preparation and distribution of certain annual financial information and notification of certain material events, if any.

APPROVAL OF LEGAL PROCEEDINGS

Certain legal matters relating to the authorization and the validity of the Bonds are subject to the approval of Glankler Brown, PLLC, Memphis, Tennessee, Bond Counsel. Bond counsel has not prepared the *Preliminary Official Statement* or the *Official Statement*, in final form, or verified their accuracy, completeness or fairness. Accordingly, Bond Counsel expresses no opinion of any kind concerning the *Preliminary Official Statement* or *Official Statement*, in final form, except for the information in the section entitled “LEGAL MATTERS - Tax Matters.” The opinion of Bond Counsel will be limited to matters relating to authorization and validity of the Bonds and to the tax-exemption of interest on the Bonds under present federal income tax laws, both as described above. The legal opinion will be delivered with the Bonds and the form of the opinion is included in APPENDIX A. For additional information, see the section entitled “MISCELLANEOUS – Competitive Public Sale”, “- Additional Information” and “- Continuing Disclosure.”

(The remainder of this page left blank intentionally.)

MISCELLANEOUS

RATING

Standard & Poor's ("S&P") has given the Bonds the rating of "A+".

There is no assurance that such ratings will continue for any given period of time or that the rating may not be suspended, lowered or withdrawn entirely by S&P, if circumstances so warrant. Due to the ongoing uncertainty regarding the economy and debt of the United States of America, including, without limitation, the general economic conditions in the country, and other political and economic developments that may affect the financial condition of the United States government, the United States debt limit, and the bond ratings of the United States and its instrumentalities, obligations issued by state and local governments, such as the Bonds, could be subject to a rating downgrade. Additionally, if a significant default or other financial crisis should occur in the affairs of the United States or of any of its agencies or political subdivisions, then such event could also adversely affect the market for and ratings, liquidity, and market value of outstanding debt obligations, including the Bonds. Any such downward change in or withdrawal of the ratings may have an adverse effect on the secondary market price of the Bonds.

The ratings reflect only the views of S&P and any explanation of the significance of such ratings should be obtained from S&P.

COMPETITIVE PUBLIC SALE

The Bonds will be offered for sale at competitive public bidding on May 13, 2015. Details concerning the public sale were provided to potential bidders and others in the *Preliminary Official Statement* that was dated May 1, 2015.

The successful bidder for the Bonds was an account led by _____, _____, _____ (the "Underwriters") who contracted with the County, subject to the conditions set forth in the Official Notice of Sale and Bid Form to purchase the Bonds at a purchase price of \$_____ (consisting of the par amount of the Bonds, less an underwriter's discount of \$_____ and an original issue discount of \$_____) or ____% of par plus accrued interest, if any, to the date of delivery.

FINANCIAL ADVISOR; RELATED PARTIES; OTHER

Financial Advisor. Cumberland Securities Company, Inc., Knoxville, Tennessee has been employed by the County to serve as its Financial Advisor. The Financial Advisor is an independently owned financial advisory firm.

Regions Bank. Regions Bank (the "Bank") is a wholly-owned subsidiary of Regions Financial Corporation. The Bank provides, among other services, commercial banking, investments and corporate trust services to private parties and to State and local jurisdictions, including serving as registration, paying agent or filing agent related to debt offerings. The Bank will receive compensation for its role in serving as Registration and Paying Agent for the Bonds.

In instances where the Bank serves the County in other normal commercial banking capacities, it will be compensated separately for such services.

Official Statements. Certain information relative to the location, economy and finances of the Issuer is found in the *Preliminary Official Statement*, in final form and the *Official Statement*, in final form. Except where otherwise indicated, all information contained in this Official Statement has been provided by the Issuer. The information set forth herein has been obtained by the Issuer from sources which are believed to be reliable but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of, the Financial Advisor or the Underwriter. The information contained herein is subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create an implication that there has been no change in the affairs of the Issuer, or the other matters described herein since the date hereof or the earlier dates set forth herein as of which certain information contained herein is given.

Cumberland Securities Company, Inc. distributed the *Preliminary Official Statement*, in final form, and the *Official Statement*, in final form on behalf of the County and will be compensated and/or reimbursed for such distribution and other such services.

Bond Counsel. From time to time, Glankler Brown, PLLC has represented the Bank on legal matters unrelated to the County and may do so again in the future.

Other. Among other services, Cumberland Securities Company, Inc. and the Bank may also assist local jurisdictions in the investment of idle funds and may serve in various other capacities, including Cumberland Securities Company's role as serving as the County's Dissemination Agent. If the County chooses to use one or more of these other services provided by Cumberland Securities Company, Inc. and/or the Bank, then Cumberland Securities Company, Inc. and/or the Bank may be entitled to separate compensation for the performance of such services.

ADDITIONAL DEBT

The County has not authorized any additional debt at this time.

DEBT RECORD

There is no record of a default on principal and interest payments by the County from information available. Additionally, no agreements or legal proceedings of the County relating to securities have been declared invalid or unenforceable.

CONTINUING DISCLOSURE

The County will at the time the Bonds are delivered execute a continuing disclosure certificate (the "Disclosure Certificate") under which it will covenant for the benefit of holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the County by not later than twelve months after the end of each fiscal year commencing with the fiscal year ending June 30, 2015 (the "Annual Report"), and to provide

notice of the occurrence of certain significant events not later than ten business days after the occurrence of the events and notice of failure to provide any required financial information of the County. The Annual Report (and audited financial statements if filed separately) and notices described above will be filed by the County with the Municipal Securities Rulemaking Board ("MSRB") at www.emma.msrb.org and with any State Information Depository which may be established in Tennessee (the "SID"). The specific nature of the information to be contained in the Annual Report or the notices of events is summarized below. These covenants have been made in order to assist the Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b), as it may be amended from time to time (the "Rule").

Five-Year History of Filing. While it is believed that all appropriate filings were made with respect to the bonds or the ratings of the County's outstanding bond issues, some of which were insured by the various municipal bond insurance companies, no absolute assurance can be made that all such rating downgrades of the various bonds or the insurance companies which insured each transaction were made or made in a timely manner as required by SEC Rule 15c2-2. With the exception of the foregoing, for the past five years, the County has complied in all material respects with its existing continuing disclosure agreements in accordance with SEC Rule 15c2-12.

