

GLADEVILLE UTILITY DISTRICT

**3826 Vesta Road
Lebanon, TN 37090
Phone: (615) 449-0301
Fax: (615) 449-1346**

**ROBERT SPICKARD, President
GENE JONES, Vice President
NANCY GUETHLEIN, Secretary**

**DANNY BLEDSOE, General Manager
ERIC BROOMFIELD, Assistant Manager
LISA GRANSTAFF, Office Manager
BETH GRANSTAFF, Financial Officer**

February 24, 2022

ENCLOSURES

Ms. Betsy Knotts
Director – Division of Local Government Finance
Tennessee Comptroller of the Treasury
Cordell Hull Building, 4th Floor
425 Fifth Avenue North
Nashville, TN 37243-3400

Dear Ms. Knotts:

At the request of the Board of Commissions of The Gladeville Utility District of Wilson County, Tennessee, and pursuant to TCA 9-21-101 et seq. and TCA 7-82-501, we respectfully request that your office report on the proposed issuance of a maximum tax-exempt \$7,300,000 Waterworks Revenue Refunding Bonds, Series 2022 (the “Bonds”). The Board intends to consider a bond resolution authorizing the Bonds at its regularly scheduled meeting on March 8, 2022.

Based primarily on the current favorable fixed, tax-exempt interest rates, the Board proposes to issue the revenue refunding bonds pursuant to the constitution and laws of the State of Tennessee including the Utility District Law of 1937, Title 7, Chapter 82, Part 101 et seq. and the Local Government Public Obligations Act of 1986, Title 9, Chapter 21, Part 101 et seq., Tennessee Code Annotated, as amended. The proceeds of the Bonds will be utilized to refund the outstanding principal amount of the Board’s Series 2014 issue. Estimated present value savings from this transaction are shown on the attached computer runs. The participants in the proposed financing are listed on Schedule I attached hereto. The projected, as more fully hereinafter described, associated cost of issuing the above obligations is reflected in the attached Schedule II.

FINANCING SUMMARY

The par amount of the Bonds is expected to be \$7,145,000. The preliminary analysis of the transaction is based on a premium structure producing \$106,225.80, for total proceeds of

The Gladeville Utility District is an Equal Opportunity Provider and Employer.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form (PDF), found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.

\$7,251,225.80. The District will use the proceeds of the Bonds (plus \$230,963 of amounts available to pay debt service on the Refunded Bonds from the Series 2014 Bond Fund) as follows:

- (1) An estimated \$7,369,829.74 will be used to currently refund the Refunded Bonds; and
- (2) An estimated \$107,882.50 will be used to pay costs of issuance on the Bonds.

As reflected in Schedule IV, interest on the Bonds will be payable on each March 1 and September 1, commencing September 1, 2022 and principal will be payable each September 1, from 2022 through 2037. The Bonds will be callable at par on September 1, 2029 and are expected to be issued on or about April 12, 2022.

As reflected in Schedule III, the Bonds attributable will be amortized in a manner that (a) does not constitute balloon indebtedness (as defined by T.C.A § 9-21-134) and (b) reduces the average life of the Refunded Bonds by approximately 21 years.

The Bonds will be secured by the net revenues of the District's water system (the "System") which upon issuance will be the only obligation secured by such net revenues.

DESCRIPTION OF REFUNDED BONDS AND PROJECTED DEBT SERVICE SAVINGS

The Refunded Bonds consist of the District's Waterworks Revenue Refunding and Improvement Bonds, Series 2014, dated April 9, 2014 and issued in the original principal amount of \$10,000,000. State Report on Debt Obligation for the Series 2014 Bonds is included with this letter as Schedule VI. As described in Schedule III, the proposed refunding is expected to generate \$695,612.41 in net present value savings (or 9.49% of refunded par).

CONSISTENCY WITH DEBT MANAGEMENT POLICY

The District most recently amended its debt management policy on December 13, 2011. The policy is attached hereto as Schedule V. The Bonds comply in all respects with the District's debt management policy.

The Board plans to issue the Bonds through a negotiated offering with Thornton Farish, Inc. Your report is respectfully requested.

Your assistance in helping the Board accomplish this bond issuance is very much appreciated. If you have any questions, please call Alex Buchanan, the Board's Bond Counsel at (615) 850-8628 or Scott Bamman, the Board's bond underwriter, at (334)270-8555 or email him at sbamman@thorntonfarish.com.

Respectfully,



Dan R. Bledsoe, P.E.
General Manager
Gladeville Utility District

cc: Scott W. Bamman, Thornton Farish, Inc.
Alex Buchanan, Waller Lansden Dortch & Davis

Gladeville Utility District of Wilson County, Tennessee

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DISTRIBUTION LIST

\$7,145,000

GLADEVILLE UTILITY DISTRICT OF WILSON COUNTY, TENNESSEE
Waterworks Revenue Refunding Bonds
Series 2022

ISSUER

Gladeville Utility District
3826 Vesta Road
Lebanon, TN 37090

Robert Spickard, President

Danny R. Bledsoe, General Manager
dbledsoe@gladevilleutility.com

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Beth Granstaff, Financial Officer
bgranstaff@gladevilleutility.com

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ISSUER COUNSEL

Sherard Roe Voight & Harbison, PLC
150 Third Avenue South, Suite 1100
Nashville, TN 37201

C. Dewey Branstetter, Jr.
dbranstetter@srvhlaw.com

Office: (615) 742-4567
Fax: (615) 742-4539

BOND COUNSEL

Waller Lansden Dortch & Davis, LLP
Nashville City Center
511 Union Street, Suite 2700
Nashville, TN 37219

Alex Buchanan
Alex.buchanan@wallerlaw.com

Office: (615) 850-8628

RATING AGENCY

Standard & Poor's Rating Services
U.S. Public Finance Infrastructure Group
500 North Akard Street
Suite 3200, Lincoln Plaza
Dallas, TX 75201

REGISTRATION & PAYING AGENT

Regions Bank
1900 Fifth Avenue North
26th Floor
Birmingham, AL 35203

Cherie Sasser, AVP
Cherie.sasser@regions.com

Office: (205) 264-0902
Fax: (205) 435-6847

Regions Bank
Mail Code: TNNA11505N
150 Fourth Avenue North, Suite 1500
Nashville, TN 37219

Daniel Olson, VP, CCTP
Daniel.olson@regions.com

Office: (615) 770-4357
Fax: (615) 770-4350

UNDERWRITER

Thornton Farish Inc.
3500 Eastern Boulevard, Suite 210
Montgomery, AL 36116

Scott W. Bamman
sbamman@thorntonfarish.com

Office: (334) 270-8555

The Gladeville Utility District of Wilson County, Tennessee
Waterworks Revenue Refunding Bonds, Series 2022

Estimated Issuance Costs

Bond Counsel	\$15,000
Clearing Fee	1,500
CUSIP & MSRB	750
Disclosure Counsel	5,000
Local Counsel	2,500
Official Statement Printing	400
Registrar Bank	1,000
Standard & Poor's Rating	21,000
Underwriting	<u>60,733</u> (@.85%)
	\$107,883

PRIOR BOND DEBT SERVICE**The Gladeville Utility District of Wilson Co., TN
Refunding Series 2014 - Comptroller**

Dated Date 04/12/2022
Delivery Date 04/12/2022

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Annual Debt Service</i>
09/01/2022	360,000	3.000%	125,778.13	485,778.13	
03/01/2023			120,378.13	120,378.13	
06/30/2023					606,156.26
09/01/2023	370,000	3.000%	120,378.13	490,378.13	
03/01/2024			114,828.13	114,828.13	
06/30/2024					605,206.26
09/01/2024	380,000	3.000%	114,828.13	494,828.13	
03/01/2025			109,128.13	109,128.13	
06/30/2025					603,956.26
09/01/2025	390,000	3.000%	109,128.13	499,128.13	
03/01/2026			103,278.13	103,278.13	
06/30/2026					602,406.26
09/01/2026	405,000	3.000%	103,278.13	508,278.13	
03/01/2027			97,203.13	97,203.13	
06/30/2027					605,481.26
09/01/2027	420,000	3.000%	97,203.13	517,203.13	
03/01/2028			90,903.13	90,903.13	
06/30/2028					608,106.26
09/01/2028	430,000	3.200%	90,903.13	520,903.13	
03/01/2029			84,023.13	84,023.13	
06/30/2029					604,926.26
09/01/2029	445,000	3.350%	84,023.13	529,023.13	
03/01/2030			76,569.38	76,569.38	
06/30/2030					605,592.51
09/01/2030	455,000	3.450%	76,569.38	531,569.38	
03/01/2031			68,720.63	68,720.63	
06/30/2031					600,290.01
09/01/2031	470,000	3.550%	68,720.63	538,720.63	
03/01/2032			60,378.13	60,378.13	
06/30/2032					599,098.76
09/01/2032	490,000	3.600%	60,378.13	550,378.13	
03/01/2033			51,558.13	51,558.13	
06/30/2033					601,936.26
09/01/2033	505,000	3.700%	51,558.13	556,558.13	
03/01/2034			42,215.63	42,215.63	
06/30/2034					598,773.76
09/01/2034	525,000	3.750%	42,215.63	567,215.63	
03/01/2035			32,371.88	32,371.88	
06/30/2035					599,587.51
09/01/2035	545,000	3.800%	32,371.88	577,371.88	
03/01/2036			22,016.88	22,016.88	
06/30/2036					599,388.76
09/01/2036	565,000	3.850%	22,016.88	587,016.88	
03/01/2037			11,140.63	11,140.63	
06/30/2037					598,157.51
09/01/2037	575,000	3.875%	11,140.63	586,140.63	
06/30/2038					586,140.63
	7,330,000		2,295,204.53	9,625,204.53	9,625,204.53

NEW SERIES 2022 BOND DEBT SERVICE**The Gladeville Utility District of Wilson Co., TN
Refunding Series 2014 - Comptroller**

Dated Date 04/12/2022
Delivery Date 04/12/2022

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Annual Debt Service</i>
09/01/2022	385,000	3.000%	69,584.94	454,584.94	
03/01/2023			84,335.00	84,335.00	
06/30/2023					538,919.94
09/01/2023	375,000	3.000%	84,335.00	459,335.00	
03/01/2024			78,710.00	78,710.00	
06/30/2024					538,045.00
09/01/2024	385,000	3.000%	78,710.00	463,710.00	
03/01/2025			72,935.00	72,935.00	
06/30/2025					536,645.00
09/01/2025	395,000	3.000%	72,935.00	467,935.00	
03/01/2026			67,010.00	67,010.00	
06/30/2026					534,945.00
09/01/2026	410,000	3.000%	67,010.00	477,010.00	
03/01/2027			60,860.00	60,860.00	
06/30/2027					537,870.00
09/01/2027	425,000	3.000%	60,860.00	485,860.00	
03/01/2028			54,485.00	54,485.00	
06/30/2028					540,345.00
09/01/2028	435,000	3.000%	54,485.00	489,485.00	
03/01/2029			47,960.00	47,960.00	
06/30/2029					537,445.00
09/01/2029	445,000	3.000%	47,960.00	492,960.00	
03/01/2030			41,285.00	41,285.00	
06/30/2030					534,245.00
09/01/2030	455,000	2.000%	41,285.00	496,285.00	
03/01/2031			36,735.00	36,735.00	
06/30/2031					533,020.00
09/01/2031	460,000	2.000%	36,735.00	496,735.00	
03/01/2032			32,135.00	32,135.00	
06/30/2032					528,870.00
09/01/2032	475,000	2.050%	32,135.00	507,135.00	
03/01/2033			27,266.25	27,266.25	
06/30/2033					534,401.25
09/01/2033	480,000	2.100%	27,266.25	507,266.25	
03/01/2034			22,226.25	22,226.25	
06/30/2034					529,492.50
09/01/2034	490,000	2.150%	22,226.25	512,226.25	
03/01/2035			16,958.75	16,958.75	
06/30/2035					529,185.00
09/01/2035	500,000	2.200%	16,958.75	516,958.75	
03/01/2036			11,458.75	11,458.75	
06/30/2036					528,417.50
09/01/2036	515,000	2.200%	11,458.75	526,458.75	
03/01/2037			5,793.75	5,793.75	
06/30/2037					532,252.50
09/01/2037	515,000	2.250%	5,793.75	520,793.75	
06/30/2038					520,793.75
	7,145,000		1,389,892.44	8,534,892.44	8,534,892.44

SAVINGS

The Gladeville Utility District of Wilson Co., TN Refunding Series 2014 - Comptroller

<i>Date</i>	<i>Prior Debt Service</i>	<i>Refunding Debt Service</i>	<i>Savings</i>	<i>Present Value to 04/12/2022 @ 2.1374351%</i>
06/30/2023	606,156.26	538,919.94	67,236.32	66,308.62
06/30/2024	605,206.26	538,045.00	67,161.26	64,840.07
06/30/2025	603,956.26	536,645.00	67,311.26	63,617.88
06/30/2026	602,406.26	534,945.00	67,461.26	62,418.43
06/30/2027	605,481.26	537,870.00	67,611.26	61,241.28
06/30/2028	608,106.26	540,345.00	67,761.26	60,086.04
06/30/2029	604,926.26	537,445.00	67,481.26	58,580.87
06/30/2030	605,592.51	534,245.00	71,347.51	60,659.95
06/30/2031	600,290.01	533,020.00	67,270.01	56,001.44
06/30/2032	599,098.76	528,870.00	70,228.76	57,279.27
06/30/2033	601,936.26	534,401.25	67,535.01	53,947.80
06/30/2034	598,773.76	529,492.50	69,281.26	54,219.44
06/30/2035	599,587.51	529,185.00	70,402.51	53,977.69
06/30/2036	599,388.76	528,417.50	70,971.26	53,308.69
06/30/2037	598,157.51	532,252.50	65,905.01	48,496.61
06/30/2038	586,140.63	520,793.75	65,346.88	47,114.77
	9,625,204.53	8,534,892.44	1,090,312.09	922,098.85

Savings Summary

Dated Date	04/12/2022
Delivery Date	04/12/2022
PV of savings from cash flow	922,098.85
Less: Prior funds on hand	-230,963.00
Plus: Refunding funds on hand	4,476.56
Net PV Savings	695,612.41

BOND PRICING**The Gladeville Utility District of Wilson Co., TN
Refunding Series 2014 - Comptroller**

<i>Bond Component</i>	<i>Maturity Date</i>	<i>Amount</i>	<i>Rate</i>	<i>Yield</i>	<i>Price</i>
Serials To 2037:					
	09/01/2022	385,000	3.000%	0.900%	100.806
	09/01/2023	375,000	3.000%	1.200%	102.466
	09/01/2024	385,000	3.000%	1.500%	103.502
	09/01/2025	395,000	3.000%	1.700%	104.258
	09/01/2026	410,000	3.000%	1.800%	105.037
	09/01/2027	425,000	3.000%	1.850%	105.868
	09/01/2028	435,000	3.000%	1.900%	106.584
	09/01/2029	445,000	3.000%	1.950%	107.188
	09/01/2030	455,000	2.000%	2.050%	99.615
	09/01/2031	460,000	2.000%	2.100%	99.151
	09/01/2032	475,000	2.050%	2.150%	99.072
	09/01/2033	480,000	2.100%	2.200%	98.996
	09/01/2034	490,000	2.150%	2.250%	98.923
	09/01/2035	500,000	2.200%	2.300%	98.852
	09/01/2036	515,000	2.200%	2.330%	98.417
	09/01/2037	515,000	2.250%	2.380%	98.332
		7,145,000			

Dated Date	04/12/2022	
Delivery Date	04/12/2022	
First Coupon	09/01/2022	
Par Amount	7,145,000.00	
Premium	106,225.80	
Production	7,251,225.80	101.486715%
Underwriter's Discount	-60,732.50	-0.850000%
Purchase Price	7,190,493.30	100.636715%
Accrued Interest		
Net Proceeds	7,190,493.30	

SOURCES AND USES OF FUNDS**The Gladeville Utility District of Wilson Co., TN
Refunding Series 2014 - Comptroller**

Dated Date	04/12/2022
Delivery Date	04/12/2022

Sources:

Bond Proceeds:

Par Amount	7,145,000.00
Net Premium	<u>106,225.80</u>
	7,251,225.80

Other Sources of Funds:

Transfer from Series 2014 P&I Account	230,963.00
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	7,482,188.80
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Uses:

Refunding Escrow Deposits:

Cash Deposit	7,369,829.74
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Delivery Date Expenses:

Cost of Issuance	47,150.00
Underwriter's Discount	<u>60,732.50</u>
	107,882.50

Other Uses of Funds:

Additional Proceeds	4,476.56
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	7,482,188.80
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SUMMARY OF REFUNDING RESULTS

The Gladeville Utility District of Wilson Co., TN Refunding Series 2014 - Comptroller

Dated Date	04/12/2022
Delivery Date	04/12/2022
Arbitrage yield	2.137435%
Escrow yield	0.000000%
Value of Negative Arbitrage	
Bond Par Amount	7,145,000.00
True Interest Cost	2.251848%
Net Interest Cost	2.251783%
Average Coupon	2.327981%
Average Life	8.356
Par amount of refunded bonds	7,330,000.00
Average coupon of refunded bonds	3.609727%
Average life of refunded bonds	8.566
PV of prior debt to 04/12/2022 @ 2.137435%	8,173,324.65
Net PV Savings	695,612.41
Percentage savings of refunded bonds	9.489937%
Percentage savings of refunding bonds	9.735653%

ESCROW REQUIREMENTS**The Gladeville Utility District of Wilson Co., TN
Refunding Series 2014 - Comptroller**

<i>Period Ending</i>	<i>Interest</i>	<i>Principal Redeemed</i>	<i>Total</i>
04/28/2022	39,829.74	7,330,000.00	7,369,829.74
	39,829.74	7,330,000.00	7,369,829.74

A RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND PAYMENT OF UP TO \$7,300,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATERWORKS REVENUE REFUNDING BONDS OF THE GLADEVILLE UTILITY DISTRICT OF WILSON COUNTY, TENNESSEE

WHEREAS, the Gladeville Utility District of Wilson County, Tennessee (the “District”) is duly incorporated pursuant to Tennessee Code Annotated Sections 7-82-101 et seq. (the “Act”); and

WHEREAS, pursuant to the Act, the District owns and operates a water procurement, treatment, storage and distribution system (the “System”); and

WHEREAS, the District is authorized by the Act to issue, by resolution, bonds to finance capital improvements to the System and to refinance bonds previously issued to finance capital improvements to the System; and

WHEREAS, the District has determined that it is in the best interest of the District to issue bonds for the purposes of refinancing certain bonds previously issued by it; and

WHEREAS, the District has heretofore issued its Waterworks Revenue Refunding and Improvement Bonds, Series 2014 (the “Series 2014 Bonds”), and has determined to issue bonds to refund the Series 2014 Bonds to achieve debt service savings; and

WHEREAS, the District has submitted to the Director of the Division of Local Government Finance a request for financing report, as required by the Act, the Director has reported on the plan of finance, the report has been published as required by the Act, and a copy of the report is attached hereto as Exhibit D.

