

SUMMARY NOTICE OF SALE

\$75,800,000*

CITY OF KNOXVILLE, TENNESSEE

\$17,225,000* Electric System Revenue Refunding Bonds, Series KK-2020

\$7,885,000* Gas System Revenue Refunding Bonds, Series Z-2020

\$20,575,000* Water System Revenue Refunding Bonds, Series JJ-2020

\$30,115,000* Wastewater System Revenue Refunding Bonds, Series 2020A

NOTICE IS HEREBY GIVEN that separate electronic or written bids will be received by the President and CEO of KUB, at the offices of Cumberland Securities Company, Inc., Knoxville, Tennessee, until **11:15 a.m. E.D.T. on Wednesday, April 29, 2020** half of the City for the purchase of \$17,225,000* Electric System Revenue Refunding Bonds, Series KK-2020 (“Electric Bonds” or “Series KK-2020 Electric Bonds”). Prior to accepting bids, the Board, or the President and CEO of KUB, as its designee, reserves the right to postpone the sale to a later date, or to cancel the sale based upon market conditions via munihub at the internet website address (www.prospectushub.com) and/or the ***BiDCOMP™/PARITY™*** System not later than 10:15 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 munihub at the internet website address (www.prospectushub.com) and/or the ***BiDCOMP™/PARITY™*** System.

NOTICE IS HEREBY GIVEN that separate electronic or written bids will be received by the President and CEO of KUB, at the offices of Cumberland Securities Company, Inc., Knoxville, Tennessee, until **11:45 a.m. E.D.T. on Wednesday, April 29, 2020**, on behalf of the City for the purchase of \$7,885,000* Gas System Revenue Refunding Bonds, Series Z-2020 (“Gas Bonds” or “Series Z-2020 Gas Bonds”). Prior to accepting bids, the Board, or the President and CEO of KUB, as its designee, reserves the right to postpone the sale to a later date, or to cancel the sale based upon market conditions via munihub at the internet website address (www.prospectushub.com) and/or the ***BiDCOMP™/PARITY™*** System not later than 10:45 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 munihub at the internet website address (www.prospectushub.com) and/or the ***BiDCOMP™/PARITY™*** System.

NOTICE IS HEREBY GIVEN that separate electronic or written bids will be received by the President and CEO of KUB, at the offices of Cumberland Securities Company, Inc., Knoxville, Tennessee, until **10:15 a.m. E.D.T. on Wednesday, April 29, 2020**, on behalf of the City for the purchase of \$20,575,000* Water System Revenue Refunding Bonds, Series JJ-2020 (“Water Bonds” or “Series JJ-2020 Water Bonds”). Prior to accepting bids, the Board, or the President and CEO of KUB, as its designee, reserves the right to postpone the sale to a later date, or to cancel the sale based upon market conditions via munihub at the internet website address (www.prospectushub.com) and/or the ***BiDCOMP™/PARITY™*** System not later than 9:15 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 munihub at the internet website address (www.prospectushub.com) and/or the ***BiDCOMP™/PARITY™*** System.

NOTICE IS HEREBY GIVEN that separate electronic or written bids will be received by the President and CEO of KUB, at the offices of Cumberland Securities Company, Inc., Knoxville, Tennessee, until **10:45 a.m. E.D.T. on Wednesday, April 29, 2020**, on behalf of the City for the purchase of \$30,115,000* Wastewater System Revenue Refunding Bonds, Series 2020A (“Wastewater Bonds” or “Series 2020A Bonds”). Prior to accepting bids, the Board, or the President and CEO of KUB, as its designee, reserves the right to postpone the sale to a later date, or to cancel the sale based upon market conditions via munihub at the internet website address (www.prospectushub.com) and/or the ***BiDCOMP™/PARITY™*** System not later than 9:45 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 munihub at the internet website address (www.prospectushub.com) and/or the ***BiDCOMP™/PARITY™*** System.

*Subject to Change.

The Electric Bonds, Gas Bonds, Water Bonds and the Wastewater Bonds are collectively referred to herein as the “Bonds”.

Electronic bids for the Bonds must be submitted through ***BiDCOMP™/PARITY™*** 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. Neither the City nor KUB will confirm any subscription nor be responsible for the failure of any prospective bidders to subscribe. For the purposes of the bidding process, the time as maintained by ***BiDCOMP™/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 ***BiDCOMP™/PARITY™*** conflict with the terms of the Detailed Notice of Sale, such Notice shall prevail.

The Electric Bonds will be dated the date of issuance (assume May 22, 2020). The Electric Bonds will mature on July 1 in the years 2021 through 2030, inclusive, and will not be subject to optional redemption prior to maturity. The approving opinion for the Electric Bonds will be furnished at the expense of KUB by Bass, Berry & Sims PLC, Bond Counsel, Knoxville, Tennessee. No rate or rates bid for the Electric Bonds shall be less than three (3.00%) percent or exceed five percent (5.00%). No bid will be considered for the Electric Bonds for less than one hundred percent (100.00%) of par and accrued interest or more than one hundred and twenty-five percent (125%) of par and accrued interest. Unless bids are rejected, the Electric Bonds will be awarded separately by the President and CEO on the sale date to the bidder whose bid result in the lowest true interest rate on the Electric Bonds.

The Gas Bonds will be dated the date of issuance (assume May 22, 2020). The Gas Bonds will mature on March 1 in the years 2021 through 2030, inclusive, and will not be subject to optional redemption prior to maturity. The approving opinion for the Gas Bonds will be furnished at the expense of KUB by Bass, Berry & Sims PLC, Bond Counsel, Knoxville, Tennessee. No rate or rates bid for the Gas Bonds shall be less than three (3.00%) percent or exceed five percent (5.00%). No bid will be considered for the Gas Bonds for less than one hundred percent (100.00%) of par and accrued interest or more than one hundred and twenty-five percent (125%) of par and accrued interest. Unless bids are rejected, the Gas Bonds will be awarded separately by the President and CEO on the sale date to the bidder whose bid result in the lowest true interest rate on the Gas Bonds.

The Water Bonds will be dated the date of issuance (assume May 22, 2020). The Water Bonds will mature on March 1 in the years 2021 through 2040, inclusive, and will be subject to optional redemption prior to maturity on or after March 1, 2029. The approving opinion for the Water Bonds will be furnished at the expense of KUB by Bass, Berry & Sims PLC, Bond Counsel, Knoxville, Tennessee. No rate or rates bid for the Water Bonds shall be less than three (3.00%) percent or exceed five percent (5.00%). No bid will be considered for the Water Bonds for less than one hundred percent (100.00%) of par and accrued interest or more than one hundred and twenty-five percent (125%) of par and accrued interest. Unless bids are rejected, the Water Bonds will be awarded separately by the President and CEO on the sale date to the bidder whose bid result in the lowest true interest rate on the Water Bonds.