Content of Annual Report. The County's Annual Report shall contain or incorporate by reference the General Purpose Financial Statements of the County for the fiscal year, prepared in accordance with generally accepted accounting principles; provided, however, if the County's audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained herein, and the audited financial statements shall be filed when available. The Annual Report shall also include in a similar format the following information included in APPENDIX B entitled "SUPPLEMENTAL INFORMATION STATEMENT."

1. Summary of bonded indebtedness as of the end of such fiscal year as shown on page B-7;
2. The indebtedness and debt ratio as of the end of such fiscal year, together with information about the property tax base as shown on pages B-8 and B-9;
3. Information about the Bonded Debt Service Requirements – General Fund and General Debt Service Fund as of the end of such fiscal year as show on page B-10;
4. The fund balances and retained earnings for the fiscal year as shown on page B-11;
5. Summary of Revenues, Expenditures and Changes in Fund Balances - General Fund for the fiscal year as shown on page B-12;
6. The estimated assessed value of property in the County for the tax year ending in such fiscal year and the total estimated actual value of all taxable property for such year as shown on page B-14;

8. Property tax rates and tax collections of the County for the tax year ending in such fiscal year as well as the uncollected balance for such fiscal year as shown on page B-15; and
9. The ten largest taxpayers as shown on page B-15.

Any or all of the items above may be incorporated by reference from other documents, including Official Statements in final form for debt issues of the County or related public entities, which have been submitted to each of the Repositories or the U.S. Securities and Exchange Commission. If the document incorporated by reference is a final Official Statement, in final form, it will be available from the Municipal Securities Rulemaking Board. The County shall clearly identify each such other document so incorporated by reference.

Reporting of Significant Events. The County will file notice regarding material events with the MSRB and the SID, if any, as follows:

1. Upon the occurrence of a Listed Event (as defined in (3) below), the County shall in a timely manner, but in no event more than ten (10) business days after the occurrence of such event, file a notice of such occurrence with the MSRB and SID, if any. Notwithstanding the foregoing, notice of Listed Events described in subsection (3)(h) and (i) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds pursuant to the Resolution.
2. For Listed Events where notice is only required upon a determination that such event would be material under applicable Federal securities laws, the County shall determine the materiality of such event as soon as possible after learning of its occurrence.
3. The following are the Listed Events:
 - a. Principal and interest payment delinquencies;
 - b. Non-payment related defaults, if material;
 - c. Unscheduled draws on debt service reserves reflecting financial difficulties;
 - d. Unscheduled draws on credit enhancements reflecting financial difficulties;
 - e. Substitution of credit or liquidity providers, or their failure to perform;
 - f. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;

- g. Modifications to rights of Bondholders, if material;
- h. Bond calls, if material, and tender offers;
- i. Defeasances;
- j. Release, substitution, or sale of property securing repayment of the securities, if material;
- k. Rating changes;
- l. Bankruptcy, insolvency, receivership or similar event of the obligated person;
- m. The consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- n. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

Termination of Reporting Obligation. The County's obligations under the Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

Amendment; Waiver. Notwithstanding any other provision of the Disclosure Certificate, the County may amend the Disclosure Certificate, and any provision of the Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions concerning the Annual Report and Reporting of Significant Events it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized Bond Counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Bonds, or (ii) does not, in the opinion of nationally recognized Bond Counsel, materially impair the interests of the Holders or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of the Disclosure Certificate, the County shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the County. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Default. In the event of a failure of the County to comply with any provision of the Disclosure Certificate, any Bondholder, or any Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the County to comply with its obligations under the Disclosure Certificate. A default under the Disclosure Certificate shall not be deemed an event of default, if any, under the Resolution, and the sole remedy under the Disclosure Certificate in the event of any failure of the County to comply with the Disclosure Certificate shall be an action to compel performance.

ADDITIONAL INFORMATION

Use of the words "shall," "must," or "will" in this Official Statement in summaries of documents or laws to describe future events or continuing obligations is not intended as a representation that such event will occur or obligation will be fulfilled but only that the document or law contemplates or requires such event to occur or obligation to be fulfilled.

Any statements made in this Official Statement involving estimates or matters of opinion, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates or matters of opinion will be realized. Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as a contract with the owners of the Bonds.

The references, excerpts and summaries contained herein of certain provisions of the laws of the State of Tennessee, and any documents referred to herein, do not purport to be complete statements of the provisions of such laws or documents, and reference should be made to the complete provisions thereof for a full and complete statement of all matters of fact relating to the Bonds, the security for the payment of the Bonds, and the rights of the holders thereof.

The PRELIMINARY OFFICIAL STATEMENT and OFFICIAL STATEMENT, in final form, and any advertisement of the Bonds, is not to be construed as a contract or agreement between the County and the purchasers of any of the Bonds. Any statements or information printed in this PRELIMINARY OFFICIAL STATEMENT or the OFFICIAL STATEMENT, in final form, involving matters of opinions or of estimates, whether or not expressly so identified, is intended merely as such and not as representation of fact.

The County has deemed this PRELIMINARY OFFICIAL STATEMENT as "final" as of its date within the meaning of Rule 15c2-12(b) of the U.S. Securities and Exchange Commission

except for the omission of certain pricing information allowed to be omitted pursuant to Rule 15c2-12(b).

(The remainder of this page left blank intentionally.)

CERTIFICATION OF ISSUER

On behalf of the County, we hereby certify that to the best of our knowledge and belief, the information contained herein as of this date is true and correct in all material respects, and does not contain an untrue statement of material fact or omit to state a material fact required to be stated where necessary to make the statement made, in light of the circumstance under which they were made, not misleading.