WHEREAS, the Board of Commissioners of the District desires to adopt this resolution to authorize the issuance of revenue bonds of the District to accomplish the foregoing purposes.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Gladeville Utility District of Wilson County, Tennessee as follows:

1. District; Findings.

(a) The bonds authorized by this resolution are issued pursuant to the Act and the Local Government Public Obligation Act of 1986, compiled in Tennessee Code Annotated 9-21-101 et seq..

(b) The District has adopted a debt management policy, as required by the State Funding Board of the State of Tennessee. The Governing Body hereby finds that the issuance and sale of the Series 2022 Bonds, as proposed herein, are consistent with the District’s debt management policy. The Governing Body also hereby acknowledges

receipt of all cost and other disclosures regarding the Bonds required by the debt management policy.

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

(c) “Acquired System” shall mean any waterworks system or facilities or wastewater system or facilities hereafter constructed, acquired or otherwise established by the District pursuant to the Act.

(d) “Act” shall have the meaning ascribed in Section 1.

(e) “Balloon Indebtedness” shall mean any bonds, notes or other indebtedness, other than Short-Term Indebtedness, 25% or more of the initial principal amount of which matures (or must be redeemed at the option of the holder) during any twelve month period, if such 25% or more is not to be amortized to below 25% by mandatory redemption prior to the beginning of such twelve month period.

(f) “Bond Fund” shall mean the Principal and Interest Sinking Fund established herein.

(g) “Bond Purchase Agreement” means the Bond Purchase Agreement to be entered into on the date hereof between the District and the Underwriter in substantially the form attached hereto as Exhibit B;

(h) “Bonds” means the Series 2022 Bonds and any Parity Bonds.

(i) “Book-Entry Form” or “Book-Entry System” means a form or system, as applicable, under which physical bond certificates in fully registered form are issued to a Depository, or to its nominee as registered owner, with the certificate of bonds being held by and “immobilized” in the custody of such Depository, and under which records maintained by persons, other than the District or the Registration Agent, constitute the written record that identifies, and records the transfer of, the beneficial “book-entry” interests in those bonds.

(j) “Capital Appreciation Bonds” shall mean bonds which bear interest at a stated interest rate of 0.0% per annum, have a value on any applicable date equal to the Compound Accreted Value thereof on that date, and are payable only at maturity or earlier redemption.

(k) “Compound Accreted Value” shall mean the value at any applicable date of any Capital Appreciation Bonds computed as the original principal amount thereof for each maturity date plus an amount equal to interest on said principal amount (computed on the basis of a 360-day year of twelve 30-day months) compounded semiannually on such dates as shall be established by the resolution authorizing Capital Appreciation Bonds,

from the dated date to said applicable date at an interest rate which will produce at maturity the Maturity Amount for such maturity date.

(l) “Credit Facility” means any municipal bond insurance policy, letter of credit, surety bond, line of credit, guarantee, or other agreement under which any person other than the District provides additional security for any Bonds and guarantees timely payment of or purchase price equal to the principal of and interest on all or a portion of any Bond and shall include any Reserve Fund Credit Facility.

(m) “Current Expenses” means expenses incurred by the District in the operation of the System, determined in accordance with generally accepted accounting principles; provided however that depreciation, amortization and interest on any bonds, notes or other obligations of the District shall be excluded from the definition of Current Expenses.

(n) “Debt Service Requirement” means the total principal, Maturity Amounts and interest coming due, whether at maturity or upon mandatory redemption (less any amount of interest that is capitalized and payable with the proceeds of debt on deposit with the District or any paying agent for the Bonds or other obligations of the District), for any period of 12 consecutive calendar months for which such a determination is made, provided:

- i. The Debt Service requirement with respect to Variable Rate Indebtedness shall be determined as if the variable rate in effect at all times during future periods equaled, at the option of the District, either (A) the average of the actual variable rate which was in effect (weighted according to the length of the period during which each such variable rate was in effect) for the most recent 12-month period immediately preceding the date of calculation for which such information is available (or shorter period if such information is not available for a 12-month period), or (B) the current average annual fixed rate of interest on securities of similar quality having a similar maturity date, as certified by a Municipal Advisor.
- ii. For the purpose of calculating the Debt Service Requirement on Balloon Indebtedness and Short Term Indebtedness, at the option of the District, (i) the actual principal and interest on such Balloon Indebtedness and Short Term Indebtedness shall be included in the Debt Service Requirement, subject to the other assumptions contained herein, or (ii) such Balloon Indebtedness and Short Term Indebtedness shall be assumed to be amortized in a manner resulting in substantially equal annual debt service over an assumed amortization period of 20 years at an assumed interest rate (which shall be the interest rate certified by a Municipal Advisor to be the interest rate at which the District could reasonably expect to borrow the same amount by issuing bonds with the same priority of lien as such

Balloon Indebtedness and Short Term Indebtedness and the same amortization schedule); provided, however, that if the maturity of such Balloon Indebtedness is in excess of 20 years from the date of issuance, then the amortization period for such Balloon Indebtedness shall be assumed to be the number of years from the date of issuance of such Balloon Indebtedness to maturity; and provided further that this subsection (ii) shall not be applicable for purposes of determining the District's Debt Service Requirement for purposes of Section 13(e) of this resolution (Rate Covenant) unless the District has set aside sufficient funds or otherwise made arrangements for the retirement of at least 90% of the principal amount of such Balloon Indebtedness or Short Term Indebtedness coming due in the relevant Fiscal Year.

- (o) "Defeasance Obligations" shall mean direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States of America, which bonds or other obligations shall not be subject to redemption prior to their maturity other than at the option of the registered owner thereof.
- (p) "Depository" means any securities depository that is a clearing agency under federal laws operating and maintaining, with its participants or otherwise, a Book-Entry System, including, but not limited to, DTC.
- (q) "District" has the meaning ascribed in the preamble hereto.
- (r) "DTC" means the Depository Trust Company, a limited purpose company organized under the laws of the State of New York, and its successors and assigns.
- (s) "Financial Guaranty Agreement" shall mean any Financial Guaranty Agreement authorized herein to be executed in connection with a Reserve Fund Credit Facility.
- (t) "Fiscal Year" means the fiscal year adopted by the District from time to time.
- (u) "Governing Body" means the Board of Commissioners of the District.
- (v) "Gross Earnings" means all revenues, rentals, earnings and income of the District from whatever source, determined in accordance with generally accepted accounting principles, including all revenues derived from the operation of the System and all amounts realized from the investment of funds of the System (excluding any investment earnings from construction or improvement funds created for the deposit of bond proceeds pending use, to the extent such income is applied to the purposes for which the bonds were issued, and funds created to defease any outstanding obligations of the District); provided, however, at the election of the Governing Body, the term "Gross Earnings" as used herein shall not include any revenues, rentals, earnings or other income received by the District from the operation of an Acquired System, and any bonds or

other obligations issued in connection with such Acquired System shall not be payable from or secured by Net Revenues or be deemed to be Parity Bonds.

(w) “Loan Agreement” shall mean any agreement or contract entered into by the District whereby a third party agrees to advance funds to the District and the District agrees to repay those funds with interest.

(x) “Maturity Amount” shall mean the Compound Accreted Value on the stated maturity date of a Capital Appreciation Bond.

(y) “Maximum Annual Debt Service Requirement” means the maximum annual Debt Service Requirement for any Fiscal Year of the District.

(z) “Municipal Advisor” means an investment banking or financial advisory firm, commercial bank, or any other person who or which is retained by the District for the purpose of passing on questions relating to the availability and terms of specified types of debt obligations or the financial condition or operation of the System and is actively engaged in and, in the good faith opinion of the District, has a favorable reputation for skill and experience in providing financial advisory services of the type with respect to which the Municipal Advisor has been retained.

(aa) “Net Revenues” shall mean Gross Earnings, excluding any profits or losses on the sale or other disposition, not in the ordinary course of business, of investments or fixed or capital assets, less Current Expenses.

(bb) “Parity Bonds” means bonds, notes, Loan Agreements, and other debt obligations, including Balloon Indebtedness, Short Term Indebtedness and Variable Rate Indebtedness, issued or entered into by the District on a parity with the Series 2022 Bonds herein authorized in accordance with the restrictive provisions hereof, including any bonds or other obligations secured by a pledge of and/or lien on an Acquired System and the revenues derived from the operation of such Acquired System (provided such pledge and lien are subject only to normal and customary expenses of operating, maintaining, repairing and insuring any such System), so long as the Acquired System is not being operated separately from the System as is permitted herein or the revenues from such Acquired System are not excluded from Gross Earnings.

(cc) “President” means the President of the Board of Commissioners of the District.

(dd) “Rating” means a rating in one of the categories by a Rating Agency, disregarding pluses, minuses, and numerical gradations.

(ee) “Rating Agencies” or “Rating Agency” means Fitch Ratings, Moody’s Investors Service, and S&P Global Ratings or any successors thereto and any other nationally recognized credit rating agency.

(ff) “Registration Agent” means the financial institution selected by the President to serve in that capacity, or any successor designated by the Governing Body.

(gg) “Reserve Fund” shall mean the Debt Service Reserve Fund established herein.

(hh) “Reserve Fund Credit Facility” means a municipal bond insurance policy, surety bond, letter of credit, line of credit, guarantee or other agreement provided by a Reserve Fund Credit Facility Issuer which provides for payment of amounts equal to all or any portion of the Reserve Fund Requirement in the event of an insufficiency of moneys in the Bond Fund to pay when due principal of and interest on all or a portion of the Bonds.

(ii) “Reserve Fund Credit Facility Issuer” means the issuer of a Reserve Fund Credit Facility satisfying the rating qualifications specified by the supplemental resolution authorizing the Bonds to be secured by the applicable Reserve Fund Credit Facility. With respect to the Series 2022 Bonds and any other series of Bond with respect to which such rating qualifications are not otherwise specified, the issuer of a Reserve Fund Credit Facility shall be rated, at the time at which such Reserve Fund Credit Facility is purchased, in not less than the second-highest rating category (without regard to gradations within such category) by at least one Rating Agency.

(jj) “Reserve Fund Requirement” means an amount determined from time to time by the District as a reasonable reserve, if any, for the payment of principal of and interest on a series of Bonds pursuant to the resolution authorizing such Bonds. With respect to the Series 2022 Bonds authorized herein, the Reserve Fund Requirement shall be \$0.

(kk) “Revenue Fund” shall mean the Revenue Fund established herein.

(ll) “Secretary” means the Secretary of the Governing Body of the District;

(mm) “Series 2014 Bonds” shall have the meaning ascribed in the preamble.

(nn) “Series 2022 Bonds” means not to exceed \$ in aggregate principal amount of revenue refunding bonds authorized to be issued by this Resolution.

(oo) “Short Term Indebtedness” means bonds, notes, Loan Agreements or other debt obligations maturing five years or less from their date of issuance, issued by the District as Parity Bonds pursuant to the terms hereof.

(pp) “State” means the State of Tennessee.

(qq) “Subordinate Lien Bonds” means bonds, notes, Loan Agreement or other debt obligations issued pursuant to this Resolution but with a lien subordinate to the Bonds.

(rr) “System” shall have the meaning ascribed in Section 1, and shall include all facilities hereafter acquired, constructed or otherwise established, together with and

including all properties of every nature hereafter owned by the District, including all improvements and extensions made by the District while the Bonds remain outstanding, and including all real and personal property of every nature comprising part of or used or useful in connection with the foregoing, and including all appurtenances, contracts, leases, franchises, and other intangibles; provided, however, at the election of the Governing Body, an Acquired System may be included within the System as defined herein and become a part thereof or, at the election of the Governing Body, not become a part of the System but be operated as a separate and independent system by the Governing Body with the continuing right, upon the election of the Governing Body, to incorporate such separately Acquired System within the System.

(ss) “Underwriter” means Thornton Farish Inc.

(tt) “Variable Rate Indebtedness” means any Parity Bonds, the interest rate on which is subject to periodic adjustment, at intervals, at such times and in such manner as shall be determined by resolution authorizing such Parity Bonds; provided that if the interest rate shall have been fixed for the remainder of the term thereof, it shall no longer be Variable Rate Indebtedness.

2. Authorization and Terms of the Series 2022 Bonds.

(a) General Terms. The Governing Body hereby authorizes the issuance of revenue refunding bonds of the District in an aggregate principal amount up to \$.

- i. The Bonds shall be issued to refund the Series 2014 Bonds, and pay bond issuance costs relating to the Series 2022 Bonds.
- ii. The bonds shall be known as “Waterworks Revenue Refunding Bonds, Series 2022” or such other name as may be selected by the President.
- iii. The Series 2022 Bonds shall be dated the date of their delivery.
- iv. The Series 2022 Bonds shall bear interest payable semi-annually on each March 1 and September 1, commencing September 1, 2022 at a rate not to exceed the maximum interest rate permitted by applicable law.
- v. Principal on the Series 2022 Bonds shall be payable annually on the first day of September, commencing September 1, 2022 and ending no later than September 1, 2037, all as may be established by the President in accordance with Section 5 hereof and set forth in the Bond Purchase Agreement.

(b) Optional Redemption. The Series 2022 Bonds shall be subject to redemption at any time on or after September 1, 2029, in whole or in part, at a redemption price of par plus accrued interest to the date of redemption. If less than all the Series 2022 Bonds

shall be called for redemption, the maturities to be redeemed shall be selected by the Governing Body in its discretion. If less than all of the Series 2022 Bonds within a single maturity shall be called for redemption, the Series 2022 Bonds within the maturity to be redeemed shall be selected as follows:

- i. if the Series 2022 Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the Series 2022 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 Series 2022 Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Series 2022 Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

(c) Mandatory Redemption. The President is authorized to sell the Series 2022 Bonds, or any maturities thereof, as term bonds with mandatory redemption requirements corresponding to the maturities set forth herein or as determined by the President. In the event any or all of the Series 2022 Bonds are sold as term bonds, the District shall redeem term bonds on redemption dates corresponding to the maturity dates set forth herein, in aggregate principal amounts equal to the maturity amounts set forth herein for each redemption date, as such maturity amounts as shall be set forth in the Bond Purchase Agreement, at a price of par plus accrued interest thereon to the date of redemption. The term bonds to be so redeemed shall be selected in the manner described in subsection (b) above. At its option, to be exercised on or before the 45th day next preceding any such mandatory redemption date, the District may (i) deliver to the Registration Agent for cancellation Series 2022 Bonds to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Series 2022 Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Series 2022 Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the District on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Series 2022 Bonds to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced. The District shall on or before the 45th day next preceding each payment date furnish the Registration Agent with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this subsection are to be availed of with respect to

such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.

(d) Redemption Notices. Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent on behalf of the District not less than 30 nor more than 60 days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Series 2022 Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Series 2022 Bond registration records of the Registration Agent as of the date of the notice. Failure to mail such notice or any defect in any such notice so mailed shall not affect the sufficiency of the proceedings for redemption of any of the Series 2022 Bonds for which proper notice was given, and failure of any owner to receive such notice if properly given in the manner described above shall not affect the validity of the proceedings of the redemption of the Series 2022 Bonds held by such owner. The notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to effect the redemption with the Registration Agent no later than the redemption date ("Conditional Redemption"). As long as DTC, or a successor Depository, is the registered owner of the Series 2022 Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Series 2022 Bonds, as and when above provided, and neither the District nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant or Beneficial Owner will not affect the validity of such redemption. The Registration Agent shall mail said notices as and when directed by the District pursuant to written instructions from an authorized representative of the District (other than for a mandatory sinking fund redemption, notices of which shall be given on the dates provided herein without the requirement of instruction from the District) given at least 45 days prior to the redemption date (unless a shorter notice period shall be satisfactory to the Registration Agent). From and after the redemption date, all Series 2022 Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth herein. In the case of a Conditional Redemption, the failure of the District to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository, if applicable, or the affected Bondholders that the redemption did not occur and that the Series 2022 Bonds called for redemption and not so paid remain outstanding.

(e) Bond Registration. The President is hereby authorized to select the Registration Agent for the Series 2022 Bonds. The Registration Agent so selected is hereby authorized and directed to maintain Series 2022 Bond registration records with respect to the Series 2022 Bonds, to authenticate and deliver the Series 2022 Bonds as provided herein, either at original issuance or upon transfer, to effect transfers of the Series 2022 Bonds, to give all notices of redemption as required herein, to make all payments of principal and

interest with respect to the Series 2022 Bonds as provided herein, to cancel and destroy Series 2022 Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer, to furnish the District at least annually a certificate of destruction with respect to Series 2022 Bonds canceled and destroyed, and to furnish the District at least annually an audit confirmation of Series 2022 Bonds paid, Series 2022 Bonds outstanding and payments made with respect to interest on the Series 2022 Bonds. The President is hereby authorized to execute and the Secretary is hereby authorized to attest such written agreement between the District and the Registration Agent as they shall deem necessary and proper with respect to the obligations, duties and rights of the Registration Agent. The payment of all reasonable fees and expenses of the Registration Agent for the discharge of its duties and obligations hereunder or under any such agreement is hereby authorized and directed.

(f) Payment of Bonds. The Series 2022 Bonds shall be payable, both principal and interest, in lawful money of the United States of America at the designated office of the Registration Agent. The Registration Agent shall make all interest payments with respect to the Series 2022 Bonds by check or draft on each interest payment date directly to the registered owners as shown on the Series 2022 Bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the “Regular Record Date”) by depositing said payment in the United States mail, postage prepaid, addressed to such owners at their addresses shown on said Series 2022 Bond registration records, without, except for final payment, the presentation or surrender of such registered Series 2022 Bonds, and all such payments shall discharge the obligations of the District in respect of such Series 2022 Bonds to the extent of the payments so made. Payment of principal of and premium, if any, on the Series 2022 Bonds shall be made upon presentation and surrender of such Series 2022 Bonds to the Registration Agent as the same shall become due and payable. All rates of interest specified herein shall be computed on the basis of a 360-day year composed of twelve months of 30 days each. If requested by any registered owner of at least \$1,000,000 in aggregate principal amount of the Series 2022 Bonds, payment of interest on such Series 2022 Bonds shall be paid by wire transfer to a bank within the continental United States or deposited to a designated account if such account is maintained with the Registration Agent and written notice of any such election and designated account is given to the Registration Agent prior to the record date.