The Wastewater Bonds will be dated the date of issuance (assume May 22, 2020). The Wastewater Bonds will mature on April 1 in the years 2021 through 2045, inclusive, and will be subject to optional redemption prior to maturity on or after April 1, 2029. The approving opinion for the Wastewater Bonds will be furnished at the expense of KUB by Bass, Berry & Sims PLC, Bond Counsel, Knoxville, Tennessee. No rate or rates bid for the Wastewater Bonds shall be less than three (3.00%) percent or exceed five percent (5.00%). No bid will be considered for the Wastewater Bonds for less than one hundred percent (100.00%) of par and accrued interest or more than one hundred and twenty-five percent (125%) of par and accrued interest. Unless bids are rejected, the Wastewater Bonds will be awarded separately by the President and CEO on the sale date to the bidder whose bid result in the lowest true interest rate on the Wastewater Bonds.

In the event that the competitive sale requirements of applicable Treasury Regulations are not met, KUB will require bidders to comply with the “hold-the-offering-price rule” or the “10% Test” for purposes of determining the issue price of the Bonds.

Electronic bids made through the facilities of ***BiDCOMP™/PARITY™*** shall be deemed an offer to purchase in response to the Detailed Notice of Sale and shall be binding upon the bidders as if made by signed, written bids delivered to KUB. KUB, Bond Counsel and the Municipal Advisor 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 ***BiDCOMP™/PARITY™***. The use of the ***BiDCOMP™/PARITY™*** facility is at the sole risk of the prospective bidders.

Additional information, including the PRELIMINARY OFFICIAL STATEMENT in near final form and the Detailed Notice of Sale, may be obtained through www.prospectushub.com or Gabriel J. Bolas II, President and CEO, Knoxville Utilities Board, 445 South Gay Street, Knoxville, Tennessee 37902 or from KUB’s Municipal Advisor,

Cumberland Securities Company, Inc., Knoxville, Tennessee (865) 988-2663 or Munihub at (www.prospectushub.com). Further information regarding **BIDCOMP™/PARITY™** may be obtained from PARITY™, 1359 Broadway - 2nd Floor, New York, NY 10018, Telephone: 800.850.7422.

CITY OF KNOXVILLE, TENNESSEE
By and Through
KNOXVILLE UTILITIES BOARD

By: Gabriel J. Bolas II
President and CEO
Knoxville Utilities Board

DETAILED NOTICE OF SALE

\$75,800,000*

CITY OF KNOXVILLE, TENNESSEE

\$17,225,000* Electric System Revenue Refunding Bonds, Series KK-2020

\$7,885,000* Gas System Revenue Refunding Bonds, Series Z-2020

\$20,575,000* Water System Revenue Refunding Bonds, Series JJ-2020

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*Subject to Change.

The Electric Bonds, Gas Bonds, Water Bonds and the Wastewater Bonds are collectively referred to herein as the “Bonds”.

Description of the Bonds.

The Electric Bonds are being issued pursuant to Chapter 34, Title 7, and Chapter 21, Title 9, *Tennessee Code Annotated*, as amended (the “Act”), the Charter of the City (the “City Charter”), other applicable statutes, and pursuant to Resolution No. 1644 adopted by the City on January 4, 1949 as amended and supplemented by Resolution No. 2171 adopted February 22, 1955; Resolution No. 3491 adopted by the City on February 21, 1967; Resolution R-317-90 adopted by the City on October 30, 1990; Resolution No. R-469-92 adopted by the City on October 13, 1992; Resolution No. R-472-93 adopted by the City on October 26, 1993; Resolution No. R-95-95 adopted by the City on February 28, 1995; Resolution No. R-422-98 adopted by the City on October 20, 1998; Resolution No. R-64-01 adopted by the City on February 20, 2001; Resolution No. R-148-01 adopted by the City on March 20, 2001; Resolution No. R-480-01 adopted by the City on October 30, 2001; Resolution No. R-59-04 adopted by the City on March 2, 2004; Resolution No. R-261-05 adopted by the City on July 5, 2005; Resolution No. R-78-06 adopted by the City on February 28, 2006; Resolution No. R-251-08 adopted by the City on July 29, 2008; Resolution No. R-332-2010 adopted by the City on November 2, 2010; Resolution No. R-335-2011 adopted by the City on December 13, 2011; Resolution No. R-289-2012 adopted by the City on October 16, 2012; Resolution No. R-321-2012 adopted by the City on November 13, 2012; Resolution No. R-213-2014 adopted by the City on June 24, 2014; Resolution No. R-81-2015 adopted by the City on March 3, 2015; Resolution No. R-129-2015 adopted by the City on March 31, 2015; Resolution No. R-314-2016 adopted by the City on June 21, 2016; Resolution No. R-52-2017 adopted by the City on January 31, 2017; Resolution No. R-228-2017 adopted by the City on July 18, 2017; Resolution No. R-230-2018 adopted by the City on June 20, 2018; and Resolution No. R-101-2020 adopted by the City on March 24, 2020. Resolution Nos. 1644, 2171, 3491, R-317-90, R-469-92, R-472-93, R-95-95, R-422-98, R-64-01, R-148-01, R-480-01, R-59-04, R-261-05, R-78-06, R-251-08, R-332-2010, R-335-2011, R-289-2012, R-321-2012, R-213-2014, R-81-2015, R-129-2015, R-314-2016, R-52-2017, R-228-2017, R-230-2018 and R-101-2020 are hereinafter sometimes collectively referred to as the “Electric Bond Resolutions.” All Electric System Revenue Bonds issued pursuant to such Electric Bond Resolutions are hereinafter referred to as the “Electric System Bonds.”

