

RESOLUTION

No. 2012/12/01

To the HONORABLE MELVILLE BAILEY, Chairman, and Members of the Hawkins County Board of Commission in Regular Session, met this 17th day of December 2012.

RESOLUTION IN REF: APPROVAL OF DATES, TIMES AND PLACES FOR THE 2013 MONTHLY REGULAR COUNTY COMMISSION MEETINGS

WHEREAS, the Hawkins County Commission meets monthly and each year sets the time, date and place for the next calendar year's monthly meetings.

THEREFORE, BE IT RESOLVED that the following schedule be adopted for the calendar year 2013.

January	28,	7:00 p.m.	Church Hill Middle School
February	25,	7:00 p.m.	Board Room/Training Center-Hawkins BOE
March	25,	7:00 p.m.	Board Room/Training Center-Hawkins BOE
April	22,	7:00 p.m.	Clinch School
May	20,	7:00 p.m.	Board Room/Training Center-Hawkins BOE
June	24,	7:00 p.m.	Board Room/Training Center-Hawkins BOE
July	22,	7:00 p.m.	Surgoinsville Middle School
August	26,	7:00 p.m.	Board Room/Training Center-Hawkins BOE
September	23,	7:00 p.m.	Board Room/Training Center-Hawkins BOE
October	28,	7:00 p.m.	Bulls Gap School
November	25,	7:00 p.m.	Board Room/Training Center-Hawkins BOE
December	16,	7:00 p.m.	Board Room/Training Center-Hawkins BOE

FURTHER, that Special Called Meetings may be held with proper notice and Regular Scheduled meeting may be changed with proper notice.

- The fourth Monday in May and December are within the holiday schedule. These months the meeting will be on the third Monday.

Note: The location of meetings will change during the 2013 calendar year due to completion of the courthouse renovation project. Meeting location change will be announced when this occurs.

Introduced by Esq. Shane Bailey

Seconded by Esq. Fred Castle

Date Submitted 12-3-12

D. Canell Jenkins
County Clerk

By: _____

Chairman Melville Bailey

ACTION AYE NAY PASSED

Roll Call _____

Voice Vote _____

Absent _____

COMMITTEE ACTION

RESOLUTION

No. 2012/12/02

To the HONORABLE MELVILLE BAILEY, Chairman, and Members of the Hawkins County Board of Commission in Regular Session, met this 17th day of December, 2012.

RESOLUTION IN REF: APPROVAL OF DATES, TIMES AND PLACES FOR THE 2013 MONTHLY REGULAR COUNTY COMMISSION MEETINGS

WHEREAS, the Hawkins County Commission meets monthly and each year sets the time, date and place for the next calendar year's monthly meetings.

THEREFORE, BE IT RESOLVED that the following schedule be adopted for the calendar year 2013.

January	28,	9:00 a.m.	Board Room /Training Center- Hawkins Co BOE
February	25,	7:00 p.m.	Board Room /Training Center- Hawkins Co BOE
March	25,	7:00 p.m.	Board Room /Training Center- Hawkins Co BOE
April	22,	9:00 a.m.	Board Room /Training Center- Hawkins Co BOE
May	20,	7:00 p.m.	Board Room /Training Center- Hawkins Co BOE
June	24,	7:00 p.m.	Board Room /Training Center- Hawkins Co BOE
July	22,	9:00 a.m.	Board Room /Training Center- Hawkins Co BOE
August	26,	7:00 p.m.	Board Room /Training Center- Hawkins Co BOE
September	23,	7:00 p.m.	Board Room /Training Center- Hawkins Co BOE
October	28,	9:00 a.m.	Board Room /Training Center- Hawkins Co BOE
November	25,	7:00 p.m.	Board Room /Training Center- Hawkins Co BOE
*December	16,	7:00 p.m.	Board Room /Training Center- Hawkins Co BOE

FURTHER, that Special Called Meetings may be held with proper notice and Regular Scheduled meeting may be changed with proper notice.

* The fourth Monday in May and December are within the holiday schedule. These months the meeting will be on the third Monday.

Note: The location of meetings could change during the 2013 calendar year and if this occurs the meeting location change will be announced.

Introduced By Esq. Charlie Freeman

Seconded By Esq. _____

Date Submitted 12-3-12

A. Carroll Jenkins
County Clerk

By: _____

Chairman Melville Bailey

ACTION: AYE NAY PASSED

Roll Call _____

Voice Vote _____

Absent _____

COMMITTEE ACTION

RESOLUTION

No 2012 / 12 / 03

To the HONORABLE MELVILLE BAILEY, Chairman, and Members of the Hawkins County Board of
Commission in Regular Session, met this 17th day of December, 2012.

RESOLUTION IN REF: REAPPOINTMENT OF TONY BURCHFIELD, DANNY COCKREHAM,
LARRY ELKINS, TERRY GLASS AND TOMMY YOUNG TO THE
HAWKINS COUNTY INDUSTRIAL BOARD FOR SIX YEAR TERM
EACH

WHEREAS, the Industrial Committee met on November 8, 2012 and voted unanimously to
recommend that the following persons be re-appointed to the Hawkins County Industrial Board for a six
year term beginning January 1, 2013 and ending December 31, 2018,

Tony Burchfield
Terry Glass

Danny Cochreham
Tommy Young

Larry Elkins

THEREFORE, BE IT RESOLVED THAT the aforementioned members be re-appointed to the
Hawkins County Industrial Board with the term of office being six (6) years beginning in January 1,
2013 and ending December 31, 2018.

Introduced By Esq. Linda Kimbro

Seconded By Esq. _____

Date Submitted 12-3-12

A. Canall Jenkins
County Clerk

By: _____

Chairman Melville Bailey

ACTION: AYE NAY PASSED

Roll Call _____

Voice Vote _____

Absent _____

COMMITTEE ACTION

RESOLUTION

No. 2012/ 12 104

To the HONORABLE MELVILLE BAILEY, Chairman, and Members of the Hawkins County Board of
Commission in Regular Session, met this 17th day of December ,2012.

RESOLUTION IN REF: **APPROVAL OF PROCEDURES GOVERNING PURCHASES AT PUBLICLY
ADVERTISED AUCTIONS FOR HAWKINS COUNTY, TN**

See attached resolution

Introduced By Esq. Gary Hicks, Chrmn Budget Comm.

Seconded By Esq. _

Date Submitted 12-3-12

A. Carroll Jenkins
County Clerk

By: _____

Chairman Melville Bailey

ACTION: AYE NAY PASSED

Roll Call _____

Voice Vote _____

Absent _____

COMMITTEE ACTION

**PROCEDURES GOVERNING PURCHASES AT PUBLICLY ADVERTISED AUCTIONS
FOR HAWKINS COUNTY, TN**

WHEREAS, T.C.A. § 12-3-11006 authorizes counties to purchase new or secondhand articles or equipment or other materials, supplies, commodities and equipment at any publicly advertised auction without the necessity of using the public advertisement and competitive bidding process; and

WHEREAS, T.C.A. § 12-3-1006 REQUIRES THE COUNTY LEGISLATIVE BODY TO ESTABLISH WRITTEN PROCEDURES TO GOVERN PURCHASES AT PUBLIC AUCTIONS.

NOW THEREFORE BE IT RESOLVED by the county legislative body of Hawkins County., meeting in regular session at Rogersville, Tennessee, on the 17th day of December, 2012, that the following procedures are established to govern purchases at publicly advertised auctions:

1. When used herein, "purchasing agent" shall mean the County Mayor, whom is the person authorized under Hawkins County's Purchasing Act to make purchases for all county departments,
2. All purchases at public auction must be initiated by the county official having responsibility for the department for which the purchase is to be made. The county official, for the department, must complete a "Request for Purchase at Public Auction", the form of which is attached to this resolution as Attachment A and made a part of this resolution.

The following must be attached to the Request for Purchase at Public Auction form:

- 1) A copy of the public advertisement of the auction.
- 2) If used equipment is being bid on, a "Certification of Value" of said equipment.
3. The Hawkins County Mayor/Purchasing Agent must certify the unencumbered balance available in the line item account from which the proposed purchase is to be taken.
4. The Request for Purchase at Public Auction must be delivered to the Hawkins County Mayor/Purchasing Agent at least seven (7) working days before the auction for approval. The completed form must be approved by the purchasing agent, for the department for which the purchase is to be made and the department notified of approval, on or before the last business day prior to the auction date.
5. No tax shall be paid on any item purchased at public auction, except to the extent that no exemption is available to the county under applicable law.
6. Purchases shall be made only by county check. Prior to the auction, arrangement must be made with the auction company for a county check to be delivered to them within 3 business days after the auction. The Certification of Bidder and Auctioneer form completed, (Attachment B) along with the buyers ticket from the auction, presented to the county mayor's office shall serve as the invoice for having a check written.

7. The auction must be conducted by an auctioneer who is licensed to conduct auctions in the State of Tennessee. Any item purchased at a public auction shall be accompanied by the vendor's certification that the item is free from any liens or encumbrances.
8. The County Mayor/Purchasing Agent or another person designated by the purchasing agent, shall act as bidder for the county at the auction. The bidder is prohibited from submitting any bid above the unencumbered balance available in the line item account from which the proposed purchase is to be taken, as certified in the Request for Purchase at Public Auction, and the total successful bids by the county shall not exceed such unencumbered balance.
9. If the county is the successful bidder, the bidder must complete and sign a "Certification of Purchase at Public Auction", the form of which is attached to this resolution as Attachment B and is made a part of this resolution.
10. All applicable conflict of interest laws shall apply to purchases at public auction.

BE IT FURTHER RESOLVED THAT this resolution will take effect January 1, 2013 and a copy of the resolution will and will be distributed by the County Mayor/Purchasing Agent to each county official and department head in Hawkins County.

REQUEST FOR PURCHASE AT PUBLIC AUCTION

Date and place of auction:

Auction Company/Auctioneer:

After having made proper inquiry, the undersigned hereby certify that the purchase of items at the above described auction will be taken from line item account number _____ and that the unencumbered balance available in said line item account is \$ _____ as of the date of the auction.

County Official

Purchasing Agent

**TOTAL BIDS FOR ALL ITEMS TO BE PURCHASED AT AUCTION SHALL NOT EXCEED THE
AMOUNT CERTIFIED ABOVE.**

CERTIFICATION OF PURCHASE AT PUBLIC AUCTION

Date and place of auction:

Auction Company/Auctioneer:

The following items were purchased by the county at the auction:

Item	Actual Bid Price	Check or Warrant #	Vendor	Receipt No.

(Use additional pages if necessary)

TOTAL PRICE OF ALL ITEMS PURCHASED BY COUNTY: \$

Copies of all sales receipts and the vendor's warranty that all items are free of any liens or encumbrances must be attached to this certification.

CERTIFICATION OF BIDDER AND AUCTIONEER

The undersigned hereby certify that the above information is complete, true and correct. No rebates, gifts, money or anything else of value were given or received in connection with the purchases described above.

Auctioneer

Bidder for County

License Number

RESOLUTION

No. 2012 12 105

To the HONORABLE MELVILLE BAILEY, Chairman, and Members of the Hawkins County Board of Commission in Regular Session, met this 17th day of December, 2012.

RESOLUTION IN REF: APPROVAL OF A 60 MONTH LEASE AGREEMENT FOR PHONE EQUIPMENT AND SUPPORT TO UPGRADE THE PHONE SYSTEM IN COUNTY OFFICES

WHEREAS, a proposal for an upgrade of the phone system in county offices was opened on November 15, 2012. The system will be a Unified Voice (VoIP) and Data Network System and Support. Offices that are to receive the new equipment will be the Agriculture Extension office, Industrial Development Board office, all offices at the Justice Center, the Courthouse and Annex, the Administration Building, the county offices at the Church Hill City County Building and the Highway Department; and

WHEREAS, the equipment will be leased through Bailey Computing Technologies, Inc. (BCTI) from Johnson City, TN., with the financing being with De Lage Landen Public Finance LLC; and

WHEREAS, the lease agreement which is attached and will be for a period of 60 months at 1.5% interest, with a monthly cost of \$5,493.36 and a \$1 purchase at the end of the lease term. This figure includes equipment, installation and ongoing support. The Highway Fund will pay its pro-rated share of the monthly lease payments. Appropriations for the General Fund lease payment expenditures were included in the 2012-2013 FY budget. However, the Highway Fund expenditures will require a budget amendment at a later date.