(g) Defaulted Interest. Any interest on any Series 2022 Bond that is payable but is not punctually paid or duly provided for on any interest payment date (hereinafter “Defaulted Interest”) shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such Defaulted Interest shall be paid by the District to the persons in whose names the Series 2022 Bonds are registered at the close of business on a date (the “Special Record Date”) for the payment of such Defaulted Interest, which shall be fixed in the following manner: the District shall notify the Registration Agent in writing of the amount of Defaulted Interest proposed to be paid on

each Series 2022 Bond and the date of the proposed payment, and at the same time the District shall deposit with the Registration Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Registration Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this Section provided. Thereupon, not less than ten days after the receipt by the Registration Agent of the notice of the proposed payment, the Registration Agent shall fix a Special Record Date for the payment of such Defaulted Interest which Date shall be not more than 15 nor less than ten days prior to the date of the proposed payment to the registered owners. The Registration Agent shall promptly notify the District of such Special Record Date and, in the name and at the expense of the District, not less than ten days prior to such Special Record Date, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each registered owner at the address thereof as it appears in the Series 2022 Bond registration records maintained by the Registration Agent as of the date of such notice. Nothing contained in this Section or in the Series 2022 Bonds shall impair any statutory or other rights in law or in equity of any registered owner arising as a result of the failure of the District to punctually pay or duly provide for the payment of principal of, premium, if any, and interest on the Series 2022 Bonds when due.

(h) Transfer and Exchange of Bonds. The Series 2022 Bonds are transferable only by presentation to the Registration Agent by the registered owner, or his or her legal representative duly authorized in writing, of the registered Series 2022 Bond(s) to be transferred with the form of assignment on the reverse side thereof completed in full and signed with the name of the registered owner as it appears upon the face of the Series 2022 Bond(s) accompanied by appropriate documentation necessary to prove the legal capacity of any legal representative of the registered owner. Upon receipt of the Series 2022 Bond(s) in such form and with such documentation, if any, the Registration Agent shall issue a new Series 2022 Bond or the Series 2022 Bond to the assignee(s) in \$5,000 denominations, or any integral multiple in excess thereof, as requested by the registered owner requesting transfer. The Registration Agent shall not be required to transfer or exchange any Series 2022 Bond during the period commencing on a Regular or Special Record Date and ending on the corresponding interest payment date of such Series 2022 Bond, nor to transfer or exchange any Series 2022 Bond after the publication of notice calling such Series 2022 Bond for redemption has been made, nor to transfer or exchange any Series 2022 Bond during the period following the receipt of instructions from the District to call such Series 2022 Bond for redemption; provided, the Registration Agent, at its option, may make transfers after any of said dates. No charge shall be made to any registered owner for the privilege of transferring any Series 2022 Bond, provided that any transfer tax relating to such transaction shall be paid by the registered owner requesting transfer. The person in whose name any Series 2022 Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the

District nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Series 2022 Bonds shall be overdue. The Series 2022 Bonds, upon surrender to the Registration Agent, may, at the option of the registered owner, be exchanged for an equal aggregate principal amount of the Series 2022 Bonds of the same maturity in any authorized denomination or denominations.

(i) Execution of Bonds. The Series 2022 Bonds shall be executed in such manner as may be prescribed by applicable law, in the name, and on behalf of the District, by the President and attested by the Secretary.

(j) Book-Entry Registration. Except as otherwise provided in this Resolution, the Series 2022 Bonds shall be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Bonds. References in this Section to a Series 2022 Bond or the Series 2022 Bonds shall be construed to mean the Series 2022 Bond or the Series 2022 Bonds that are held under the Book-Entry System. One Series 2022 Bond for each maturity shall be issued to DTC and immobilized in its custody. A Book-Entry System shall be employed, evidencing ownership of the Series 2022 Bonds in authorized denominations, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants pursuant to rules and procedures established by DTC.

Each DTC Participant shall be credited in the records of DTC with the amount of such DTC Participant's interest in the Series 2022 Bonds. Beneficial ownership interests in the Series 2022 Bonds may be purchased by or through DTC Participants. The holders of these beneficial ownership interests are hereinafter referred to as the "Beneficial Owners." The Beneficial Owners shall not receive the Series 2022 Bonds representing their beneficial ownership interests. The ownership interests of each Beneficial Owner shall be recorded through the records of the DTC Participant from which such Beneficial Owner purchased its Series 2022 Bonds. Transfers of ownership interests in the Series 2022 Bonds shall be accomplished by book entries made by DTC and, in turn, by DTC Participants acting on behalf of Beneficial Owners. SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE REGISTERED OWNER OF THE SERIES 2022 BONDS, THE REGISTRATION AGENT SHALL TREAT CEDE & CO. AS THE ONLY HOLDER OF THE BONDS FOR ALL PURPOSES UNDER THIS RESOLUTION, INCLUDING RECEIPT OF ALL PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2022 BONDS, RECEIPT OF NOTICES, VOTING AND REQUESTING OR DIRECTING THE REGISTRATION AGENT TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THIS RESOLUTION.

Payments of principal, interest, and redemption premium, if any, with respect to the Series 2022 Bonds, so long as DTC is the only owner of the Series 2022 Bonds, shall be paid by the Registration Agent directly to DTC or its nominee, Cede & Co., as provided in the Letter of Representation relating to the District (the "Letter of Representation"). DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners. The District and the Registration Agent shall not be responsible or

liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants.

In the event that (1) DTC determines not to continue to act as securities depository for the Series 2022 Bonds or (2) the District determines that the continuation of the Book-Entry System of evidence and transfer of ownership of the Series 2022 Bonds would adversely affect its interests or the interests of the Beneficial Owners of the Series 2022 Bonds, the District shall discontinue the Book-Entry System with DTC. If the District fails to identify another qualified securities depository to replace DTC, the District shall cause the Registration Agent to authenticate and deliver replacement Series 2022 Bonds in the form of fully registered Series 2022 Bonds to each Beneficial Owner. In addition, if the successful bidder for the Series 2022 Bonds certifies that it intends to hold the Bonds for its own account, then the District may issue certificated bonds without the utilization of DTC and the Book-Entry System.

THE DISTRICT AND THE REGISTRATION AGENT SHALL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY DTC PARTICIPANT OR ANY BENEFICIAL OWNER WITH RESPECT TO (i) THE SERIES 2022 BONDS; (ii) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (iii) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND INTEREST ON THE SERIES 2022 BONDS; (iv) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY DTC PARTICIPANT OR ANY NOTICE DUE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED UNDER THE TERMS OF THIS RESOLUTION TO BE GIVEN TO BENEFICIAL OWNERS; (v) THE SELECTION OF BENEFICIAL OWNERS TO RECEIVE PAYMENTS IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2022 BONDS; OR (vi) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC, OR ITS NOMINEE, CEDE & CO., AS OWNER.

The Registration Agent is hereby authorized to take such action as may be necessary from time to time to qualify and maintain the Series 2022 Bonds for deposit with DTC, including but not limited to, wire transfers of interest and principal payments with respect to the Series 2022 Bonds, utilization of electronic book entry data received from DTC in place of actual delivery of Series 2022 Bonds and provision of notices with respect to Series 2022 Bonds registered by DTC (or any of its designees identified to the Registration Agent) by overnight delivery, courier service, telegram, telecopy or other similar means of communication. No such arrangements with DTC may adversely affect the interests of any of the owners of the Series 2022 Bonds; provided, however, that the Registration Agent shall not be liable with respect to any such arrangements it may make pursuant to this Section.

(k) Authentication and Delivery. The Registration Agent is hereby authorized to authenticate and deliver the Bonds to the original purchaser, upon receipt by the District of the proceeds of the sale thereof and to authenticate and deliver Bonds in exchange for Bonds of the same principal amount delivered for transfer upon receipt of the Bond(s) to be transferred in proper form with proper documentation as hereinabove described. The

Bonds shall not be valid for any purpose unless authenticated by the Registration Agent by the manual signature of an officer thereof on the certificate set forth herein on the Bond form.

(l) Replacement Bonds. In case any Series 2022 Bond shall become mutilated, or be lost, stolen, or destroyed, the District, in its discretion, shall issue, and the Registration Agent, upon written direction from the District, shall authenticate and deliver, a new Series 2022 Bond of like tenor, amount, maturity and date, in exchange and substitution for, and upon the cancellation of, the mutilated Series 2022 Bond, or in lieu of and in substitution for such lost, stolen or destroyed Series 2022 Bond, or if any such Series 2022 Bond shall have matured or shall be about to mature, instead of issuing a substituted Series 2022 Bond, the District may pay or authorize payment of such Series 2022 Bond without surrender thereof. In every case, the applicant shall furnish evidence satisfactory to the District and the Registration Agent of the destruction, theft or loss of such Series 2022 Bond, and indemnity satisfactory to the District and the Registration Agent; and the District may charge the applicant for the issue of such new Series 2022 Bond an amount sufficient to reimburse the District for the expense incurred by it in the issue thereof.

(m) Form of Series 2022 Bonds. The Series 2022 Bonds shall be in substantially the form attached hereto as Exhibit A. The form of the Series 2022 Bond set forth in Exhibit A hereto shall be conformed to reflect any changes made pursuant to Section 5.

Source of and Security for Payment. The Series 2022 Bonds shall be payable solely from and secured by a pledge of the Net Revenues. The punctual payment of principal of and premium, if any, and interest on the Series 2022 Bonds shall be secured equally and ratably by the Net Revenues without priority by reason of series, number or time of sale or delivery. The Net Revenues are hereby irrevocably pledged to the punctual payment of such principal, premium, if any, and interest as the same become due. The Series 2022 Bonds do not constitute a debt of the State of Tennessee, or any political subdivision thereof, or municipal corporation therein, other than the District. For the further protection of the registered owners of the Series 2022 Bonds, a statutory lien in the nature of a mortgage lien upon the System is granted and created by the Act, which said statutory mortgage lien is hereby recognized as valid and binding upon the District and to be a lien upon the System and the System shall remain subject to such statutory mortgage lien until the payment in full of the principal and interest on the Series 2022 Bonds.

3. Sale of the Series 2022 Bonds; Changes Authorized.

(a) The Bonds shall be sold to the Underwriter by negotiated sale at the price of not less than 98% of par.

(b) The form of Bond Purchase Agreement attached hereto as Exhibit B is hereby approved and the President and the Secretary are hereby authorized and directed to execute and deliver the same on behalf of the District in substantially the form attached

hereto as Exhibit B, with such changes as may be approved by the President and Secretary, their execution thereof to constitute conclusive evidence of their approval of all such changes, provided the Bond Purchase Agreement effects the sale of the Bonds in accordance with the provisions of the Resolution.

(c) The President and the Secretary, or either of them, are authorized to cause the Bonds to be authenticated by the Registration Agent and delivered to the Underwriter, and to execute, publish, and deliver all certificates and documents as they shall deem necessary in connection with the sale and delivery of the Bonds.

(d) In connection with the sale of the Bonds, the President is authorized to:

- i. establish the aggregate principal amount of the Bonds;
- ii. change interest payment dates;
- iii. establish the principal amortization schedule for the Bonds;
- iv. adjust the optional redemption terms for the Bonds; and
- v. establish the mandatory redemption terms of the Bonds.

Any such changes shall be set forth in the Bond Purchase Agreement.

Application of Proceeds of Series 2022 Bonds. The proceeds from the sale of the Series 2022 Bonds shall be applied as follows:

(e) An amount sufficient, together with such other District funds as may be identified by the President and, if applicable, investment earnings on the foregoing, to defease the Series 2014 Bonds shall be deposited with the paying agent for the Series 2014 Bonds and applied to the retirement of the Series 2014 Bonds as soon as practicable; and

(f) The balance of the proceeds shall be used to pay cost of issuance relating to the Series 2022 Bonds and any balance remaining thereafter shall be deposited to the Bond Fund and applied to the payment of interest on the Series 2022 Bonds .

Refunding of Series 2014 Bonds. The President is authorized to take all steps as may be necessary or advisable to cause the refunding and redemption of the Series 2014 Bonds. For the purpose of providing for the payment of the principal of, premium, if any, and interest on the Series 2014 Bonds, the President is hereby authorized and directed to cause to be deposited with the paying agent for the Series 2014 Bonds an amount sufficient to pay the Series 2014 Bonds on the redemption date which shall be as soon as reasonably possible following the sale of the Bonds. The President is hereby authorized and directed to authorize the registration agent of the Series 2014 Bonds to give such redemption notice on behalf of the District as is necessary to

provide for the redemption of the Series 2014 Bonds in accordance with the resolution authorizing the Series 2014 Bonds.

Official Statement for the Series 2022 Bonds. The officers of the District are hereby authorized and directed to provide for the preparation and distribution of a Preliminary Official Statement describing the Series 2022 Bonds. After the execution of the Bond Purchase Agreement, the officers of the District shall make such completions, omissions, insertions and changes in the Preliminary Official Statement not inconsistent with this resolution as are necessary or desirable to complete it as a final Official Statement for purposes of Rule 15c2-12(e)(3) of the Securities and Exchange Commission. The officers of the District shall arrange for the delivery to the Underwriter of a reasonable number of copies of the Official Statement within seven business days after the execution of the Bond Purchase Agreement, to each potential investor requesting a copy of the Official Statement and to each person to whom such Underwriter initially sells the Series 2022 Bonds.

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

Continuing Disclosure for the Series 2022 Bonds. The District hereby covenants and agrees that it will provide financial information and event notices if and as required by Rule 15c2-12 of the Securities Exchange Commission for the Series 2022 Bonds. The President is authorized to execute at the closing of the sale of the Series 2022 Bonds, an agreement for the benefit of and enforceable by the owners of the Series 2022 Bonds specifying the details of the financial information and event notices to be provided and its obligations relating thereto. Failure of the District to comply with the undertaking herein described and to be detailed in said closing agreement, shall not be a default hereunder, but any such failure shall entitle the owner or owners of any of the Series 2022 Bonds to take such actions and to initiate such proceedings as shall be necessary and appropriate to cause the District to comply with its undertaking as set forth herein and in said agreement, including the remedies of mandamus and specific performance.

4. Federal Tax Matters Related to the Series 2022 Bonds.

The Series 2022 Bonds will be issued as federally tax-exempt bonds. The District hereby covenants that it will not use, or permit the use of, any proceeds of the Series 2022 Bonds in a manner that would cause the Series 2022 Bonds to be subjected to treatment under Section 148 of the Code, and applicable regulations thereunder, as an “arbitrage bond”. To that end, the District shall comply with applicable regulations adopted under said Section 148. The District further covenants with the registered owners from time to time of the Series 2022

Bonds that they will, throughout the term of the Series 2022 Bonds and through the date that the final rebate, if any, must be made to the United States in accordance with Section 148 of the Code, comply with the provisions of Sections 103 and 141 through 150 of the Code and all regulations proposed and promulgated thereunder that must be satisfied in order that interest on the Series 2022 Bonds shall be and continue to be excluded from gross income for federal income tax purposes under Section 103 of the Code. The President of the District and other officers of the District are authorized and directed to make such certifications in this regard in connection with the sale of the Series 2022 Bonds as any or all shall deem appropriate, and such certifications shall constitute a representation and certification of the System.

Equality of Lien; Pledge of Net Revenues. The punctual payment of principal of, premium, if any, and interest on the Series 2022 Bonds and any Parity Bonds hereafter issued shall be secured equally and ratably by the Net Revenues without priority by reason of number or time of sale, execution or delivery. The Net Revenues are hereby irrevocably pledged to the punctual payment of such principal, premium and interest as the same become due.

5. Funds, Accounts and Subaccounts; Application of Revenues.

(a) The following funds, accounts and subaccounts are hereby established, and the money deposited in such funds, accounts and subaccounts shall be held in trust for the purposes set forth in this Resolution:

- i. System Revenue Fund (the “Revenue Fund”) to be held by the District;
- ii. Principal and Interest Sinking Fund (the “Bond Fund”) to be held by the District.
- iii. Debt Service Reserve Fund (the “Reserve Fund”), with an account for each series of Bonds which has a Reserve Fund Requirement; provided an account therein may be utilized for more than one series of Bonds if all such series of Bonds are specified in the resolution authorizing such Bonds to share a pledge of such account and have a combined Reserve Fund Requirement. Nothing herein shall prohibit the District from issuing one or more series of Bonds without a Reserve Fund Requirement and no deposit to the Reserve Fund and no Reserve Fund Credit Facility shall be required in connection therewith.

(b) From and after the delivery of any of the Series 2022 Bonds hereunder, and as long as any of the Bonds shall be outstanding and unpaid either as to principal or as to interest, or until the discharge and satisfaction of all the Bonds, the Gross Earnings of the System shall be deposited as collected by the District to the Revenue Fund, administered and controlled by the District. The funds so deposited in the Revenue Fund created under this Resolution shall be used only as follows:

- i. The money in the Revenue Fund shall be used first from month to month for the payment of Current Expenses.
- ii. The money thereafter remaining in the Revenue Fund shall next be used to make deposits into the Bond Fund and used to pay principal of and interest on the Bonds as the same become due, either by maturity or mandatory redemption. Such deposits shall be made monthly until the Bonds are paid in full or discharged and satisfied pursuant to the defeasance provisions of this Resolution, beginning in the month next following delivery of the Series 2022 Bonds. Each monthly deposit as to interest for such Bonds shall be an equal to not less than one-sixth (1/6th) of the interest coming due on such Bonds on the next interest payment date net of any interest earnings on such amounts; provided that proportionately greater monthly amounts shall be deposited to account for any initial period of less than six months following the issuance of Bonds. Each monthly deposit as to principal for such Bonds shall be an amount equal to not less than one-twelfth (1/12th) of the principal amount and/or Maturity Amount coming due on such Bonds, whether by maturity or mandatory redemption, on the next principal payment date net of any interest earnings on such amounts; provided that proportionately greater monthly amounts shall be deposited to account for any initial period of less than 12 months following the issuance of Bonds. No further deposit shall be required as to any Bonds when the Sinking Fund balance is equal to or greater than the amount needed to pay interest on the next interest payment date and the total of the principal amounts payable, either by maturity or mandatory redemption, during the applicable twelve-month period. Notwithstanding the foregoing, deposits for payment of interest and principal on Variable Rate Indebtedness shall be made as set forth in the resolution authorizing such Variable Rate Indebtedness, and if interest is not paid semi-annually and/or principal is not paid annually with respect to any Bonds, the deposits may be adjusted by the District as provided in the resolution authorizing the issuance of such Bonds. Money in the Bond Fund shall be used and is hereby expressly pledged for the purpose of paying principal of and interest on the Bonds.
- iii. The next available money in the Revenue Fund shall be paid to any Reserve Fund Credit Facility Issuer or Issuers (pro rata, if more than one) to the extent needed to reimburse the Reserve Fund Credit Facility Issuer for amounts advanced by the Reserve Fund Credit Facility Issuer or Issuers under the Reserve Fund Credit Facility, including any amounts payable under any Financial Guaranty Agreement, together with reasonable related expenses incurred by the Reserve Fund Credit Facility Issuer and interest as provided in the Financial Guaranty Agreement.