The Gas Bonds are being issued pursuant to the Act, the City Charter, other applicable statutes, and pursuant to Resolution No. R-25-88 adopted by the City on February 9, 1988, as amended and supplemented by Resolution No. R-59-88 adopted by the City on March 22, 1988; Resolution No. R-227-91 adopted by the City on June 25, 1991; Resolution No. R-5-93 adopted by the City on January 5, 1993; amending Resolution No. R-471-92 adopted by the City on October 13, 1992; Resolution No. R-475-93 adopted by the City on October 26, 1993; Resolution No. R-22-97 adopted by the City on January 14, 1997; Resolution No. R-421-98 adopted by the City on October 20, 1998; Resolution No. R-66-01 adopted by the City on February 20, 2001; Resolution No. R-150-01 adopted by the City on March 20, 2001; Resolution No. R-479-01 adopted by the City on October 30, 2001; Resolution No. R-58-04 adopted by the City on March 2, 2004; Resolution No. R-262-05 adopted by the City on July 5, 2005; Resolution No. R-79-06 adopted by the City on February 28, 2006; Resolution No. R-345-07 adopted by the City on August 28, 2007; Resolution No. R-132-210 duly adopted by the City on May 4, 2010; Resolution No. R-333-2010 adopted by the City on November 2, 2010; Resolution No. R-336-2011 adopted by the City on December 13, 2011; Resolution No. R-290-2012 adopted by the City on October 16, 2012; Resolution No. R-322-2012 adopted by the City on November 13, 2012; Resolution No. R-242-2013 adopted by the City on July 23, 2013; Resolution No. R-82-2015 adopted by the City on March 3, 2015; Resolution No. R-315-2016 adopted by the City on June 21, 2016; Resolution No. R-51-2017 adopted by the City on January 31, 2017; Resolution No. R-227-2017 adopted by the City on July 18, 2017; Resolution No. R-229-2018 adopted by the City June 20, 2018; and Resolution No. R-100-2020 adopted by the City on March 24, 2020. Resolution Nos. R-25-88, R-59-88, R-227-91, R-5-93, R-471-92, R-475-93, R-22-97, R-421-98, R-66-01, R-150-01, R-479-01, R-58-04, R-262-05, R-79-06, R-345-07, R-132-210, R-333-2010, R-336-2011, R-290-2012, R-322-2012, R-242-2013, R-82-2015, R-315-2016, R-51-2017, R-227-2017, R-229-2018 and R-100-2020 are hereinafter sometimes collectively referred to as the “Gas Bond Resolutions”. All Gas System Revenue Bonds issued pursuant to such Gas Bond Resolutions are hereinafter referred to as the “Gas System Bonds.”

The Water Bonds are being issued pursuant to the Act, the City Charter, other applicable statutes, and pursuant to Resolution No. 2075 duly adopted by the City Council of the City on April 20, 1954, as amended and supplemented by Resolution No. 3633 duly adopted by the City on March 19, 1968; Resolution No. R-26-88 duly adopted by the City on February 9, 1988; Resolution No. R-318-90 duly adopted by the City on October 30, 1990; Resolution No. R-470-92 duly adopted by the City on October 13, 1992; Resolution No. R-474-93 duly adopted by the City on October 26, 1993; Resolution No. R-8-98 duly adopted by the City on January 27, 1998; Resolution No. R-65-01 duly adopted by the City on February 20, 2001; Resolution No. R-151-01 duly adopted by the City on March 20, 2001; Resolution No. R-482-01 duly adopted by the City on October 30, 2001; Resolution No. R-57-04 duly adopted by the City on March 2, 2004; Resolution No. R-263-05 duly adopted by the City on July 5, 2005; Resolution No. R-346-07 duly adopted by the City on August 28, 2007; Resolution No. R-211-09 duly adopted by the City on June 30, 2009; Resolution No. R-133-10 duly adopted by the

City on May 4, 2010; Resolution No. R-285-2011 duly adopted by the City on October 4, 2011; Resolution No. R-337-2011 adopted by the City on December 13, 2011; Resolution No. R-323-2012 adopted by the City on November 13, 2012; Resolution No. R-243-2013 adopted by the City on July 23, 2013; Resolution No. R-214-2014 adopted by the City on June 24, 2014; Resolution No. R-83-2015 adopted by the City on March 3, 2015; Resolution No. R-127-2015 adopted by the City on March 31, 2015; Resolution No. R-316-2016 adopted by the City on June 21, 2016; Resolution No. R-318-2016 adopted by the City on June 21, 2016; Resolution No. R-50-2017 adopted by the City on January 31, 2017; Resolution No. R-226-2017 adopted by the City on July 18, 2017; Resolution No. R-228-2018 adopted by the City on June 20, 2018; Resolution No. R-207-2019 adopted by the City on June 4, 2019; and Resolution No. R-98-2020 adopted by the City on March 24, 2020. Resolution Nos. 2075, 3633, R-26-88, R-318-90, R-470-92, R-474-93, R-8-98, R-65-01, R-151-01, R-482-01, R-57-04, R-263-05, R-346-07, R-211-09, R-133-10, R-285-2011, R-337-2011, R-323-2012, R-243-2013, R-214-2014, R-83-2015, R-127-2015, R-316-2016, R-318-2016, R-50-2017, R-226-2017, R-228-2018, R-207-2019 and R-98-2020 are hereinafter sometimes collectively referred to as the “Water Bond Resolutions.” All Water System Revenue Bonds issued pursuant to such Water Bond Resolutions are hereinafter referred to as the “Water System Bonds.”

The Wastewater Bonds are being issued pursuant to the Act, the City Charter, other applicable statutes for the purpose of providing funds to pay for the construction of improvements to and extending of the City’s Wastewater System, and pursuant to Resolution No. R-129-90 adopted by the City on May 15, 1990, as amended and supplemented by Resolution No. R-130-90 adopted May 15, 1990, Resolution No. R-473-93 adopted by the City on October 26, 1992, Resolution No. R-5-98 adopted by the City on January 27, 1998, and Resolution No. R-67-01 adopted by the City on February 20, 2001; Resolution No. R-148-01 adopted by the City on March 20, 2001; Resolution No. R-481-01 adopted by the City on October 30, 2001; Resolution No. R-56-04 adopted by the City on March 2, 2004; Resolution No. R-264-05 adopted by the City on July 5, 2005; Resolution No. R-347-07 adopted by the City on August 28, 2007; Resolution No. R-252-08 adopted by the City on July 29, 2008; Resolution No. R-11-S adopted by the City on December 15, 2009; Resolution No. R-134-2010 adopted by the City on May 4, 2010; Resolution No. R-334-2010 adopted by the City on November 2, 2010; Resolution No. R-338-2011 adopted by the City on December 13, 2011; Resolution No. R-291-2012 adopted by the City on October 16, 2012; Resolution No. R-324-2012 adopted by the City on November 13, 2012; Resolution No. R-212-2014 adopted by the City on June 24, 2014; Resolution No. R-84-2015 adopted by the City on March 3, 2015; Resolution No. R-128-2015 adopted by the City on March 31, 2015; Resolution No. R-317-2016 adopted by the City on June 21, 2016; Resolution No. R-49-2017 adopted by the City on January 31, 2017; Resolution No. R-225-2017 adopted by the City on July 18, 2017; Resolution No. R-233-2018 adopted by the City on June 20, 2018; Resolution No. R-208-2019 adopted by the City on June 4, 2019; and Resolution No. R-99-2020 adopted by the City on March 24, 2020. Resolution Nos. R-129-90, R-130-90, R-473-93, R-5-98, R-67-01, R-148-01, R-481-01, R-56-04, R-264-05, R-347-07, R-252-08, R-11-S, R-134-2010, R-334-2010, R-338-2011, R-291-2012, R-324-2012, R-212-2014, R-84-2015, R-128-2015, R-317-2016, R-49-2017, R-225-2017, R-233-2018, R-208-2019 and R-99-2020 are hereinafter sometimes collectively referred to as the “Wastewater Bond Resolutions.” All Wastewater System Revenue Bonds issued pursuant to such Wastewater Bond Resolutions are hereinafter referred to as the “Wastewater System Bonds.”