THEREFORE, BE IT RESOLVED THAT the aforementioned lease be approved to upgrade the phone system for the county offices previously listed.

Attachment

Introduced By Esq. Gary Hicks, Chrmn Budget Comm

Seconded By Esq. _

Date Submitted 12-3-12

A. Carroll Jenkins
County Clerk

By: _____

Chairman Melville Bailey

ACTION: AYE NAY PASSED

Roll Call _____

Voice Vote _____

Absent _____

COMMITTEE ACTION

DOCUMENTATION INSTRUCTIONS

The instructions listed below should be followed when completing the enclosed documentation. Documentation completed improperly will delay funding. If you have any questions regarding the instructions or the documentation, please call us.

I. EQUIPMENT LEASE PURCHASE AGREEMENT

- a. **Description of Equipment**
 - Type or write in serial numbers (When applicable).
 - Type the location where the equipment will be located after delivery/installation.
- b. **Terms and Conditions**
 - Sign and type name and title
 - Another individual must attest the signature
- c. **Certificate of Clerk or Secretary**
 - Date, sign and type in name and title
- d. **Opinion of Counsel**
 - Lessee's legal counsel must sign, date and type in their name, the name of the firm, address and telephone number.

II. EXHIBIT A – SCHEDULE OF RENTAL PAYMENTS

- Print Name, and Title
- Sign and Date

III. EXHIBIT B – EQUIPMENT DESCRIPTION – (WHEN PROVIDED)

- Sign and date
- Print name
- Type in Complete Equipment Description to include serial numbers and location addresses (if applicable).

IV. TAX DESIGNATION AND COVENANTS

- Initial the appropriate blanks on Item #2 and Item #3
- Date, sign and type in name and title
- Another individual must attest the signature
- **AND:** Clerk or secretary must date, sign and type in title

V. STATE SPECIFIC ADDENDA – (WHEN PROVIDED) — Required for: AZ, AR, CO, FL, GA, KS, LA, MI, MN, NC, NJ, NY, OH, TX and OK.

- Sign and/or Attest when required

VI. ACCEPTANCE CERTIFICATE

- Enter the date of equipment acceptance and Sign

VII. 8038 - IRS Form

- Box 2, Enter your Federal ID Number
- Sign, Date and write in Name and Title
- Line 9 & 10 Enter Contact Name and Telephone Number
- The enclosed 8038G or GC Form is a SAMPLE only. The actual 8038G or GC will be completed and sent to you for your signature after closing, with instructions to return the original to us at your earliest convenience. This is being done in this manner to comply with Internal Revenue Service regulation.

VIII. CERTIFICATE OF INSURANCE — Both Property and Liability Insurance required to fund

- Attach both Property and Liability Certificates of Insurance showing **De Lage Landen Public Finance and/or its Assigns** as "loss payee" and "additional insured", respectively.
- **THE CERTIFICATES MUST ALSO SHOW THE PHYSICAL ADDRESS WHERE THE EQUIPMENT WILL BE LOCATED.**

IX. ADDITIONAL DOCUMENTATION THAT MUST BE SENT PRIOR TO FUNDING:

- Resolution of governing body approving the purchase of the equipment and the resolution ratifying the financing.
(Note: If the purchase resolution and financing were done in one resolution that is sufficient.)
- Original vendor invoice (if applicable)
- Copy of title/MSO listing De Lage Landen Public Finance LLC as 1st lienholder (if applicable)
- First payment check (if applicable) made payable to De Lage Landen Public Finance LLC

ALL DOCUMENTATION SHOULD BE RETURNED TO:

De Lage Landen Public Finance LLC, 1111 Old Eagle School Road, Wayne, PA 19087 • 800-736-0220
Attn: Barbara Wozniak

De Lage Landen Public Finance LLC

1111 Old Eagle School Road
Wayne, PA 19087

Equipment Lease Purchase Agreement

DATED: February 17, 2013

LESSEE	Full Legal Name Hawkins County, Tennessee		Phone Number (423) 357-4441	
	DBA Name (if any)			
Billing Address 951 E McKinney Ave Ste A		City Rogersville	State TN	Zip 37857

EQUIPMENT INFORMATION	Quantity	Model No.	Serial Number	Description (Attach Separate Schedule if Necessary)
				Please See Attached Equipment Description as "Exhibit B"
Equipment Location (if not same as above)				City Rogersville State TN Zip 37857

VENDOR	Vendor Name Baily Computing Technologies Inc		RENTAL PAYMENTS	Rental Payment Periods <input checked="" type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Semiannually <input type="checkbox"/> Annually	Rental Payments shall be made in accordance with Section 4.01 and the Schedule of Rental Payments attached hereto as Exhibit A.
	Address 100 KLM Drive Ste 8				
City Johnson City		State TN	Zip 37615		

TERMS & CONDITIONS

THE TERMS AND CONDITIONS OF THIS AGREEMENT SET FORTH ON THE FOLLOWING PAGES, INCLUDING ANY EXHIBITS ATTACHED HERETO, SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH HERE. IN WITNESS OF, Lessor and Lessee have caused this Agreement to be executed in their name by their duly authorized representatives as of the date written above.

LESSOR	Lessor DE LAGE LANDEN PUBLIC FINANCE LLC	LESSEE SIGNATURE	Lessee Hawkins County, Tennessee
	Signature		Signature
	Title		Title
	Lease Number PUB 11777		(Seal)
			Abstract
			Title

(Terms and Conditions continued on the reverse side of this Agreement.)

CERTIFICATE OF CLERK OR SECRETARY OF LESSEE

I, the undersigned, do hereby certify that the officer of Lessee who execute the foregoing Agreement on behalf of Lessee and whose genuine signature appears thereon, is the duly qualified and acting officer of Lessee as stated beneath his or her signature and has been authorized to execute the foregoing Agreement on behalf of Lessee.

SIGNATURE _____ TITLE _____ DATE _____

OPINION OF COUNSEL	As legal counsel of Lessee, I have examined (a) the Agreement, which, among other things provides for the sale to and purchase by the Lessee of the Equipment, (b) an executed counterpart of the ordinance or resolution of Lessee which, among other things, authorizes Lessee to execute the Agreement and (c) such other opinions, documents and matters of law as I have deemed necessary in connection with the following opinions. Based on the foregoing, I am of the following opinions: (1) Lessee is a public body corporate and politic, duly organized and existing under the laws of the State, and has a substantial amount of one or more of the following sovereign powers: (a) the power to tax, (b) the power of eminent domain, and (c) police power; (2) Lessee has the requisite power and authority to purchase the Equipment and to execute and deliver the Agreement and to perform its obligations under the Agreement; (3) the Agreement and the other documents either attached thereto or required therein have been duly authorized, approved and executed by and on behalf of Lessee, and the Agreement is a valid and binding obligation of Lessee enforceable in accordance with its terms, except to the extent limited by applicable bankruptcy, insolvency, reorganization or other laws affecting creditor's rights generally; (4) the authorization, approval and execution of the Agreement and all other proceedings of Lessee relating to the transactions contemplated thereby have been performed in accordance with all open meeting laws, public bidding laws and all other applicable state and federal laws; and (5) there is no proceeding pending or threatened in any court or before any governmental authority or arbitration board or tribunal that, if adversely determined, would adversely affect the transactions contemplated by the Agreement or the security interest of Lessor or its assigns, as the case may be, in the Equipment. All capitalized terms herein shall have the same meanings as in the Agreement. Lessor, its successors and assigns, and any counsel rendering an opinion on the tax-exempt status of the interest components of Rental Payments are entitled to rely on this opinion.			
	Signature		Date	
	Name		Phone Number	
	Address		City	State Zip

ARTICLE I

Section 1.01. **Definitions.** The following terms will have the meanings indicated below unless the context clearly requires otherwise:

"Agreement" means this Equipment Lease Purchase Agreement and any other schedule, exhibit or escrow agreement made a part hereof by the parties hereto, together with any amendments to the Agreement.

"Code" means the Internal Revenue Code of 1986, as amended.

"Commencement Date" is the date when the term of this Agreement and Lessee's obligation to pay rent commence, which date shall be the earlier of (i) the date on which the Equipment is accepted by Lessee in the manner described in Section 5.01, or (ii) the date on which sufficient moneys to purchase the Equipment are deposited by Lessor for that purpose with an escrow agent.

"Equipment" means the property described on the front of this Agreement, and all replacements, substitutions, repairs, restorations, modifications, attachments, accessions, additions and improvements thereof or thereto.

"Event of Default" means an Event of Default described in Section 12.01.

"Issuance Year" is the calendar year in which the Commencement Date occurs.

"Lease Term" means the Original Term and all Renewal Terms, but ending on the occurrence of the earliest event specified in Section 3.02.

"Lessee" means the entity described as such on the front of this Agreement, its successors and its assigns.

"Lessor" means the entity described as such on the front of this Agreement, its successors and its assigns.

"Maximum Lease Term" means the Original Term and all Renewal Terms through the Renewal Term including the last Rental Payment date set forth on the Payment Schedule.

"Net Proceeds" means the amount remaining from the gross proceeds of any insurance claim or condemnation award after deducting all expenses (including attorneys' fees) incurred in the collection of such claim or award.

"Original Term" means the period from the Commencement Date until the end of the fiscal year in effect at the Commencement Date.

"Payment Schedule" means the schedule of Rental Payments and Purchase Price set forth on Exhibit A.

"Purchase Price" means the amount set forth on the Payment Schedule as the Purchase Price for the Equipment.

"Renewal Terms" means the optional renewal terms of this Agreement, each having a duration of one year and a term co-extensive with Lessee's fiscal year.

"Rental Payment Period" means the period beginning on the day a Rental Payment is due and ending the day before the next Rental Payment is due. The first Rental Payment Period shall begin on the Commencement Date in all cases. If Rental Payment Periods are monthly, subsequent Rental Payment Periods shall begin on the same day of each month after the Commencement Date. If Rental Payment Periods are quarterly, subsequent Rental Payment Periods shall begin on the same day of each third month after the Commencement Date. If Rental Payment Periods are semiannual, subsequent Rental Payment Periods shall begin on the same day of each sixth month after the Commencement Date. If Rental Payment Periods are annual, subsequent Rental Payment Periods shall begin on the anniversary of the Commencement Date in each year. If the Commencement Date is the 29th, 30th, or 31st day of a month, any subsequent Rental Payment Period that would otherwise begin on the 29th, 30th or 31st of a month that does not include such a date shall begin on the last day of the month.

"Rental Payments" means the basic rental payments payable by Lessee pursuant to Section 4.01.

"State" means the state in which Lessee is located.

"Vendor" means the manufacturer of the Equipment as well as the agents or dealers of the manufacturer from whom Lessor purchased or is purchasing the Equipment, as listed on the front of this Agreement.

ARTICLE II

Section 2.01. **Representations and Covenants of Lessee.** Lessee represents, warrants and covenants for the benefit of Lessor as follows:

(a) Lessee is a municipal corporation and political subdivision duly organized and existing under the constitution and laws of the State. Lessee will do or cause to be done all things to preserve and keep in full force and effect its existence as a body corporate and politic. Lessee is a political subdivision of the State within the meaning of Section 103(a) of the Code or a constituted authority authorized to issue obligations on behalf of a state or local governmental unit within the meaning of the regulations promulgated pursuant to said Section of the Code.