- iv. To the extent any series of the Bonds has a Reserve Fund Requirement and such Reserve Fund Requirement is not fully satisfied by a Reserve Fund Credit Facility or Facilities or funds of the District, or a combination thereof, the next available money in the Revenue Fund shall be used to make deposits into the applicable subaccount of the Reserve Fund. No deposit shall be required to be made to the Reserve Fund unless the amount in the Reserve Fund, together with the Reserve Fund Credit Facility or Facilities, if any, becomes less than the applicable Reserve Fund Requirement. In the event deposits to the Reserve Fund shall be required pursuant to the preceding sentence, said deposits shall be payable monthly as hereafter provided and each deposit shall be in a minimum amount equal to 1/24th of the difference between the Reserve Fund Requirement and the amount in each subaccount of said Fund, together with the Reserve Fund Credit Facility or Facilities, if any, immediately following the occurrence of such deficiency, so that any deficiency in any subaccount of said Fund shall be replenished over a period of not greater than twenty-four (24) consecutive months; provided, any monthly payments in excess of said minimum payments shall be a credit against the next ensuing payment or payments. Any deposits required to be made hereunder shall be made monthly at the same time as deposits are made to the Bond Fund, commencing the first month in which the amount in the Fund, together with the Reserve Fund Credit Facility or Facilities, if any, is less than the Reserve Fund Requirement. All deposits to the Reserve Fund shall be made from the first money in the Revenue Fund thereafter received which shall not then be required to pay Current Expenses, be transferred into the Bond Fund, or to be paid to the Reserve Fund Credit Facility Issuer or Issuers as above provided. Money in the Reserve Fund shall be used solely for the purpose of paying principal of or interest on the Bonds for the payment of which funds are not available in the Bond Fund. Funds in excess of the Reserve Fund Requirement may be released to be used by the District for legally permissible purposes.

At the option of the District, the District may satisfy the Reserve Fund Requirement applicable to a series of Bonds, or a portion thereof, by providing for the benefit of owners of such series of Bonds a Reserve Fund Credit Facility or Facilities, at any time, in an amount not greater than the Reserve Fund Requirement applicable to such series of Bonds and release an equal amount of funds on deposit in the corresponding subaccount of the Reserve Fund to be used by the District for legally permissible purposes. At any time during the term hereof, the District shall have the right and option to substitute a new Reserve Fund Credit Facility or Facilities for any Reserve Fund Credit Facility or Facilities previously delivered, upon notice to the Registration Agent and the Reserve Fund

Credit Facility Issuer or Issuers and delivery of a Reserve Fund Credit Facility or Facilities in substitution therefor. In the event of the issuance of Parity Bonds pursuant to the restrictive provisions of Section 14 hereof with a Reserve Fund Requirement or the substitution of a Reserve Fund Credit Facility or Facilities for less than the full amount of the Reserve Fund Requirement, the District shall satisfy the applicable Reserve Fund Requirement by depositing funds to the Reserve Fund or obtaining a Reserve Fund Credit Facility or Facilities, or any combination thereof, in an aggregate amount equal to the applicable Reserve Fund Requirement for the series of Bonds taking into account any funds then held therein or the amount of any Reserve Fund Credit Facility or Facilities then in effect.

In the event of the necessity of a withdrawal of funds from the Reserve Fund during a time when the Reserve Fund Requirement is being satisfied by a Reserve Fund Credit Facility or Facilities and funds of the District, the funds shall be disbursed completely before any demand is made on the Reserve Fund Credit Facility. In the event all or a portion of the Reserve Fund Requirement is satisfied by more than one Reserve Fund Credit Facility, any demand for payment shall be pro rata between or among the Reserve Fund Credit Facilities. If a disbursement is made by demand on a Reserve Fund Credit Facility, the District, from Revenues after payment of Current Expenses and required deposits to the Bond Fund, shall reimburse the Reserve Fund Credit Facility Issuer for all amounts advanced under the Reserve Fund Credit Facility (pro rata, if more than one Reserve Fund Credit Facility), including all amounts payable under any Financial Guaranty Agreement or Agreements, and then replenish the Reserve Fund as provided herein.

In the event the Reserve Fund Requirement, or any part thereof, shall be satisfied with a Reserve Fund Credit Facility or Facilities, notwithstanding the terms of Section 17 hereof, the terms, covenants, liability and liens provided or created herein or in any resolution supplemental hereto shall remain in full force and effect and said terms, covenants, liability and liens shall not terminate until all amounts payable under any Financial Guaranty Agreement have been paid in full and all obligations thereunder performed in full. If the District shall fail to pay when due all amounts payable under any Financial Guaranty Agreement, the Reserve Fund Credit Facility Issuer shall be entitled to exercise any and all remedies available at law or under this Resolution other than remedies that would adversely affect owners of Bonds.

It shall be the responsibility of the Registration Agent to maintain adequate records, verified with the Reserve Fund Credit Facility Issuer or

Issuers, as to the amount available to be drawn at any given time under the Reserve Fund Credit Facility or Facilities and as to the amounts paid and owing to the Reserve Fund Credit Facility Issuer or Issuers under the terms of any Financial Guaranty Agreement and to provide notice to the Reserve Fund Credit Facility Issuer at least two days before any payment is due. The Reserve Fund Credit Facility Issuer shall receive notice of the resignation or removal of the Registration Agent and the appointment of a successor thereto.

Notwithstanding anything herein to the contrary, the District may issue Parity Bonds without a Reserve Fund Requirement, as shall be specified in the bond resolution authorizing such Parity Bonds.

- v. The next available money in the Revenue Fund shall be used for the purpose of the payment of principal of and interest on (including reasonable reserves therefor) any Subordinate Lien Bonds or other obligations payable from revenues of the System, but junior and subordinate to the Bonds, and may thereafter be used by the District for any legally permissible purpose, as the Governing Body shall determine.

(c) Money on deposit in the Funds described in this Section may be invested by the District in such investments as shall be permitted by applicable law, as determined by an authorized representative of the District, all such investments to mature not later than the date on which the money so invested shall be required for the purpose for which the respective Fund was created. All income derived from such investments shall be regarded as revenues of the System and shall be deposited in the Revenue Fund. Such investments shall at any time necessary be liquidated and the proceeds thereof applied to the purpose for which the respective Fund was created; provided, however, that in no event shall moneys in the Reserve Fund be invested in instruments that mature, or otherwise first provide for liquidity, more than two years from the date the money is so invested. The District is authorized to enter into contracts with third parties for the investment of funds in any of the Funds described herein.

(d) The Revenue Fund, the Bond Fund, and the Reserve Fund (except to the extent funded with a Reserve Fund Credit Facility or Facilities) shall be held and maintained by the District and, when not invested, kept on deposit with a bank or financial institution regulated by and the deposits of which are insured by the Federal Deposit Insurance Corporation or similar federal agency. All moneys in such Funds so deposited shall at all times be secured to the extent and in the manner required by applicable State law.

Covenants Regarding the Operation of the System. The District hereby covenants and agrees with the owners of the Bonds so long as any of the Bonds shall remain outstanding:

(e) The District shall maintain the System in good condition and operate the System in an efficient manner and at reasonable cost and conduct all activities associated therewith or incident thereto.

(f) The District shall maintain insurance on the properties of the System of a kind and in an amount which would normally be carried by private companies engaged in a similar type and size of business, provided, the District shall not be required to insure beyond the limits of immunity provided by Sections 29-20-101 et seq., Tennessee Code Annotated, or other applicable law. The proceeds of any such insurance, except public liability insurance, shall be used to replace the part or parts of the System damaged or destroyed, or, if not so used, shall be placed in the Revenue Fund.

(g) The District will cause to be kept proper books and accounts adapted to the System, will cause the books and accounts to be audited at the end of each Fiscal Year by a recognized independent certified public accountant or a firm of such accountant or accountants and, upon written request, will make available to any registered owner of the Bonds the balance sheet and the profit and loss statement of the District as certified by such accountant or accountants. All expenses incurred in the making of the audits required by this subsection shall be regarded and paid as Current Expenses. The District further agrees to cause copies of such audits to be furnished to the registered owner of any of the Bonds, at the written request thereof, within one year after the close of each Fiscal Year. If the District fails to provide the audits and reports required by this subsection, the registered owner or owners of twenty-five percent (25%) in principal amount of the Bonds may cause such audits and reports to be prepared at the expense of the District.

(h) The District will faithfully and punctually perform all duties with reference to the System required by the constitution and laws of the State, including the making and collecting of reasonable and sufficient rates for services rendered by the System, and will apply the revenues of the System to the purposes and Funds specified in this Resolution.

(i) The District shall continuously own, control, operate, and maintain the System in an efficient and economical manner and on a revenue producing basis and shall at all times prescribe, fix, maintain, and collect rates, fees, and other charges for the services and facilities furnished by the System such that Net Revenues in each Fiscal Year:

- i. will equal at least 110% of the debt service requirement on the Bonds and 100% of any Subordinate Lien Bonds or other obligations then outstanding for such Fiscal Year; provided that the District may calculate the debt service requirement on Subordinate Lien Bonds in the manner prescribed for the Bonds in the definition of "Debt Service Requirement";
- ii. will enable the District to make all required payments, if any, into any Reserve Fund established herein and on any Credit Facility Agreement;

- iii. will enable the District to accumulate an amount, which, in the judgment of the District, is adequate to meet the costs of major renewals, replacements, repairs, additions, betterments, and improvements to the System, necessary to keep the same in good operating condition or as is required by any governmental agency having jurisdiction over the System; and
 - iv. will remedy all deficiencies in required payments into any of the funds and accounts mentioned in this Resolution from prior Fiscal Years.
- (j) The District will not sell, lease, mortgage, or in any manner dispose of the System, or any part thereof, including any and all extensions and additions that may be made thereto, or any facility necessary for the operation thereof; provided, however, the use of any of the System facilities may at any time be permanently abandoned or any of the System facilities sold at fair market value, provided that:
- i. The District is in full compliance with all covenants and undertakings in connection with all bonds, notes and other obligations then outstanding and payable from the revenues of the System and any required reserve funds for such bonds, notes and other obligations have been fully established and contributions thereto are current;
 - ii. Any sale proceeds will be applied either (A) to redemption of the Bonds in accordance with the provisions governing the repayment thereof in advance of maturity, or (B) to the purchase of the Bonds at the market price thereof so long as such price does not exceed the amount at which they could be redeemed on such date or the next optional redemption date as set forth herein or in their authorizing resolutions, or (C) to the construction or acquisition of facilities in replacement of the facilities so disposed of or other facilities constituting capital improvements to the System, or (D) the deposit to a replacement fund to be used to make capital improvements to the System;
 - iii. The abandonment, sale or disposition is for the purpose of disposing of facilities which are no longer necessary or no longer useful to the operation of the System and the operation of the System or revenue producing capacity of the System is not materially impaired by such abandonment, sale or disposition or any facilities acquired in replacement thereof are of equivalent or greater value; and
 - iv. The District shall have received an opinion of nationally recognized bond counsel to the effect that such sale, lease, mortgage or other disposition will not jeopardize the exclusion from federal income taxation of interest

on any Bonds then outstanding intended to be excludable from gross income for federal income tax purposes.

Nothing herein is intended to prohibit the lease purchase of equipment or facilities of the System hereafter to be put in service or to prohibit the transfer or exchange of service areas to provide for more efficient operation of the System so long as the District is in full compliance with the covenants set forth herein immediately following such transfer or exchange.

(k) Prior to the beginning of each Fiscal Year, the Governing Body shall prepare, or cause to be prepared, and adopted an annual budget of estimated revenues, Current Expenses, and capital expenditures for the System for the ensuing Fiscal Year in compliance with the rate covenant set forth in subsection (e) above, and will undertake to operate the System within such budget to the best of its ability. Copies of such budgets and amendments thereto will be made available to any registered owner of a Bond upon written request. The District covenants that Current Expenses and capital expenditures incurred in any Fiscal Year will not exceed the reasonable and necessary amounts therefor and that the District will not expend any amounts or incur any obligations therefor in excess of the amounts provided for Current Expenses and capital expenditures in the budget except upon resolution of the Governing Body.

(l) The District will not construct, finance or grant a franchise for the development or operation of facilities that compete for service with the services to be provided by the System or consent to the provision of any such services in the area currently served by the District by any other public or private entity and will take all steps necessary and proper, including appropriate legal action to prevent any such entity from providing such service; provided, nothing herein contained shall prohibit the transfer or exchange of service areas to provide for more efficient operation of the System so long as the District is in full compliance with the covenants set forth herein immediately following such transfer or exchange.

(m) For the purpose of assuring the efficient, impartial and non-political operation of the System for the benefit of the District and the owners of the Bonds from time to time outstanding, the complete and independent control and operation of the System shall continue to be vested in the Governing Body, subject, however, to the obligation and duty on the part of the Governing Body to carry out and perform faithfully all of the covenants and agreements contained herein. It is agreed with the owners from time to time of the Bonds and made a part of the contract rights which will vest in such owners at the time of delivery of the Bonds that the System will be so operated by the Governing Body.

Prohibition of Prior Lien; Parity Bonds; Subordinate Lien Bonds. The District will issue no other bonds or obligations of any kind or nature payable from or enjoying a lien on the revenues of the System having priority over the Series 2022 Bonds. Additional bonds, notes, Loan Agreements or obligations may hereafter be issued on parity with the Series 2022 Bonds under the following conditions but not otherwise:

(n) Any portion (including any maturities or portions thereof whether or not in chronological order and any amounts subject to mandatory redemption) of a series of the Bonds may be refunded at maturity, upon redemption in accordance with their terms, or upon payment, prepayment or redemption with the consent of the owners of such Bonds, and the refunding bonds so issued shall constitute Parity Bonds secured on a parity with the Bonds thereafter outstanding, if all of the following conditions are satisfied:

- i. the District shall have provided a report in form and substance satisfactory to bond counsel demonstrating that the refunding is expected to reduce the total debt service payments on the Bonds; and
- ii. the requirements of subsections (b)(i) and (iv) below are met with respect to such refunding.

(o) Parity Bonds (including refunding Parity Bonds which do not meet the requirements of (a)) may also be issued on a parity with outstanding Bonds, and the Parity Bonds so issued shall be secured on a parity with such outstanding Bonds, if all of the following conditions are satisfied:

- i. There shall have been procured and filed with the District a report by a Municipal Advisor or a certificate by the General Manager, or his or her designee, to the effect that the historical Net Revenues for either (i) a period of 12 consecutive months of the most recent 18 consecutive months prior to the issuance of the proposed Parity Bonds or (ii) the most recent audited Fiscal Year, were equal to at least the sum of (A) 120% of Maximum Annual Debt Service Requirement on all Bonds and (B) 100% of Maximum Annual Debt Service Requirement on any subordinate lien indebtedness, which will be outstanding immediately after the issuance of the proposed Parity Bonds, in the then current and each succeeding Fiscal Year, provided, however, the report or certificate may contain pro forma adjustments to historical related Net Revenues equal to 100% of the increased annual amount attributable to any revision in the schedule of rates, fees, and charges for the services and facilities furnished by the System, imposed prior to the date of delivery of the proposed Parity Bonds and not fully reflected in the historical related Net Revenues actually received during such historical period used.
- ii. The District shall have received, at or before issuance of the Parity Bonds, a certificate of the General Manager, or his or her designee, to the effect that (y) the payments required to be made into the Bond Fund have been made and the balance in the Bond Fund is not less than the balance required hereby as of the date of issuance of the proposed Parity Bonds; and (z) the Reserve Fund is funded to the extent required under the resolutions authorizing Bonds with a Reserve Fund Requirement, if any,

and any Reserve Fund Replacement applicable to Parity Bonds will be funded to the extent required under the applicable resolution immediately following the issuance of the proposed Parity Bonds.

- iii. The resolution authorizing the proposed Parity Bonds must require the proceeds of such proposed Parity Bonds to be used to make capital improvements to or capital acquisitions for the System, to fund interest on the proposed Parity Bonds, to refund other obligations issued for such purposes (whether or not such refunding Parity Bonds satisfy the requirements of (a)), for any other legal purpose under applicable law as evidenced by an opinion of nationally recognized bond counsel, and/or to pay expenses incidental thereto and to the issuance of the proposed Parity Bonds.
- iv. The General Manager shall have certified, by written certificate dated as of the date of issuance of the Parity Bonds, that the District is in compliance with all requirements of this Resolution.

(p) All the provisions and covenants of this Resolution relating to negotiability and registration of Bonds, creation and investment of funds and the application of revenues, the operation of the System and charges for services of the System, the remedies of owners of the Bonds, the issuance of additional bonds, modification of this Resolution, the defeasance of Bonds, and such other provisions hereof as are appropriate may be incorporated by reference into supplemental resolutions authorizing additional bonds, and said provisions, when so incorporated, shall be equally applicable to the additional bonds issued pursuant to the terms of this Section in all respects and with like force and effect as though said provisions were recited in full in said supplemental resolutions and shall continue to be applicable so long as any such bonds remain outstanding.

(q) Notwithstanding anything herein to the contrary, each series of Parity Bonds may be issued with or without a Reserve Fund Requirement, may require cash funding of the Reserve Fund, if any, and may provide for the funding of the Reserve Fund, if any, over such period of time as is acceptable to the purchaser of such Parity Bonds, all as specified in the resolution authorizing such Parity Bonds. At the option of the District, any such Parity Bonds shall be secured only by the Reserve Fund specified in the resolution authorizing such series of Parity Bonds and shall have no right to receive any payment from the Reserve Fund established for the Series 2022 Bonds or any other series of bonds, whether such additional bonds are issued as Parity Bonds or Subordinate Lien Bonds. Any series of Parity Bonds may be issued in Book-Entry Form and may be registered in the name of a securities depository as may be determined by the District, all to be specified in the resolution authorizing such Parity Bonds.