/s/ _____
County Mayor

ATTEST:

/s/ _____
County Clerk

APPENDIX A

PROPOSED FORM OF LEGAL OPINION

[LETTERHEAD OF GLANKLER BROWN, PLLC]

(Date of Closing)

Board of County Commissioners
of Haywood County, Tennessee
1 North Washington Street
Brownsville, Tennessee 38012

**Re: \$8,100,000 General Obligation Refunding Bonds, Series 2015 of
Haywood County, Tennessee**

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by Haywood County, Tennessee (the "County"), of \$8,100,000 aggregate principal amount of its General Obligation Refunding Bonds, Series 2015 dated as of the date hereof (the "Bonds"). We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material published and distributed in connection with the sale of the Bonds or any other information concerning the financial condition of the County which may have been provided to the purchasers of the Bonds, and we express no opinion relating thereto.

Based on our examination, we are of the opinion, under existing law, as of the date hereof, as follows:

1. The Bonds have been authorized and issued in accordance with the Constitution and statutes of the State of Tennessee and constitute the valid and binding general obligations of the County for the payment of which the County has irrevocably pledged its full faith and credit. The Bonds are payable as to both principal and interest from ad valorem taxes to be levied, as necessary, upon all taxable property within the County without limitation as to rate or amount.

2. Interest on the Bonds (including any original issue discount properly allocable to an owner thereof) (a) is excluded from gross income for federal income tax purposes and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, it should be noted that with respect to corporations (as

defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax. The opinion set forth in clause (a) above is subject to the condition that the County comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be (or continue to be) excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause the interest on the Bonds to be so included in gross income retroactive to the date of issuance of the Bonds. The County has covenanted to comply with all such requirements. Except as set forth in this Paragraph 2 and in Paragraph 4 below, we express no opinion regarding other federal tax consequences arising with respect to the Bonds.

3. The Bonds and the income therefrom are exempt from all present state, county and municipal taxation in the State of Tennessee, except (a) inheritance, transfer and estate taxes, (b) Tennessee excise taxes on all or a portion of the interest on any Bonds during the period such Bonds are 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 inclusion of the book value of the Bonds 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.

4. The Bonds have been designated (or are deemed designated) by the County as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

To the extent constitutionally applicable, the rights of the holders of the Bonds and the enforceability thereof are subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereinafter enacted. Also, the enforcement of bondholder rights may be subject to the exercise of judicial discretion in appropriate cases.

Very truly yours,

APPENDIX B

SUPPLEMENTAL INFORMATION STATEMENT

GENERAL INFORMATION

LOCATION

Haywood County (the “County”) is located in the western portion of the State of Tennessee. The County is bordered to the east by Madison County and to the west by Tipton County and Lauderdale County. Crockett County makes up most of the northern border of Haywood County with counties of Fayette and Hardeman comprising the border to the south. Brownsville (the “City”) is the largest city within the County and is located 55 miles northeast of Memphis.

GENERAL

The approximate land area of the County is 341,600 acres, or 519 square miles, is about 25% larger than the average-sized county in the State of Tennessee. The largest industry in the County is agriculture. Haywood County is recognized as the leading cotton producer in the State. In addition, the County produces large quantities of soybeans, corn, hay and garden vegetables.

The governing board of the County is the 20 member Board of County Commissioners which is elected to concurrent four-year terms of office. The County Executive is the chief financial and administrative officer of the County and is elected by a direct vote of the people to a four-year term of office.

TRANSPORTATION

Located along Interstate 40, Haywood County's central location provides its residents, industries, and visitors access to various modes of transportation. Interstate 40, which connects the east coast with the west, crosses directly through Haywood County. US 70 and 70A cross the county east to west with US 79 running north and south. Several state routes also serve the area. The CSX Railroad provides daily service to Norfolk Southern Railroad at Humboldt. The nearest port is 60 miles away in Memphis.

McKellar Sipes Regional Airport is located 22 miles east of Haywood County. The regional airport is served by Northwest Airlinck which can connect commuters with almost all the major airlines. Just 50 miles southwest of Haywood County is Memphis International Airport. This airport is served by American, Delta, Northwest, Southwest, USAir, United, KLM.

EDUCATION

The *Haywood County School System* has nine schools: six elementary schools, one middle school and two high schools. The fall 2013 enrollment was 3,210 students with 185 teachers. Director of Schools, who answers to the five members who serve as Haywood County Schools Board members, manages the school system.

Source: Tennessee Department of Education.

The Tennessee Technology Center at Whiteville. The Tennessee Technology Center at Whiteville is part of a statewide system of 26 vocational-technical schools. The Tennessee

Technology Center meets a Tennessee mandate that no resident is more than 50 miles from a vocational-technical shop. The institution's primary purpose is to meet the occupational and technical training needs of the citizens including employees of existing and prospective businesses and industries in the region. The Technology Center at Whiteville serves the southwest region of the state including Hardeman, Haywood and Fayette Counties. The Technology Center at Whiteville began operations in 1976, and the main campus is located in Hardeman County. Fall 2012 enrollment was 532 students.

Source: Tennessee Technology Center at Whiteville.

Within a one-hour drive of Haywood County, the University of Memphis, Christian Brothers University, Rhodes College, State Technical Institute, LeMoyne Owen College and Shelby State Community College are located in Memphis. Union University, Lambuth University, Lane College and Jackson State Community College are located in Jackson, Tennessee.

HEALTHCARE

Haywood Park Community Hospital is a 62-bed facility in Brownsville. Specialties represented by physicians at the facility include: cardiology, gastroenterology, internal medicine, nephrology, orthopedics, podiatry and urology. The facility offers a full range of services including 24-hour emergency care, imaging services, general surgery services, a gastroenterology laboratory, hematology/oncology services, occupational medicine, orthopedics, pediatrics, physical and respiratory therapy and more. Haywood Park is affiliated with Community Health Systems (the "CHS") which is one of the nation's leading operators of general acute care hospitals based in Brentwood, TN. The organization's affiliates own, operate or lease more than 110 hospitals in 28 states, with an aggregate of more than 17,000 licensed beds. There are eleven CHS hospitals in Tennessee.

Source: Community Health Systems.