(b) Lessee is authorized under the constitution and laws of the State to enter into this Agreement and the transaction contemplated hereby and to perform all of its obligations hereunder.

(c) Lessee has been duly authorized to execute and deliver this Agreement by proper action and approval of its governing body at a meeting duly called, regularly convened and attended through-out by a requisite majority of the members thereof or by other appropriate official approval.

(d) This Agreement constitutes the legal, valid and binding obligation of the Lessee enforceable in accordance with its terms, except to the extent limited by applicable bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally.

(e) No event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute, an Event of Default exists at the Commencement Date.

(f) Lessee has, in accordance with the requirements of law, fully budgeted and appropriated sufficient funds for the current fiscal year to make the Rental Payments scheduled to come due during the Original Term and to meet its other obligations for the Original Term, and such funds have not been expended for other purposes.

(g) Lessee will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as a body corporate and politic.

(h) Lessee has complied with such public bidding requirements as may be applicable to this Agreement and the acquisition by Lessee of the Equipment hereunder.

(i) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or threatened against or affecting the Lessee, nor to the best knowledge of the Lessee is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by this Agreement

or any other document, agreement or certificate which is used or contemplated for use in the consummation of the transactions contemplated by this Agreement or materially adversely affect the financial condition or properties of Lessee.

(j) All authorizations, consents and approvals of governmental bodies or agencies required in connection with the execution and delivery by the Lessee of this Agreement or in connection with the carrying out by the Lessee of its obligations hereunder have been obtained.

(k) The entering into and performance of this Agreement or any other document or agreement contemplated hereby to which the Lessee is or is to be a party will not violate any judgment, order, law or regulation applicable to the Lessee or result in any breach of, or constitute a default under, or result in the creation of any lien, charge, security interest of other encumbrance on any assets of the Lessee or the Equipment pursuant to any indenture, mortgage, deed of trust, bank loan or credit agreement or other instrument to which the Lessee is a party or by which it or its assets may be bound, except as herein provided.

(l) The Equipment described in this Agreement is essential to the function of the Lessee or to the service Lessee provides to its citizens. The Lessee has an immediate need for, and expects to make immediate use of, substantially all the Equipment, which need is not temporary or expected to diminish in the foreseeable future. The Equipment will be used by Lessee only for the purpose of performing one or more of Lessee's governmental or proprietary functions consistent with the permissible scope of Lessee's authority and will not be used in the trade or business of any other entity or person.

(m) Lessee will comply with all applicable provisions of the Code, including without limitation Sections 103 and 148 thereof, and the applicable regulations of the Treasury Department to maintain the exclusion of the interest components of Rental Payments from gross income for purposes of federal income taxation.

(n) Lessee has never failed to appropriate or otherwise make available funds sufficient to pay rental or other payments coming due under any lease purchase, installment sale or other similar agreement.

Section 2.02. **Certification as to Arbitrage.** Lessee hereby represents as follows:

(a) The estimated total costs of the Equipment will not be less than the total principal portion of the Rental Payments.

(b) The Equipment has been ordered or is expected to be ordered within six months of the Commencement Date, and the Equipment is expected to be delivered and installed, and the Vendor fully paid, within one year of the Commencement Date.

(c) Lessee has not created or established, and does not expect to create or establish, any sinking fund or other similar fund (i) that is reasonably expected to be used to pay the Rental Payments, or (ii) that may be used solely to prevent a default in the payment of the Rental Payments.

(d) The Equipment has not been and is not expected to be sold or otherwise disposed of by Lessee, either in whole or in major part, prior to the last maturity of the Rental Payments.

(e) To the best of our knowledge, information and belief, the above expectations are reasonable

ARTICLE III

Section 3.01. **Lease of Equipment.** Lessor hereby demises, leases and lets the Equipment to Lessee, and Lessee rents, leases and hires the Equipment from Lessor, in accordance with the provisions of this Agreement, for the Lease Term. The Original Term of this Agreement shall commence on the Commencement Date and shall terminate on the last day of Lessee's current fiscal year. The Lease Term may be continued at the end of the Original Term or any Renewal Term for an additional Renewal Term up to the Maximum Lease Term; provided, however, that at the end of the Original Term and at the end of each Renewal Term until the Maximum Lease Term has been completed, Lessee shall be deemed to have continued this Agreement for the next Renewal Term unless Lessee shall have terminated this Agreement pursuant to Section 3.04 or Section 10.01. The terms and conditions during any Renewal Term shall be the same as the terms and conditions during the Original Term, except that the Rental Payments shall be as provided in the Payment Schedule.

Section 3.02. **Termination of Lease Term.** The Lease Term shall terminate upon the earliest of any of the following events:

(a) the expiration of the Original Term or any Renewal Term and the nonrenewal of this Agreement in the event of nonappropriation of funds pursuant to Section 3.04;

(b) the exercise by Lessee of the option to purchase the Equipment under Article X and payment of the Purchase Price and all amounts payable in connection therewith;

(c) a default by Lessee and Lessor's election to terminate this Agreement under Article XII; or

(d) the payment by Lessee of all Rental Payments authorized or required to be paid by Lessee hereunder during the Maximum Lease Term.

Section 3.03. **Continuation of Lease Term.** Lessee currently intends, subject to Section 3.04, to continue the Lease Term through the Original Term and all of the Renewal Terms and to pay the Rental Payments hereunder. Lessee reasonably believes that legally available funds in an amount sufficient to make all Rental Payments during the Original Term and each of the Renewal Terms can be obtained. The responsible financial officer of Lessee shall do all things lawfully within his or her power to obtain and maintain funds from which the Rental Payments may be made, including making provision for such Rental Payments to the extent necessary in each proposed annual budget submitted for approval in accordance with applicable procedures of Lessee and to exhaust all available reviews and appeals in the event such portion of the budget is not approved. Notwithstanding the foregoing, the decision whether or not to budget or appropriate funds or to extend this Agreement for any Renewal Term is solely within the discretion of the then current governing body of Lessee.

Section 3.04. **Nonappropriation.** Lessee is obligated only to pay such Rental Payments under this Agreement as may lawfully be made from funds budgeted and appropriated for that purpose during Lessee's then current fiscal year. In the event sufficient funds shall not be appropriated or are not otherwise legally available to pay the Rental Payments required to be paid in the next occurring Renewal Term, as set forth in the Payment Schedule, this Agreement shall be deemed to be terminated at the end of the then current Original Term or Renewal Term. Lessee agrees to deliver written notice to Lessor of such termination at least 90 days prior to the end of the then current Original Term or Renewal Term, but failure to give such notice shall not extend the Lease Term beyond such Original Term or Renewal Term. If this Agreement is terminated in accordance with this Section, Lessee agrees, at Lessee's cost and expense, to peaceably deliver the Equipment to Lessor at the location or locations specified by Lessor.

ARTICLE IV

Section 4.01. Rental Payments. Lessee shall pay Rental Payments, exclusively from legally available funds, in lawful money of the United States of America to Lessor on the dates and in the amounts set forth on the Payment Schedule. Any Rental Payment not received on or before its due date shall bear interest at the rate of 18% per annum or the maximum amount permitted by law, whichever is less, from its due date. As set forth on the Payment Schedule, a portion of each Rental Payment is paid as, and represents payment of, interest.

Section 4.02. Rental Payments to Constitute a Current Expense of Lessee. The obligation of Lessee to pay Rental Payments hereunder shall constitute a current expense of Lessee, and do not constitute a mandatory payment obligation of Lessee in any fiscal year beyond the then current fiscal year of Lessee. Lessee's obligation hereunder shall not in any way be construed to be a debt of Lessee in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness by Lessee, nor shall anything contained herein constitute a pledge of the general credit, tax revenues, funds or moneys of Lessee.

Section 4.03. Rental Payments To Be Unconditional. EXCEPT AS PROVIDED IN SECTION 3.04, THE OBLIGATIONS OF LESSEE TO MAKE RENTAL PAYMENTS AND TO PERFORM AND OBSERVE THE OTHER COVENANTS AND AGREEMENTS CONTAINED HEREIN SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS WITHOUT ABATEMENT, DIMINUTION, DEDUCTION, SET-OFF OR DEFENSE, FOR ANY REASON, INCLUDING WITHOUT LIMITATION ANY FAILURE OF THE EQUIPMENT TO BE DELIVERED OR INSTALLED, ANY DEFECTS, MALFUNCTIONS, BREAKDOWNS OR INFIRMITIES IN THE EQUIPMENT OR ANY ACCIDENT, CONDEMNATION OR UNFORESEEN CIRCUMSTANCES.

ARTICLE V

Section 5.01. Delivery, Installation and Acceptance of the Equipment. Lessee shall order the Equipment, cause the Equipment to be delivered and installed at the location specified on the front of this Agreement and pay any and all delivery and installation costs in connection therewith. When the Equipment has been delivered and installed, Lessee shall immediately accept the Equipment and evidence said acceptance by executing and delivering to Lessor an acceptance certificate acceptable to Lessor. After it has been installed, the Equipment will not be moved from the location specified on the front of this Agreement without Lessor's consent, which consent shall not be unreasonably withheld.

Section 5.02. Enjoyment of Equipment. Lessee shall peaceably and quietly have and hold and enjoy the Equipment during the Lease Term, without suit, trouble or hindrance from Lessor, except as otherwise expressly set forth in this Agreement.

Section 5.03. Right of Inspection. Lessor shall have the right at all reasonable times during regular business hours to enter into and upon the property of Lessee for the purpose of inspecting the Equipment.

Section 5.04. Use and Maintenance of the Equipment. Lessee will not install, use, operate or maintain the Equipment improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by this Agreement. Lessee shall obtain all permits and licenses, if any, necessary for the installation and operation of the Equipment. In addition, Lessee shall comply in all respects with all applicable laws, regulations and rulings of any legislative, executive, administrative or judicial body; provided that Lessee may contest in good faith the validity or application of any such law, regulation or ruling in any reasonable manner that does not, in the opinion of Lessor, adversely affect the interest of Lessor in and to the Equipment or its interest or rights under this Agreement. Lessee agrees that it will, at Lessee's own cost and expense, maintain, preserve and keep the Equipment in good repair, working order and condition. If requested to do so by Lessor, Lessee will enter into a maintenance contract for the Equipment with Vendor. LESSOR SHALL HAVE NO RESPONSIBILITY TO SERVICE, MAINTAIN, REPAIR OR MAKE IMPROVEMENTS OR ADDITIONS TO THE EQUIPMENT. LESSEE SHALL MAKE ALL CLAIMS FOR SERVICE OR MAINTENANCE SOLELY TO THE VENDOR AND SUCH CLAIMS WILL NOT AFFECT LESSEE'S OBLIGATION TO MAKE ALL REQUIRED RENTAL PAYMENTS.

ARTICLE VI

Section 6.01. Title to the Equipment. During the Lease Term, title to the Equipment shall vest in Lessee, subject to the rights of Lessor under this Agreement; provided that title shall thereafter immediately and without any action by Lessee vest in Lessor, and Lessee shall immediately surrender possession of the Equipment to Lessor upon (a) any termination of this Agreement other than termination pursuant to Section 10.01, or (b) the occurrence of an Event of Default. It is the intent of the parties hereto that any transfer of title to Lessor pursuant to this Section shall occur automatically without the necessity of any bill of sale, certificate of title or other instrument of conveyance. Lessee shall, nevertheless, execute and deliver any such instruments as Lessor may request to evidence such transfer. Lessee irrevocably designates, makes, constitutes and appoints Lessor and its assignee as Lessee's true and lawful attorney (and agent in-fact) with power, at such time of termination or times thereafter as Lessor in its sole and absolute discretion may determine, in Lessee's or Lessor's or such assignee's name, to endorse the name of Lessee upon any bill of sale, document, instrument, invoice, freight bill, bill of lading or similar document relating to the Equipment in order to vest title in Lessor and transfer possession to Lessor.

