
OFFICIAL NOTICE OF SALE

HAMILTON COUNTY, TENNESSEE

\$167,045,000* General Obligation Bonds, Series 2018A

\$3,900,000* General Obligation Refunding Bonds, Series 2018B (Recovery Zone Facility Bonds)

Electronic Bids Only, as Described Herein
Will Be Accepted Until
10:00 a.m., Eastern Time, March 6, 2018*

* Preliminary, Subject to Change

CONTACTS

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BiDCOMP/PARITY®

Customer Service (212) 404-8102

i-Deal Prospectus

Client Services (212) 849-5024

OFFICIAL NOTICE OF SALE

HAMILTON COUNTY, TENNESSEE

\$167,045,000* General Obligation Bonds, Series 2018A

\$3,900,000* General Obligation Refunding Bonds, Series 2018B (Recovery Zone Facility Bonds)

NOTICE IS HEREBY GIVEN that irrevocable, electronic bids only will be received on the date and up to the time specified below:

SALE DATE: Tuesday, March 6, 2018*

SALE TIME: 10:00 a.m. Eastern Time*

ELECTRONIC BIDS: Must be submitted through **PARITY®** as described below.

No other form of bid or provider of electronic bidding services will be accepted.

Bids will be received for the purchase of all, but not less than all, of (i) the \$167,045,000* General Obligation Bonds, Series 2018A (the “Series 2018A Bonds”) and (ii) the \$3,900,000* General Obligation Refunding Bonds, Series 2018B (Recovery Zone Facility Bonds) (the “Series 2018B Bonds”) and together with the Series 2018A Bonds, the “Bonds”) to be issued by Hamilton County, Tennessee (the “County”). The Bonds are more particularly described in the Preliminary Official Statement dated February 27, 2018 relating to the Bonds, available at the i-Deal Prospectus website, www.i-dealprospectus.com. Prior to accepting bids, the County may as described herein, to change the principal amount and/or certain terms of the Bonds, postpone the sale to a later date, or cancel the sale of the Bonds based upon market conditions as discussed herein. Notice of a change or cancellation will be announced via Thomson Municipal News at the internet website address www.tm3.com not later than 1:00 p.m., Eastern Time, on the business day preceding the bid opening. Such notice will specify the revised principal amount or features, 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 Thomson Municipal News service at the internet website address www.tm3.com. Consideration of the bids and the award will be made by the County not later than 6:00 p.m., Eastern Time, on the Sale Date (as set forth above and in the Bidding Parameters table herein). The County will continue to reserve the right to adjust the principal amount of one or more series of the Bonds offered, to eliminate maturities, or to cancel the sale of one or more series of the Bonds after the bids are opened as further described herein. See ADJUSTMENT OF AMOUNTS AND MATURITIES.

* Preliminary, Subject to Change

BIDDING PARAMETERS TABLE*

\$167,045,000 General Obligation Bonds, Series 2018A**

INTEREST		PRICING	
Dated Date:	Date of Delivery	Max Reoffering Price	
Delivery Date:	March 29, 2018	Each Maturity:	N.A.
Interest Payment Dates:	April 1 and October 1	Aggregate:	120%
First Interest:	October 1, 2018	Min Reoffering Price	
Coupon Multiples:	1/8 or 1/20 or 1/100 of 1%	Each Maturity:	98.5%
Maximum Coupon:	5.00%	Aggregate:	100%
Minimum Coupon:	5.00% on and after April 1, 2029		
Maximum TIC:	N.A.	PROCEDURAL	
		Sale Date:	March 6, 2018
		Sale Time:	10:00 a.m. Eastern Time
		Bid Submission:	Electronic only through PARITY
PRINCIPAL		All or None:	Yes
Optional Redemption:	Callable on and after April 1, 2028 at par	Bid Award Method:	Lowest Combined TIC
Principal Increases Each Maturity:	15%	Bid Confirmation:	Fax Signed PARITY screen
Aggregate:	Aggregate Principal Not to Exceed \$195,000,000	Awarding of Bid:	County Mayor not later than 6:00 p.m. Eastern Time on Sale Date
Principal Reductions Each Maturity:	15%	Good Faith Deposit:	As described on page 11 "Good Faith Deposit"
Aggregate:	15%	Insurance:	May be purchased by the bidder at its option
Term Bonds:	Any consecutive maturities after April 1, 2028; Must have sinkers equal to amortization		

* If numerical or date references contained in the body of this Official Notice of Sale conflict with the Bidding Parameters Table, the body of this Official Notice of Sale shall control. Consult the body of this Official Notice of Sale for a detailed explanation of the items contained in the Bidding Parameters Table, including interpretation of such items and methodologies used to determine such items. Information in the Bidding Parameters table may be subject to adjustment as set forth herein.