POWER PRODUCTION

Lagoon Creek Combustion Turbine Plant. Tennessee Valley Authority's ("TVA") Lagoon Creek Combustion Turbine Plant is located in Haywood County. Construction at Lagoon Creek was completed in 2001. Lagoon Creek has 12 combustion turbine generating units. The generating capacity of Lagoon Creek is 1,020 megawatts. Lagoon Creek, which occupies 181 acres in the midst of Tennessee farm country, is expected to help TVA meet the rapidly growing peak demands for power that occur in summertime.

Combustion turbines operate on the same general principle as a jet engine. Air enters at the front of the unit and is compressed, mixed with natural gas or oil, and ignited. The hot gas then expands through turbine blades to turn the generator and produce electricity. Combustion turbines can run on natural gas or low-sulfur fuel oil and are designed to start quickly to meet the demand for electricity during peak operating periods. The units at Lagoon Creek can reach full power in just 20 minutes. The plant site was chosen because it's close to several natural-gas pipelines and TVA transmission lines. Combustion turbines are the most popular type of new generating equipment, accounting for 95 percent of the 300,000 megawatts of new power capacity announced for completion nationwide between 2000 and 2008.

State-of-the-art emission controls and noise management make the Lagoon Creek units more environmentally friendly than older types. When the units run on natural gas, nitrous-oxide emissions are less than 10 percent of what they were 30 years ago. When they run on oil, emissions are less than 20 percent of former levels.

Source: Tennessee Valley Authority.

MANUFACTURING AND COMMERCE

Haywood County benefits from a diversified economy that successfully blends tourism, retail, agriculture and industry. Personal income is not dominated by any one source. The area also benefits from its central location in “the heart of the Tennessee Delta.” This location not only provides easy access to and from major roadways, but allows employers to draw from a large labor market which spans seven counties.

Haywood County Industrial Park. The largest industrial park in the County is the Haywood County Industrial Park, which offers over 150 acres fully infra structured for the needs of industry. The Brownsville Utility Department provides full utilities at competitive rates. Electricity, natural gas, water and wastewater services are available.

I-40 Advantage Auto Park. In 2008 a 1,700+-acre site in the county has been certified as a “megasite” or large industrial property suitable for a major automotive manufacturing facility or related industry. The Haywood County site, known as the I-40 Advantage Auto Park, is located north of Interstate 40, 20 minutes east of the Memphis, Tennessee, suburbs. The site is easily accessible from Memphis, Bartlett, Collierville, Germantown, Jackson and other West Tennessee cities. Construction on the infrastructure, including the relocation of Highway 222 and a new exit off I-40, began in the fall of 2013. The site is bounded on the north by U. S. Highway 70/79 and CSX Railroad and on the south by Interstate 40.

Source: The Jackson Sun Fact Book.

[balance of page left blank]

The following is a list of the major employers in the County:

Major Employers in Haywood County

<u>Company</u>	<u>Product</u>	<u>Employees</u>
Teknor Apex/Haywood Co.	Garden Hoses, Tread Rubber	610
LASCO Fittings, Inc.	Plastic Pipe Fittings	500
Wal-Mart Super Center	Retail	200
City of Brownsville	Government	120
Dynametal Technologies	Metal Bearings	120
Haywood Park Community Hospital	Healthcare	115
Pictsweet	Frozen Food Distribution	100
Precision Coils	Coils	100
Cascades / IFC Disposables	Disposable Wipes, Tissues	60
Simmco	Propane Tanks	60
Home Improvement Warehouse	Wood Products Distribution	50
Domitar Paper Co.	Cut Sheet Paper	38
Plastic Container Corp	Plastic Containers	35
Pallet Source	Wooden Pallets	33

Source: West Tennessee Industrial Association - 2014.

EMPLOYMENT INFORMATION

Unemployment in the Haywood County as of January 2015 stood at 10.8%, representing 6,840 persons employed out of a labor force of 7,670. The chart below depicts unemployment trends in the County for the last five years.

Unemployment

	Annual Average	Annual Average	Annual Average	Annual Average	Annual Average
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
National	9.6%	8.9%	8.1%	7.4%	6.2%
Tennessee	9.7%	9.2%	8.0%	8.2%	6.7%
Haywood County	15.2%	13.6%	11.2%	11.8%	9.9%
Index vs. National	158	153	138	159	160
Index vs. State	157	148	139	144	148

Source: Tennessee Department of Labor and Workforce Development.

ECONOMIC DATA

Haywood County's relative orientation towards an agriculturally-base economy has resulted in lower per capita income averages than the average for the State of Tennessee. However, the growth rate, as depicted by the relatively constant relationship of the County's per capita income versus the State levels, has kept up with the growth in personal income throughout the State of Tennessee.

Per Capita Personal Income

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
National	\$39,379	\$40,144	\$42,332	\$44,200	\$44,765
Tennessee	\$34,439	\$35,426	\$37,151	\$39,002	\$39,558
Haywood County	\$31,766	\$31,074	\$32,554	\$34,481	\$36,970
Index vs. National	81	77	77	78	83
Index vs. State	92	88	88	88	93

Source: Bureau of Economic Analysis.

Social and Economic Characteristics

	<u>National</u>	<u>Tennessee</u>	<u>Haywood County</u>	<u>Brownsville</u>
Median Value Owner Occupied Housing	\$176,700	\$139,200	\$94,500	\$92,100
% High School Graduates or Higher Persons 25 Years Old and Older	86.00%	84.40%	75.9%	77.0%
% Persons with Income Below Poverty Level	15.40%	17.60%	21.1%	22.5%
Median Household Income	\$53,046	\$44,298	\$34,542	\$30,858

Source: U.S. Census Bureau State & County QuickFacts - 2013.

RECREATION

Hatchie National Wildlife Refuge. Hatchie NWR includes 11,556 acres along the Scenic Hatchie River that is located entirely within Haywood County. It attracts thousands of visitors each year and is located about four miles south of Brownsville. The refuge was established in 1964, primarily to provide habitat (food, water and shelter) for migrating and wintering waterfowl. About 90 percent of the Refuge lies within the floodplain of the Hatchie River. The Hatchie is the last unchannelized river of its type in the Lower Mississippi River Valley and still functions under near normal wetland cycles. About 9,400 acres of bottomland hardwoods are

located on the refuge and are flooded by headwater flows of the Hatchie. The Hatchie NWR provides opportunities for hunting, fishing, photography, and boating.