Section 6.02. Security Interest. To secure the payment of all of Lessee's obligations under this Agreement, Lessor retains a security interest constituting a first lien on the Equipment and proceeds therefrom. Lessee agrees to execute such additional documents, in form satisfactory to Lessor, that Lessor deems necessary or appropriate to establish and maintain its security interest. Lessee agrees that financing statements may be filed with respect to the security interest in the Equipment.

Section 6.03. Personal Property. Lessor and Lessee agree that the Equipment is and will remain personal property. The Equipment will not be deemed to be affixed to or a part of the real estate on which it may be situated, notwithstanding that the Equipment or any part thereof may be or hereafter become in any manner physically affixed or attached to such real estate or any building thereon. Upon the request of Lessor, Lessee will, at Lessee's expense, furnish a waiver of any interest in the Equipment from any party having an interest in any such real estate or building.

ARTICLE VII

Section 7.01. Liens, Taxes, Other Governmental Charges and Utility Charges. Lessee shall keep the Equipment free and clear of all liens, charges and encumbrances, except those created under this Agreement. The parties to this Agreement contemplate that the Equipment will be

used for a governmental or proprietary purpose of Lessee and, therefore, that the Equipment will be exempt from all taxes and other similar charges. If the use, possession or acquisition of the Equipment is found to be subject to taxation in any form, Lessee will pay all taxes and governmental charges lawfully assessed or levied against or with respect to the Equipment. Lessee shall pay all utility and other charges incurred in the use and maintenance of the Equipment. Lessee shall pay such taxes and charges as the same become due; provided that, with respect to any such taxes and charges that may lawfully be paid in installments over a period of years, Lessee shall be obligated to pay only such installments that accrue during the Lease Term.

Section 7.02. Insurance. At its own expense, Lessee shall maintain (a) casualty insurance insuring the Equipment against loss or damage by fire and all other risks covered by the standard extended coverage endorsement then in use in the State and any other risks reasonably required by Lessor in an amount at least equal to the then applicable Purchase Price of the Equipment, (b) liability insurance that protects Lessor from liability in all events in form and amount satisfactory to Lessor, and (c) workers' compensation coverage as required by the laws of the State; provided that, with Lessor's prior written consent, Lessee may self-insure against the risks described in clauses (a) and (b). All insurance proceeds from casualty losses shall be payable as hereinafter provided. Lessee shall furnish to Lessor certificates evidencing such coverage throughout the Lease Term. All such casualty and liability insurance shall be with insurers that are acceptable to Lessor, shall name Lessor as a loss payee and an additional insured, respectively, and shall contain a provision to the effect that such insurance shall not be cancelled or modified materially without first giving written notice thereof to Lessor at least ten days in advance of such cancellation or modification. All such casualty insurance shall contain a provision making any losses payable to Lessee and Lessor, as their respective interests may appear.

Section 7.03. Advances. In the event Lessee shall fail to either maintain the insurance required by this Agreement, pay the taxes or charges required to be paid by it under this Agreement or keep the Equipment in good repair and working order, Lessor may, but shall be under no obligation to, purchase the required policies of insurance and pay the cost of the premiums thereof, pay such taxes and charges and maintain and repair the Equipment and pay the cost thereof. All amounts so advanced by Lessor shall become additional rent for the then current Original Term or Renewal Term. Lessee agrees to pay such amounts with interest thereon from the date paid at the rate of 12% per annum or the maximum permitted by law, whichever is less.

Section 7.04. Financial Information. Lessee will annually provide Lessor with current financial statements, budgets, proofs of appropriation for the ensuing fiscal year and such other financial information relating to the ability of Lessee to continue this Agreement as may be requested by Lessor.

Section 7.05. Release and Indemnification. To the extent permitted by law, Lessee shall indemnify, protect and hold harmless Lessor from and against any and all liability, obligations, losses, claims and damages whatsoever, regardless of cause thereof, and expenses in connection therewith (including, without limitation, counsel fees and expenses and any federal income tax and interest and penalties connected therewith imposed on interest received) arising out of or as the result of (a) the entering into this Agreement, (b) the ownership of any item of the Equipment, (c) the manufacturing, ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage or return of any item of the Equipment, (d) any accident in connection with the operation, use, condition, possession, storage or return of any item of the Equipment resulting in damage to property or injury or death to any person or (e) the breach of any covenant herein or any material misrepresentation contained herein. The indemnification arising under this paragraph shall continue in full force and effect notwithstanding the full payment of all obligations under this Agreement or the termination of the Lease Term for any reason.

ARTICLE VIII

Section 8.01. Risk of Loss. Lessee assumes, from and including the Commencement Date, all risk of loss of or damage to the Equipment from any cause whatsoever. No such loss of or damage to the Equipment nor defect therein nor unfitness or obsolescence thereof shall relieve Lessee of the obligation to make Rental Payments or to perform any other obligation under this Agreement.

Section 8.02. Damage, Destruction and Condemnation. If (a) the Equipment or any portion thereof is destroyed, in whole or in part, or is damaged by fire or other casualty, or (b) title to, or the temporary use of, the Equipment or any part thereof or the interest of Lessee or Lessor in the Equipment or any part thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, Lessee and Lessor will cause the Net Proceeds of any insurance claim or condemnation award to be applied to the prompt replacement, repair, restoration, modification or improvement of the Equipment, unless Lessee shall have exercised its option to purchase the Equipment pursuant to Section 10.01. Any balance of the Net Proceeds remaining after such work has been completed shall be paid to Lessee.

Section 8.03. Insufficiency of Net Proceeds. If the Net Proceeds are insufficient to pay in full the cost of any repair, restoration, modification or improvement referred to in Section 8.01, Lessee shall either (a) complete such replacement, repair, restoration, modification or improvement and pay any costs thereof in excess of the amount of the Net Proceeds, or (b) purchase Lessor's interest in the Equipment pursuant to Section 10.01. The amount of the Net Proceeds, if any, remaining after completing such repair, restoration, modification or improvement or after purchasing the Equipment shall be retained by Lessee. If Lessee shall make any payments pursuant to this Section, Lessee shall not be entitled to any reimbursement therefor from Lessor nor shall Lessee be entitled to any diminution of the amounts payable under Article IV.

ARTICLE IX

Section 9.01. Disclaimer of Warranties. LESSOR MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR PARTICULAR USE OR PURPOSE OF THE EQUIPMENT OR AGAINST INFRINGEMENT, OR ANY OTHER WARRANTY OR REPRESENTATION WITH RESPECT THERETO. IN NO EVENT SHALL LESSOR BE LIABLE FOR ANY ACTUAL, INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGE IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT OR THE EXISTENCE, FURNISHING, FUNCTIONING OR LESSEE'S USE OR MAINTENANCE OF ANY EQUIPMENT OR SERVICES PROVIDED FOR IN THIS AGREEMENT.

Section 9.02. Vendor's Warranties. Lessee may have rights under the contract evidencing the purchase of the Equipment; Lessee is advised to contact the Vendor for a description of any

such rights. Lessor hereby assigns to Lessee during the Lease Term all warranties running from Vendor to Lessor. Lessor hereby irrevocably appoints Lessee its agent and attorney-in-fact during the Lease Term, so long as Lessee shall not be in default hereunder, to assert from time to time whatever claims and rights (including without limitation warranties) related to the Equipment that Lessor may have against the Vendor. Lessee's sole remedy for the breach of any such warranty, indemnification or representation shall be against the Vendor, and not against Lessor. Any such matter shall not have any effect whatsoever on the rights and obligations of Lessor with respect to this Agreement, including the right to receive full and timely payments hereunder. Lessee expressly acknowledges that Lessor makes, and has made, no representations or warranties whatsoever as to the existence or availability of such warranties by any Vendor.

ARTICLE X

Section 10.01. Purchase Option. Lessee shall have the option to purchase Lessor's interest in all (but not less than all) of the Equipment, upon giving written notice to Lessor at least 60 (but not more than 180) days before the date of purchase, at the following times and upon the following terms:

(a) On any Rental Payment Date, upon payment in full of the Rental Payments and all other amounts then due hereunder plus the then applicable Purchase Price to Lessor; or

(b) In the event of substantial damage to or destruction or condemnation of substantially all of the Equipment, on the day Lessee specifies as the purchase date in Lessee's notice to Lessor of its exercise of the purchase option, upon payment in full of the Rental Payments and all other amounts then due hereunder plus (i) the Purchase Price designated on the Payment Schedule for such purchase date if such purchase date is a Rental Payment Date or the Purchase Price for the immediately preceding Rental Payment Date if such purchase date is not a Rental Payment Date, and (ii) if such day is not a Rental Payment Date, an amount equal to the portion of the interest component of the Rental Payment scheduled to come due on the following Rental Payment Date accrued from the immediately preceding Rental Payment Date to such purchase date, computed on the basis of a 360-day year of twelve 30-day months.

Upon the exercise of the option to purchase set forth above, title to the Equipment shall be vested in Lessee, free and clear of any claim by or through Lessor.

Section 10.02. Determination of Fair Purchase Price. Lessee and Lessor hereby agree and determine that the Rental Payments hereunder during the Original Term and each Renewal Term represent the fair value of the use of the Equipment and that the amount required to exercise Lessee's option to purchase the Equipment pursuant to Section 10.01 represents, as of the end of the Original Term or any Renewal Term, the fair purchase price of the Equipment. Lessee hereby determines that the Rental Payments do not exceed a reasonable amount so as to place Lessee under a practical economic compulsion to renew this Agreement or to exercise its option to purchase the Equipment hereunder. In making such determinations, Lessee and Lessor have given consideration to (a) the costs of the Equipment, (b) the uses and purposes for which the Equipment will be employed by Lessee, (c) the benefit to Lessee by reason of the acquisition and installation of the Equipment and the use of the Equipment pursuant to the terms and provisions of this Agreement, and (d) Lessee's option to purchase the Equipment.

ARTICLE XI

Section 11.01. Assignment by Lessor. Lessor's interest in, to and under this Agreement and the Equipment may, without notice to or the consent of Lessee, be assigned and reassigned in whole or in part to one or more assignees by Lessor. Lessee hereby appoints Municipal Registrar Services (the "Registrar") as its agent for the purpose of maintaining a written record of each such assignment in form necessary to comply with Section 149(a) of the Code. No such assignment shall be binding on Lessee until the Registrar has received written notice from Lessor of the name and address of the assignee. Lessee agrees to execute all documents, including chattel mortgages or financing statements that may be reasonably requested by Lessor or any assignee to protect its interest in the Equipment and in this Agreement. Lessee shall not have the right to and shall not assert against any assignee any claim, counterclaim, defense, set-off or other right Lessee may from time to time have against Lessor.

Section 11.02. Assignment and Subleasing by Lessee. None of Lessee's right, title and interest in, to and under this Agreement and in the Equipment may be assigned or encumbered by Lessee for any reason, except that Lessee may sublease all or part of the Equipment if Lessee obtains the prior written consent of Lessor and an opinion of nationally recognized counsel in the area of tax exempt municipal obligations satisfactory to Lessor that such subleasing will not adversely affect the exclusion of the interest components of the Rental Payments from gross income for federal income tax purposes. Any such sublease of all or part of the Equipment shall be subject to this Agreement and the rights of the Lessor in, to and under this Agreement and the Equipment.