** Preliminary, Subject to Change

BIDDING PARAMETERS TABLE*

\$3,900,000 General Obligation Refunding Bonds, Series 2018B (Recovery Zone Facility Bonds)**

INTEREST		PRICING	
Dated Date:	Date of Delivery	Max Reoffering Price	
Delivery Date:	March 29, 2018	Each Maturity:	N.A.
Interest Payment Dates:	March 1 and September 1	Aggregate:	120%
First Interest:	September 1, 2018	Min Reoffering Price	
Coupon Multiples:	1/8 or 1/20 or 1/100 of 1%	Each Maturity:	98.5%
Maximum Coupon:	5.00%	Aggregate:	100%
Minimum Coupon:	N.A.		
Maximum TIC:	N.A.	PROCEDURAL	
		Sale Date:	March 6, 2018
		Sale Time:	10:00 a.m. Eastern Time
		Bid Submission:	Electronic only through PARITY
PRINCIPAL		All or None:	Yes
Optional Redemption:	Not subject to Optional Redemption		
Principal Increases Each Maturity:	25%	Bid Award Method:	Lowest Combined TIC
Aggregate:	Aggregate Principal Not to Exceed \$4,395,000	Bid Confirmation:	Fax Signed PARITY screen
Principal Reductions Each Maturity:	25%	Awarding of Bid:	County Mayor not later than 6:00 p.m. Eastern Time on Sale Date
Aggregate:	20%	Good Faith Deposit:	As described on page 11 "Good Faith Deposit"
Term Bonds:	N.A.	Insurance:	May be purchased by the bidder at its option

* If numerical or date references contained in the body of this Official Notice of Sale conflict with the Bidding Parameters Table, the body of this Official Notice of Sale shall control. Consult the body of this Official Notice of Sale for a detailed explanation of the items contained in the Bidding Parameters Table, including interpretation of such items and methodologies used to determine such items. Information in the Bidding Parameters table may be subject to adjustment as set forth herein.

** Preliminary, Subject to Change

Principal Maturities – Series 2018A Bonds*

<u>Due April 1*</u>	<u>Amount*</u>
2019	\$11,145,000
2020	11,145,000
2021	11,145,000
2022	11,140,000
2023	11,140,000
2024	11,140,000
2025	11,135,000
2026	11,135,000
2027	11,135,000
2028	11,135,000
2029	11,130,000
2030	11,130,000
2031	11,130,000
2032	11,130,000
2033	11,130,000

Principal Maturities – Series 2018B Bonds*

<u>Due March 1*</u>	<u>Amount*</u>
2021	\$900,000
2022	905,000
2023	900,000
2024	890,000
2025	305,000

* Preliminary, Subject to change.

GENERAL OBLIGATION REFUNDING BONDS, SERIES 2018B

The Series 2018B Bonds will be issued to refund all or a portion of a series of existing general obligation bonds previously issued by the County. A detailed description of the bonds being refunded can be located in the Preliminary Official Statement. If at the time of pricing any of the refunded maturities weaken the County's present value savings to a point where it is no longer advisable for the County to pursue such refunding, the County may opt to reduce the principal amount of the Series 2018B Bonds or to cancel the Series 2018B Bonds in their entirety. Cancellation of the Series 2018B Bonds will not relieve the successful bidder from its obligation to purchase the 2018A Bonds offered by the County, assuming the County has satisfied all other conditions of this Official Notice of Sale.

THE BONDS

The Bonds will be issued in fully registered, book-entry only form, without coupons, will be dated as of the date set forth in the Bidding Parameters Table; will be issued in denominations of \$5,000 or integral multiples thereof; and will bear interest from their date until paid or duly called for redemption at the annual rate or rates specified by the successful bidder, subject to the limitations specified below, payable as shown on the Bidding Parameters Table. Interest will be computed on the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board ("MSRB"). Each series of the Bonds must meet the minimum and maximum coupon and pricing criteria shown in the Bidding Parameters Table on a maturity and aggregate basis.

The Bonds will mature on the month and day and in the years and principal amounts shown on the Bidding Parameters and Principal Maturities Tables as serial bonds or term bonds, subject to the terms and adjustments described in the Bidding Parameters Table and herein.