Source: U.S. Fish & Wildlife Service.

RECENT DEVELOPMENTS

West Tennessee Solar Farm. A \$31 million solar farm in Haywood County was completed in the spring of 2012. The five-megawatt, 30-acre power generation facility is one of the largest in the Southeast. The farm consists of more than 20,000 silicon-based photovoltaic modules, expected to produce more than 7,000 megawatt hours of electricity annually. The University of Tennessee is overseeing planning, operation and management of the solar farm for the Department of Economic and Community Development.

[balance of page left blank]

HAYWOOD COUNTY, TENNESSEE
SUMMARY OF LONG TERM INDEBTEDNESS

AMOUNT ISSUED	PURPOSE	DUE DATE	INTEREST RATE(S)	As of June 30, 2014 OUTSTANDING
\$ 560,000	(2) General Obligation Bonds, Series 1998	2038	Fixed	\$ 447,252
5,000,000	General Obligation Bonds, Series 2007	June 2028	Fixed	5,000,000
4,425,000	General Obligation Bonds, Series 2008	June 2021	Fixed	3,450,000
300,000	General Obligation Bonds, Series 2008 (Landfill)	2024	Fixed	221,028
3,400,000	General Obligation Refunding Bonds, Series 2009A	June 2016	Fixed	1,025,000
5,575,000	General Obligation Bonds, Series 2010 (BABs)	June 2030	Fixed	5,575,000
2,000,000	Loan Agreement (EESI Loan)	2022	Zero	1,749,995
1,509,000	Loan Agreement, Series 2011 (TMBF)	May 2027	Variable	1,347,000
<u>\$ 22,769,000</u>	TOTAL BONDED DEBT			<u>\$ 18,815,275</u>
\$ 7,350,000	General Obligation Refunding Bonds, Series 2015	June 1, 2028	Fixed	\$ 7,350,000
<u>(6,850,000)</u>	Less: Bonds Being Refunded (Series 2007 Bonds and Series 2008 Bonds)			<u>(6,850,000)</u>
<u>\$ 23,269,000</u>	NET LONG TERM INDEBTEDNESS			<u>\$ 19,315,275</u>

NOTES:

(1) The above figures may not include short-term notes outstanding, if any. For more information, see the notes to the Financial Statements in the GENERAL PURPOSE FINANCIAL STATEMENTS included herein.

(2) Supported by Water System Revenues.

(3) The County budgets to account for interest rate and/or basis risk.

HAYWOOD COUNTY, TENNESSEE
INDEBTEDNESS AND DEBT RATIOS

INTRODUCTION

The information set forth in the following is based upon information derived in part from the GENERAL PURPOSE FINANCIAL STATEMENTS, attached herein and the table should be read in conjunction with those statements. The table does not include future funding plans whether disclosed or not in this Preliminary Official Statement.

	For Fiscal Years Ended June 30					After Issuance
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	
INDEBTEDNESS						
TAX SUPPORTED						
General Obligation Bonds, Notes & Leases	\$15,092,124	\$17,895,492	\$20,696,144	\$19,844,854	\$18,815,275	\$19,315,275
TOTAL TAX SUPPORTED	<u>\$15,092,124</u>	<u>\$17,895,492</u>	<u>\$20,696,144</u>	<u>\$19,844,854</u>	<u>\$18,815,275</u>	<u>\$19,315,275</u>
TOTAL DEBT	\$15,092,124	\$17,895,492	\$20,696,144	\$19,844,854	\$18,815,275	\$19,315,275
Less: Debt Service Funds	(2,715,248)	(2,197,970)	(2,686,888)	(2,896,605)	(2,744,155)	(2,744,155)
NET DIRECT DEBT	<u>\$12,376,876</u>	<u>\$15,697,522</u>	<u>\$18,009,256</u>	<u>\$16,948,249</u>	<u>\$16,071,120</u>	<u>\$16,571,120</u>
PROPERTY TAX BASE						
Estimated Actual Value	\$1,336,861,716	\$1,332,375,076	\$1,338,376,201	\$1,270,579,451	\$1,387,673,806	\$1,395,277,149
Appraised Value	1,252,238,369	1,243,105,946	1,248,704,996	1,185,450,628	1,387,673,806	1,395,277,149
Assessed Value	364,233,328	361,557,287	362,566,449	369,919,589	400,910,847	402,337,891

	For Fiscal Years Ended June 30					After Issuance
	2010	2011	2012	2013	2014	
DEBT RATIOS						
TOTAL DEBT to Estimated Actual Value	1.13%	1.34%	1.55%	1.56%	1.36%	1.38%
TOTAL DEBT to Appraised Value	1.21%	1.44%	1.66%	1.67%	1.36%	1.38%
TOTAL DEBT to Assessed Value	4.14%	4.95%	5.71%	5.36%	4.69%	4.80%
NET DIRECT DEBT to Estimated Actual Value	0.93%	1.18%	1.35%	1.33%	1.16%	1.19%
NET DIRECT DEBT to Appraised Value	0.99%	1.26%	1.44%	1.43%	1.16%	1.19%
NET DIRECT DEBT to Assessed Value	3.40%	4.34%	4.97%	4.58%	4.01%	4.12%
PER CAPITA RATIOS						
POPULATION (1)	18,787	18,519	18,270	18,218	18,185	18,185
PER CAPITA PERSONAL INCOME (2)	\$31,074	\$32,554	\$34,481	\$36,970	\$36,970	\$36,970
Estimated Actual Value to POPULATION	\$71,159	\$71,946	\$73,255	\$69,743	\$76,309	\$76,727
Assessed Value to POPULATION	\$19,388	\$19,524	\$19,845	\$20,305	\$22,046	\$22,125
Total Debt to POPULATION	\$803	\$966	\$1,133	\$1,089	\$1,035	\$1,062
Net Direct Debt to POPULATION	\$659	\$848	\$986	\$930	\$884	\$911
Total Debt Per Capita as a percent of PER CAPITA PERSONAL INCOME	2.59%	2.97%	3.29%	2.95%	2.80%	2.87%
Net Direct Debt Per Capita as a percent of PER CAPITA PERSONAL INCOME	2.12%	2.60%	2.86%	2.52%	2.39%	2.46%

(1) Per Capita computations are based upon POPULATION data according to the U.S. Census.