ARTICLE XII

Section 12.01. Events of Default Defined. Subject to the provisions of Section 3.04, any of the following shall be "Events of Default" under this Agreement:

(a) Failure by Lessee to pay any Rental Payment or other payment required to be paid hereunder at the time specified herein;

(b) Failure by Lessee to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in Section 12.01(a), for a period of 30 days after written notice, specifying such failure and requesting that it be remedied, is given to Lessee by Lessor, unless Lessor shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, Lessor will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Lessee within the applicable period and diligently pursued until the default is corrected;

(c) Any statement, representation or warranty made by Lessee in or pursuant to this Agreement or its execution, delivery or performance shall prove to have been false, incorrect, misleading or breached in any material respect on the date when made;

(d) Any provision of this Agreement shall at any time for any reason cease to be valid and binding on Lessee, or shall be declared to be null and void, or the validity or enforceability thereof shall be contested by Lessee or any governmental agency or authority if the loss of such provision would materially adversely affect the rights or security of Lessor, or Lessee shall deny that it has any further liability or obligation under this Agreement;

(e) Lessee shall (i) apply for or consent to the appointment of a receiver, trustee, custodian or liquidator of Lessee, or of all or a substantial part of the assets of Lessee, (ii) be unable, fail or admit in writing its inability generally to pay its debts as they become due, (iii) make a general assignment for the benefit of creditors, (iv) have an order for relief entered against it under applicable federal bankruptcy law, or (v) file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors or taking advantage of any insolvency law or any answer admitting the material allegations of a petition filed against Lessee in any bankruptcy, reorganization or insolvency proceeding; or

(f) An order, judgment or decree shall be entered by any court of competent jurisdiction, approving a petition or appointing a receiver, trustee, custodian or liquidator of Lessee or of all or a substantial part of the assets of Lessee, in each case without its application, approval or consent, and such order, judgment or decree shall continue unstayed and in effect for any period of 30 consecutive days.

Section 12.02. Remedies on Default. Whenever any Event of Default exists, Lessor shall have the right, at its sole option without any further demand or notice, to take one or any combination of the following remedial steps:

(a) By written notice to Lessee, Lessor may declare all Rental Payments and other amounts payable by Lessee hereunder to the end of the then current Original Term or Renewal Term to be due;

(b) With or without terminating this Agreement, Lessor may enter the premises where the Equipment is located and retake possession of the Equipment or require Lessee at Lessee's expense to promptly return any or all of the Equipment to the possession of Lessor at a place specified by Lessor, and sell or lease the Equipment or, for the account of Lessee, sublease the Equipment, holding Lessee liable for the difference between (i) the Rental Payments and other amounts payable by Lessee hereunder plus the then applicable Purchase Price, and (ii) the net proceeds of any such sale, lease or sublease (after deducting all expenses of Lessor in exercising its remedies under this Agreement, including without limitation, all expenses of taking possession, storing, reconditioning and selling or leasing the Equipment and all brokerage, auctioneers' and attorneys' fees); provided that the amount of Lessee's liability under this subparagraph (b) shall not exceed the Rental Payments and other amounts otherwise due hereunder plus the remaining Rental Payments and other amounts payable by Lessee hereunder to the end of the then current fiscal year of Lessee; and

(c) Lessor may take whatever other action at law or in equity may appear necessary or desirable to enforce its rights as the owner of the Equipment.

In addition, Lessee will remain liable for all covenants and indemnities under this Agreement and for all legal fees and other costs and expenses, including court costs, incurred by Lessor with respect to the enforcement of any of the remedies listed above or any other remedy available to Lessor. Lessor may charge interest on all amounts due to it at the rate of 18% per annum or the maximum amount permitted by law, whichever is less.

Section 12.03. No Remedy Exclusive. No remedy herein conferred upon or reserved to Lessor is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle Lessor to exercise any remedy reserved to it in this Article it shall not be necessary to give any notice, other than such notice as may be required in this Article.

ARTICLE XIII

Section 13.01. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, to the parties at the addresses on the front of this Agreement (or at such other address as either party hereto shall designate in writing to the other for notices to such party), to any assignee at its address as it appears on the registration books maintained by Lessee.

Section 13.02. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns.

Section 13.03. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 13.04. Entire Agreement. This Agreement constitutes the entire agreement between Lessor and Lessee.

Section 13.05. Amendments. This Agreement may be amended in writing by Lessor and Lessee.

Section 13.06. Execution in Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 13.07. Usury. The parties hereto agree that the charges in this Agreement shall not be a violation of usury or other law. Any such excess charge shall be applied in such order as to conform this Agreement to such applicable law.

Section 13.08. Jury Trial Waiver. TO THE EXTENT PERMITTED BY LAW, LESSEE AGREES TO WAIVE ITS RIGHT TO A TRIAL BY JURY.

Section 13.09. Facsimile Documentation. Lessee agrees that a facsimile copy of this Agreement with facsimile signatures may be treated as an original and will be admissible as evidence of this Agreement.

Section 13.10. Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

Section 13.11. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State.

EXHIBIT A TO EQUIPMENT LEASE PURCHASE AGREEMENT DATED

February 17, 2013

LESSOR: **DE LAGE LANDEN PUBLIC FINANCE LLC**LESSEE: Hawkins County, TennesseeLEASE NUMBER: PUB 11777LEASE COMMENCEMENT DATE: February 17, 2013**Schedule of Rental Payments**

Rental Payment Number	Date	Rental Payment Amount	Interest Portion	Principal Portion	Balance	Purchase Price
Loan	02/17/2013	0.00	0.00	0.00	317,354.00	0.00
1	03/17/2013	5,493.36	396.69	5,096.67	312,257.33	318,502.48
2	04/17/2013	5,493.36	390.32	5,103.04	307,154.29	313,297.38
3	05/17/2013	5,493.36	383.94	5,109.42	302,044.87	308,085.77
4	06/17/2013	5,493.36	377.55	5,115.81	296,929.06	302,867.64
5	07/17/2013	5,493.36	371.16	5,122.20	291,806.86	297,643.00
6	08/17/2013	5,493.36	364.75	5,128.61	286,678.25	292,411.82
7	09/17/2013	5,493.36	358.34	5,135.02	281,543.23	287,174.09
8	10/17/2013	5,493.36	351.93	5,141.43	276,401.80	281,929.84
9	11/17/2013	5,493.36	345.50	5,147.86	271,253.94	276,679.02
10	12/17/2013	5,493.36	339.06	5,154.30	266,099.64	271,421.63
11	01/17/2014	5,493.36	332.62	5,160.74	260,938.90	266,157.68
12	02/17/2014	5,493.36	326.17	5,167.19	255,771.71	260,887.14
13	03/17/2014	5,493.36	319.71	5,173.65	250,598.06	255,610.02
14	04/17/2014	5,493.36	313.24	5,180.12	245,417.94	250,326.30
15	05/17/2014	5,493.36	306.77	5,186.59	240,231.35	245,035.98
16	06/17/2014	5,493.36	300.29	5,193.07	235,038.28	239,739.05
17	07/17/2014	5,493.36	293.79	5,199.57	229,838.71	234,435.48
18	08/17/2014	5,493.36	287.30	5,206.06	224,632.65	229,125.30
19	09/17/2014	5,493.36	280.79	5,212.57	219,420.08	223,808.48
20	10/17/2014	5,493.36	274.27	5,219.09	214,200.99	218,485.01
21	11/17/2014	5,493.36	267.75	5,225.61	208,975.38	213,154.89
22	12/17/2014	5,493.36	261.22	5,232.14	203,743.24	207,818.10
23	01/17/2015	5,493.36	254.68	5,238.68	198,504.56	202,474.65
24	02/17/2015	5,493.36	248.13	5,245.23	193,259.33	197,124.52
25	03/17/2015	5,493.36	241.57	5,251.79	188,007.54	191,767.69
26	04/17/2015	5,493.36	235.01	5,258.35	182,749.19	186,404.17
27	05/17/2015	5,493.36	228.43	5,264.93	177,484.26	181,033.95
28	06/17/2015	5,493.36	221.85	5,271.51	172,212.75	175,657.01
29	07/17/2015	5,493.36	215.26	5,278.10	166,934.65	170,273.34
30	08/17/2015	5,493.36	208.67	5,284.69	161,649.96	164,882.96

Sales tax of \$0.00 is included in the financed amount shown above.

The promotional amortization schedule (including the equipment cost, the promotional interest rate, the payment dates and the payment amounts) shall remain as detailed above. The two figures noted with an * above (amount financed by Lessor and the Yield for Federal income tax purposes) may need to be adjusted prior to closing in the event financial market conditions change. If such revisions are deemed necessary by Lessor (in its sole discretion), it is understood and agreed that a revised version of the amortization schedule reflecting these changes will be executed prior to closing.

LESSEE SIGNATURE	Legal Name of Lessee <u>Hawkins County, Tennessee</u>	LESSOR SIGNATURE	Name of Lessor <u>DE LAGE LANDEN PUBLIC FINANCE LLC</u>
	Signature _____ Date _____		Lessor Signature _____ Date _____
	Print Name _____		Print Name _____
	Title _____		Title _____
(LEASE MUST BE SIGNED BY AUTHORIZED OFFICIAL OF LESSEE)		Lease Number <u>PUB 11777</u>	

EXHIBIT A TO EQUIPMENT LEASE PURCHASE AGREEMENT DATED

February 17, 2013

LESSOR: **DE LAGE LANDEN PUBLIC FINANCE LLC**LESSEE: Hawkins County, TennesseeLEASE NUMBER: PUB 11777LEASE COMMENCEMENT DATE: February 17, 2013**Schedule of Rental Payments**

Rental Payment Number	Date	Rental Payment Amount	Interest Portion	Principal Portion	Balance	Purchase Price
31	09/17/2015	5,493.36	202.06	5,291.30	156,358.66	159,485.83
32	10/17/2015	5,493.36	195.45	5,297.91	151,060.75	154,081.97
33	11/17/2015	5,493.36	188.82	5,304.54	145,756.21	148,671.33
34	12/17/2015	5,493.36	182.19	5,311.17	140,445.04	143,253.94
35	01/17/2016	5,493.36	175.55	5,317.81	135,127.23	137,829.77
36	02/17/2016	5,493.36	168.91	5,324.45	129,802.78	132,398.84
37	03/17/2016	5,493.36	162.25	5,331.11	124,471.67	126,961.10
38	04/17/2016	5,493.36	155.59	5,337.77	119,133.90	121,516.58
39	05/17/2016	5,493.36	148.92	5,344.44	113,789.46	116,065.25
40	06/17/2016	5,493.36	142.24	5,351.12	108,438.34	110,607.11
41	07/17/2016	5,493.36	135.55	5,357.81	103,080.53	105,142.14
42	08/17/2016	5,493.36	128.85	5,364.51	97,716.02	99,670.34
43	09/17/2016	5,493.36	122.14	5,371.22	92,344.80	94,191.70
44	10/17/2016	5,493.36	115.43	5,377.93	86,966.87	88,706.21
45	11/17/2016	5,493.36	108.71	5,384.65	81,582.22	83,213.88
46	12/17/2016	5,493.36	101.98	5,391.38	76,190.84	77,714.66
47	01/17/2017	5,493.36	95.24	5,398.12	70,792.72	72,208.57
48	02/17/2017	5,493.36	88.49	5,404.87	65,387.85	66,695.61
49	03/17/2017	5,493.36	81.73	5,411.63	59,976.22	61,175.74
50	04/17/2017	5,493.36	74.97	5,418.39	54,557.83	55,648.99
51	05/17/2017	5,493.36	68.20	5,425.16	49,132.67	50,115.32
52	06/17/2017	5,493.36	61.42	5,431.94	43,700.73	44,574.74
53	07/17/2017	5,493.36	54.63	5,438.73	38,262.00	39,027.24
54	08/17/2017	5,493.36	47.83	5,445.53	32,816.47	33,472.80
55	09/17/2017	5,493.36	41.02	5,452.34	27,364.13	27,911.41
56	10/17/2017	5,493.36	34.20	5,459.16	21,904.97	22,343.07
57	11/17/2017	5,493.36	27.38	5,465.98	16,438.99	16,767.77
58	12/17/2017	5,493.36	20.55	5,472.81	10,966.18	11,185.50
59	01/17/2018	5,493.36	13.71	5,479.65	5,486.53	5,596.26
60	02/17/2018	5,493.36	6.83	5,486.53	0.00	0.00
Grand Totals		329,601.60	12,247.60	317,354.00		

Sales tax of \$0.00 is included in the financed amount shown above.