The Bonds will be issued in fully registered book-entry-only form without coupons, be dated the date of issuance, 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, and will mature (subject to the right of redemption as hereinafter set forth) and be payable as listed on below:

ELECTRIC BONDS				GAS BONDS			
<u>Maturity</u> <u>(July 1)</u>	<u>Amount*</u>	<u>Maturity</u> <u>(July 1)</u>	<u>Amount*</u>	<u>Maturity</u> <u>(March 1)</u>	<u>Amount*</u>	<u>Maturity</u> <u>(March 1)</u>	<u>Amount*</u>
2021	\$1,565,000	2026	\$ 1,735,000	2021	\$ 760,000	2026	\$ 790,000
2022	1,620,000	2027	1,765,000	2022	735,000	2027	805,000
2023	1,650,000	2028	1,800,000	2023	750,000	2028	820,000
2024	1,675,000	2029	1,835,000	2024	760,000	2029	835,000
2025	1,705,000	2030	1,875,000	2025	775,000	2030	855,000

*Subject to change

WATER BONDS

<u>Maturity (March 1)</u>	<u>Amount*</u>	<u>Maturity (March 1)</u>	<u>Amount*</u>
2021	\$ 445,000	2031	\$ 525,000
2022	635,000	2032	520,000
2023	580,000	2033	510,000
2024	575,000	2034	2,005,000
2025	570,000	2035	1,980,000
2026	560,000	2036	1,950,000
2027	555,000	2037	1,925,000
2028	545,000	2038	1,900,000
2029	540,000	2039	1,875,000
2030	530,000	2040	1,850,000

WASTEWATER BONDS

<u>Maturity (April 1)</u>	<u>Amount*</u>	<u>Maturity (April 1)</u>	<u>Amount*</u>
2021	\$ 950,000	2034	\$ 1,190,000
2022	940,000	2035	1,220,000
2023	950,000	2036	1,255,000
2024	965,000	2037	1,285,000
2025	985,000	2038	1,325,000
2026	1,000,000	2039	1,360,000
2027	1,020,000	2040	1,405,000
2028	1,040,000	2041	1,445,000
2029	1,060,000	2042	1,490,000
2030	1,080,000	2043	1,535,000
2031	1,105,000	2044	1,585,000
2032	1,130,000	2045	1,635,000
2033	1,160,000		

*Subject to change

Registration and Depository Participation. The Bonds will be issued by means of a book-entry-only system and no physical distribution of bond certificates will be made to the public. One Bond certificate for each maturity will be issued to the Depository Trust Company, New York, New York (“DTC”), and immobilized in its custody. The book-entry-only system will evidence beneficial ownership interests of the Bonds in the principal amount of \$5,000 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. Interest on the Bonds will be payable semiannually and principal of the Bonds will be payable, at maturity or upon redemption, 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 to Beneficial Owners of the Bonds by Participants of DTC, will be the responsibility of such participants and of the nominees of Beneficial Owners. Neither the City nor KUB will 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.

In the event that the Book-Entry-Only System for the Bonds is discontinued and a successor securities depository is not appointed by the Board, 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 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 KUB 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 resolutions authorizing the Bonds.

Security Pledged. The Electric Bonds, the Gas Bonds, the Water Bonds and Wastewater Bonds will be issued pursuant to and secured by the Electric Bond Resolution, the Gas Bond Resolution, the Water Bond Resolution and the Wastewater Bond Resolution, respectively, and will be payable solely from the net revenues of the applicable System, as further described herein.

Rate Covenants. The bond resolutions require the Board to fix rates as to each System to provide revenues sufficient to pay related expenses and obligations and to meet a 1.20 debt service coverage ratio, all as more fully hereinafter described.

Purpose. The Bonds are being issued to provide funds to pay the cost of refinancing debt as described in the Preliminary Official Statement of the City relating to the Electric System, the Gas System, Water System and Wastewater System (the “Systems”), and the payment of legal, fiscal, administrative and engineering costs incident thereto and incident to the issuance and sale of the Bonds.

Optional Redemption. The Electric Bonds are not subject to optional redemption prior to maturity. The Gas Bonds are not subject to optional redemption prior to maturity. The Water Bonds maturing on and after March 1, 2030 will be subject to redemption prior to maturity at the option of the Board on or after March 1, 2029 at the redemption price of par plus accrued interest as provided herein. The Wastewater Bonds maturing on and after April 1, 2030 will be subject to redemption prior to maturity at the option of the Board on or after April 1, 2029 at the redemption price of par plus accrued interest as provided herein.

If less than all the Bonds shall be called for redemption, the Board, in its discretion, shall designate the maturity or maturities which will be redeemed. If less than all of the Bonds within a single maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

- (i) if the Bonds are being held under a Book-Entry-Only System by DTC, or a successor Depository, the Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or
- (ii) if the Bonds are not being held under a Book-Entry-Only 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.

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 the 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 Board 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 manner provided above for optional redemption of Bonds within a single maturity.

Bidding Instructions. Bidders 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 less than three percent (3.00%) or in excess of five percent (5.00%) per annum for the Bonds. 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 all Bonds of a single maturity. Bidders must bid not less than one hundred percent (100.00%) of par or more than one hundred and twenty-five percent (125%) of par for all of the Bonds.

Electronic bids for the Bonds must be submitted through **BiDCOMPTM/PARITYTM** and no other provider of electronic bidding services will be accepted. Subscription to i-Deal LLC Dalcomp Division's **BiDCOMPTM** Competitive Bidding System is required in order to submit an electronic bid. Neither the City nor KUB will not confirm any subscription nor be responsible for the failure of any prospective bidders to subscribe. For the purposes of the bidding process, the time as maintained by **BiDCOMPTM/PARITYTM** 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 **BiDCOMPTM/PARITYTM** conflict with the terms of this Detailed Notice of Sale, this Notice shall prevail. Electronic bids made through the facilities of **BiDCOMPTM/PARITYTM** shall be deemed an offer to purchase in response to the Detailed Notice of Sale and shall be binding upon the bidders as if made by signed, written bids delivered to KUB. KUB, the Board, the Bond Counsel and the Municipal Advisor 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 **PARITYTM**. The use of the **BiDCOMPTM/PARITYTM** facilities is at the sole risk of the prospective bidders. For further information regarding **PARITYTM**, potential bidders may contact **BiDCOMPTM/PARITYTM** at 1359 Broadway - 2nd Floor, New York, NY 10018, Telephone: 800-850-7422.