(2) PER CAPITA PERSONAL INCOME is based upon the most current data available from the U. S. Department of Commerce.

HAYWOOD COUNTY, TENNESSEE
BONDED DEBT SERVICE REQUIREMENTS

F. Y. Ended	Existing G.O. Debt As of June 30, 2014 (1)			General Obligation Refunding Bonds, Series 2015			% 2015 Principal			Less: Refunded Bonds			Total Bonded Debt Service Requirements (1),(2)			% All Principal Repaid
	Principal	Interest (2)	Est. Rebate (3)	Principal	Interest (4)	TOTAL	Principal	Repaid	Interest	Principal	Interest	Est. Rebate (3)	Principal	Interest	TOTAL	
2015	\$ 1,065,808	\$ 736,002	\$ (95,425)	\$ -	\$ -	\$ -	0.00%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,065,808	\$ 736,002	\$ (95,425)	\$ 1,726,385
2016	1,085,146	724,661	(95,425)	105,000	122,861	227,861	0.00%	-	(278,263)	(278,263)	(278,263)	(278,263)	1,190,146	569,259	(95,425)	1,663,980
2017	1,169,550	692,068	(95,425)	430,000	121,658	551,658		(325,000)	(603,263)	(603,263)	(603,263)	1,274,550	535,463	(95,425)	1,714,588	
2018	1,225,023	653,290	(95,425)	425,000	118,433	543,433		(950,000)	(265,263)	(265,263)	(265,263)	1,325,023	506,460	(95,425)	1,735,058	
2019	1,279,562	612,078	(95,425)	1,045,000	114,183	1,159,183	27.28%	(950,000)	(252,263)	(252,263)	(252,263)	1,374,562	473,998	(95,425)	1,755,134	
2020	1,310,175	568,073	(95,425)	1,040,000	101,120	1,141,120		(975,000)	(213,663)	(213,663)	(213,663)	1,375,175	455,531	(95,425)	1,735,280	
2021	1,365,862	522,284	(95,425)	1,070,000	85,520	1,155,520		(1,025,000)	(173,463)	(173,463)	(173,463)	1,410,862	434,341	(95,425)	1,749,778	
2022	1,176,628	473,406	(95,425)	425,000	67,865	492,865		(400,000)	(130,513)	(130,513)	(130,513)	1,201,628	410,759	(95,425)	1,516,962	
2023	1,168,435	430,861	(88,791)	440,000	60,640	500,640		(425,000)	(114,513)	(114,513)	(114,513)	1,183,435	376,989	(88,791)	1,471,633	
2024	1,059,365	385,455	(81,646)	455,000	52,500	507,500	73.95%	(450,000)	(97,513)	(97,513)	(97,513)	1,064,365	340,443	(81,646)	1,323,162	
2025	1,073,496	337,781	(74,155)	470,000	43,400	513,400		(475,000)	(79,513)	(79,513)	(79,513)	1,068,496	301,668	(74,155)	1,296,009	
2026	1,118,359	288,896	(66,311)	465,000	33,530	498,530		(475,000)	(60,513)	(60,513)	(60,513)	1,108,359	261,913	(66,311)	1,303,961	
2027	1,156,266	238,751	(58,110)	480,000	23,300	503,300		(500,000)	(41,513)	(41,513)	(41,513)	1,136,266	220,538	(58,110)	1,298,695	
2028	1,075,216	185,902	(49,412)	500,000	12,500	512,500	100.00%	(525,000)	(21,263)	(21,263)	(21,263)	1,050,216	177,139	(49,412)	1,177,943	
2029	1,121,214	135,330	(40,202)	-	-	-		-	-	-	-	1,121,214	135,330	(40,202)	1,216,342	
2030	1,172,260	74,315	(20,730)	-	-	-		-	-	-	-	1,172,260	74,315	(20,730)	1,225,844	
2031	23,359	9,404	-	-	-	-		-	-	-	-	23,359	9,404	-	32,763	
2032	24,511	8,266	-	-	-	-		-	-	-	-	24,511	8,266	-	32,777	
2033	25,721	7,090	-	-	-	-		-	-	-	-	25,721	7,090	-	32,811	
2034	26,991	5,817	-	-	-	-		-	-	-	-	26,991	5,817	-	32,808	
2035	28,321	4,501	-	-	-	-		-	-	-	-	28,321	4,501	-	32,822	
2036	29,720	3,120	-	-	-	-		-	-	-	-	29,720	3,120	-	32,840	
2037	31,186	1,676	-	-	-	-		-	-	-	-	31,186	1,676	-	32,862	
2038	3,101	151	-	-	-	-		-	-	-	-	3,101	151	-	3,252	
	<u>\$ 18,815,275</u>	<u>\$ 7,119,179</u>	<u>\$ (1,242,761)</u>	<u>\$ 7,350,000</u>	<u>\$ 957,509</u>	<u>\$ 8,307,509</u>		<u>\$ (6,850,000)</u>	<u>\$ (2,006,513)</u>	<u>\$ (8,856,513)</u>	<u>\$ (8,856,513)</u>	<u>\$ 19,315,275</u>	<u>\$ 6,070,175</u>	<u>\$ (1,242,761)</u>	<u>\$ 24,142,689</u>	

NOTES:

- (1) The above figures do not include short-term notes outstanding, if any. For more information, see the notes to the Financial Statements in the GENERAL PURPOSE FINANCIAL STATEMENTS. Does included revenue supported debt.
- (2) The County budgets to account for interest rate and/or basis risk.
- (3) The original federal subsidy of 35.0% on the General Obligation Bonds, Series 2010 (Federally Taxable Build America Bonds) has been reduced by 7.3% for the federal fiscal year ending September 30, 2015 as a result of the sequestration by the Budget Control Act of 2011. After October 1, 2015, the sequestration rate will be subject to change.
- (3) Estimated Interest Rates. Estimated Average Coupon 1.90%.