LESSEE ACKNOWLEDGES THAT THE AMOUNT FINANCED BY LESSOR IS \$290,496.22 AND THAT SUCH AMOUNT IS THE ISSUE PRICE FOR FEDERAL INCOME TAX PURPOSES. THE DIFFERENCE BETWEEN THE PRINCIPAL AMOUNT \$317,354.00 IN THIS SCHEDULE AND THE ISSUE PRICE IS ORIGINAL ISSUE DISCOUNT (-OID2), AS DEFINED IN THE INTERNAL REVENUE CODE. THE YIELD FOR THIS SCHEDULE FOR FEDERAL INCOME TAX PURPOSES IS 5.085%. SUCH ISSUE PRICE AND YIELD WILL BE STATED IN THE APPLICABLE IRS FORM 8038-G.

LESSEE SIGNATURE	Legal Name of Lessee <u>Hawkins County, Tennessee</u>
	Signature _____ Date _____
	Print Name _____
	Title _____ (PLEASE MUST BE SIGNED BY AUTHORIZED OFFICIAL OF LESSEE)

LESSOR SIGNATURE	Name of Lessor <u>DE LAGE LANDEN PUBLIC FINANCE LLC</u>
	Lessor Signature _____ Date _____
	Print Name _____
	Title _____ Lease Number <u>PUB 11777</u>

EXHIBIT B**EQUIPMENT LEASE PURCHASE AGREEMENT
EQUIPMENT DESCRIPTION**

Quantity	Description/Serial No./Model No.	Location
<p>Please See Attached Equipment Description and Location as "Bill of Materials Dated 11/30/2012"</p>		

LESSEE SIGNATURE	Legal Name of Lessee <u>Hawkins County, Tennessee</u>
	Signature _____ Date _____
	Print Name _____
	Title _____
	(LEASE MUST BE SIGNED BY AUTHORIZED OFFICIAL OF LESSEE)

LESSOR SIGNATURE	Name of Lessor <u>DE LAGE LANDEN PUBLIC FINANCE LLC</u>
	Lessor Signature _____ Date _____
	Print Name _____
	Title _____
	Lease Number <u>PUB 11777</u>

BILL OF MATERIALS DATED 11/30/2012

All Equipment Located At 300 E Main Street, Church Hill, TN

QTY	ITEM DESCRIPTION
5	Cisco 2901 UC Bundle, PVDM3-16, UC License PAK
1	Cisco 2921 UC Bundle w/ PVDM3-32,FL-CME-SRST-25, UC License PAK
1	Cisco 2921 UC Sec. Bundle, PVDM3-32, UC and SEC License P
2	Cisco Two-Port Voice Interface Card - FXS and DID
9	Cisco Four-Port Voice Interface Card - FXS and DID
5	Cisco Two-port Voice Interface Card - FXO
2	Cisco 1-Port 2nd Gen Multiflex Trunk Voice/WAN Int. Card - T1/E1
1	Cisco PVDM3 32-channel to 64-channel factory upgrade
4	Cisco CME or SRST - 5 Seat E-Delivery RTU
2	Cisco CME or SRST - 100 Seat E-Delivery RTU
7	Cisco Catalyst 3750V2 24 10/100 PoE + 2 SFP Standard Image
4	Cisco 1000BASE-T SFP
3	Cisco Catalyst 3560 Compact 8 10/100 PoE + 1 T/SFP; IP Base Image
8	Cisco Catalyst 2960 24 10/100 PoE + 2 T/SFP LAN Base Image
3	24-Port CAT5e Network Patch Panel
15	3FT CAT5e Patch Cables - Snagless
37	7FT CAT5e Patch Cables - Snagless
38	Cisco UC Phone 7911G
104	Cisco IP Phone 7945, Gig Ethernet, Color, spare
3	Cisco Unified IP Phone 7965, Gig Ethernet, Color
3	Cisco 7916 IP Phone Color Expansion Module (24 lines)
3	Cisco Footstand kit for single 7914, 7915, or 7916
3	Cisco IP Phone power transformer for the 7900 phone series
3	Cisco 7900 Series Transformer Power Cord, North America
5	Belkin Cable Management Panel
3	StarTech Caster Kit for Open Frame Rack
4	StarTech 12U Adjustable 4 Post Server Equipment Open Frame Rack Cabinet
1	Innovation Portable Server Rack (12U Cabinet with Casters)
12	Eaton 5PX 14000 VA Tower/Rack Mountable UPS
2	Eaton 5PX 1950 VA Tower/Rack Mountable UPS
4	Eaton UPS External Battery Module
1	Eaton 5PX 1000 VA Tower/Rack Mountable UPS
7	Eaton Rack Mount Rail Kit for 2-Post Racks
26	Cabling - Analog Phone Run
104	Cabling - CAT5 Data Run
1	Cisco UCS C220 M3S BE Server (2 x 2.4 GHz E5-2609, 4 x 500GB 6Gb SATA 7.2K , 32GB RAM)
1	Cisco 5YR 24x7x4HR SmartNet for Cisco UCS C220 M3S BE Server
107	Cisco Unified Workspace Licensing STD, 1 User - Gov/Ed
107	Cisco 5YR Unified Communication Software Subscription - UWL STD Usr
107	Cisco 5YR Essential Software Support for Unified Workspace Licensing STD
38	Cisco Public Space non-app phone add-on for UWL
38	Cisco 5YR Unified Communication Software Subscription - Public phone
38	Cisco 5YR Essential Software Support for Public Space non-app phone

5	CISCO 5YR 8x5xNBD SafeNet for Cisco 2901 UC Bundle
1	CISCO 5YR 8x5xNBD SafeNet for Cisco 2921 UC Bundle w/ PVDM3-32
1	CISCO 5YR 8x5xNBD SafeNet for Cisco 2921 UC Sec. Bundle
1	Cisco 5YR 24x7x4HR SmartNet for Cisco Bare Metal UCS C200M2 Server
7	CISCO 5YR 8x5xNBD SafeNet for Catalyst 3750V2 24 10/100 PoE + 2 SFP
3	Cisco 5YR 24x7x4HR SmartNet for Catalyst 3560 Compact 8 10/100 PoE + 1 T/SFP
8	Cisco 5YR 24x7x4HR SmartNet for Catalyst 2960 24 10/100 PoE + 2 T/SFP
1	CISCO 5YR 8x5xNBD SafeNet for ASA 5510 Security Plus Appl
1	Microsoft Windows 2008 R2 Server Standard Edition - Open Gov
5	Microsoft Windows 2008 User CAL - Open Gov
1	Microsoft Windows 2008 R2 Server Standard Edition Media Kit - 64 bit
1	VMware vSphere 5 Essentials Kit for 3 hosts (Max 2 processors per host and 192 GB vRAM)
1	VMware vSphere 5 Essentials 3 Year Maintenance
5	Trend Micro Enterprise Security for Endpoints and Mail Servers
5	Cisco Aironet 1310 Outdoor AP/Br w/ Integrated Antenna, FCC Config
5	Cisco Aironet 1300 Roof Mount Kit
5	CISCO 5YR 8x5xNBD SafeNet for Aironet 1310 Outdoor AP/Br w/ Integrated Antenna\
1	Cisco ASA 5510 Security Plus Appl with SW, HA, 2GE+3FE, 3DES/AES
1	SingleWire InformaCast IP Broadcasting Solution - 50 Seats
50	SingleWire 3YR Maintenance Subscription per end point license
1	Installation

TAX DESIGNATIONS AND COVENANTS

1. The covenants and designations hereinafter set forth are intended to be, and hereby are, incorporated into the Equipment Lease Purchase Agreement, dated February 17, 2013 (the "Agreement"), between De Lage Landen Public Finance LLC ("Lessor") and Hawkins County, Tennessee ("Lessee"), and except as otherwise defined herein, all terms defined in the Agreement shall have the same meaning herein as in the Agreement. The Commencement Date of the Agreement is or will be in the calendar year 2013 (the "Issuance Year").

2. Bank Qualification. Lessee Initial here if this provision is applicable: _____
Lessee Initial here if this provision is NOT applicable: _____

(a) Lessee hereby designates the Agreement as a "qualified tax-exempt obligation" as defined in Section 265(b)(3)(B) of the Code. The aggregate face amount of all tax-exempt obligations (excluding private activity bonds other than qualified 501(c)(3) bonds) issued or to be issued by Lessee and all subordinate entities thereof during the Issuance Year, including the Agreement, is not reasonably expected to exceed \$10,000,000.

(b) Lessee hereby covenants that Lessee and all subordinate entities thereof will not issue in excess of \$10,000,000 of "qualified tax-exempt obligations" (including the Agreement but excluding private activity bonds other than qualified 501(c)(3) bonds) during the Issuance Year without first obtaining an opinion of nationally recognized counsel in the area of tax-exempt obligations of state and local governments acceptable to Lessor that the designation of the Agreement as a "qualified tax-exempt obligation" will not be adversely affected.

3. Small Issue Arbitrage Rebate Exception. Lessee Initial here if this provision is applicable: _____
Lessee Initial here if this provision is NOT applicable: _____

(a) Lessee represents and warrants that it is a governmental unit under the laws of the State with general taxing powers; the Agreement is not a private activity bond as defined in Section 141 of the Code; 95% or more of the net proceeds of the Agreement will be used for local governmental activities of Lessee; and the aggregate face amount of all tax-exempt obligations (other than private activity bonds) issued by the Lessee and all subordinate entities thereof during the Issuance Year is not reasonably expected to exceed \$5,000,000.

(b) Lessee hereby covenants that Lessee and all subordinate entities thereof will not issue in excess of \$5,000,000 of tax-exempt bonds (including the Agreement but excluding private activity bonds) during the Issuance Year without first obtaining an opinion of nationally recognized counsel in the area of tax-exempt municipal obligations acceptable to Lessor that the excludability of the interest on the Agreement from gross income for federal tax purposes will not be adversely affected.

LESSEE	Lessee Name Hawkins County, Tennessee	
	Signature _____	Date _____
	Title _____	

Attest Signature: _____

(SEAL)

Title _____

CERTIFICATE OF CLERK OR SECRETARY OF LESSEE

I, the undersigned, do hereby certify that (i) the foregoing Tax Designations and Covenants were adopted and approved by action of the governing body of Lessee at a meeting duly called, regularly convened and attended throughout by the requisite majority of the members thereof, (ii) the officer of Lessee who executed the foregoing Tax Designation and Covenants on behalf of Lessee and whose genuine signature appears thereon is the duly qualified and acting officer of Lessee as stated beneath his or her signature, and (iii) said officer has been authorized to execute the foregoing Tax Designations and Covenants on behalf of Lessee.

SIGNATURE _____ TITLE _____ DATE _____

BILLING INFORMATION

PLEASE COMPLETE THIS FORM AND RETURN WITH DOCUMENTS

In order for De Lage Landen Public Finance LLC to properly bill and credit your account, it is necessary that you complete this form and return it with the signed documents.

Billing Name: _____

Billing Address: _____

Attention: _____
(Name of individual who will process payments)

Telephone Number: _____

Email Address: _____

FEDERAL ID#: _____

Primary Contact Name: _____

Primary Contact Number: _____

INSURANCE INFORMATION

Insurance Agent: _____

Policy Number: _____

Telephone Number: _____

Fax Number: _____

This form completed by: _____
(Name and Title)

CONTACT INFORMATION FOR 8038 FILINGS

Contact Name: _____

Title: _____

Contact Address: _____

Contact Telephone Number: _____

Email Address: _____

08PFDOC086v2

Information Return for Tax-Exempt Governmental Obligations

► Under Internal Revenue Code section 149(e)

► See separate instructions.