(r) In addition to Parity Bonds issued in accordance with the foregoing, the District may issue Subordinate Lien Bonds, subject to the liens of this Resolution or otherwise,

provided that the security for such Subordinate Lien Bonds shall be subject in all respects to the lien in favor of the Bonds.

(s) The punctual payment of principal of, premium, if any, and interest on the Series 2022 Bond and any Parity Bonds shall be secured equally and ratably by the Net Revenues, without priority by reason of number or time of sale or execution or delivery.

Resolution a Contract. The provisions of this Resolution shall constitute a contract between the District and the registered owners of the Bonds, and after the issuance of the Series 2022 Bonds, no change, variation or alteration of any kind in the provisions of this Resolution shall be made in any manner, except as expressly provided herein, until such time as the Bonds shall have been paid in full or discharged pursuant to the defeasance sections hereof.

Remedies of Bond Owners. Any registered owner of any of the Bonds may either at law or in equity, by suit, action, mandamus or other proceedings, in any court of competent jurisdiction enforce and compel performance of all duties imposed upon the District by the provisions of this Resolution, including the making and collecting of sufficient rates, the proper application of and accounting for revenues of the System, and the performance of all duties imposed by the terms hereof. If any default be made in the payment of principal of, premium, if any, or interest on the Bonds, then upon the filing of suit by any registered owner of said Bonds, any court having jurisdiction of the action may appoint a receiver to administer the System in behalf of the District with power to charge and collect rates sufficient to provide for the payment of all bonds and obligations outstanding against the System and for the payment of Current Expenses, and to apply the income and revenues thereof in conformity with the provisions of this Resolution.

Discharge and Satisfaction of Bonds. If the District shall pay and discharge the indebtedness evidenced by all or any portion of the Bonds in any one or more of the following ways:

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

(u) By depositing or causing to be deposited with any trust company or financial institution whose deposits are insured by the Federal Deposit Insurance Corporation or similar federal agency and which has trust powers (an "Agent"; which Agent may be the Registration Agent) in trust or escrow, on or before the date of maturity or redemption, sufficient money or Defeasance Obligations, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Bonds and to pay premium, if any, and interest thereon when due until the maturity or redemption date (provided, if such Bonds are to be redeemed prior to maturity thereof, proper notice of such redemption shall have been given or adequate provision shall have been made for the giving of such notice);

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

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

Except as otherwise provided in this Section, neither Defeasance Obligations or moneys deposited with the Registration Agent pursuant to this Section nor principal or interest payments on any such Defeasance Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal and interest on said Bonds; provided that any cash received from such principal or interest payments on such Defeasance Obligations deposited with the Registration Agent, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to the District as received by the Registration Agent and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Defeasance Obligations maturing at times and in amounts sufficient to pay when due the principal and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the District, as received by the Registration Agent.

Notwithstanding the foregoing, the District may restrict its right to discharge and satisfy prior to maturity any series of Parity Bonds as may be set forth in the resolution authorizing such series of Parity Bonds.

6. Modification of Resolution.

(a) This Resolution may be amended without the consent of or notice to the registered owners of the Bonds (a) for the purpose of curing any ambiguity or formal defect or omission herein or (b) for any other purpose which, in the opinion of nationally recognized bond counsel, does not adversely affect the holders of any then outstanding Bonds; provided that, in evaluating the impact of any amendment, the existence of any Credit Facility shall be disregarded.

(b) In addition to the amendments to this Resolution without the consent of registered owners as referred to in subsection (a) above, the registered owners of a majority in aggregate principal amount of the Bonds at any time outstanding (not including in any

case any Bonds which may then be held or owned by or for the account of the District but including such refunding bonds as may have been issued for the purpose of refunding any of such Bonds if such refunding bonds shall not then be owned by the District) shall have the right from time to time to consent to and approve the adoption by the Governing Body of a resolution or resolutions modifying any of the terms or provisions contained in this Resolution; provided, however, that this Resolution may not be so modified or amended in such manner, without the consent of 100% of the registered owners of the Bonds, as to:

- i. Make any change in the maturities or redemption dates of the Bonds;
- ii. Make any change in the rates of interest borne by the Bonds;
- iii. Reduce the amount of the principal payments or redemption premiums payable on the Bonds;
- iv. Modify the terms of payment of principal of or interest on the Bonds or impose any conditions with respect to such payments;
- v. Affect the rights of the registered owners of less than all of the Bonds then outstanding;
- vi. Reduce the percentage of the principal amount of the Bonds the consent of the registered owners of which is required to effect a further modification.

(c) Whenever the District shall propose to amend or modify this Resolution under the provisions of this Section, it shall cause notice of the proposed amendment to be mailed by first-class mail, postage prepaid, to the owner of each Bond then outstanding. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy of the proposed amendatory resolution is on file in the office of the District for public inspection.

(d) Whenever at any time within one year from the date of mailing of said notice there shall be filed with the Secretary an instrument or instruments executed by the registered owners of at least a majority in aggregate principal amount of the Bonds then outstanding as in this Section defined, which instrument or instruments shall refer to the proposed amendatory resolution described in said notice and shall specifically consent to and approve the adoption thereof, thereupon, but not otherwise, the District may adopt such amendatory resolution and such resolution shall become effective and binding upon the owners of all Bonds.

(e) If the registered owners of at least a majority in aggregate principal amount of the Bonds outstanding as in this Section defined, at the time of the adoption of such amendatory resolution, or the predecessors in title of such owners, shall have consented to and approved the adoption thereof as herein provided, no registered owner of any

Bonds, whether or not such owner shall have consented to or shall have revoked any consent as in this Section provided, shall have any right or interest to object to the adoption of such amendatory resolution or to object to any of the terms or provisions therein contained or to the operation thereof or to enjoin or restrain the District from taking any action pursuant to the provisions thereof

(f) Any consent given by the registered owner of a Bond pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the publication of the notice above provided for and shall be conclusive and binding upon all future registered owners of the same Bond during such period. Such consent may be revoked at any time after six months from the date of publication of such notice by the registered owner who gave such consent or by a successor in title by filing notice of such revocation at the District office, but such revocation shall not be effective if the registered owners of a majority in aggregate principal amount of the Bonds outstanding as in this Section defined shall have, prior to the attempted revocation, consented to and approved the amendatory resolution referred to in such revocation.

(g) The fact and date of the execution of any instrument under the provisions of this Section may be proved by the certificate of any officer in any jurisdiction who by the laws thereof is authorized to take acknowledgments of deeds within such jurisdiction, that the person signing such instrument acknowledged before him or her the execution thereof, or may be proved by an affidavit of a witness to such execution sworn to before such officer.

(h) The amount (number(s)) of the Bonds owned by any person executing such instrument and the date of the ownership of the same shall be proved by reference to the Bond registration records maintained by the Registration Agent, which records shall constitute conclusive proof of the ownership thereof.

7. Professionals. The engagement of Thornton Farish, Inc. as Underwriter pursuant to its engagement letter dated February 16, 2022 is hereby ratified and confirmed. The engagement of Waller Lansden Dortch and Davis, LLP as Bond Counsel under the terms of its engagement letter dated February 22, 2022 is hereby ratified and confirmed.

Bank Qualified. To the extent not deemed designated, the District designates the Series 2022 Bonds as “qualified tax-exempt obligations” under section 265 of the Internal Revenue Code of 1986, as amended.

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

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

(signature page follows)

DRAFT

Adopted and approved this ____ day of _____, 2022.

**GLADEVILLE UTILITY DISTRICT OF
WILSON COUNTY, TENNESSEE**

Robert Spickard, Sr., President

Gene Jones, Vice-President

Nancy Guethlein, Secretary

STATE OF TENNESSEE)
)
COUNTY OF WILSON)

I hereby certify that I am the duly qualified and acting Secretary of the Board of Commissioners of the Gladeville Utility District of Wilson County, Tennessee, and as such official I further certify that that the foregoing is a full, true and complete copy of a resolution authorizing up to \$_____ of Waterworks Revenue Refunding Bonds of the District, adopted by the Board of Commissioners of the District at a meeting held on March ____, 2022.

WITNESS my official signature and seal of said District this ____ day of _____, 2022.

Nancy Guethlein, Secretary

EXHIBIT A

(Form of Series 2022 Bond)

REGISTERED
Number _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF TENNESSEE
COUNTY OF WILSON
GLADEVILLE UTILITY DISTRICT OF WILSON COUNTY, TENNESSEE
WATERWORKS REVENUE REFUNDING BONDS, SERIES 2022

Interest Rate:
_____ %

Maturity Date:
_____, ____

Date of Bond:
_____, ____

CUSIP No.:

Registered Owner: CEDE & CO.

Principal Amount: _____ DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That Gladeville Utility District of Wilson County, Tennessee (the "District"), for value received hereby promises to pay to the registered owner hereof, hereinabove named, or registered assigns, in the manner hereinafter provided, the principal amount hereinabove set forth on the maturity date hereinabove set forth, and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on said principal amount at the annual rate of interest hereinabove set forth from the date hereof until said maturity date, said interest being payable on _____, and semi-annually thereafter on the first day of _____ and _____ in each year until this Bond matures or is redeemed. Both principal hereof and interest hereon are payable in lawful money of the United States of America at the designated corporate trust office of _____, as registration agent and paying agent (the "Registration Agent"). The Registration Agent shall make all interest payments with respect to this Bond on each interest payment date to the registered owner hereof shown on the bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by check or draft mailed to such owner at such owner's address shown on said bond registration records, without, except for final payment, the presentation or surrender of this Bond, and all such payments shall discharge the obligations of the District to the extent of the payments so made. Any such interest not so punctually paid or duly provided for on any interest payment date shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such defaulted interest shall be payable to the persons in whose name this Bond is registered at the close of

business on the date (the “Special Record Date”) for payment of such defaulted interest to be fixed by the Registration Agent, notice of which shall be given to the owners of the Bonds of the issue of which this Bond is one not less than ten days prior to such Special Record Date. Payment of principal of and premium, if any, on this Bond shall be made when due upon presentation and surrender of this Bond to the Registration Agent.

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

This Bond is one of a total authorized issue aggregating \$_____ and issued by the District for the purpose of providing funds to refund the District's outstanding Waterworks Revenue Refunding and Improvement Bonds, Series 2014, and pay the costs of issuing the Bonds, under and in full compliance with Tennessee Code Annotated Sections 7-82-101 et seq., Tennessee Code Annotated Sections 9-21-101 et seq. and pursuant to a resolution duly adopted by the Board of Commissioners of the District at a meeting held on _____, _____, 2022 (the "Resolution").

This Bond is payable solely from and secured by a pledge of revenues of the System, subject to the payment of the reasonable and necessary costs of operating, maintaining, repairing and insuring the System. As provided in the Resolution, the punctual payment of principal of and interest on the series of the Bonds of which this Bond is one, and any other bonds hereafter issued on a parity therewith, shall be secured equally and ratably by said revenues without priority by reason of series, number or time of sale or delivery. Said revenues are required by law and by the proceedings pursuant to which this Bond is issued to be fully sufficient to pay the cost of operating, maintaining, repairing and insuring the System, including reserves therefor, and to pay principal of and interest on this Bond and the issue of which it is a part promptly as each becomes due and payable. The District has covenanted and does hereby covenant that it will fix and impose such rates and charges for the services rendered by the System and will collect and account for sufficient revenues to pay promptly the principal of and interest on this Bond and the issue of which it is a part as each becomes due. This Bond and the interest hereon are payable solely from the revenues so pledged to the payment hereof, and this Bond does not constitute a debt of the District within the meaning of any statutory limitation. For a more complete statement of the revenues from which and conditions under which this Bond is payable, a statement of the conditions on which obligations may hereafter be issued on a parity with this Bond, the general covenants and provisions pursuant to which this Bond is issued and the terms upon which the Resolution may be modified, reference is hereby made to the Resolution.

A statutory mortgage lien, which is hereby recognized as valid and binding, is created and granted by statute on the System, in favor of the owner or owners of this Bond and the issue of which it is a part, and the System shall remain subject to such statutory mortgage lien until the payment in full of the principal of and interest on said Bonds.

The Bonds of the issue of which this Bond is one shall be subject to redemption prior to maturity at the option of the District on or after _____ 1, 20____, as a whole or in part at any time at the redemption price of par plus interest accrued to the redemption date. If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be designated by the Board of Commissioners of the District, in its discretion. If less than all the principal amount of the Bonds of a maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

- (i) if the Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the amount of the interest of each DTC Participant in the Bonds to be

redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

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

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

**Final
Maturity**

**Redemption
Date**

**Principal Amount
of Bonds Redeemed**

*Final Maturity

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

Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent not less than thirty (30) nor more than sixty (60) days prior to the date fixed

for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any such defect in any such notice so mailed shall affect the sufficiency of the proceedings for the redemption of any of the Bonds for which proper notice was given. The notice may state that is conditioned upon the deposit of moneys in an amount equal to the amount necessary to effect the redemption with the Registration Agent no later than the redemption date ("Conditional Redemption"). As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the District nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant will not affect the validity of such redemption. From and after any redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth in the Resolution, as hereafter defined. In the case of a Conditional Redemption, the failure of the District to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository or the affected Bondholders that the redemption did not occur and that the Series 2022 Bonds called for redemption and not so paid remain outstanding.

If this Bond is no longer registered in the name of Cede & Co. as nominee for DTC, this Bond is transferable by the registered owner hereof in person or by such owner's attorney duly authorized in writing at the principal corporate trust office of the Registration Agent set forth on the front side hereof, but only in the manner, subject to limitations and upon payment of the charges provided in the Resolution, as hereafter defined, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds of authorized denominations of the same maturity and interest rate for the same aggregate principal amount will be issued to the transferee in exchange therefor. The person in whose name this Bond is registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the District nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Bond shall be overdue. Bonds, upon surrender to the Registration Agent, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of the Bonds of the same maturity in authorized denomination or denominations, upon the terms set forth in the Resolution. The Registration Agent shall not be required to transfer or exchange any Bond during the period commencing on a Regular Record Date or Special Record Date and ending on the corresponding interest payment date of such Bond, nor to transfer or exchange any Bond after the notice calling such Bond for redemption has been made, nor during a period following the receipt of instructions from the District to call such Bond for redemption.

This Bond and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except as provided in Tennessee Code Annotated Section 7-82-105 and other applicable law.

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

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

IN WITNESS WHEREOF, the District has caused this Bond to be signed by the President of its Board of Commissioners and attested by the Secretary of its Board of Commissioners, all as of the date hereinabove set forth.

**GLADEVILLE UTILITY DISTRICT OF
WILSON COUNTY, TENNESSEE**

By: _____
President of the Board of Commissioners

(SEAL)

ATTESTED:

Secretary of the Board of Commissioners

Transferable and Payable at: _____
Nashville, Tennessee

Date of Registration: _____

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

Registration Agent

By: _____
Authorized Officer

(FORM OF ASSIGNMENT)

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

Dated: _____

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

Signature guaranteed:

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

EXHIBIT B

(Bond Purchase Agreement)

THE GLADEVILLE UTILITY DISTRICT

OF WILSON COUNTY, TENNESSEE

\$_____

WATERWORKS REVENUE REFUNDING BONDS,

SERIES 2022

BOND PURCHASE AGREEMENT

_____, 2022_

Mr. Robert Spickard, Sr.
President of the Board of Commissioners
The Gladeville Utility District
of Wilson County, Tennessee
3826 Vesta Road
Lebanon, Tennessee 37090

Thornton Farish, Inc. (the “Underwriter”), hereby offers to enter into the following agreement with the Gladeville Utility District of Wilson County, Tennessee (the “District”) which, upon the acceptance of this offer, will be binding upon the District and upon the Underwriter. This offer is made subject to the District’s acceptance and execution of this Bond Purchase Agreement and its delivery to the Underwriter by 5:00 p.m., eastern time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon written notice at any time prior to acceptance hereof by the District.

Capitalized terms used herein and not defined herein shall have the meanings given them in the Resolution (as hereinafter defined).

Purchase and Sale of the Bonds. Upon the terms and conditions and upon the basis of the representations, warranties and covenants, herein set forth, the Underwriter, agrees to purchase from the District for offering to the public, and the District hereby agrees to sell to the

Underwriter for such purpose, all, but not less than all, of the District's \$_____ Waterworks Revenue Refunding Bonds, Series 2022, dated the date of their delivery (the "Bonds"). The aggregate purchase price shall be equal to \$_____, which is the par amount of the Bonds, plus original issue premium of \$_____, less Underwriter's discount of \$_____.

The Bonds shall be issued and secured under the provisions of a Resolution adopted by the District on March____, 2022 (the "Resolution"). The Bonds shall also be issued pursuant to the Constitution and laws of the State of Tennessee, including particularly Sections 782101 *et seq.*, Tennessee Code Annotated (the "Act").

The Bonds are payable solely from and secured by a pledge of the Net Revenues (as defined in the Resolution) derived from the operation of the waterworks system of the District (the "System"). A portion of the proceeds of the Bonds will be applied to the refunding of the Waterworks Revenue Refunding and Improvement Bonds, Series 2014 Bonds maturing on or after September 1, 2022 (the "Refunded Obligations"). Such proceeds will be deposited with Regions Bank, as paying agent for the Refunded Obligations and applied to the redemption of the Refunding Obligations on _____, 2022. The balance of the proceeds of the Bonds will be applied to the payment of costs of issuance.

The Resolution and the Bonds will be in the forms previously supplied by the District, with only such subsequent amendments as shall be approved by the District and the Underwriter.

The Bonds shall bear interest, shall mature and shall otherwise be as described in Exhibit A attached hereto and incorporated herein by reference. The Bonds maturing on or before _____, shall mature without option of prior redemption. Bonds maturing on _____ and thereafter shall be subject to redemption prior to maturity at the option of the Issuers on or after _____, as a whole or in part at any time at the redemption price of par, plus interest accrued to the redemption date.

The District hereby determines that there shall be no Debt Service Reserve Requirement for the Bonds.

(i) The District will treat the first price at which 10% of each maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). The underwriter confirms that it has sold at least 10% of each maturity of the Bonds to the public at a price of no higher than the initial price to the public reflected on Exhibit A.

(ii) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to a regulatory underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

“public” means any person other than a regulatory underwriter or a related party,

“regulatory underwriter” means (A) any person that agrees pursuant to a written contract with the District (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),

a purchaser of any of the Bonds is a “related party” to a regulatory underwriter if the regulatory 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 profit 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

“sale date” means the date of execution of this Purchase Agreement by all parties.