FINANCIAL INFORMATION

BASIS OF ACCOUNTING AND PRESENTATION

The accounts of the County are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The modified accrual basis of accounting is used to account for all governmental funds of the County. Revenues for such funds are recognized when they become measurable and available as net current assets. Expenditures, other than interest or long-term debt, are recognized when incurred and measurable.

All proprietary funds are accounted for using the accrual basis of accounting, whereby revenues are recognized when they are earned and expenses are recognized when they are incurred except for prepaid expenses, such as insurance, which are fully expended at the time of payment.

FUND BALANCES AND RETAINED EARNINGS

The following table depicts fund balances and retained earnings for the five fiscal years ending June 30:

	<u>For the Fiscal Year Ended June 30,</u>				
<u>Fund Type</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<i>Governmental Funds:</i>					
General	\$ 2,055,446	\$1,944,967	\$2,714,772	\$2,987,958	\$ 3,505,511
Highway/Public Works	2,199,773	2,713,936	3,160,854	3,418,695	3,783,770
General Debt Service	2,715,248	2,197,970	2,686,888	2,896,605	2,744,155
Other Governmental	<u>5,278,589</u>	<u>1,492,777</u>	<u>657,766</u>	<u>403,199</u>	<u>348,506</u>
Total	<u>\$12,249,056</u>	<u>\$8,349,650</u>	<u>\$9,220,280</u>	<u>\$9,706,457</u>	<u>\$10,381,942</u>
<i>Proprietary Net Assets:</i>					
Solid Waste Disposal	\$(906,316)	\$(973,806)	\$(1,193,619)	\$(954,166)	\$(1,063,193)

Source: Comprehensive Annual Financial Report and Auditor's Report, Haywood County, Tennessee.

[balance of page left blank]

HAYWOOD COUNTY, TENNESSEE
Five Year Summary of Revenues, Expenditures and
Changes In Fund Balances - General Fund
For the Fiscal Year Ended June 30

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Revenues:					
Local Taxes	\$ 6,239,112	\$ 6,260,272	\$ 6,503,799	\$ 6,325,143	\$ 6,312,644
Licenses and Permits	21,747	19,832	23,698	19,987	18,087
Fines, forfeitures and penalties	160,818	161,252	223,126	283,994	262,130
Charges for current services	736,011	990,967	1,152,808	1,078,060	1,171,500
Other local revenue	153,229	143,831	86,875	143,136	113,254
Fees Received from County Officials	704,206	897,924	1,067,687	1,083,472	995,536
State of Tennessee	1,050,224	929,189	1,064,835	1,091,731	1,248,913
Federal Government	160,854	302,774	234,637	221,018	226,289
Other Governments & Citizens Groups	557,347	547,018	498,584	411,548	530,583
Total Revenues	<u>\$ 9,783,548</u>	<u>\$ 10,253,059</u>	<u>\$ 10,856,049</u>	<u>\$ 10,658,089</u>	<u>\$ 10,878,936</u>
Expenditures:					
General Government	\$ 1,126,887	\$ 1,178,235	\$ 1,435,530	\$ 1,508,800	\$ 1,489,662
Finance	558,058	711,727	714,532	689,094	692,390
Administrations of Justice	937,005	943,653	926,526	900,513	944,989
Public Safety	3,500,851	3,812,670	3,587,080	3,792,564	3,797,362
Public Health & Welfare	1,455,112	1,561,691	1,455,849	1,534,737	1,602,417
Social, Cultural & Recreational	1,311,544	1,053,313	975,579	1,008,864	1,035,938
Agricultural & Natural Resources	248,314	239,252	230,481	229,533	233,137
Other Operations	850,044	921,711	751,641	761,317	716,169
Highways	-	-	-	-	-
Debt Service	31,196	63,939	32,743	68,066	35,323
Capital Projects	-	-	-	-	-
Total Expenditures	<u>\$ 10,019,011</u>	<u>\$ 10,486,191</u>	<u>\$ 10,109,961</u>	<u>\$ 10,493,488</u>	<u>\$ 10,547,387</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (235,463)	\$ (233,132)	\$ 746,088	\$ 164,601	\$ 331,549
Other Sources & Uses:					
Note / Lease Proceeds	\$ -	\$ 93,625	\$ 3,092	\$ 100,085	\$ -
Insurance Proceeds	2,886	29,028	20,625	-	186,004
Sale of Capital Assets	-	-	-	8,500	-
Operating Transfers - In	-	-	-	-	-
Operating Transfers - Out	(69,418)	-	-	-	-
Total Revenues & Other Sources	<u>\$ (66,532)</u>	<u>\$ 122,653</u>	<u>\$ 23,717</u>	<u>\$ 108,585</u>	<u>\$ 186,004</u>
Net Change in Fund Balances	\$ (301,995)	\$ (110,479)	\$ 769,805	\$ 273,186	\$ 517,553
Fund Balance July 1	2,357,441	2,055,446	1,944,967	2,714,772	2,987,958
Residual Equity Transfers	-	-	-	-	-
Fund Balance June 30	<u><u>\$ 2,055,446</u></u>	<u><u>\$ 1,944,967</u></u>	<u><u>\$ 2,714,772</u></u>	<u><u>\$ 2,987,958</u></u>	<u><u>\$ 3,505,511</u></u>

Source : Comprehensive Annual Financial Report for Haywood County, Tennessee.

INVESTMENT AND CASH MANAGEMENT PRACTICES

Investment of idle County operating funds is controlled by state statute and local policies and administered by the County Trustee. Generally, such policies limit investment instruments to direct U.S. Government obligations, those issued by U.S. Agencies or Certificates of Deposit. As required by prevailing statutes, all demand deposits or Certificates of Deposit are secured by similar grade collateral pledged at 10% of market value for amounts in excess of that guaranteed through federally sponsored insurance programs. For reporting purposes, all investments are stated at cost which approximates market value.

PROPERTY TAX

Introduction. The County is authorized to levy a tax on all property within the County without limitation as to rate or amount. All real and personal property within the County is assessed in accordance with the state constitutional and statutory provisions by the County Property Tax Assessor except most utility property, which is assessed by the Office of State Assessed Properties. All property taxes are due on October 1 of each year based upon appraisals as of January 1 of the same calendar year. All property taxes are delinquent on March 1 of the subsequent calendar year.