In the event of a system malfunction in the electronic bidding process only, bidders may submit bid(s) prior to the established date and time by FACSIMILE transmission sent to KUB's Municipal Advisor, Cumberland Securities Company, Inc. at 865-988-1863. Any facsimile submission is made at the sole risk of the prospective bidder. KUB and the Municipal 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.

Written bids should be submitted by facsimile to the President and CEO of KUB at the offices of KUB's Municipal Advisor at 865-988-1863. Written bids must be submitted on the Bid Forms included with the PRELIMINARY OFFICIAL STATEMENT.

KUB reserves the right to reject all bids for the Bonds or any series of the Bonds and to waive any informalities in the bids accepted.

Unless all bids for any series of the Bonds are rejected, each series of the Bonds will be awarded to the bidder(s) whose bid complies with this notice and results in the lowest true interest rate on that series of 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 that series 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 a series of the Bonds at the same lowest true interest rate, the President and CEO shall determine in his sole discretion which of the bidders shall be awarded the Bonds.

After receipt of the bids, the Board, or the President and CEO of KUB, as its designee, reserves the right to make adjustments and/or revisions to the Bonds, as described below.

Adjustment and/or Revision. While it is KUB's intention to sell and issue the approximate par amounts of each respective series of the Bonds as offered herein, there is no guarantee that adjustment and/or revision may not be necessary in order to properly size each series of Bonds. Accordingly, the President and CEO, as the Board's designee, reserves the right, in his sole discretion, to adjust down the original par amount of each series of the bonds by up to twenty-five percent (25.0%). The primary factor that will be considered in adjusting the par amount is the amount of premium, if any, that is bid. Among other factors the President and CEO as its designee, may (but shall be under no obligation to) consider in sizing the par amounts and individual maturities of the Bonds is the size of individual maturities or sinking fund installments and/or other preferences of KUB. KUB also reserves the right to change the dated date of the Bonds. The maximum adjustment will take place only if the maximum bid is received.

Good Faith Deposit. No good faith check will be required to accompany any bid submitted. The successful bidder shall be required to deliver to KUB's Municipal Advisor (wire transfer or certified check) the amount of up to 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 KUB's Municipal Advisor no later than the close of business on the day following the competitive sale. The winning bidders will be emailed wiring instructions after the sale.

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

In the event of the failure of KUB 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.

Establishment of Issue Price

Undertakings of the Successful Bidder. The successful bidder shall make a bona fide public offering of the Bonds and shall, within 30 minutes after being notified of the award of the Bonds, advise KUB in writing (via facsimile transmission or electronic mail) of the initial public offering prices of the Bonds (the "Initial Reoffering Prices"). The successful bidder must, by facsimile transmission or delivery received by KUB within 24 hours after award, furnish the following information to KUB to complete the Official Statement in final form, as described below:

- A. Selling compensation (aggregate total anticipated compensation to the underwriters expressed in dollars, based on the expectation that all the Bonds are sold at the prices or yields at which the successful bidder advised KUB that the Bonds were initially offered to the public).
- B. The identity of the other underwriters if the successful bidder is part of a group or syndicate.
- C. Any other material information that KUB determines is necessary to complete the Official Statement in final form.

After the award of the Bonds, KUB will prepare copies of the final Official Statement and will include therein such additional information concerning the reoffering of the Bonds as the successful bidder may reasonably request; provided, however, that KUB will not include in the final Official Statement a "NRO" ("not reoffered") designation with respect to any maturity of the Bonds. The successful bidder will be responsible to KUB in all aspects for the accuracy and completeness of information provided by such successful bidder with respect to such reoffering.

KUB expects the successful bidder to deliver copies of such Official Statement in final form (the “Final Official Statement”) to persons to whom such bidder initially sells the Bonds and the Municipal Securities Rulemaking Board (“MSRB”) via the MSRB’s Electronic Municipal Market Access System (“EMMA”). The successful bidder will be required to acknowledge receipt of the Final Official Statement, to certify that it has made delivery of the Final Official Statement to the MSRB, to acknowledge that KUB expects the successful bidder to deliver copies of such Final Official Statement to persons to whom such bidder initially sells the Bonds and to certify that the Bonds will only be offered pursuant to the Final Official Statement and only in states where the offer is legal.

Issue Price Certificate

- a. The successful bidder shall assist KUB in establishing the issue price of the Bonds and shall execute and deliver to KUB, on or prior to the date of issuance and delivery of the Bonds (the “Closing Date”), an “issue price” or similar certificate setting forth the reasonably expected initial offering prices to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A or Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the successful bidder, KUB and Bass, Berry & Sims PLC (“Bond Counsel”). All actions to be taken by KUB under this Detailed Notice of Bond Sale to establish the issue price of the Bonds may be taken on behalf of KUB by the Municipal Advisor and any notice or report to be provided to KUB may be provided to the Municipal Advisor.
- b. KUB 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. KUB shall disseminate this Detailed Notice of Bond 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. KUB may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds;
 4. KUB 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 Detailed Notice of Bond Sale; and
 5. Any bid submitted pursuant to this Detailed Notice of Bond Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.
- c. In the event that the Competitive Sale Requirements are not satisfied, KUB shall so advise the successful bidder. KUB may determine to treat (i) the first price at which 10% of a maturity of the Bonds (the “10% Test”) is sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity (the “Hold-the-Offering-Price Rule”), in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The successful bidder shall advise KUB if any maturity of the Bonds satisfies the 10% Test as of the date and time of the award of the Bonds. KUB shall promptly advise the successful bidder, at or before the time of award of the Bonds, which maturities (and if different interest rates apply within a maturity, which separate CUSIP number within that maturity) of Bonds shall be subject to the 10% Test or shall be subject to the Hold-the-Offering-Price Rule. Bids will not be subject to cancellation in the event that KUB determines to apply the Hold-the-Offering-Price Rule to any maturity of the Bonds. Bidders should prepare their bids on the assumption that some or all of the maturities of the Bonds will be subject to the Hold-the-Offering-Price Rule in order to establish the issue price of the Bonds.
- d. By submitting a bid, the successful bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the “Initial Offering Price”), or at the corresponding yield or yields, set forth in the bid submitted by the successful bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the Hold-the-Offering-Price Rule shall apply to any person at a price that is higher than the Initial Offering Price to the public during the period starting on the sale date and ending on the earlier of the following:
 1. the close of the fifth (5th) 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 Offering Price to the public.