OPTIONAL REDEMPTION

The Series 2018A Bonds may be redeemed prior to their respective maturity dates at the option of the County on or after the date specified in the Bidding Parameters Table, in whole or in part at any time at the redemption prices set forth in the Bidding Parameters Table, together with accrued interest thereon to the redemption date. The Series 2018A Bonds will not be subject to optional redemption prior to the date specified in the Bidding Parameters Table.

The Series 2018B Bonds are not subject to redemption prior to maturity.

Written notice of redemption shall be mailed to registered owners of the Series 2018A Bonds at least thirty days before the redemption date. While DTC or its nominee is the registered owner of the Series 2018A Bonds, the County shall send the notice of redemption to DTC, and the County shall not be responsible for mailing notices of redemption to Participants or Indirect Participants or to the Beneficial Owners of the Series 2018A Bonds. Any failure of DTC to mail such notice to any Participant will not affect the sufficiency or the validity of the redemption of the Series 2018A Bonds.

SECURITY

The Bonds will be direct general obligations of the County. The full faith, credit and ad valorem taxing power of the County are irrevocably pledged for the prompt payment of the principal of and interest on the Bonds.

ADJUSTMENT OF AMOUNT AND MATURITIES

The aggregate principal amount of each maturity of each series of the Bonds is subject to adjustment by the County after the receipt and opening of the bids for their purchase as specified in the Bidding Parameters Table. Changes to be made after the opening of the bids will be communicated to the successful bidder directly by 11:00 a.m., Eastern Time, on the date following the Sale Date.

Prior to the Sale Date, the County may cancel the sale of the Bonds or adjust the principal amount of any maturity of a series of the Bonds. Notice of a change or cancellation will be announced via Thomson Municipal News at the internet website address www.tm3.com not later than 1:00 p.m., Eastern Time, on the business day preceding the bid opening.

After the receipt and opening of the bids for their purchase, the County may cancel the sale of the Bonds or adjust the aggregate principal amount and the principal amount of each maturity of the Bonds; provided that such adjustments are within the limitations set forth in the Bidding Parameters Table, calculated based on the applicable bid amount. The County will consult with the successful bidder before adjusting the amount of any maturity of the Bonds or canceling the sale of the Bonds; however, the County reserves the sole right to make adjustments, within the limits described above, or cancel the sale of the Bonds. Any adjustments made after the opening of the bids will be communicated to the successful bidder directly by 11:00 a.m., Eastern Time, on the date following the Sale Date. Adjustments within the limits described above will not relieve the successful bidder from its obligation to purchase all of the Bonds offered by the County, assuming the County has satisfied all other conditions of this Official Notice of Sale.

In the event that the principal amount of any maturity of a series of the Bonds is revised after the award, the interest rate and reoffering price (as a percentage of principal) for such maturity and the Underwriter's Discount on the Bonds as submitted by the successful bidder shall be held constant. The "Underwriter's Discount" shall be defined as the difference between the purchase price of the Bonds submitted by the bidder and the price at which the Bonds will be issued to the public, calculated from information provided by the bidder, divided by the par amount of the Bonds bid.

FORM AND PAYMENT

The Bonds will be issued in fully registered, book-entry only form and a bond certificate for each maturity will be issued to The Depository Trust Company, New York, New York ("DTC"), registered in the name of its nominee, Cede & Co., and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the Bonds, with transfers of ownership affected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The successful bidder, as a condition to delivery of the Bonds, will be required to deposit the Bond certificates with DTC, registered in the name of Cede & Co. Principal of and interest on the Bonds will be payable by the Registration Agent by wire transfer or in clearinghouse funds to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to the beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. Neither the County nor the Registration Agent will be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. The successful bidder will be required to furnish to DTC within seven (7) days after the sale the customary underwriter's questionnaire and information as to each DTC participant and the Bonds to be held for it.

Payment of principal of the Bonds will be made by the County by wire transfer through The Bank of New York Mellon Trust Company, N.A., the registrar/paying agent (the “Registration Agent”), to DTC or its nominee, Cede & Co., as registered owner of the Bonds on the month and day, in the years and amounts established in accordance with the award of the Bonds. Interest on the Bonds is payable on the dates shown in the Bidding Parameters Table. Interest payments on the Bonds will be mailed by the Registration Agent on each interest payment date to the owners of the Bonds at the addresses listed on the registration books maintained by the Registration Agent for such purpose. So long as DTC or its nominee is the registered owner of the Bonds, payments of principal and interest on the Bonds will be made to DTC or its nominee.