Caution: If the issue price is under \$100,000, use Form 8038-GC.

OMB No. 1545-0720

Part I Reporting Authority		If Amended Return, check here <input type="checkbox"/>	
1 Issuer's name Hawkins County, Tennessee		2 Issuer's employer identification number (EIN)	
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a	
4 Number and street (or P.O. box if mail is not delivered to street address) 951 E McKinney Ave Ste A	Room/suite	5 Report number (For IRS Use Only) 31	
6 City, town, or post office, state, and ZIP code Rogersville TN 37857		7 Date of issue	
8 Name of issue		9 CUSIP number	
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions)		10b Telephone number of officer or other employee shown on 10a	

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.	
11 Education	11
12 Health and hospital	12
13 Transportation	13
14 Public safety	14
15 Environment (including sewage bonds)	15
16 Housing	16
17 Utilities	17
18 Other. Describe ►	18 \$290,496 22
19 If obligations are TANs or RANs, check only box 19a	► <input type="checkbox"/>
If obligations are BANs, check only box 19b	► <input type="checkbox"/>
20 If obligations are in the form of a lease or installment sale, check box	► <input type="checkbox"/>

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.				
(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	\$	\$	years	5.08 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)				
22 Proceeds used for accrued interest	22			
23 Issue price of entire issue (enter amount from line 21, column (b))	23			
24 Proceeds used for bond issuance costs (including underwriters' discount)	24			
25 Proceeds used for credit enhancement	25			
26 Proceeds allocated to reasonably required reserve or replacement fund	26			
27 Proceeds used to currently refund prior issues	27			
28 Proceeds used to advance refund prior issues	28			
29 Total (add lines 24 through 28)	29			
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30			

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.	
31 Enter the remaining weighted average maturity of the bonds to be currently refunded	years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded	years
33 Enter the last date on which the refunded bonds will be called (MM/DD/YYYY)	
34 Enter the date(s) the refunded bonds were issued (MM/DD/YYYY)	

For Paperwork Reduction Act Notice, see separate instructions.

Cal. No. 63773S

Form **8038-G** (Rev. 9-2011)

Part VI Miscellaneous

- 35** Enter the amount of the state volume cap allocated to the issue under section 141(b)(5) **35**
- 36a** Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions) **36a**
- b** Enter the final maturity date of the GIC ▶ _____
- c** Enter the name of the GIC provider ▶ _____
- 37** Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units **37**
- 38a** If this issue is a loan made from the proceeds of another tax-exempt issue, check box ☐ and enter the following information:
- b** Enter the date of the master pool obligation ▶ _____
- c** Enter the EIN of the issuer of the master pool obligation ▶ _____
- d** Enter the name of the issuer of the master pool obligation ▶ _____
- 39** If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ☐ ▶
- 40** If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ☐ ▶
- 41a** If the issuer has identified a hedge, check here ☐ and enter the following information:
- b** Name of hedge provider ▶ _____
- c** Type of hedge ▶ _____
- d** Term of hedge ▶ _____
- 42** If the issuer has superintegrated the hedge, check box ☐ ▶
- 43** If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box ☐ ▶
- 44** If the issuer has established written procedures to monitor the requirements of section 148, check box ☐ ▶
- 45a** If some portion of the proceeds was used to reimburse expenditures, check here ☐ and enter the amount of reimbursement ▶ _____
- b** Enter the date the official intent was adopted ▶ _____

Signature and Consent

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.

Signature of issuer's authorized representative

Date

Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if self-employed

PTIN

Firm's name ▶

Firm's EIN ▶

Firm's address ▶

Phone no. ▶

Form **8038-G** (Rev. 9-2011)

Instructions for Form 8038-G

(Rev. September 2011)

Information Return for Tax-Exempt Governmental Obligations



Department of the Treasury
Internal Revenue Service

Section references are to the Internal Revenue Code unless otherwise noted.

General Instructions

Purpose of Form

Form 8038-G is used by issuers of tax-exempt governmental obligations to provide the IRS with the information required by section 149(e) and to monitor the requirements of sections 141 through 150.

Who Must File

IF the issue price (line 21, column (b)) is...	THEN, for tax-exempt obligations issued after December 31, 1996, issuers must file...
\$100,000 or more	A separate Form 8038-G for each issue
Less than \$100,000	Form 8038-GC, Information Return for Small Tax-Exempt Governmental Bond Issues, Leases, and Installment Sales



For all build America bonds and recovery zone economic development bonds use Form 8038-B, Information Return for Build America Bonds and Recovery Zone Economic Development Bonds. For tax credit bonds and specified tax credit bonds use Form 8038-TC, Information Return for Tax Credit Bonds and Specified Tax Credit Bonds.

When To File

File Form 8038-G on or before the 15th day of the 2nd calendar month after the close of the calendar quarter in which the bond is issued. Form 8038-G may not be filed before the issue date and must be completed based on the facts as of the issue date.

Late filing. An issuer may be granted an extension of time to file Form 8038-G under Section 3 of Rev. Proc. 2002-48, 2002-37 I.R.B. 531, if it is determined that the failure to file timely is not due to willful neglect. Type or print at the top of the form "Request for Relief under section 3 of Rev. Proc. 2002-48" and attach a letter explaining why Form 8038-G was not submitted to the IRS on time. Also indicate whether the bond issue in question is under examination by the IRS. Do not submit copies of the trust

indenture or other bond documents. See *Where To File* next.

Where To File

File Form 8038-G, and any attachments, with the Department of the Treasury, Internal Revenue Service Center, Ogden, UT 84201.

Private delivery services. You can use certain private delivery services designated by the IRS to meet the "timely mailing as timely filing/paying" rule for tax returns and payments. These private delivery services include only the following:

- DHL Express (DHL), DHL Same Day Service.
- Federal Express (FedEx): FedEx Priority Overnight, FedEx Standard Overnight, FedEx 2Day, FedEx International Priority, and FedEx International First.
- United Parcel Service (UPS): UPS Next Day Air, UPS Next Day Air Saver, UPS 2nd Day Air, UPS 2nd Day Air A.M., UPS Worldwide Express Plus, and UPS Worldwide Express.

The private delivery service can tell you how to get written proof of the mailing date.

Other Forms That May Be Required

For rebating arbitrage (or paying a penalty in lieu of arbitrage rebate) to the Federal government, use Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate.

For private activity bonds, use Form 8038, Information Return for Tax-Exempt Private Activity Bond Issues.

For build America bonds (Direct Pay), build America bonds (Tax Credit), and recovery zone economic development bonds, complete Form 8038-B, Information Return for Build America Bonds and Recovery Zone Economic Development Bonds.

For qualified forestry conservation bonds, new clean renewable energy bonds, qualified energy conservation bonds, qualified zone academy bonds, qualified school construction bonds, clean renewable energy bonds, Midwestern tax credit bonds, and all other qualified tax credit bonds (except build America bonds), file Form 8038-TC, Information Return for Tax Credit Bonds and Specified Tax Credit Bonds.

Rounding to Whole Dollars

You may show amounts on this return as whole dollars. To do so, drop amounts less than 50 cents and increase amounts from 50 cents through 99 cents to the next higher dollar.

Questions on Filing Form 8038-G

For specific questions on how to file Form 8038-G send an email to the IRS at TaxExemptBondQuestions@irs.gov and put "Form 8038-G Question" in the subject line. In the email include a description of your question, a return email address, the name of a contact person, and a telephone number.

Definitions

Tax-exempt obligation. This is any obligation, including a bond, installment purchase agreement, or financial lease, on which the interest is excluded from income under section 103.

Tax-exempt governmental obligation. A tax-exempt obligation that is not a private activity bond (see below) is a tax-exempt governmental obligation. This includes a bond issued by a qualified volunteer fire department under section 150(e).

Private activity bond. This includes an obligation issued as part of an issue in which:

- More than 10% of the proceeds are to be used for any private activity business use, and
- More than 10% of the payment of principal or interest of the issue is either (a) secured by an interest in property to be used for a private business use (or payments for such property) or (b) to be derived from payments for property (or borrowed money) used for a private business use.

It also includes a bond, the proceeds of which (a) are to be used directly or indirectly to make or finance loans (other than loans described in section 141(c)(2)) to persons other than governmental units and (b) exceeds the lesser of 5% of the proceeds or \$5 million.

Issue price. The issue price of obligations is generally determined under Regulations section 1.148-1(b). Thus, when issued for cash, the issue price is the first price at which a substantial amount of the obligations are sold to the public. To determine the issue price of an obligation issued for property, see sections 1273 and 1274 and the related regulations.

Issue. Generally, obligations are treated as part of the same issue if they are issued by the same issuer, on the same date, and in a single transaction, or a series of related transactions. However, obligations issued during the same calendar year (a) under a loan agreement under which amounts are to be advanced periodically (a "draw-down loan") or (b) with a term not exceeding 270 days, may be treated as part of the same issue if the obligations are equally and ratably secured under a single indenture or loan agreement and are issued under a common financing arrangement (for example, under the same official statement periodically updated to reflect changing factual circumstances). Also, for obligations issued under a draw-down loan that meet the requirements of the preceding sentence, obligations issued during different calendar years may be treated as part of the same issue if all of the amounts to be advanced under the draw-down loan are reasonably expected to be advanced within 3 years of the date of issue of the first obligation. Likewise, obligations (other than private activity bonds) issued under a single agreement that is in the form of a lease or installment sale may be treated as part of the same issue if all of the property covered by that agreement is reasonably expected to be delivered within 3 years of the date of issue of the first obligation.

Arbitrage rebate. Generally, interest on a state or local bond is not tax-exempt unless the issuer of the bond rebates to the United States arbitrage profits earned from investing proceeds of the bond in higher yielding nonpurpose investments. See section 148(f).

Construction issue. This is an issue of tax-exempt bonds that meets both of the following conditions:

1. At least 75% of the available construction proceeds are to be used for construction expenditures with respect to property to be owned by a governmental unit or a section 501(c)(3) organization, and
2. All the bonds that are part of the issue are qualified 501(c)(3) bonds, bonds that are not private activity bonds, or private activity bonds issued to finance property to be owned by a governmental unit or a section 501(c)(3) organization.

In lieu of rebating any arbitrage that may be owed to the United States, the issuer of a construction issue may make an irrevocable election to pay a penalty. The penalty is equal to 1½% of the amount of construction proceeds that do not meet certain spending requirements. See section 148(f)(4)(C) and the Instructions for Form 8038-7.

Specific Instructions

Part I—Reporting Authority

Amended return. An issuer may file an amended return to change or add to the information reported on a previously filed

return for the same date of issue. If you are filing to correct errors or change a previously filed return, check the *Amended Return* box in the heading of the form.

The amended return must provide all the information reported on the original return, in addition to the new or corrected information. Attach an explanation of the reason for the amended return and write across the top, "Amended Return Explanation." Failure to attach an explanation may result in a delay in processing the form.

Line 1. The issuer's name is the name of the entity issuing the obligations, not the name of the entity receiving the benefit of the financing. For a lease or installment sale, the issuer is the lessee or the purchaser.

Line 2. An issuer that does not have an employer identification number (EIN) should apply for one on Form SS-4, Application for Employer Identification Number. You can get this form on the IRS website at IRS.gov or by calling 1-800-TAX-FORM (1-800-829-3676). You may receive an EIN by telephone by following the instructions for Form SS-4.

Line 3a. If the issuer wishes to authorize a person other than an officer or other employee of the issuer (including a legal representative or paid preparer) to communicate with the IRS and whom the IRS may contact about this return (including in writing or by telephone), enter the name of such person here. The person listed in line 3a must be an individual. Do not enter the name and title of an officer or other employee of the issuer here (see line 10a for that purpose).