The successful bidder shall promptly advise KUB when the underwriters have sold 10% of that maturity of the Bonds to the public at a price that is no higher than the Initial Offering Price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

- e. If the Competitive Sale Requirements are not satisfied, then until the 10% Test has been satisfied as to each maturity of the Bonds, the successful bidder agrees to promptly report to KUB the prices at which the unsold Bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% Test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold.
- f. KUB 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. KUB 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.
- g. 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 initial 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 the unsold 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 Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the successful bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial 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 Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the successful bidder or such underwriter and as set forth in the related pricing wires.
- h. 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 Detailed Notice of Bond Sale. Further, for purposes of this Detailed Notice of Bond Sale:
 1. “public” means any person other than an underwriter or a related party;
 2. “underwriter” means (A) any person that agrees pursuant to a written contract with KUB (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);
 3. 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); and

4. “sale date” means the date that the Bonds are awarded by KUB to the successful bidder.

Issue Price Certificate. The winning bidder will be required to provide KUB, at closing, with an issue price certificate consistent with the foregoing. A form of the issue price certificate is attached to this Detailed Notice of Sale as Exhibit A if the Hold-the-Offering-Price Rule does not apply, and a form of the issue price certificate is attached to the Detailed Notice of Sale as Exhibit B if such Rule does apply.

Legal Opinions. The approving opinions of Bass, Berry & Sims PLC, Knoxville, Tennessee, Bond Counsel along with other certificates including, but not limited to, tax certificates and a continuing disclosure certificates dated as of the date of delivery of the Bonds will be furnished to the purchaser at the expense of KUB. 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 and is not an item of tax preference for purposes of the federal law alternative minimum tax. 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, KUB 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 and operating data relating to KUB by not later than twelve months after each of KUB's fiscal years, (the “Annual Report”), and to provide notice of the occurrence of certain enumerated events. 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 KUB 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 KUB either with the MSRB and the SID. The specific nature of the information to be contained in the Annual Report or the notices of events will be summarized in KUB'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-only 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.

CUSIP Numbers. CUSIP numbers will be assigned to the Bonds at the expense of KUB. KUB 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 Board has deemed the PRELIMINARY OFFICIAL STATEMENT to be final as of its date within the meaning of Rule 15c2-12 of the Securities and Exchange Commission (the “SEC”) except for the omission of certain pricing and other information. KUB will furnish the successful bidder(s) at the expense of KUB 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 to the persons to whom such bidder(s) and members of its bidding group initially sell the Bonds. Acceptance of the bid will constitute a contract between KUB 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 munihub at (www.prospectushub.com) or KUB's Municipal Advisor, Cumberland Securities Company, Inc., Knoxville, Tennessee, Telephone: 865-988-2663. Further information regarding *BIDCOMP™/PARITY™* may be obtained from *BIDCOMP™/PARITY™*, 1359 Broadway - 2nd Floor, New York, NY 10018, Telephone: 800.850.7422.

CITY OF KNOXVILLE, TENNESSEE

By and Through
KNOXVILLE UTILITIES BOARD

By: Gabriel J. Bolas II
President and CEO
Knoxville Utilities Board

EXHIBIT A

\$75,800,000*

CITY OF KNOXVILLE, TENNESSEE

\$17,225,000* Electric System Revenue Refunding Bonds, Series KK-2020**

\$7,885,000* Gas System Revenue Refunding Bonds, Series Z-2020**

\$20,575,000* Water System Revenue Refunding Bonds, Series JJ-2020**

\$30,115,000* Wastewater System Revenue Refunding Bonds, Series 2020A**

*Subject to Change.

** Each Series of Bonds will have a separate certificate.

ISSUE PRICE CERTIFICATE

(for Competitive Sales, to be modified if Hold the Offering Price Rule applies)

The undersigned, on behalf of [NAME OF UNDERWRITER] (“[SHORT NAME OF UNDERWRITER]”), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Bonds”) of the City of Knoxville, Tennessee (the “Issuer”).

1. *Reasonably Expected Initial Offering Price.*

- (a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Bonds.
- (b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.
- (c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Bonds.

2. *Defined Terms.*

- (a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or 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 a Maturity of the Bonds. The Sale Date of the Bonds is April 29, 2020.
- (d) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (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 [SHORT NAME OF UNDERWRITER]'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 Issuer with respect to certain of the representations set forth in the Tax Certificate with respect to the Bonds and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bass, Berry & Sims PLC in connection with rendering its opinion that the interest on the Bonds is excluded 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 Issuer from time to time relating to the Bonds.

Dated: _____

[NAME OF UNDERWRITER]

By: _____

Name: _____

Title: _____

EXHIBIT B

\$75,800,000*

CITY OF KNOXVILLE, TENNESSEE

\$17,225,000* Electric System Revenue Refunding Bonds, Series KK-2020**

\$7,885,000* Gas System Revenue Refunding Bonds, Series Z-2020**

\$20,575,000* Water System Revenue Refunding Bonds, Series JJ-2020**

\$30,115,000* Wastewater System Revenue Refunding Bonds, Series 2020A**

*Subject to Change.

** Each Series of Bonds will have a separate certificate.

ISSUE PRICE CERTIFICATE (if Hold-the-Offering-Price Rule applies)

The undersigned, on behalf of [NAME OF UNDERWRITER] (“[SHORT NAME OF UNDERWRITER]”) [and the other members of the underwriting syndicate (together, the “Underwriting Group”)], hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”) of the City of Knoxville, Tennessee (the “Issuer”).

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

- (a) [SHORT NAME OF UNDERWRITER] [The Underwriting Group] 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 the Bonds is attached to this certificate as Schedule B.
- (b) As set forth in the [Notice of Sale and bid award], [SHORT NAME OF UNDERWRITER][the members of the Underwriting Group] agreed in writing on or prior to the Sale Date that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, [it][they] would neither offer nor sell any of the Bonds 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) 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 Bonds during the Holding Period.

2. *Defined Terms.*

- (a) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”
- (b) *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, or (ii) the date on which [SHORT NAME OF UNDERWRITER][the Underwriting Group] 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.
- (c) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are

treated as separate maturities.

- (d) *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.
- (e) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is April 29, 2020.
- (f) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (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 [SHORT NAME OF UNDERWRITER]’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 Issuer with respect to certain of the representations set forth in the Tax Certificate with respect to the Bonds and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bass, Berry & Sims PLC connection with rendering its opinion that the interest on the Bonds is excluded 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 Issuer from time to time relating to the Bonds.