(iii) At the Closing, as a condition to the District’s obligation to deliver the Bonds, the Underwriter shall deliver to the Issuer an issue price certificate in substantially the form set forth in Exhibit C in order to enable Bond Counsel to render its opinion as to the exclusion from gross income tax purposes of interest on the Bonds under the Internal Revenue Code of 1986, as amended (the “Code”).

As of its date, the Preliminary Official Statement has been “deemed final” (except for permitted omissions) by the District for purposes of Rule 15c212(b)(1) of the Securities and Exchange Commission. The District will deliver, or cause to be delivered, to the Underwriter, promptly after the acceptance hereof, but in any event within seven (7) days of the date hereof, copies of the Official Statement, sufficient to enable the Underwriter to comply with the requirements of Rule 15c212 of the Securities Exchange Commission (and the related rules of the Municipal Securities Rulemaking Board).

In the event of the District’s failure to tender the Bonds at the Closing, or if the District shall be unable to satisfy the conditions of the obligation of the Underwriter to purchase and accept delivery of the Bonds as set forth in this Bond Purchase Agreement, or if the obligation of the Underwriter with respect to the Bonds shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall terminate and neither the Underwriter nor the District shall be under further obligation hereunder, except that the payment

of expenses as provided in Section 4 and indemnification, if any, as provided in Section 2 hereof, shall continue in full force and effect. In the event that the Underwriter fails (other than for a reason permitted under this Bond Purchase Agreement) to accept and pay for the Bonds at the Closing, the Underwriter's liability therefor shall be limited to the underwriter's compensation hereunder as and for full liquidated damages for such failure and for any and all defaults hereunder on the part of the Underwriter, and thereupon all claims and rights of the District hereunder against the Underwriter shall be fully released and discharged. The Underwriter understands that in such event the District's actual damages may be greater or may be less than such sum. Accordingly, the Underwriter hereby waives any right to claim that the District's actual damages are less than such sum, and acceptance of this offer shall constitute a waiver of any right the District may have to additional damages from the Underwriter and no party shall have further rights against any other party hereunder.

The District has authorized the Preliminary Official Statement, the Official Statement, the Resolution and the information contained therein to be used in connection with the public offering and sale of the Bonds and agrees not to supplement or amend or cause to be supplemented or amended the Resolution or the Official Statement, at any time prior to the Closing without the Underwriter's prior written consent. The District hereby consents to and ratifies the Underwriter's use prior to the date hereof of the Preliminary Official Statement in connection with the public offering of the Bonds. The District agrees to furnish such information, execute such instruments and take such other action as the Underwriter may reasonably require in order to qualify the Bonds for offering and sale under the blue sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate except where such action would require the District to undertake actions reasonably determined by the District to be unduly burdensome; and except that in no event shall the District be required to file a general consent to service of process in any such jurisdiction.

If, at any time prior to the Closing, any event known to the District relating to or affecting the District or the Resolution shall occur which might affect the correctness or completeness of any statement of a material fact contained in the Official Statement, the District will promptly notify the Underwriter, in writing, of the circumstances and details of such event. If, as a result of such event or any other event, it is necessary, in the opinion of the Underwriter to amend or supplement the Official Statement in order to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading and the Underwriter shall have so advised the District, the District will forthwith prepare and furnish to the Underwriter a reasonable number of copies of an amendment of or a supplement to such Official Statement which will so amend or supplement such Official Statement so that, as amended or supplemented, it will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

Representations, Warranties and Covenants of the District. The District represents, warrants and covenants to the Underwriter that:

The District is duly incorporated pursuant to decree duly dated February 12, 1965, in the County of Wilson, Tennessee, as thereafter amended and supplemented (the "Order") and pursuant to Sections 782101 et seq., Tennessee Code Annotated, as amended and is authorized pursuant to the Order, the laws of the State of Tennessee and resolutions of its Board of Commissioners (including the Resolution) to issue the Bonds and to pledge the Net Revenues of the District for payment of principal, premium, if any, and interest on the Bonds.

The District has full legal right, power and authority (i) to execute and deliver this Bond Purchase Agreement, (ii) to issue, sell (or cause to be sold) and deliver (or cause to be delivered) the Bonds to the Underwriter as provided in this Bond Purchase Agreement; and (iii) to carry out and consummate all other transactions contemplated by this Bond Purchase Agreement, the Resolution and the Official Statement.

The District has duly authorized (i) the execution, delivery and performance of this Bond Purchase Agreement, the Bonds and the Resolution; (ii) the distribution of the Preliminary Official Statement and the execution, delivery and distribution of the Official Statement; and (iii) the taking of any and all such action as may be required on the District's part to carry out, give effect to and consummate the transactions contemplated by this Bond Purchase Agreement, the Resolution and the Official Statement.

The District has duly adopted the Resolution and it is in full force and effect, and the Bond Purchase Agreement, when executed and delivered by the parties hereto and thereto, will constitute a legal, valid and binding obligation of the District (subject, as to the enforcement of remedies, to any applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting the rights of creditors generally and the exercise of judicial discretion in accordance with general principles of equity).

The District has complied, and will at the Closing be in compliance, in all respects, with the Resolution and the Act and all other agreements relating to projects undertaken by the District or with respect to which the District has assumed responsibility.

When delivered to and paid for by the District at the Closing, in accordance with the provisions of this Bond Purchase Agreement, the Bonds will be duly authorized, executed, authenticated and delivered and will constitute legal, valid and binding obligations of the District, enforceable in accordance with their terms (subject, as to the enforcement of remedies, to any applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting the rights of creditors generally and the exercise of judicial discretion in accordance with general principles of equity) and will be entitled to the benefits of, and secured by, the Resolution.

At the Closing, all approvals, consents, authorizations and orders of any government or regulatory authorities or agencies having jurisdiction in the matter, which would constitute a condition precedent to the performance by the District of the District's obligations under this

Bond Purchase Agreement, the Bonds and the Resolution will have been obtained and any approvals, consents, authorizations and orders so received will be in full force and effect.

The adoption of the Resolution, the execution and delivery of this Bond Purchase Agreement, the Preliminary Official Statement, the Official Statement and the Bonds, and the compliance with the provisions thereof and hereof, do not and will not conflict with or constitute on the District's part a violation of, breach of or default under any material statute, any existing law, administrative regulation, filing, decree or order, state or federal, or any provision by the Constitution or laws of the State of Tennessee, or any rule or regulation of the District, indenture, mortgage, lease, deed of trust, note, resolution, or other agreement or instrument to which the District, its properties, members or employees in their respective capacities as such are subject or by which the District, its properties, members or employees are or may be bound or, to the knowledge of the District, any order, rule or regulation of any regulatory body or court having jurisdiction over the District or any of their activities or properties.

The Official Statement, is and will be, at the date of Closing, true and correct in all material respects and does not and will not, at the date of Closing, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein which is necessary to make the Official Statement, or the statements and information contained therein, in light of the circumstances under which they were made, not misleading;

Between the time of the District's acceptance hereof and the Closing, the District will not execute or issue any bond or notes or incur any other obligations for borrowed money other than those referred to in the Official Statement and other than those obligations incurred in the normal course of doing business, and there will not be any adverse change of a material nature in the financial position or method of operation of the District relating to the System.

The District has not incurred any material liabilities, direct or contingent, nor has there been any material adverse change in the financial position, results of operations or condition, financial or otherwise, of the District since June 30, 2021, which is not described in the Official Statement, whether or not arising from transactions in the ordinary course of business.

The District will cooperate with the Underwriter in the qualification of the Bonds for offering and sale and the determination of their eligibility for investment under the laws of such jurisdictions as the Underwriter shall designate, provided that the District shall not be required to consent to service of process in any jurisdiction.

Except as disclosed in the Official Statement, there is, to the District's knowledge, no action, suit, hearing, proceeding, inquiry or investigation, at law or in equity, or before or by any court or governmental or public board, agency or body, pending (if service of process shall have been made against the District, the District shall be deemed to have knowledge thereof) or threatened against the District (nor to the District's best knowledge is there any basis therefor) wherein an unfavorable decision, ruling or finding would, in any way, adversely affect: (i) the validity or enforceability of the Bonds, the Resolution, this Bond Purchase Agreement or any

other material agreement or instrument to which the District is a party, used or contemplated for use in the consummation of the transactions contemplated by this Bond Purchase Agreement or by the Official Statement; or (ii) the Net Revenues or the funds and accounts held under the Resolution and pledged to the payment of the Bonds.

Any certificate signed by an official of the District and delivered in connection with the issuance of the Bonds to the Underwriter shall be deemed to be a representation, warranty and covenant by the District, to the Underwriter as to the statements made therein.

The District is not and has never been in default in the payment of principal of, premium, if any, or interest on, or otherwise been in material default with respect to any bonds, notes or other obligations which the District has issued, assumed or guaranteed as to payment of principal, premium, if any, or interest, and, other than as set forth in the Resolution and/or as disclosed in the Preliminary Official Statement and Official Statement, the District has not entered into any contract or arrangement of any kind which might give rise to any lien or encumbrance on the District's revenue or other assets, properties, funds or interest pledged pursuant to the Resolution.

If, during the period during which the Underwriter is required to deliver copies of the Official Statement to potential customers under Rule 15c2-12 of the regulations promulgated by the Securities and Exchange Commission (the "Rule"), any event or condition occurs which might or could cause the Official Statement, as then supplemented or amended, with respect to the information and descriptions contained or to be contained therein, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the District shall notify the Underwriter thereof and if, in the opinion of the Underwriter, such event or condition requires the preparation and publication of an amendment or supplement to the Official Statement, the District will cooperate in the preparation of either amendments to the Official Statement or supplemental information so that the statements in the Official Statement as so amended or supplemented will not contain any untrue statement of material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. Any such amendment or supplement must be with the approval of Bond Counsel.

For purposes of compliance with the Rule, the District will undertake to provide notices of the occurrence of certain events and provide certain annual financial information as provided in the Resolution and Preliminary Official Statement, and will evidence its undertaking by executing a Continuing Disclosure Certificate at closing. A description of these undertakings is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement.

To the extent permitted by law, the District agrees to indemnify and hold harmless the Underwriter and each person, if any, who controls (as such term is defined in Section 15 of the Securities Act of 1933, as amended) the Underwriter and the officers, agents and employees of

the Underwriter against any and all losses, claims, damages, liabilities and expenses arising out of any statement or information in the Official Statement, relating to the District that is or is alleged to be untrue or incorrect in any material respect or the omission or alleged omission therefrom of any statement or information that should be stated therein or that is necessary to make the statements therein relating to the District not misleading in any material respect, and to the extent of the aggregate amount paid in settlement of any litigation commenced or threatened arising from a claim based upon any such untrue statement or omission if such settlement is effected with the written consent of the District; provided, however, that the indemnity agreement contained in this subsection shall not inure to the benefit of the Underwriter (or to the benefit of any person controlling the Underwriter), if the Underwriter failed to send or give a copy of the Official Statement to such person claiming such loss, damage, liability or expense at or prior to the written confirmation of the sale of Bonds to such person and the Underwriter was required by law to send or give such Official Statement.

In case any claim shall be made or action brought against the Underwriter or any controlling person based upon the Official Statement for which indemnity may be sought against the District, as provided above, the Underwriter shall promptly notify the District in writing setting forth the particulars of such claim or action and the District shall assume the defense thereof, including the retaining of counsel acceptable to the Underwriter and the payment of all expenses. The Underwriter or any such controlling person shall have the right to retain separate counsel in any such action but shall bear the fees and expenses of such counsel unless (i) the District shall have specifically authorized the retaining of such counsel or (ii) the parties to such suit include such Underwriter or controlling person or persons, and the District and such Underwriter or controlling person or persons have been advised by such counsel that one or more legal defenses may be available to it or them which may not be available to the District, in which case the District shall not be entitled to assume the defense of such suit notwithstanding its obligation to bear the fees and expenses of such counsel.

Except as specified in the Official Statement, the District is not in default and has not been in default within the past five years with respect to any continuing disclosure obligation incurred pursuant to the Rule.

All the certifications required to be made by the District pursuant to Section 3 hereof are true and correct as of the date hereof.

Conditions of Closing. The obligations of the Underwriter hereunder as to the Bonds are subject to the performance by the District of its obligations to be performed hereunder at or prior to the Closing, to the accuracy of and compliance with, in all material respects, the representations, warranties and covenants contained herein as of the date hereof and the date of the Closing and are also subject, in the Underwriter's discretion, to the following additional conditions:

The Resolution shall be in full force and effect and shall not have been amended, modified or supplemented since the date hereof except as may have been agreed to in writing by

the Underwriter; (i) the District shall perform or shall have performed all of its obligations required under or specified in this Bond Purchase Agreement with regard to the Bonds or the Resolution to be performed at, simultaneously with or prior to the Closing; and (ii) the District shall have adopted and there shall be in full force and effect such additional agreements and resolutions, and there shall have been taken in connection therewith and in connection with the issuance of the Bonds all such action, as shall, in the opinion of Waller Lansden Dortch & Davis, LLP (“Bond Counsel”) be necessary in connection with the transaction contemplated hereby;

The Bonds shall have been duly authorized, executed, authenticated, and delivered in accordance with the provisions of the Resolution;

If any event shall occur between the date hereof and the date of Closing, which might cause or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the District shall notify the Underwriter thereof and if, in the opinion of the District and in the opinion of the Underwriter such event requires a supplement or amendment to the Official Statement, the District will supplement or amend the Official Statement in a form and in a manner approved by the Underwriter. If the Official Statement is amended or supplemented subsequent to the date hereof, the Underwriter may terminate this Bond Purchase Agreement with respect to the Bonds by notification to the District at any time prior to the Closing if in the judgment of the Underwriter such amendment or supplement has or will have a material adverse effect on the market price of the Bonds, or for any reason otherwise permitted under this Bond Purchase Agreement;

No litigation shall be pending to restrain or enjoin the issuance or delivery of the Bonds or the collection of any material amount of revenues pledged or to be pledged to pay the principal of or interest on the Bonds, or in any way contesting or affecting the validity of the Bonds, the Bond Purchase Agreement or the Resolution;

At or prior to the Closing, the Underwriter shall receive the following documents with respect to the issuance of the Bonds:

- (a) the unqualified approving opinion of Bond Counsel dated the date of Closing and addressed to the District and to the Underwriter, in substantially the form included in Appendix E to the Official Statement;

- (b) a supplemental opinion, dated the date of Closing, of Bond Counsel addressed to the Underwriter in substantially the form of Exhibit B hereto;

- (c) an opinion of Counsel to the District dated the date of Closing and addressed to the Underwriter in a form acceptable to Bond Counsel;

(d) a certificate of the District dated the date of Closing, and executed on behalf of the District by the President of the District, to the effect that (a) the representations and warranties of the District contained herein are true and correct in all material respects as of the date of the Closing; (b) the District has performed all of its obligations under this Bond Purchase Agreement to be performed at or prior to the Closing and is in full compliance with its agreements set forth in this Bond Purchase Agreement; (c) no material adverse change has occurred in the business, properties, other assets or financial position of the District since June 30, 2021 and (d) the District has not incurred any material liabilities other than as set forth in or contemplated by the Official Statement, and the latest available audited financial statements as of June 30, 2021 present fairly the business, properties, other assets and financial position of the District as of the date thereof for the period therein described;

(e) the Official Statement, dated _____, 202_, executed on behalf of the District by its President and Chief Executive Officer relating to the Bonds as supplemented and amended from time to time with as many copies as the Underwriter shall reasonably request as necessary to comply with the Rule and with Rule G32 and all other applicable rules of the Municipal Securities Rulemaking Board which the District agrees to deliver such Official Statement within seven (7) business days after the execution hereof;

(f) the Resolution, duly certified on behalf of the District;

(g) a certificate, dated the Closing Date, signed by the President of the District, in which such officer, to the best of his knowledge, information and belief, shall state that:

(i) There is no litigation or other legal or governmental action, proceeding, inquiry or investigation of any nature pending on the Closing Date, or to their knowledge threatened, seeking to restrain or enjoin the issuance, sale, execution or delivery of the Bonds, application of the proceeds thereof, or the payment, collection or application of income or revenues of the District or the pledge thereof to the payment of the Bonds pursuant to the Resolution; seeking to restrain or enjoin the execution, delivery or performance of the Bond Purchase Agreement; in any manner questioning the proceedings or authority pursuant to which the Bonds are authorized or issued; in any manner questioning or relating to the validity of the Bonds, the Resolution or the Bond Purchase Agreement; contesting in any way the completeness or accuracy of the Official Statement; in any way contesting the corporate existence or boundaries of the District or the title of its present officers to their respective offices; or contesting the powers of the District or its authority with respect to the Bonds, the Resolution, the Bond Purchase Agreement or the Official Statement, or any act to be done or documents or certificates to be executed or delivered in connection with any of them;

(ii) The Resolution is as of the Closing Date in full force and effect and has not been amended, modified or supplemented, except as provided herein;

(iii) The execution and delivery of the Bond Purchase Agreement and the Bonds, the adoption of the Resolution, and the compliance by the District with the terms and provisions thereof, will not conflict with, or result in any violation of any provision of the Charter of the District or similar incorporating or governing documents of the District or of any amendments to any of the foregoing or any indenture, mortgage, deed of trust or other agreement or instrument to which the District is a party or by which it or its properties are bound and will not violate any decree, order, injunction, judgment, determination or award to which the District or its properties are subject;

(iv) The District has complied with all the requirements and satisfied all the conditions on its part to be performed or satisfied at or prior to the delivery of the Bonds;

(v) The descriptions and statements contained in the Official Statement were at the time of its publication and distribution, and are on the Closing Date, true and correct in all material respects, and the Official Statement did not at the time of its publication and distribution, and does not on the Closing Date, contain an untrue statement of a material fact or omit to state a material fact required to be stated where necessary to make the statements made, in light of the circumstances under which they are made, not misleading; and

(vi) The District does not have outstanding any obligations payable from or secured by or entitled to a lien on the Net Revenues of the District and has not pledged said Revenues to secure any such obligations, other than the lien to secure the Refunded Obligations which shall be paid at closing.

(h) evidence that S&P Global Ratings ("S&P") has issued a rating of at least ____ for the Bonds; and

(i) such other certificates and documents as shall be listed on a Closing Memorandum to be approved by the Counsel to the District, Bond Counsel and the Underwriter, including any certificates or representations of the District required in order for Bond Counsel to deliver the opinions referred to in this Bond Purchase Agreement; and such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter or Bond Counsel may reasonably request to evidence compliance by the District with legal requirements, the truth and accuracy, as of the time of Closing, of the representations and warranties of the District contained herein and the due performance or satisfaction by the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the District.