PRELIMINARY OFFICIAL STATEMENT AND FINAL OFFICIAL STATEMENT

The County has authorized the preparation and distribution of a Preliminary Official Statement dated February 27, 2018 (the “Preliminary Official Statement” or “POS”) containing information relating to the Bonds. The Preliminary Official Statement is deemed “final” by the County as required by Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”), except for pricing and other information allowed to be omitted pursuant to the Rule. The County will furnish the successful bidder on the date of closing, with its certificate, in its usual form, as to the completeness and accuracy of the Official Statement.

The Preliminary Official Statement, this Official Notice of Sale and any other information concerning the proposed financing will be available electronically at i-Deal’s website, www.i-dealprospectus.com. Assistance in obtaining the documents will be provided by i-Deal’s customer service at (212) 849-5024 or from PFM Financial Advisors LLC, 530 Oak Court Drive, Suite 160, Memphis, Tennessee 38117-3722, (901) 682-8356, callenderr@pfm.com (Attention: Ricardo Callender).

The Preliminary Official Statement, when amended to reflect the actual amount of the Bonds sold, the interest rates specified by the successful bidder and the price or yield at which the successful bidder will reoffer the Bonds to the public, together with any other information required by law, will constitute a “Final Official Statement” with respect to the Bonds as that term is defined in the Rule. No more than seven (7) business days after the date of the sale, the County will provide without cost to the respective successful bidder up to 25 copies of the Final Official Statement. If the Bonds are awarded to a syndicate, the County will designate the senior managing underwriter of the syndicate as its representative for purposes of distributing copies of the Final Official Statement to each participating underwriter. Any underwriter submitting a bid with respect to the Bonds agrees thereby that if its bid is accepted, it shall accept such designation and shall enter into a contractual relationship with all participating underwriters for the purpose of assuring the receipt and distribution by each participating underwriter of the Final Official Statement.

CONTINUING DISCLOSURE

As set forth in the Preliminary Official Statement, the County will contract with the successful bidder as to continuing disclosure as required by the Rule pursuant to the County’s standard continuing disclosure certificate, copies of which are available upon request from the County. A description of the certificate is also set forth in the Preliminary Official Statement.

LEGAL OPINION

As a condition to the purchaser's obligation to accept delivery of and pay for the Bonds, the County will furnish upon the delivery of the Bonds the opinion as to the validity of the Bonds of Kutak Rock LLP, Atlanta, Georgia, Bond Counsel to the County. The opinion of Bond Counsel will state, among other things, that the interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excludable 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 alternative minimum tax on corporations for taxable years beginning before January 1, 2018. The opinion of Bond Counsel is subject to the condition that the County comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), 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 such requirements may cause the interest on the Bonds to be included in gross income retroactively to their date of issuance. The County has covenanted to comply with such requirements of the Code. Under the existing laws of the State of Tennessee, the Bonds and the income therefrom are exempt from all State, county and municipal taxation in Tennessee, except for Tennessee franchise and excise taxes.

Bond Counsel will express no opinion regarding federal or state tax consequences arising with respect to the Bonds except as stated above. It should be noted, however, that interest on any Bond may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed on foreign corporations under the Code. In addition, ownership of Bonds may result in collateral federal income tax consequences to certain taxpayers such as corporations (including S Corporations and certain foreign corporations), financial institutions, property and casualty or life insurance companies, individual recipients of Social Security or railroad retirement benefits, individuals claiming the earned income credit and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry Bonds.

BIDDING PROCEDURE; OFFICIAL BID FORMS

Only electronic bids submitted via **BiDCOMP/PARITY®** during the bidding time period will be accepted. No other form of bid or provider of electronic bidding services will be accepted. **No bid delivered by facsimile directly to the County will be accepted.** Bidders are permitted to submit bids for the Bonds during the bidding time period, provided they are eligible to bid as described under "ELIGIBILITY TO BID" below.

Each bid must be unconditional and received by PARITY® before the Sale Time set forth in the Bidding Parameters Table. No proposal to purchase the Bonds may be withdrawn after the deadline set for receiving bids. Prior to the deadline set for receiving bids, an eligible prospective bidder may, subject to limitation which may be imposed by PARITY®, modify the proposed terms of its bid in which event the proposed terms last modified will constitute its bid for the Bonds. At the deadline stated above for receiving bids, the bidding process will close and each bid shall then constitute an irrevocable offer to purchase the Bonds on the terms provided in the bid and this Official Notice of Sale.