Dated: _____

[NAME OF UNDERWRITER]

By: _____

BID FORM –ELECTRIC BONDS

Mr. Gabriel J. Bolas II, President and CEO
Knoxville Utilities Board
445 Gay Street
Knoxville, Tennessee 37902

April 29, 2020

Dear Mr. Bolas:

For your legally issued, properly executed \$17,225,000* Electric System Revenue Refunding Bonds, Series KK-2020 ("Electric Bonds" or "Series KK-2020 Electric Bonds") of the City of Knoxville, Tennessee, 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 Electric Bonds shall be dated the date of issuance (assume May 22, 2020) and shall be callable in accordance with the DETAILED NOTICE OF SALE. The Electric Bonds shall mature on July 1 and bear interest at the following rates:

<u>Maturity</u> <u>(July 1)</u>	<u>Amount*</u>	<u>Rate</u>	<u>Maturity</u> <u>(July 1)</u>	<u>Amount*</u>	<u>Rate</u>
2021	\$1,565,000	_____	2026	\$ 1,735,000	_____
2022	1,620,000	_____	2027	1,765,000	_____
2023	1,650,000	_____	2028	1,800,000	_____
2024	1,675,000	_____	2029	1,835,000	_____
2025	1,705,000	_____	2030	1,875,000	_____

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

Term Bond 1 includes the following maturities: From July 1, 20__ to July 1, 20__; at the rate of ____%.

Term Bond 2 includes the following maturities: From July 1, 20__ to July 1, 20__; at the rate of ____%.

Term Bond 3 includes the following maturities: From July 1, 20__ to July 1, 20__; at the rate of ____%.

Term Bond 4 includes the following maturities: From July 1, 20__ to July 1, 20__; at the rate of ____%.

Term Bond 5 includes the following maturities: From July 1, 20__ to July 1, 20__; at the rate of ____%.

It is our understanding that the Electric Bonds are offered for sale subject to the final approving opinion of Bass, Berry & Sims PLC, Knoxville, Tennessee, as Bond Counsel, whose opinion together with the executed Electric Bonds will be furnished by KUB without cost to us.

If our bid is accepted, we agree to provide a good faith deposit of up to 2% of the Electric Bonds on which we have bid by the close of business on the day following the competitive public 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 Electric Bonds on which we have bid.

This bid is a firm offer for the purchase of the Bonds identified in the Notice of Sale, on the terms set forth in this bid form and the Notice of Sale, and is not subject to any conditions, except as permitted by the Notice of Sale. By submitting this bid, we confirm that we have an established industry reputation for underwriting new issuances of municipal bonds. [If the bidder cannot confirm an established industry reputation for underwriting new issuances of municipal bonds, the preceding sentence should be crossed out.]

ACCEPTED this 29th day of April, 2020,
by the Knoxville Utilities Board.

Very truly yours,

(Name)

(Firm)

(Mailing Address)

() _____

Gabriel J. Bolas II, President and CEO

Mark Walker, Senior Vice President and CFO

Total interest cost from date of bonds to maturity.....	\$ _____
Less premium bid, if any, or plus discount, if any	\$ _____
Net Interest Cost	\$ _____
True Interest Rate.....	_____ % (four decimals)

The above 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.

*Subject to change.

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BID FORM –GAS BONDS

Mr. Gabriel J. Bolas II, President and CEO
Knoxville Utilities Board
445 Gay Street
Knoxville, Tennessee 37902

April 29, 2020

Dear Mr. Bolas:

For your legally issued, properly executed \$7,885,000* Gas System Revenue Refunding Bonds, Series Z-2020 (“Gas Bonds” or “Series Z-2020 Gas Bonds”) of the City of Knoxville, Tennessee, 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 Gas Bonds shall be dated the date of issuance (assume May 22, 2020) and shall be callable in accordance with the DETAILED NOTICE OF SALE. The Gas Bonds shall mature on March 1 and bear interest at the following rates:

<u>Maturity</u> <u>(March 1)</u>	<u>Amount*</u>	<u>Rate</u>	<u>Maturity</u> <u>(March 1)</u>	<u>Amount*</u>	<u>Rate</u>
2021	\$ 760,000	_____	2026	\$ 790,000	_____
2022	735,000	_____	2027	805,000	_____
2023	750,000	_____	2028	820,000	_____
2024	760,000	_____	2029	835,000	_____
2025	775,000	_____	2030	855,000	_____

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

Term Bond 1 includes the following maturities: From March 1, 20__ to March 1, 20__; at the rate of ____%.

Term Bond 2 includes the following maturities: From March 1, 20__ to March 1, 20__; at the rate of ____%.

Term Bond 3 includes the following maturities: From March 1, 20__ to March 1, 20__; at the rate of ____%.

Term Bond 4 includes the following maturities: From March 1, 20__ to March 1, 20__; at the rate of ____%.

Term Bond 5 includes the following maturities: From March 1, 20__ to March 1, 20__; at the rate of ____%.

It is our understanding that the Gas Bonds are offered for sale subject to the final approving opinion of Bass, Berry & Sims PLC, Knoxville, Tennessee, as Bond Counsel, whose opinion together with the executed Gas Bonds will be furnished by KUB without cost to us.

If our bid is accepted, we agree to provide a good faith deposit of up to 2% of the Gas Bonds on which we have bid by the close of business on the day following the competitive public 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 Gas Bonds on which we have bid.

This bid is a firm offer for the purchase of the Bonds identified in the Notice of Sale, on the terms set forth in this bid form and the Notice of Sale, and is not subject to any conditions, except as permitted by the Notice of Sale. By submitting this bid, we confirm that we have an established industry reputation for underwriting new issuances of municipal bonds. [If the bidder cannot confirm an established industry reputation for underwriting new issuances of municipal bonds, the preceding sentence should be crossed out.]

ACCEPTED this 29th day of April, 2020,
by the Knoxville Utilities Board.

Very truly yours,

(Name)

(Firm)

(Mailing Address)

(_____)_____

Gabriel J. Bolas II, President and CEO

Mark Walker, Senior Vice President and CFO

Total interest cost from date of bonds to maturity.....	\$ _____
Less premium bid, if any, or plus discount, if any	\$ _____
Net Interest Cost	\$ _____
True Interest Rate.....	_____ % (four decimals)

The above 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.

*Subject to change.