Expense. If the Bonds are sold to the Underwriter by the District or as contemplated in Section 1(f) hereof, the District shall pay, out of the proceeds of the Bonds or from other legally available funds, any expenses incident to the performance of its obligations hereunder including but not limited to: (i) the cost of the preparation and printing of the Bonds; (ii) fees and expenses of Bond Counsel; (iii) the cost of the preparation, printing and delivery of the Preliminary Official Statement and the Official Statement (including any and all supplements or amendments thereto required under Paragraph 1(h) of this Bond Purchase Agreement), together with the number of copies which the Underwriter deems reasonable; (iv) the fees and disbursements of the District, including, without limitation, the charges of S&P; (v) fees and expenses of the Counsel to the District, accountants, any firm performing mathematical verification, financial advisor and consultants; (vi) fees of the registration agent; (vii) all advertising expenses in connection with the public offering of the Bonds; (viii) the cost of preparing and printing the blue sky and legal investment memoranda; (ix) fees and expenses of the Underwriter; and (x) any other costs associated with the issuing of the Bonds.

Termination. The Underwriter may terminate this Bond Purchase Agreement without liability by notification to the District, if, at any time subsequent to the date hereof and at or prior to the Closing:

legislation shall be enacted by the Congress of the United States or a bill introduced (by amendment or otherwise) or favorably reported by a committee of the House of Representatives or the Senate of the Congress of the United States, or a decision by a court of the United States or the Tax Court of the United States shall be rendered, or a ruling, regulation or fiscal action shall be issued or proposed by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency with respect to or having the purpose or effect of including within gross income for federal income tax purposes interest received on bonds of the general character of the Bonds, which, in the reasonable opinion of the Underwriter, materially adversely affects the market for the Bonds or the sale, at the contemplated offering prices, by the Underwriter of the Bonds to be purchased by it; or

any legislation, rule or regulation shall be introduced in, or be enacted by the General Assembly or any department or agency in the State of Tennessee, or a decision by any court of competent jurisdiction within the State of Tennessee shall be rendered which, in the reasonable opinion of the Underwriter, materially adversely affects the market for the Bonds or the sale, at the contemplated offering prices, by the Underwriter of the Bonds to be purchased by it; or

any amendment to the Official Statement is proposed by the District or deemed necessary by Bond Counsel or the Underwriter which, in the reasonable opinion of the Underwriter, materially adversely affects the market for the Bonds or the sale, at the contemplated offering prices, by the Underwriter of the Bonds to be purchased by it; or

any fact shall exist or any event shall have occurred which, in the reasonable opinion of the Underwriter, makes the Official Statement, in the form as originally approved by the District, contain an untrue statement of a material fact or omit to state a material fact necessary in order to

make the statements made therein, in light of the circumstances under which they were made, not misleading; or

there shall have occurred any outbreak or escalation of hostilities or any national or international calamity or crisis, financial or otherwise, including a general suspension of trading on any national securities exchange, which, in the reasonable opinion of the Underwriter, materially adversely affects the market for the Bonds or the sale, at the contemplated offering prices, by the Underwriter of the Bonds to be purchased by it; or

legislation shall be enacted or any action shall be taken by, or on behalf of, the Securities and Exchange Commission which, in the reasonable opinion of the Underwriter, has the effect of requiring the contemplated distribution of the Bonds to be registered under the Securities Act of 1933, as amended, or the Resolution to be qualified under the Trust Indenture Act of 1939, as amended, or any laws analogous thereto relating to governmental bodies, and compliance therewith cannot be accomplished prior to the Closing; or

a general banking moratorium shall have been declared by United States, New York or Tennessee authorities, which, in the reasonable opinion of the Underwriter, materially adversely affects the market for the Bonds or the sale, at the contemplated offering prices, by the Underwriter of the Bonds to be purchased by it; or

any national securities exchange, or any governmental authority, shall impose, as to the Bonds or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter.

Closing. At 10:00 a.m., eastern time, on _____, 2022, or at such other time or date as shall have been mutually agreed upon by the District and the Underwriter, the District will deliver, or cause to be delivered, to the Underwriter, through The Depository Trust Company, or such agent as it shall designate, the Bonds, in bookentry form, duly executed on the District's behalf, together with the other documents hereinafter mentioned, and the Underwriter will accept, or cause to be accepted, such delivery and pay to the District the purchase price of the Bonds in the amount set forth in Section 1 hereof by wire transfer payable in immediately available funds or such other medium of payment as shall be acceptable to the District. Payment for the Bonds as aforesaid shall be made at a financial institution designated by the District. Such payment and delivery is herein called the "Closing" and the date of the Closing is herein called the "Closing Date." The Bonds shall be delivered as fully registered bonds, in denominations of \$5,000 each or any integral multiple thereof as the Underwriter shall request, shall bear CUSIP numbers, shall be registered in name of CEDE & CO. as nominee for The Depository Trust Company, New York, New York and denominations and form eligible for processing by DTC. The registration and paying agent for the Bonds shall be Regions Bank. The Bonds shall be duly authenticated by the Registration Agent. The Underwriter hereby instructs that the Bonds be delivered by the Registration Agent to The Depository Trust Company, New York, New York, as its agent for accepting delivery of the Bonds, by FAST delivery.

No Fiduciary Duty. The District acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Purchase Agreement is an arm's-length commercial transaction between the District and the Underwriter; (ii) in connection with such transaction, including the process leading thereto, the Underwriter is acting solely as a principal and not as a municipal advisor (including, without limitation, a Municipal Advisor (as such term is defined in Section 975(e) of the Dodd-Frank Wall Street Reform and Consumer Protection Act)), an agent or a fiduciary of the District; (iii) the Underwriter has neither assumed an advisory or fiduciary responsibility in favor of the District with respect to the offering of the Bonds or the process leading thereto (whether or not the Underwriter, or any affiliate of the Underwriter, has advised or is currently advising the District on other matters) nor has it assumed any other obligation to the District except the obligations expressly set forth in this Purchase Agreement, (iv) the Underwriter has financial and other interests that differ from those of the District; and (v) the District has consulted with its own legal and financial advisors to the extent it deemed appropriate in connection with the offering of the Bonds.

Miscellaneous. Any notice or other communication to be given to the District under this Bond Purchase Agreement may be given by delivering the same in writing at the addresses as set forth above, and any notice or other communication to be given to the Underwriter under this Bond Purchase Agreement may be given by delivering the same in writing to: Thornton Faricsh, Inc.; Attention: Scott Bamman; 3500 Eastern Blvd. #210; Montgomery, Alabama 36116.

This Bond Purchase Agreement is made solely for the benefit of the District and the Underwriter (including the successors or assigns of any of the Underwriter) and no other person shall acquire or have any right under or by virtue hereof.

All representations, warranties and covenants of the District (other than the District's agreement to issue and tender the Bonds) in this Bond Purchase Agreement shall remain operative and in full force and effect, regardless of (a) any investigation made by or on behalf of the Underwriter, and (b) delivery of any payment for the Bonds hereunder. Liability of the District hereunder for payment of expenses shall survive any termination of this Bond Purchase Agreement. Any such expenses which remain unpaid for more than 15 days after demand by the Underwriter shall bear interest at a rate equal to the prime rate set forth in the Wall Street Journal plus two (2%) percent.

No member of the governing body of the District, nor any employee or official shall be individually liable for the breach of any representation, warranty or covenant contained in this Bond Purchase Agreement.

This Bond Purchase Agreement shall not be assigned by the District.

If any provision of this Bond Purchase Agreement shall be held or deemed to be or shall, in fact, be inoperative, invalid or unenforceable as applied in any particular case in any jurisdiction or jurisdictions because it conflicts with any provisions of any Constitution, statute, rule or public policy, or any other reason, such circumstances shall not have the effect of

rendering the provision in question inoperable or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Bond Purchase Agreement invalid, inoperative or unenforceable to any extent whatever.

This Bond Purchase Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee, without giving effect to conflicts of law principles.

This Bond Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

Very truly yours,

THORNTON FARISH, INC.

By: _____
Scott Bamman, President

Accepted and agreed to as of the
date first above written:

ATTEST:

THE GLADEVILLE UTILITY DISTRICT OF
WILSON COUNTY, TENNESSEE

By: _____
Title: Secretary

By: _____
Title: President of the Board of Commissioners

EXHIBIT A

BOND MATURITIES, RATES, PRICES AND YIELDS

<u>Maturity</u> <u>Date</u> <u>(September 1)</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>Price</u>
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The District shall redeem Bonds maturing on _____ on the redemption dates set forth below opposite the maturity date, in aggregate principal amounts equal to the respective dollar amounts set forth below opposite the respective redemption dates at a price of par plus accrued interest thereon to the date of redemption. The Bonds to be so redeemed shall be selected by lot or in such other random manner as the Registration Agent in its discretion may designate. The dates of redemption and principal amount of Bonds to be redeemed on said dates are as follows:

<u>Maturity</u>	<u>Redemption Date</u>	<u>Principal Amount to be Redeemed</u>
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DRAFT

EXHIBIT B

FORM OF SUPPLEMENTAL BOND COUNSEL OPINION

_____, 2022

Thornton Farish, Inc.
3500 Eastern Blvd.,
Suite 210
Montgomery, Alabama 36116-1781

Ladies and Gentlemen:

This opinion is being rendered to you in connection with the purchase by Thornton Farish, Inc.(the “Underwriter”) of the Waterworks Revenue Refunding Bonds, Series 2022 (the “Series 2022 Bonds”) issued by the Gladeville Utility District of Wilson County, Tennessee (the “District”) pursuant to the Bond Purchase Agreement, dated _____, 2022 (the “Bond Purchase Agreement”), between the District and the Underwriter. Terms which are used herein and not otherwise defined shall have the meanings assigned to them in the Bond Purchase Agreement.

Of even date herewith, we have delivered our approving opinion in connection with the issuance of the Series 2022 Bonds. In our capacity as Bond Counsel, we have reviewed a record of proceedings in connection with the issuance of the Series 2022 Bonds and we have participated in conferences from time to time with counsel to the District, and representatives of the Underwriter , relative to the Official Statement, dated _____, 2022, relating to the Series 2022 Bonds, and the related documents described below. We have also examined such other agreements, documents and certificates, and have made such investigations of law, as we have deemed necessary or appropriate in rendering the opinions set forth below.

Based on the foregoing, we are of the opinion that, as of the date hereof:

1. The offer and sale of the Series 2022 Bonds are exempt from registration under the Securities Act of 1933, as amended, and the Resolution is exempt from qualification under the Trust Indenture Act of 1939, as amended.

2. The statements contained in the Official Statement under the captions “Introduction,” “The Bonds,” “Source of Payment and Security for the Bonds” and in Appendix B to the Official Statement, insofar as such statements purport to summarize certain provisions of the Series 2022 Bonds and the Resolution, fairly summarize such provisions. The statements

contained in the Official Statement under the caption “Legal Matters” constitute a fair and accurate summary of the matters of law indicated therein.

This opinion may be relied upon only by the Underwriter and by other persons to whom written permission to rely hereon is granted by us.

Very truly yours,

DRAFT

EXHIBIT C

THE GLADEVILLE UTILITY DISTRICT
OF WILSON COUNTY, TENNESSEE

\$ _____

WATERWORKS REVENUE REFUNDING BONDS,
SERIES 2022

ISSUE PRICE CERTIFICATE

The undersigned (the “Underwriter”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned bonds (the “Bonds”).

1. ***Determination of Issue Price.*** For each Maturity of the Bonds, the first price at which at least 10% of such Maturity was sold to the Public on the Sale Date is the respective price listed in Schedule A.

2. ***Defined Terms.***

(a) *Issuer* means The Gladeville Utility District of Wilson County, Tennessee.

(b) *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.

(c) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than a Regulatory Underwriter or a related party to a Regulatory Underwriter. A purchaser of any of the Bonds is a “related party” to a Regulatory Underwriter if the Regulatory 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 profit 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).

(d) *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 _____, 2022.

(e) *Regulatory 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) 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 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 and with respect to compliance with the federal income tax rules affecting the Bonds, and by Waller Lansden Dortch & Davis, LLP, Bond Counsel to the Issuer, 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: _____, 2022

THORNTON FARISH, INC.

By: _____

Name: _____

Schedule A

BOND MATURITIES, RATES, PRICES AND YIELDS

Maturity

Date

(April 1)

Amount

Rate

Yield

Price

DRAFT



RECEIVED

JAN 20 2012

STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
OFFICE OF STATE AND LOCAL FINANCE
SUITE 1600 JAMES K. POLK STATE OFFICE BUILDING
505 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-1402
PHONE (615) 401-7872
FAX (615) 741-5986

January 18, 2012

Mr. Danny Bledsoe, General Manager
Gladeville Utility District
3826 Vesta Road
Lebanon, TN 37090

Dear Mr. Bledsoe:

This letter acknowledges receipt of a copy of the Gladeville Utility District's Debt Management Policy.

Thank you for sending the Utility's policy to this Office. Future interactions with the Office will require a copy of the policy to be included with a submitted request for approval or report. Please review your policy periodically and before considering the issuance of debt. As a part of any transition for newly elected officials, we recommend that the debt policy be reviewed. If the District amends the policy, you may send a copy of the amended policy to this Office. Should there be any questions, please do not hesitate to call us.

Sincerely,

Ronald H. Queen
Manager of Local Finance

GLADEVILLE UTILITY DISTRICT

DEBT MANAGEMENT POLICY



DEBT MANAGEMENT POLICY

Introduction

This Debt Management Policy (DMP) has been prepared in order to comply with the Debt Management Policy requirements promulgated by the Tennessee State Funding Board in December, 2010. The purpose of this Policy is to improve the quality of decisions concerning debt management, identify and disclose parameters relating to the structure and issuance of debt, identify policy goals, and provide a foundation for long-term financial planning, all of which are in the best interest of Gladeville Utility District.

Because debt levels and their related annual costs are important obligations that must be managed within available resources, this debt management policy provides guidelines for the district to manage its debt program in line with those resources.

Objectives

The Commissioners of the Gladeville Utility District (hereinafter the "District") are establishing a debt policy as a tool to ensure that financings undertaken by the District satisfy certain clear objective standards designed to protect the District's financial resources and to meet its long-term capital needs. The objectives of this policy are:

1. To document responsibility for the oversight and management of debt-related transactions;
2. To establish criteria and promote prudent financial management for the issuance of debt obligations and the evaluation of debt issuance options;
3. To identify legal and administrative limitations on the issuance of debt and ensure the legal use of the District's debt issuance authority;
4. To define the types and appropriate use of debt approved for use within the constraints established by Tennessee law;
5. To provide guidance for evaluating refunding candidates or alternative debt structures;
6. Where applicable, to provide support for the maintenance of credit ratings;
7. To enhance risk management practices; and
8. To increase transparency, reduce conflicts, and promote cooperation in the debt management process.

Debt Management Strategies

To achieve the objectives as stated above, the Commissioners of Gladeville Utility District have adopted the following debt management strategies and procedures:

A. Funding Strategies

1. Debt is to be issued pursuant to the authority of and in full compliance with provisions, restrictions and limitations of the Constitution and laws of the State of Tennessee (the "State"), including Title 7, Chapter 82, Tennessee Code Annotated (the "Utility District Act") and various bond authorizations enacted by the General Assembly of the State, and pursuant to resolutions adopted by the Commissioners.
2. Debt may only be used to finance or refinance the capital costs of improving the District's utility system (the "System") and such other costs related thereto as may be permitted by applicable law (including without limitation issuance costs, capitalized interest and the funding of debt service reserves), all of which must be authorized by the Commissioners. Debt may not be issued to finance the District's operating costs.
3. Debt shall be secured by and payable from the revenues of the System, as prescribed by resolution of the Commissioners, and a corresponding statutory lien on the assets of the System.

B. Federal Tax Status

1. **Tax-Exempt Debt** — Based on the assumptions that tax-exempt interest rates are lower than taxable rates and that the interest savings outweigh the administrative costs, restrictions on use of financed projects, and investment constraints, the District will use its best efforts to maximize the amount debt sold under this policy as tax-exempt.
2. **Taxable Debt** — The District will sell taxable debt when necessary to finance projects with a private use or uncontrolled purpose. The Commissioners encourage the financing team to blend the financing of taxable projects with the financing of tax-exempt projects whenever possible.

C. Legal Limitations on the Use of Debt

1. No debt obligation shall be issued to fund the current operation of the District.
2. The proceeds of any debt obligation shall be expended only for the purpose for which it was authorized by the Commissioners.
3. All debt shall be approved by resolution of the Commissioners.

4. Prior to the consideration of a resolution authorizing the issuance of debt, the General Manager and/or the President of the District shall prepare and submit a request for financing report from the State Comptroller's office, as required by the Utility District Act. If timely received, the General Manager and/or the President of the District shall cause the report to be published as required by the Utility District Act. No financing report is required by the Utility District Act in connection with a loan from a state or federal agency.

Types of Debt

Pursuant to the Utility District Act, the District is authorized from time to time to issue or incur the following types of debt, all of which are subject to the terms of the debt management policy.

A. Bonds

The District may issue bonds under the Utility District Act to finance capital projects or refinance outstanding debt.

B. Bond Anticipation Notes (BANs)

BANs are short term obligations authorized to be issued under the Utility District Act that will be repaid by proceeds of a subsequent bond issue.

C. Capital Leases

Capital leases are leases of equipment or other System property, where the leased property becomes the property of the District at the end of the lease term and the lease payments include a financing component.

D. Loans from State or Federal Agencies

The District may incur debt in the form of loans from State or federal agencies. Loans are evidenced by a loan agreement between the District and the lending agency.

E. Loans from Public Building Authorities

The District may enter into loan agreements with one or more public building authorities, pursuant to Sections 12-10-101 et seq., Tennessee Code Annotated, in lieu of issuing bonds or notes under the Utility District Act. The policies set forth herein for bonds issued under the Utility District Act shall be equally applicable to loan agreements entered into with a public building authority.

Debt Management Practices

A. Structure

The Commissioners shall establish by resolution all terms and conditions relating to the issuance of debt.

1. Term

Any debt (including refunding debt) shall have a weighted average maturity not greater than the weighted average expected lives of the assets financed by such debt. In addition, the final maturity of any debt should not be longer than the expected life of the longest lived asset financed thereby.

2. Capitalized Interest

From time to time certain financings may require the use of capitalized interest. Interest may be financed (capitalized) through a period permitted by federal law and the authorizing resolution of the Commissioners if it is determined that doing so is in the District's best interest.