ELECTRONIC BIDDING

Electronic bids may be submitted via PARITY® only. No other provider of electronic bidding services will be accepted. The use of PARITY® electronic bidding shall be at the bidder's risk and expense,

and the County shall have no liability with respect thereto. The County is using electronic bidding as a communications medium and PARITY® is not acting as the County's agent.

Each electronic bid submitted via PARITY® shall be deemed an offer, in response to this Official Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the County. Once the bids are released electronically via BiDCOMP/Parity to the County, each bid will constitute an **IRREVOCABLE** offer to purchase the Bonds on the terms therein provided. The successful bidder must confirm such bid by a signed PARITY® Bid Form and a signed statement of reoffering prices, both delivered by fax or email to the County (at the number or email address, as applicable, specified in "Contacts" at the front of this Official Notice of Sale) no later than one hour after being notified by the County of being the winning bidder, the original of each of which must be received by the County on the following business day at the address shown above. Failure to deliver this written confirmation does not relieve the bidder of the obligation to purchase the Bonds.

ESTABLISHED INDUSTRY REPUTATION REQUIRED OF BIDDERS

By submitting a bid for the Bonds, each underwriter certifies it has an established industry reputation for underwriting new issuances of municipal bonds. The County will not accept bids from firms without an established industry reputation for underwriting new issuances of municipal bonds.

COMPLIANCE WITH NOTICE OF SALE

If any provisions of this Official Notice of Sale conflict with information provided by PARITY®, this Official Notice of Sale shall control. The County is not bound by any advice or determination of PARITY® as to whether any bid complies with the terms of this Official Notice of Sale. The time as maintained by PARITY® shall constitute the official time with respect to all bids submitted.

ELIGIBILITY TO BID

The County does not have a registration requirement for prospective bidders. However, bidders must be contracted customers of the BiDCOMP Competitive Bidding System and should promptly contact PARITY® directly at (212) 404-8102 for information about PARITY®, including its rules and fees, and becoming a contracted customer.

FORM OF BID, INTEREST RATES AND BID PRICES

All bids must conform to the requirements of this Official Notice of Sale. Bidders must bid to purchase all maturities of the Bonds. No bid will be considered which does not offer to purchase all of the Bonds. Each bid must specify (1) an annual rate of interest for each maturity of each series of the Bonds, (2) reoffering price or yield for each maturity of each series of the Bonds and (3) a dollar purchase price for the entire issue of the Bonds.

A bidder must specify the rate or rates of interest per annum (with no more than one rate of interest per maturity), which the series of the Bonds are to bear, to be expressed in the coupon rate multiples set forth in the related Bidding Parameters Table. Any number of interest rates may be named, but the Bonds of each maturity of a series must bear interest at the same single rate for all Bonds of that maturity.

Each bid for a series of the Bonds must meet the minimum and maximum coupon and pricing criteria shown in the related Bidding Parameters Table on a maturity and aggregate basis.

Each bidder must specify, as part of its bid, the prices or yields at which each maturity of a series will be offered and sold to the public. Reoffering prices presented as a part of the bids will not be used in computing the bidders' true interest cost. As promptly as reasonably possible after bids are received, the County will notify the successful bidder for all series of the Bonds that it is the apparent winner.

MUNICIPAL BOND INSURANCE

Each bidder for the Bonds must specify, as part of its bid, whether a commitment for bond insurance has been obtained by such bidder. The amount of any such premium must be included in the purchase price for the Bonds. The failure of a bidder to specify insurance in its bid will constitute a representation that the bidder has not obtained such an insurance commitment or that such insurance does not result in arbitrage true interest cost savings to the County. If an insurance commitment has been obtained and the insurance will produce arbitrage true interest cost savings to the County, such matters must be confirmed at the time the bidder is notified that it is the apparent winner, as described in "FORM OF BID, INTEREST RATES AND BID PRICES" above, and also with a certificate, and the successful bidder must furnish other related certificates from the insurer, satisfactory to the County in form and substance, delivered simultaneously with delivery of the Bonds. Qualification of insurance for the Bonds is borne by the bidder.