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BID FORM –WATER BONDS

Mr. Gabriel J. Bolas II, President and CEO
Knoxville Utilities Board
445 Gay Street
Knoxville, Tennessee 37902

April 29, 2020

Dear Mr. Bolas:

For your legally issued, properly executed \$20,575,000* Water System Revenue Refunding Bonds, Series JJ-2020 ("Water Bonds" or "Series JJ-2020 Water Bonds") of the City of Knoxville, Tennessee, 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 Water Bonds shall be dated the date of issuance (assume May 22, 2020) and shall be callable in accordance with the DETAILED NOTICE OF SALE. The Water Bonds shall mature on March 1 and bear interest at the following rates:

<u>Maturity (March 1)</u>	<u>Amount*</u>	<u>Rate</u>	<u>Maturity (March 1)</u>	<u>Amount*</u>	<u>Rate</u>
2021	\$ 445,000	_____	2031	\$ 525,000	_____
2022	635,000	_____	2032	520,000	_____
2023	580,000	_____	2033	510,000	_____
2024	575,000	_____	2034	2,005,000	_____
2025	570,000	_____	2035	1,980,000	_____
2026	560,000	_____	2036	1,950,000	_____
2027	555,000	_____	2037	1,925,000	_____
2028	545,000	_____	2038	1,900,000	_____
2029	540,000	_____	2039	1,875,000	_____
2030	530,000	_____	2040	1,850,000	_____

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

Term Bond 1 includes the following maturities: From March 1, 20__ to March 1, 20__; at the rate of ____%.
Term Bond 2 includes the following maturities: From March 1, 20__ to March 1, 20__; at the rate of ____%.
Term Bond 3 includes the following maturities: From March 1, 20__ to March 1, 20__; at the rate of ____%.
Term Bond 4 includes the following maturities: From March 1, 20__ to March 1, 20__; at the rate of ____%.
Term Bond 5 includes the following maturities: From March 1, 20__ to March 1, 20__; at the rate of ____%.

It is our understanding that the Water Bonds are offered for sale subject to the final approving opinion of Bass, Berry & Sims PLC, Knoxville, Tennessee, as Bond Counsel, whose opinion together with the executed Water Bonds will be furnished by KUB without cost to us.

If our bid is accepted, we agree to provide a good faith deposit of up to 2% of the Water Bonds on which we have bid by the close of business on the day following the competitive public 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 Water Bonds on which we have bid.

This bid is a firm offer for the purchase of the Bonds identified in the Notice of Sale, on the terms set forth in this bid form and the Notice of Sale, and is not subject to any conditions, except as permitted by the Notice of Sale. By submitting this bid, we confirm that we have an established industry reputation for underwriting new issuances of municipal bonds. [If the bidder cannot confirm an established industry reputation for underwriting new issuances of municipal bonds, the preceding sentence should be crossed out.]

ACCEPTED this 29th day of April, 2020,
by the Knoxville Utilities Board.

Very truly yours,

Gabriel J. Bolas II, President and CEO

Mark Walker, Senior Vice President and CFO

(Name)

(Firm)

(Mailing Address)

(_____) _____

Total interest cost from date of bonds to maturity \$ _____
Less premium bid, if any, or plus discount, if any \$ _____
Net Interest Cost \$ _____
True Interest Rate % (four decimals)

The above 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.

*Subject to change.

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BID FORM – WASTEWATER BONDS

Mr. Gabriel J. Bolas II, President and CEO
Knoxville Utilities Board
445 Gay Street
Knoxville, Tennessee 37902

April 29, 2020

Dear Mr. Bolas:

For your legally issued, properly executed the \$30,115,000* Wastewater System Revenue Refunding Bonds, Series 2020A (“Wastewater Bonds” or “Series 2020A Bonds”) of the City of Knoxville, Tennessee, 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 Wastewater Bonds shall be dated the date of issuance (assume May 22, 2020) and shall be callable in accordance with the DETAILED NOTICE OF SALE. The Wastewater Bonds shall mature on April 1 and bear interest at the following rates:

<u>Maturity</u> <u>(April 1)</u>	<u>Amount*</u>	<u>Rate</u>	<u>Maturity</u> <u>(April 1)</u>	<u>Amount*</u>	<u>Rate</u>
2021	\$ 950,000	_____	2034	\$ 1,190,000	_____
2022	940,000	_____	2035	1,220,000	_____
2023	950,000	_____	2036	1,255,000	_____
2024	965,000	_____	2037	1,285,000	_____
2025	985,000	_____	2038	1,325,000	_____
2026	1,000,000	_____	2039	1,360,000	_____
2027	1,020,000	_____	2040	1,405,000	_____
2028	1,040,000	_____	2041	1,445,000	_____
2029	1,060,000	_____	2042	1,490,000	_____
2030	1,080,000	_____	2043	1,535,000	_____
2031	1,105,000	_____	2044	1,585,000	_____
2032	1,130,000	_____	2045	1,635,000	_____
2033	1,160,000	_____			

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

Term Bond 1 includes the following maturities: From April 1, 20__ to April 1, 20__ ; at the rate of ____ %.
Term Bond 2 includes the following maturities: From April 1, 20__ to April 1, 20__ ; at the rate of ____ %.
Term Bond 3 includes the following maturities: From April 1, 20__ to April 1, 20__ ; at the rate of ____ %.
Term Bond 4 includes the following maturities: From April 1, 20__ to April 1, 20__ ; at the rate of ____ %.
Term Bond 5 includes the following maturities: From April 1, 20__ to April 1, 20__ ; at the rate of ____ %.

It is our understanding that the Wastewater Bonds are offered for sale subject to the final approving opinion of Bass, Berry & Sims PLC, Knoxville, Tennessee, as Bond Counsel, whose opinion together with the executed Wastewater Bonds will be furnished by KUB without cost to us.

If our bid is accepted, we agree to provide a good faith deposit of up to 2% of the Wastewater Bonds on which we have bid by the close of business on the day following the competitive public 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 Wastewater Bonds on which we have bid.

This bid is a firm offer for the purchase of the Bonds identified in the Notice of Sale, on the terms set forth in this bid form and the Notice of Sale, and is not subject to any conditions, except as permitted by the Notice of Sale. By submitting this bid, we confirm that we have an established industry reputation for underwriting new issuances of municipal bonds. [If the bidder cannot confirm an established industry reputation for underwriting new issuances of municipal bonds, the preceding sentence should be crossed out.]

ACCEPTED this 29th day of April, 2020,
by the Knoxville Utilities Board.

Very truly yours,

Gabriel J. Bolas II, President and CEO

(Name)

(Firm)

(Mailing Address)

Mark Walker, Senior Vice President and CFO

Total interest cost from date of bonds to maturity..... \$ _____
Less premium bid, if any, or plus discount, if any..... \$ _____
Net Interest Cost..... \$ _____
True Interest Rate..... % (four decimals)

The above 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.

*Subject to change.