3. Debt Service Structure

The District will seek to structure its aggregate debt with level or declining debt service payments over the life of its aggregate debt. In structuring principal repayment for any debt issue, the District will seek to balance the goals of (a) amortizing principal as quickly as possible to minimize interest costs, and (b) maintaining consistent and manageable rates for its customers.

4. Call Provisions

The District will strive to issue all of its debt with a call feature no later than ten years from the date of delivery. In any event, call features should be structured to provide the maximum flexibility relative to cost. The District will avoid the sale of long-term non-callable bonds absent careful evaluation by the Commissioners with respect to the value of the call option.

5. Original Issuance Discount/Premium

Bonds sold with original issuance discount/premium are permitted with the approval of the Commissioners.

6. Debt Service Reserve Funds

If the Commissioners determine that it is necessary to fund a debt service reserve fund in connection with debt, they may agree to fund such a reserve. The size of any debt service reserve fund established in connection with the tax-exempt debt will be in compliance with applicable federal tax rules. The District will strive to fund debt service reserves with District funds, rather than with debt. However, the District may use the proceeds of debt to fund debt service reserves if the Commissioners conclude that the restriction of District funds would reduce unrestricted funds below manageable levels.

7. Fixed vs. Variable Interest Rates

Fixed rate debt bears interest at a rate or rates that remain constant throughout the life of the debt. Variable rate debt bears interest at a variable rate through the term thereof.

The District will issue all of its debt with fixed rates, except as follows:

- Bond anticipation notes may be issued with variable rates, given their short term nature.
- The District may issue or incur variable rate debt if provision as to the calculation or change of variable interest rates is included in the authorizing resolution and the Commissioners carefully evaluate the risks related thereto. The District will annually include in its budget an interest rate assumption for any outstanding variable rate debt that takes market fluctuations affecting the rate of interest into consideration. The General Manager shall monitor the ongoing costs and risks of outstanding variable rate and make reports to the Commissioners no less than annually with respect thereto.

B. Refinancing Outstanding Debt

The Commissioners will consider the following issues when analyzing possible refunding opportunities:

1. Reasons for Refunding

Debt will be considered for refunding when:

- The refunding results in net present value savings to the District;
- The refunding of the debt is necessary due to a change in private/public use of a project that would cause a need to change the tax status of the debt; or
- The Commissioners expressly determine by resolution that the refunding of the bonds accomplishes debt service restructuring that is in the District's best interest.

2. Term of Refunding Issues

The District will refund bonds within the term of the originally issued debt, unless otherwise expressly approved by resolution of the Commissioners.

3. Escrow Structuring

The District shall take steps to utilize the least costly securities available in structuring refunding escrows; provided that the District may purchase U.S. Treasuries – State and Local Government Series if it is determined that the costs and risks attendant to the solicitation of open market securities outweigh any attendant benefits.

C. Methods of Sale

Pursuant to the Utility District Act, debt may be issued at competitive or negotiated sale.

1. **Competitive** — In a competitive sale, the District's bonds shall be awarded to the bidder providing the lowest true interest cost as long as the bid adheres to the requirements set forth in the official notice of sale.

2. **Negotiated** — In a negotiated sale, the underwriter/lender/lessor will be chosen prior to the sale and the interest rate and the fees of the underwriter/lender/lessor are negotiated prior to the sale.

In the case of loans from State or Federal agencies, the District will negotiate directly with the agency making the loan. In all other cases, the Commissioners will determine the manner of sale, and will set forth the manner of sale in the resolution authorizing the debt.

D. Underwriter Selection (Negotiated Transaction)

The District, with assistance from its financial advisor (if the District has engaged a financial advisor), shall select the underwriter/lender/lessor for a proposed negotiated sale. The selection criteria will include the following factors and such other factors as the Commissioners may identify:

- Ability and experience in managing similar debt transactions;
- Prior knowledge and experience with the District;
- Capital adequacy;
- Quality and experience of personnel assigned to the District's engagement;
- Financing ideas presented; and
- Underwriter/lender/lessor fees.

E. Credit Quality

If the District maintains a credit rating, the District's debt management activities will be conducted to maintain the highest credit ratings possible, consistent with District's financing and rate maintenance objectives. The General Manager will be responsible for maintaining relationships and communicating with the rating agencies that assign ratings to the District's debt. Full disclosure of operations and open lines of communication shall be maintained with the rating agencies. The General Manager shall work with its financial advisor and/or underwriter (as applicable) to prepare and make presentations to the rating agencies to assist credit analysts in making an informed decision.

F. Credit Enhancements

The District will consider the use of credit enhancements on a case-by-case basis, evaluating the economic benefit versus the cost. Only when clearly demonstrable savings can be shown shall an enhancement be utilized. The District may consider each of the following enhancements as alternatives by evaluating the cost and benefit of such enhancements: bond insurance, reserve fund surety bonds, letters of credit and liquidity facilities.

G. Use of Structured Products

No interest rate agreements or forward purchase agreements will be considered unless a policy defining the use of such products is approved before the transaction is considered.

H. Risk Assessment

The District will evaluate each transaction to assess the types and amounts of risk associated with that transaction, considering all available means to mitigate those risks. The District will evaluate all proposed transactions for consistency with the objectives and constraints defined in this Policy. The following risks should be assessed before issuing debt:

1. **Change in Public/Private Use** — The change in the public/private use of a project that is funded by tax-exempt funds could potentially cause a bond issue to become taxable.
2. **Default Risk** — The risk that debt service payments cannot be made by the due date.
3. **Liquidity Risk** — The risk of having to pay a higher rate to the liquidity provider in the event of a failed remarketing.
4. **Interest Rate Risk** — The risk that interest rates will rise, on a sustained basis, above levels that would have been set if the issued had been fixed.
5. **Rollover Risk** — The risk of the inability to obtain a suitable liquidity facility at an acceptable price to replace a facility upon termination or expiration of a contract period.
6. **Credit Risk** — The risk that an issuer of debt securities or a borrower may default on its obligations by failing to repay principal and interest in a timely manner.

J. Continuing Disclosure

To the extent that any of the District's debt issues are subject to U.S. Securities and Exchange Commission Rule 15c2-12 ("Rule 15c2-12"), the District will provide certain financial information and operating data by specified dates, and will provide notice of certain enumerated events with respect to the bonds, all as described in Rule 15c2-12.

K. Transparency

The District shall comply with the Tennessee Open Meetings Act, providing adequate public notice of meetings and specifying on the agenda of a meeting when matters related to debt issuance will be considered. Additionally, in the interest of transparency, all costs (including interest, issuance, continuing, and one-time) shall be disclosed to the citizens in a timely manner. To comply with the requirements of the preceding sentence, an estimate of the costs described above will be presented to the Commissioners along with any resolution authorizing debt.

Within four weeks of closing on a debt transaction, the debt service schedule and the State Form CT-0253 shall be available at the office of the General Manager for inspection and review by members of the Governing Body and the District's customers.

L. Professional Services

The District requires all professionals engaged to assist in the process of issuing debt to clearly disclose all compensation and consideration received related to services provided in the debt issuance process by the District. This includes "soft" costs or compensations in lieu of direct payments.

1. **Counsel** — The District will enter into an engagement letter agreement with each lawyer or law firm representing the District in a debt transaction. No engagement letter is required for any lawyer who serves as counsel to the District regarding District matters generally.
2. **Bond Counsel** — Bond counsel for each debt transaction is contracted by the District and serves to assist the District in such debt issue.
3. **Financial Advisor** — If the District chooses to engage a financial advisor, the financial advisor for each debt transaction will be contracted by the District and will serve and assist the District on financial matters related to such debt transaction. The Commissioners shall approve the written agreement between the District and the financial advisor with respect to a debt transaction. The financial advisor shall not be permitted to bid on or underwrite an issue for which it is or has been providing advisory services.
4. **Underwriter** — If there is an underwriter for a debt issue, the underwriter must clearly identify itself to the District in writing (e.g., in a response to a request for proposals or in promotional materials provided to the District) as an underwriter and not as a financial advisor from the earliest stages of its relationship with the District with respect to that issue. The underwriter must clarify its primary role as a purchaser of securities in an

arm's-length commercial transaction and must disclose that it has financial and other interests that differ from those of the District. The underwriter in a publicly offered, negotiated sale shall be required to provide pricing information both as to interest rates and to takedown per maturity to the General Manager in advance of the pricing of the debt.

M. Potential Conflicts of Interest

Professionals involved in a debt transaction hired or compensated by the District shall be required to disclose existing client and business relationships between and among the professionals to a transaction (including but not limited to financial advisor, swap advisor, bond counsel, swap counsel, trustee, paying agent, underwriter, counterparty, and remarketing agent), as well as conduit issuers, sponsoring organizations and program administrators. This disclosure shall include that information reasonably sufficient to allow the District to appreciate the significance of the relationships.

Professionals who become involved in the debt transaction as a result of a bid submitted in a widely and publicly advertised competitive sale conducted using an industry standard, electronic bidding platform are not subject to this disclosure. No disclosure is required that would violate any rule or regulation of professional conduct.

Debt Administration

A. Planning for Sale

1. In considering the adoption of any debt resolution, the Commissioners shall consider the purpose of the financing, the proposed structure of the financing, the proposed method of sale for the financing, members of the proposed financing team and an estimate of all the costs associated with the financing.
2. In the case of a proposed refunding, proposed use of credit enhancement, or proposed use of variable rate debt, the General Manager will present to the Commissioners the rationale for using the proposed debt structure, an estimate of the expected savings associated with the transaction (if applicable) and a discussion of the potential risks associated with the proposed structure.
3. If required by Rule 15c2-12, the General Manager, the bond counsel, financial advisor (if applicable), along with other members of the financing team will prepare a Preliminary Official Statement describing the transaction and the security for the debt that is fully compliant with all legal requirements.

B. Post Sale

1. The General Manager will maintain for review by Commissioners and the public a debt service schedule and the CT-0253 Form related to the debt issue.
2. The General Manager will establish guidelines and procedures for tracking the flow of all bond proceeds, as defined by the Internal Revenue Code, over the life of bonds reporting to the IRS all arbitrage earnings associated with the financing and any tax liability that may be owed.
3. If required by Rule 15c2-12, the General Manager, the bond counsel, financial advisor (if applicable), along with other members of the financing team will prepare an Official Statement describing the transaction and the security for the debt that is fully compliant with all legal requirements.

C. Arbitrage

Compliance with arbitrage requirements on invested tax-exempt bond funds will be maintained. Proceeds that are to be used to finance construction expenditures are exempted from the filing requirements, provided that the proceeds are spent in accordance with requirements established by the IRS. The District will comply with all of its tax certificates for tax-exempt financings by monitoring the arbitrage earning on bond proceeds on an interim basis and by rebating all positive arbitrage when due, pursuant to Internal Revenue Code Section 148. The District will also retain all records relating to debt transactions for as long as the debt is outstanding, plus three years after the final redemption date of the transaction.

D. Private Activity

Compliance with private activity requirements with respect to tax exempt debt-financed facilities will be maintained. The General Manager shall maintain a record of the allocation of debt proceeds to expenditures, and monitor the use of tax exempt debt-financed facilities to ensure that no impermissible private use occurs.

E. Investment of Proceeds

Any proceeds or other funds available for investment by the District must be invested pursuant to applicable State law.

Review of the Policy

The debt policy guidelines outlined herein are only intended to provide general direction regarding the future use and execution of debt. The Commissioners maintain the right to modify these guidelines (except to the extent these guidelines are mandated by applicable state law or regulation) and may make exceptions to any of them at any time to the extent that the execution of such debt achieves the District's goals. Any exceptions to these policies shall be expressly acknowledged in the resolution authorizing the pertinent debt issue. In the event of a conflict between the terms of a debt resolution and this policy, the terms of the debt resolution shall control.

This policy will be periodically reviewed by the Commissioners, at which time the General Manager will present any recommendations for any amendments, deletions, additions, improvement or clarification.

Adoption of the Policy

The Commissioners adopted this Policy on December 13, 2011, effective December 13, 2011.


ROBERT SPICKARD, PRESIDENT


ANN CHAPMAN, SECRETARY

REPORT ON DEBT OBLIGATION
(Pursuant to Tennessee Code Annotated Section 9-21-151)

1. Public Entity:	
Name:	<u>The Gladeville Utility District of Wilson County, TN</u>
Address:	<u>3826 Vesta Road</u> <u>Lebanon, Tennessee 37090</u>
Debt Issue Name:	<u>Waterworks Revenue Refunding and Improvement Bonds, Series 2014</u>
If disclosing initially for a program, attach the form specified for updates, indicating the frequency required.	

2. Face Amount:	<u>\$ 10,000,000.00</u>
Premium/Discount:	<u>\$ 85,939.15</u>

3. Interest Cost:	<u>3.4006 %</u>	☒ Tax-exempt	☐ Taxable
☒ TIC	☐ NIC		
☐ Variable:	Index _____ plus _____ basis points; or		
☐ Variable:	Remarketing Agent _____		
☐ Other:	_____		

4. Debt Obligation:			
☐ TRAN	☐ RAN	☐ CON	
☐ BAN	☐ CRAN	☐ GAN	
☒ Bond	☐ Loan Agreement	☐ Capital Lease	
If any of the notes listed above are issued pursuant to Title 9, Chapter 21, enclose a copy of the executed note with the filing with the Office of State and Local Finance ("OSLF").			

5. Ratings:			
☐ Unrated			
Moody's _____	Standard & Poor's <u>AA-/Stable</u>	Fitch _____	

6. Purpose:		BRIEF DESCRIPTION
☐ General Government	_____ %	_____
☐ Education	_____ %	_____
☒ Utilities	<u>61.88 %</u>	<u>Water</u>
☐ Other	_____ %	_____
☒ Refunding/Renewal	<u>38.12 %</u>	_____

7. Security:	
☐ General Obligation	☐ General Obligation + Revenue/Tax
☐ Revenue	☐ Tax Increment Financing (TIF)
☐ Annual Appropriation (Capital Lease Only)	☐ Other (Describe): _____

8. Type of Sale:	
☐ Competitive Public Sale	☐ Interfund Loan _____
☒ Negotiated Sale	☐ Loan Program _____
☐ Informal Bid	

9. Date:	
Dated Date: <u>04/09/2014</u>	Issue/Closing Date: <u>04/09/2014</u>

REPORT ON DEBT OBLIGATION

(Pursuant to Tennessee Code Annotated Section 9-21-151)

10. Maturity Dates, Amounts and Interest Rates *:

Year	Amount	Interest Rate	Year	Amount	Interest Rate
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%
	\$	%		\$	%

If more space is needed, attach an additional sheet.

If (1) the debt has a final maturity of 31 or more years from the date of issuance, (2) principal repayment is delayed for two or more years, or (3) debt service payments are not level throughout the retirement period, then a cumulative repayment schedule (grouped in 5 year increments out to 30 years) including this and all other entity debt secured by the same source **MUST BE PREPARED AND ATTACHED**. For purposes of this form, debt secured by an ad valorem tax pledge and debt secured by a dual ad valorem tax and revenue pledge are secured by the same source. Also, debt secured by the same revenue stream, no matter what lien level, is considered secured by the same source.

* This section is not applicable to the Initial Report for a Borrowing Program.

11. Cost of Issuance and Professionals:☐ No costs or professionals

	AMOUNT (Round to nearest \$)	FIRM NAME
Financial Advisor Fees	\$ 150,000	Kidwell & Company
Legal Fees	\$	
Bond Counsel	\$ 38,450	Nelson Mullins Riley & Scarborough LLP
Issuer's Counsel	\$ 10,000	Branstetter, Stranch & Jennings PLC
Trustee's Counsel	\$ 0	
Bank Counsel	\$ 0	
Disclosure Counsel	\$ 0	
Paying Agent Fees	\$ 1,000	Regions Bank Corporate Trust
Registrar Fees	\$ 0	
Trustee Fees	\$ 0	
Remarketing Agent Fees	\$ 0	
Liquidity Fees	\$ 0	
Rating Agency Fees	\$ 17,000	Standard & Poor's
Credit Enhancement Fees	\$ 0	
Bank Closing Costs	\$ 0	
Underwriter's Discount 1.70 %		
Take Down	\$ 0	
Management Fee	\$ 0	
Risk Premium	\$ 0	
Underwriter's Counsel	\$ 0	
Other expenses	\$ 124,413	Edward Jones/George K. Baum & Company
Printing and Advertising Fees	\$ 0	
Issuer/Administrator Program Fees	\$ 0	
Real Estate Fees	\$ 0	
Sponsorship/Referral Fee	\$ 0	
Other Costs	\$ 0	
TOTAL COSTS	\$ 340,863	

REPORT ON DEBT OBLIGATION

(Pursuant to Tennessee Code Annotated Section 9-21-151)

12. Recurring Costs:☒ No Recurring Costs

	AMOUNT (Basis points/\$)	FIRM NAME (if different from #11)
Remarketing Agent		
Paying Agent / Registrar		
Trustee		
Liquidity / Credit Enhancement		
Escrow Agent		
Sponsorship / Program / Admin		
Other		

13. Disclosure Document / Official Statement:☐ None Prepared☒ EMMA link<http://emma.msrb.org/IssueView/IssueDetails.aspx?id=EP363975> or☐ Copy attached**14. Continuing Disclosure Obligations:**

Is there an existing continuing disclosure obligation related to the security for this debt?

☐ Yes☒ No

Is there a continuing disclosure obligation agreement related to this debt?

☒ Yes☐ NoIf yes to either question, date that disclosure is due End of Fiscal Year + 10 monthsName and title of person responsible for compliance Danny Bledsoe, P.E.**15. Written Debt Management Policy:**

Governing Body's approval date of the current version of the written debt management policy

12/13/2011

Is the debt obligation in compliance with and clearly authorized under the policy?

☒ Yes☐ No**16. Written Derivative Management Policy:**☒ No derivative

Governing Body's approval date of the current version of the written derivative management policy

Date of Letter of Compliance for derivative

Is the derivative in compliance with and clearly authorized under the policy?

☐ Yes☐ No**17. Submission of Report:**

To the Governing Body:

on

and presented at public meeting held on

Copy to Director to OSIF:

on

either by:

☐ Mail to:505 Deaderick Street, Suite 1600
James K. Polk State Office Building
Nashville, TN 37243-1402

OR

☐ Email to:StateAndLocalFinance.PublicDebtForm@cot.tn.gov**18. Signatures:**

AUTHORIZED REPRESENTATIVE

PREPARER

Name

DAN R. BLEDSOE

Larry Kidwell

Title

General Manager

President

Firm

GLADEVILLE UTILITY DISTRICT

Kidwell & Company

Email

dbledsoe@gladevilleutility.comkidwell@kiddwellcompany.com

Date

05-15-14