AWARD OF BID

The County expects to award the Bonds to the winning bidder no later than 6:00 p.m. Eastern Time on the Sale Date. Bids may not be withdrawn prior to the award. Unless all bids are rejected, the Bonds will be awarded by the County on the Sale Date to the bidder whose bid complies with this Official Notice of Sale and results in the lowest true interest cost to the County. The lowest true interest cost will be determined in accordance with the True Interest Cost ("TIC") method by doubling the semi-annual interest rate, compounded semi-annually, necessary to discount the debt service payments from the payment dates to the Dated Date of the Bonds and to the aggregate purchase price of the Bonds. If two or more bidders offer to purchase the Bonds at the same lowest TIC, the Bonds may be apportioned between such bidders if it is agreeable to each of the bidders who have offered the price producing the same lowest TIC; provided, that if apportionment is not acceptable to such bidders, the County will have the right to award the Bonds to one of such bidders. There will be no auction.

RIGHT OF REJECTION

The County expressly reserves the right (i) to waive any informalities, (ii) to reject all bids, any incomplete bid or any bid not fully complying with all of the requirements set forth herein, and (iii) to solicit new bids or proposals for the sale of the Bonds or otherwise provide for the public sale of the Bonds if all bids are rejected or the winning bidder defaults.

DELIVERY AND PAYMENT

Delivery of the Bonds will be made by the County to DTC in book-entry only form in New York, New York on or about the Delivery Date shown in the Bidding Parameters Table, or such other date agreed upon by the County and the successful bidder. Payment for the Bonds must be made in federal funds or other funds immediately available to the County at the time of delivery of the Bonds. Any expenses incurred in providing immediate funds, whether by transfer of federal funds or otherwise, will be borne by the purchaser. The cost of printing the Bonds, if any, will be borne by the County.

RIGHT OF CANCELLATION

The successful bidder will have the right, at its option, to cancel its obligation to purchase if the Registration Agent fails to execute the Bonds and tender the same for delivery within 60 days from the date of sale thereof, and in such event the successful bidder will be entitled to the return of the Good Faith Deposit accompanying its bid.

GOOD FAITH DEPOSIT

A Good Faith Deposit in the amount of \$1,800,000 is required of the winning bidder only for the Bonds. The winning bidder for the Bonds is required to submit such Good Faith Deposit payable to the order of the County in the form of a wire transfer in federal funds as instructed by the County's Financial Advisor, PFM Financial Advisors LLC. The winning bidder shall submit the Good Faith Deposit not more than two hours after verbal award is made. The winning bidder should provide as quickly as it is available, evidence of wire transfer by providing the County the federal funds reference number. If the Good Faith Deposit is not received in the time allotted, the bid of the winning bidder may be rejected and the County may direct the next lowest bidder to submit a Good Faith Deposit and thereafter may award the sale of the Bonds to the same.

Submission of a bid to purchase the Bonds serves as acknowledgement and acceptance of the terms of the Good Faith Deposit requirement.

The Good Faith Deposit so wired will be retained by the County until the delivery of the Bonds, at which time the Good Faith Deposit will be applied against the purchase price of the Bonds or the Good Faith Deposit will be retained by the County as partial liquidated damages in the event of the failure of the successful bidder to take up and pay for such Bonds in compliance with the terms of this Official Notice of Sale and of its bid. No interest on the Good Faith Deposit will be paid by the County. The balance of the purchase price must be wired in federal funds to the account detailed in the closing memorandum, simultaneously with delivery of the Bonds.

NO LITIGATION

There is no litigation pending concerning the validity of the Bonds, the existence of the County, or the entitlement of the officers thereof to their respective offices, and the successful bidder will be furnished a no-litigation certificate certifying to the foregoing as of and at the time of the delivery of the Bonds.

CUSIP NUMBERS

It is anticipated that CUSIP numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor any error with respect thereto will constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds. The policies of the CUSIP Service Bureau will govern the assignment of specific numbers to the Bonds. The successful bidder will be responsible for applying for and obtaining, subject to the CUSIP Service Bureau policy and procedures, CUSIP numbers for the Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds will be paid for by the County; provided, however, that the CUSIP Service Bureau charge for the assignment of said numbers will be the responsibility of and will be paid for by the successful bidder.

BLUE SKY

The County has not taken any action relating to the requirements of the securities or “blue sky” laws of any jurisdiction with respect to the offer and sale of the Bonds. In addition, the County is aware that certain jurisdictions have filing requirements, which must be satisfied prior to any offer and sale of the Bonds to the public.

INITIAL REOFFERING TERMS

The apparent successful bidder will provide the initial public offering prices to the public (the “Initial Public Offering Prices”) and yields of each maturity of each series of the Bonds (collectively the “Initial Reoffering Terms”) within 30 minutes of receipt of notice that it is the apparent winning bidder.