Reappraisal Program. Title 67, Chapter 5, Part 16, *Tennessee Code Annotated*, as supplemented and amended, mandates that after June 1, 1989, all property in the State of Tennessee will be reappraised on a continuous six (6) year cycle composed of an on-sight review of each parcel of property over a five (5) year period followed by reevaluation of all such property in the year following the completion of the review. In the second and fourth years of the review, there shall be an updating of all real property values by application of an index or indexes established for the jurisdiction by the State Board of Equalization, so as to maintain real property values at full value as defined in Title 67, Chapter 5, Part 6, *Tennessee Code Annotated*. The State Board of Equalization shall also consider a plan submitted by a local assessor which would have the effect of maintaining real property values at full value which may be used in lieu of indexing.

Title 67, Chapter 5, Part 17, *Tennessee Code Annotated*, provides that at such time as such reappraisal and reassessment processes are completed in a particular county, the respective governing bodies of the county and the municipalities located therein shall determine and certify a tax rate which will provide the same ad valorem tax revenue for the respective jurisdiction as was levied prior to reappraisal and reassessment. In computing the new tax rate, the estimated assessed value of all new construction and improvements placed on the tax rolls since the previous year, and the assessed value of all deletions from the previous tax roll are excluded. The new tax rate therefore, is derived from a comparison of tax revenues, tax rates and assessed values of property on the tax roll in both the year before and the year after the reappraisal. The effect of the reappraisal and reassessment statutes is to adjust the property tax rate downward to prevent a taxing unit from collecting additional property tax revenues as a result of reappraisal. Once a municipality or county complies with state law and certifies a tax rate which provides the same property tax revenue as was collected before reappraisal, its governing body may vote to approve a tax rate change which would produce more or less tax revenue. The County has a

reappraisal program, conducted by the State Board of Equalization, Division of Property Assessment, which was completed as of January 1, 2014.

Assessed Valuations. According to the Tax Aggregate for Tennessee, property in the County reflected a ratio of appraised value to true market value of 1.00. The following table shows pertinent data for tax year 2014¹.

<u>Class</u>	<u>Estimated Assessed Valuation</u>	<u>Assessment Rate</u>	<u>Estimated Actual Value</u>
Public Utilities	\$ 29,419,750	55%	\$ 67,378,408
Commercial and Industrial	91,105,000	40%	227,762,500
Personal Tangible Property	40,699,016	30%	135,663,241
Residential and Farm	<u>241,114,125</u>	25%	<u>964,456,500</u>
Total	<u>\$402,337,891</u>		<u>\$1,395,277,149</u>

Source: 2014 Tax Aggregate for Tennessee and the County.

The estimated assessed value of property in the County for the fiscal year ending June 30, 2015 (tax year 2014) is \$402,337,891 compared to \$400,910,847 for the fiscal year ending June 30, 2014 (tax year 2013). The estimated actual value of all taxable property for tax year 2014 is \$1,395,277,149 compared to \$1,387,673,806 for tax year 2013.

[balance of page left blank]

¹ The tax year coincides with the calendar year; therefore tax year 2014 is actually fiscal year 2014-2015.

Property Tax Rates and Collections. The following table shows the property tax rates and collections of the County for tax years 2010 through 2014 as well as the aggregate uncollected balances for each fiscal year ending June 30, 2014.

PROPERTY TAX RATES AND COLLECTIONS				Fiscal Yr Collections		Aggregate Uncollected Balance	
Tax Year	Assessed Valuation	Tax Rates	Taxes Levied	Amount	Pct	As of June 30, 2014 Amount	Pct
2010	\$361,557,287	\$2.38	\$7,943,386	\$7,129,572	89.8%	N/A	
2011	334,439,234	2.58	8,634,352	7,893,906	91.4%	N/A	
2012	366,737,513	2.58	8,799,500	8,074,077	91.8%	N/A	
2013	400,910,847	2.3956	8,879,238	8,231,256	92.5%	\$647,982	7.3%
2014	402,337,891	2.3956	9,918,472*	IN PROCESS			

* Estimated

¹ The tax year coincides with the calendar year; therefore, tax year 2013 is actually fiscal year 2013-2014.

Ten Largest Taxpayers. For the fiscal year ending June 30, 2014 (tax year 2013), the largest taxpayers in the County are as follows:

<u>Taxpayer</u>	<u>Business Type</u>	<u>Assessed Values</u>	<u>Taxes Levied</u>
1. TVA	Beech Grove Rd Plant	Pilot Program	\$ 381,504
2. Teknor Apex	Manufacturing	\$15,912,117	381,191
3. LASCO Fittings, Inc.	Plastic Pipe Fittings	9,180,160	219,920
4. Southwest Electric	Electric Cooperation	Public Utility	179,599
5. United Foods Inc	Frozen Food Distribution	5,160,425	123,623
6. CSX Transportation Inc	Railroad	Public Utility	103,218
7. ANR Pipeline	Distribution	Public Utility	100,063
8. Wal-Mart	Retail	3,337,475	94,375
9. Lowe's	Distribution	3,522,094	84,375
10. Capline Pipeline System	Distribution	<u>2,570,870</u>	<u>60,150</u>
TOTAL		<u>\$39,683,141</u>	<u>\$1,728,018</u>

Source: The County.

PENSION PLANS

Employees of Haywood County are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five- year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979, become vested after five years of service and members joining prior to July 1, 1979 were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of Tennessee Code Annotated. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as Haywood County participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

For additional information on the funding status, trend information and actuarial status of the County's retirement programs, please refer to the General Purpose Financial Statements of the County located in herein.

[balance of page left blank]

GENERAL PURPOSE FINANCIAL STATEMENTS

HAYWOOD COUNTY, TENNESSEE

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2014

The General Purpose Financial Statements are extracted from the Financial Statements with Report of Certified Public Accountants of Haywood County for the fiscal year ended June 30, 2014 which is available upon request from the County.