ESTABLISHMENT OF ISSUE PRICE

General. The successful bidder shall assist the County in establishing the issue price of the Bonds as more fully described herein.

Anticipated Compliance with Competitive Sale Requirements. The County intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “competitive sale requirements”) because:

- (1) the County shall disseminate this Official Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the County expects to receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the County anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Official Notice of Sale.

If the competitive sale requirements are satisfied with respect to the Bonds, the successful bidder shall execute and deliver to the County prior to Closing a certificate acceptable to Bond Counsel setting forth the reasonably expected Initial Public Offering Price, or the sales price or prices of the Bonds, together with the supporting documentation, substantially in the form attached hereto as Exhibit A-1, with such modifications as may be appropriate or necessary in the reasonable judgment of the County or Bond Counsel.

Application of the Hold-the-Offering-Price Rule if Competitive Sale Requirements Are Not Satisfied. In the event that the competitive sale requirements are not satisfied, the County shall treat the Initial Public Offering Price as of the Sale Date (as hereinafter defined) of each maturity of the Bonds as the issue price of that maturity (the “hold-the-offering-price rule”) and the successful bidder shall execute and deliver to the County a certificate acceptable to Bond Counsel, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A-2, with such modifications as may be appropriate or necessary in the reasonable judgment of the County or Bond Counsel.

The successful bidder shall, on behalf of the underwriters participating in the purchase of the Bonds, (i) confirm that the underwriters have offered or will offer each maturity of the Bonds to the public on or before the date that the Bonds are awarded by the County to the successful bidder ("Sale Date") at the Initial Public Offering Prices set forth in the bid submitted by the winning bidder, and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell any maturity of the Bonds to any person at a price that is higher than the Initial Public Offering Price for such maturity during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the fifth business day after the Sale Date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the Initial Public Offering Price for such maturity.

The winning bidder shall promptly advise the County when the underwriters have sold 10% of each maturity of each series of the Bonds to the public at a price that is no higher than the Initial Public Offering Price if that occurs prior to the close of the fifth (5th) business day after the Sale Date.

The County acknowledges that, in making the representation set forth above, the successful bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The County further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

By submitting a bid, each bidder confirms that:

(i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to:

(A) report the prices at which it sells to the public each series of the Bonds of each maturity allotted to it until it is notified by the successful bidder that either the 10% test has been satisfied as to the series of Bonds of that maturity or all Bonds of a series of that maturity have been sold to the public, and

(B) comply with the hold-the-offering-price rule, if and for so long as directed by the successful bidder and in the related pricing wires, and

(ii) any agreement among underwriters relating to the sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to:

(A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the successful bidder or such underwriter that either the 10% test has been satisfied as to the series of Bonds of that maturity or all Bonds of a series of that maturity have been sold to the public, and

(B) comply with the hold-the-offering-price rule, if and for so long as directed by the successful bidder or such underwriter and as set forth in the related pricing wires.

Definitions. Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Official Notice of Sale. Further, for purposes of this Notice of Sale:

- (i) "public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an underwriter or a related party,
- (ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the County (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public), and
- (iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

CERTIFICATE

In connection with delivery of the Bonds, the County will deliver a certificate of an official of the County, dated the date of delivery of said Bonds, stating that as of the date thereof, to the best of the knowledge and belief of said official, the Official Statement does not contain an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

ADDITIONAL INFORMATION

Additional information may be obtained from Albert Kiser, Administrator of Finance, albertk@hamiltontn.gov, (423) 209-6308, or Ricardo Callender (callenderr@pfm.com) of PFM Financial Advisors LLC, (901) 682-8356.

HAMILTON COUNTY, TENNESSEE

By: /s/ Jim Coppinger
The Honorable Jim Coppinger
County Mayor

Dated: February 27, 2018

EXHIBIT A-1

APPLICABLE FOR SALE WHERE THE COUNTY MAYOR RECEIVES AT LEAST THREE BIDS

ISSUE PRICE CERTIFICATE

\$[_____]

**Hamilton County, Tennessee
General Obligation Bonds,
Series 2018A**

\$[_____]

**Hamilton County, Tennessee
General Obligation Refunding Bonds,
Series 2018B (Recovery Zone Facility Bonds)**

The undersigned, on behalf of [Name of Purchaser] as the original purchaser (“**Original Purchaser**”), of the General Obligation Bonds, Series 2018A in the aggregate principal amount of \$[_____] (the “**Series 2018A Bonds**”) and the General Obligation Refunding Bonds, Series 2018B (Recovery Zone Facility Bonds) in the aggregate principal amount of \$[_____] (the “**Series 2018B Bonds**”) and together with the Series 2018A Bonds, the “**Bonds**”) issued by Hamilton County, Tennessee (the “**County**”), hereby certifies as set forth below with respect to the Bonds:

1. ***Reasonably Expected Initial Offering Price.***

(a) As of the Sale Date, the reasonably expected initial offering price of each series of the Bonds to the Public by the Original Purchaser are the prices listed in Schedule A attached hereto (the “**Expected Offering Prices**”). The Expected Offering Prices are the price for the Maturities used by the Original Purchaser in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by the Original Purchaser to purchase the Bonds.

(b) The Original Purchaser was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Original Purchaser constituted a firm offer to purchase the Bonds.

2. ***Defined Terms.***

(a) “**Maturity**” means each series of Bonds with the same credit and payment terms. Each series of Bonds with different maturity dates, or each series of Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) “**Public**” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) “**Sale Date**” means the first day on which there is a binding contract in writing for the sale of the Bonds. The Sale Date of the Bonds is March 6, 2018.

(d) “*Underwriter*” means (i) any person that agrees pursuant to a written contract with the County (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the County with respect to certain of the representations set forth in the No Arbitrage and Tax Regulatory Certificate dated the date hereof executed by the County and with respect to compliance with the federal income tax rules affecting the Bonds, and by Kutak Rock LLP in connection with rendering its opinion that the interest on the Bonds is excludable from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the County from time to time relating to the Bonds.

March 29, 2018

[NAME OF PURCHASER]

By: _____
Name: _____
Title: _____

SCHEDULE A
EXPECTED OFFERING PRICES

SCHEDULE B

COPY OF ORIGINAL PURCHASER'S BID

Exhibit A-2

APPLICABLE FOR SALE WHERE THE COUNTY MAYOR RECEIVES FEWER THAN THREE BIDS

ISSUE PRICE CERTIFICATE

\$[_____]

Hamilton County, Tennessee
General Obligation Bonds,
Series 2018A

\$[_____]

Hamilton County, Tennessee
General Obligation Refunding Bonds,
Series 2018B (Recovery Zone Facility Bonds)

The undersigned, on behalf of [Name of Purchaser] as the original purchaser (“**Original Purchaser**”), of the General Obligation Bonds, Series 2018A in the aggregate principal amount of \$[_____] (the “**Series 2018A Bonds**”) and the General Obligation Refunding Bonds, Series 2018B (Recovery Zone Facility Bonds) in the aggregate principal amount of \$[_____] (the “**Series 2018B Bonds**”) and together with the Series 2018A Bonds, the “**Bonds**”) issued by Hamilton County, Tennessee (the “**County**”), hereby certifies as set forth below with respect to the Bonds:

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity of each series of the Bonds was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering Price Maturities.***

(a) The Original Purchaser offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “**Initial Offering Prices**”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for each series of the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Official Notice of Sale dated February 27, 2018 related to the Bonds, the Original Purchaser has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of the related series of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “**hold-the-offering-price rule**”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the related series of Bonds during the Holding Period.

2. ***Defined Terms.***

(a) “**General Rule Maturities**” means those Maturities of each series of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”

(b) “*Hold-the-Offering-Price Maturities*” means those Maturities of each series of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”

(c) “*Holding Period*” means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (i.e., March 13, 2018), or (ii) the date on which the Original Purchaser has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) “*Maturity*” means each series of Bonds with the same credit and payment terms. Each series of Bonds with different maturity dates, or each series of Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(e) “*Public*” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(f) “*Sale Date*” means the first day on which there is a binding contract in writing for the sale of the Bonds. The Sale Date of the Bonds is March 6, 2018.

(g) “*Underwriter*” means (i) any person that agrees pursuant to a written contract with the County (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Original Purchaser’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the County with respect to certain of the representations set forth in the No Arbitrage and Tax Regulatory Certificate dated the date hereof executed by the County and with respect to compliance with the federal income tax rules affecting the Bonds, and by Kutak Rock LLP in connection with rendering its opinion that the interest on the Bonds is excludable from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the County from time to time relating to the Bonds.

March 29, 2018

[NAME OF PURCHASER]

By: _____
Name: _____
Title: _____

SCHEDULE A
SALE PRICES OF THE GENERAL RULE MATURITIES AND
INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES

SCHEDULE B
PRICING WIRE OR EQUIVALENT COMMUNICATION