Note. By authorizing a person other than an authorized officer or other employee of the issuer to communicate with the IRS and whom the IRS may contact about this return, the issuer authorizes the IRS to communicate directly with the individual entered on line 3a and consents to disclose the issuer's return information to that individual, as necessary, to process this return.

Lines 4 and 6. If you listed an individual on line 3a to communicate with the IRS and whom the IRS may contact about this return, enter the number and street (or P.O. box if mail is not delivered to street address), city, town, or post office, state, and ZIP code of that person. Otherwise, enter the issuer's number and street (or P.O. box if mail is not delivered to street address), city, town, or post office, state, and ZIP code.

Note. The address entered on lines 4 and 6 is the address the IRS will use for all written communications regarding the processing of this return, including any notices.

Line 5. This line is for IRS use only. Do not make any entries in this box.

Line 7. The date of issue is generally the date on which the issuer physically

exchanges the bonds that are part of the issue for the underwriter's (or other purchaser's) funds. For a lease or installment sale, enter the date interest starts to accrue in a MM/DD/YYYY format.

Line 8. If there is no name of the issue, please provide other identification of the issue.

Line 9. Enter the CUSIP (Committee on Uniform Securities Identification Procedures) number of the bond with the latest maturity. If the issue does not have a CUSIP number, write "None."

Line 10a. Enter the name and title of the officer or other employee of the issuer whom the IRS may call for more information. If the issuer wishes to designate a person other than an officer or other employee of the issuer (including a legal representative or paid preparer) whom the IRS may call for more information about the return, enter the name, title, and telephone number of such person on lines 3a and 3b.



Complete lines 10a and 10b even if you complete lines 3a and 3b.

Part II—Type of Issue



Elections referred to in Part II are made on the original bond documents, not on this form.

Identify the type of obligations issued by entering the corresponding issue price (see *Issue price* under *Definitions* earlier). Attach a schedule listing names and EINs of organizations that are to use proceeds of these obligations, if different from those of the issuer, include a brief summary of the use and indicate whether or not such user is a governmental or nongovernmental entity.

Line 18. Enter a description of the issue in the space provided.

Line 19. If the obligations are short-term tax anticipation notes or warrants (TANs) or short-term revenue anticipation notes or warrants (RANs), check box 19a. If the obligations are short-term bond anticipation notes (BANs), issued with the expectation that they will be refunded with the proceeds of long-term bonds at some future date, check box 19b. Do not check both boxes.

Line 20. Check this box if property other than cash is exchanged for the obligation, for example, acquiring a police car, a fire truck, or telephone equipment through a series of monthly payments. (This type of obligation is sometimes referred to as a "municipal lease.") Also check this box if real property is directly acquired in exchange for an obligation to make periodic payments of interest and principal. Do not check this box if the proceeds of the obligation are received in the form of cash, even if the term "lease" is used in the title of the issue.

Part III—Description of Obligations

Line 21. For column (a), the final maturity date is the last date the issuer must redeem the entire issue.

For column (b), see *Issue price* under *Definitions* earlier.

For column (c), the stated redemption price at maturity of the entire issue is the sum of the stated redemption prices at maturity of each bond issued as part of the issue. For a lease or installment sale, write "N/A" in column (c).

For column (d), the weighted average maturity is the sum of the products of the issue price of each maturity and the number of years to maturity (determined separately for each maturity and by taking into account mandatory redemptions), divided by the issue price of the entire issue (from line 21, column (b)). For a lease or installment sale, enter instead the total number of years the lease or installment sale will be outstanding.

For column (e), the yield, as defined in section 148(h), is the discount rate that, when used to compute the present value of all payments of principal and interest to be paid on the obligation, produces an amount equal to the purchase price, including accrued interest. See Regulations section 1.148-4 for specific rules to compute the yield on an issue. If the issue is a variable rate issue, write "VR" as the yield of the issue. For other than variable rate issues, carry the yield out to four decimal places (for example, 5.3125%). If the issue is a lease or installment sale, enter the effective rate of interest being paid.

Part IV—Uses of Proceeds of Bond Issue

For a lease or installment sale, write "N/A" in the space to the right of the title for Part IV.

Line 22. Enter the amount of proceeds that will be used to pay interest from the date the bonds are dated to the date of issue.

Line 24. Enter the amount of the proceeds that will be used to pay bond issuance costs, including fees for trustees and bond counsel. If no bond proceeds will be used to pay bond issuance costs, enter zero. Do not leave this line blank.

Line 25. Enter the amount of the proceeds that will be used to pay fees for credit enhancement that are taken into account in determining the yield on the issue for purposes of section 148(h) (for example, bond insurance premiums and certain fees for letters of credit).

Line 26. Enter the amount of proceeds that will be allocated to such a fund.

Line 27. Enter the amount of the proceeds that will be used to pay principal, interest, or call premium on any other issue of bonds within 90 days of the date of issue.

Line 28. Enter the amount of the proceeds that will be used to pay

principal, interest, or call premium on any other issue of bonds after 90 days of the date of issue, including proceeds that will be used to fund an escrow account for this purpose.

Part V—Description of Refunded Bonds

Complete this part only if the bonds are to be used to refund a prior issue of tax-exempt bonds. For a lease or installment sale, write "N/A" in the space to the right of the title for Part V.

Lines 31 and 32. The remaining weighted average maturity is determined without regard to the refunding. The weighted average maturity is determined in the same manner as on line 21, column (d).

Line 34. If more than a single issue of bonds will be refunded, enter the date of issue of each issue. Enter the date in an MM/DD/YYYY format.

Part VI—Miscellaneous

Line 35. An allocation of volume cap is required if the nonqualified amount for the issue is more than \$15 million but is not more than the amount that would cause the issue to be private activity bonds.

Line 36. If any portion of the gross proceeds of the issue is or will be invested in a guaranteed investment contract (GIC), as defined in Regulations section 1.148-1(b), enter the amount of the gross proceeds so invested, as well as the final maturity date of the GIC and the name of the provider of such contract.

Line 37. Enter the amount of the proceeds of this issue used to make a loan to another governmental unit, the interest of which is tax-exempt.

Line 38. If the issue is a loan of proceeds from another tax-exempt issue, check the box and enter the date of issue, EIN, and name of issuer of the master pool obligation.

Line 40. Check this box if the issue is a construction issue and an irrevocable election to pay a penalty in lieu of arbitrage rebate has been made on or before the date the bonds were issued. The penalty is payable with a Form 8038-T for each 6-month period after the date the bonds are issued. Do not make any payment of penalty in lieu of arbitrage rebate with this form. See Rev. Proc. 92-22, 1992-1 C.B. 736 for rules regarding the "election document."

Line 41a. Check this box if the issuer has identified a hedge on its books and records according to Regulations sections 1.148-4(h)(2)(viii) and 1.148-4(h)(5) that permit an issuer of tax-exempt bonds to identify a hedge for it to be included in yield calculations for computing arbitrage.

Line 42. In determining if the issuer has super-integrated a hedge, apply the rules of Regulations section 1.148-4(h)(4). If the hedge is super-integrated, check the box.

Line 43. If the issuer takes a "deliberate action" after the issue date that causes

the conditions of the private business tests or the private loan financing test to be met, then such issue is also an issue of private activity bonds. Regulations section 1.141-2(d)(3) defines a deliberate action as any action taken by the issuer that is within its control regardless of whether there is intent to violate such tests. Regulations section 1.141-12 explains the conditions to taking remedial action that prevent an action that causes an issue to meet the private business tests or private loan financing test from being treated as a deliberate action. Check the box if the issuer has established written procedures to ensure timely remedial action for all nonqualified bonds according to Regulations section 1.141-12 or other remedial actions authorized by the Commissioner under Regulations section 1.141-12(h).

Line 44. Check the box if the issuer has established written procedures to monitor compliance with the arbitrage, yield restriction, and rebate requirements of section 148.

Line 45a. Check the box if some part of the proceeds was used to reimburse expenditures. Figure and then enter the amount of proceeds that are used to reimburse the issuer for amounts paid for a qualified purpose prior to the issuance of the bonds. See Regulations section 1.150-2.

Line 45b. An issuer must adopt an official intent to reimburse itself for preissuance expenditures within 60 days after payment of the original expenditure unless excepted by Regulations section 1.150-2(f). Enter the date the official intent was adopted. See Regulations section 1.150-2(e) for more information about official intent.

Signature and Consent

An authorized representative of the issuer must sign Form 8038-G and any applicable certification. Also print the name and title of the person signing Form 8038-G. The authorized representative of the issuer signing this form must have the authority to consent to the disclosure of the issuer's return information, as necessary to process this return, to the person(s) that have been designated in Form 8038-G.

Note. If the issuer in Part 1, lines 3a and 3b authorizes the IRS to communicate (including in writing and by telephone) with a person other than an officer or other employee of the issuer, by signing this form, the issuer's authorized representative consents to the disclosure of the issuer's return information, as necessary to process this return, to such person.

Paid Preparer

If an authorized officer of the issuer filled in this return, the paid preparer's space should remain blank. Anyone who prepares the return but does not charge the organization should not sign the return. Certain others who prepare the

return should not sign. For example, a regular, full-time employee of the issuer, such as a clerk, secretary, etc., should not sign.

Generally, anyone who is paid to prepare a return must sign it and fill in the other blanks in the *Paid Preparer Use Only* area of the return.

The paid preparer must:

- Sign the return in the space provided for the preparer's signature (a facsimile signature is acceptable),
- Enter the preparer information, and
- Give a copy of the return to the issuer.

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us

the information. We need it to ensure that you are complying with these laws.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form varies depending on individual circumstances. The estimated average time is:

Learning about the law or the form	2 hr., 41 min.
Preparing, copying, assembling, and sending the form to the IRS	3 hr., 3 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAP:MP:T:M:S, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Do not send the form to this office. Instead, see *Where To File*.

SAMPLE

De Lage Landen Public Finance LLC

1111 Old Eagle School Road
Wayne, PA 19087

ACCEPTANCE CERTIFICATE

Ladies and Gentlemen:

Re: *Equipment Lease Purchase Agreement* dated as of February 17, 2013, between **De Lage Landen Public Finance LLC**, as Lessor, and Hawkins County, Tennessee, as Lessee.

In accordance with the Equipment Lease Purchase Agreement (the "Agreement"), the undersigned Lessee hereby certifies and represents to, and agrees with Lessor as follows:

1. All of the Equipment (as such term is defined in the Agreement) has been delivered, installed and accepted on the date hereof.
2. Lessee has conducted such inspection and/or testing of the Equipment as it deems necessary and appropriate and hereby acknowledges that it accepts the Equipment for all purposes.
3. Lessee is currently maintaining the insurance coverage required by Section 7.02 of the Agreement.
4. No event or condition that constitutes, or with notice or lapse of time, or both, would constitute, an Event of Default (as defined in the Agreement) exists at the date hereof.

(SEAL)

LESSEE SIGNATURE	Lessee <u>Hawkins County, Tennessee</u>
	Signature _____ Date _____
	Print Name _____
	Title _____

07PFD0C052v1

RESOLUTION

No. 2012 12 106

To the HONORABLE MELVILLE BAILEY, Chairman, and Members of the Hawkins County Board of Commission in Regular Session, met this 17th day of December, 2012.

RESOLUTION IN REF: GUARANTOR FOR THE HAWKINS COUNTY INDUSTRIAL BOARD AT PHIPPS BEND INDUSTRIAL PARK SPEC BUILDING APPROVAL TO EXTEND LOAN FOR TWENTY-FOUR (24) MONTHS

WHEREAS, Resolution 2009-03-06 approved by Hawkins County Board of Commissioners, on March 23, 2009 for the Hawkins County Industrial Board to secure financing for a spec building to be built in the Phipps bend industrial Park, and;

WHEREAS, Resolution 2011-06-07 approved by Hawkins County Board of Commissioners, on June 27, 2011 allowed for the loan for said building to be extended for a six (6) month period until January 16, 2012, and;

WHEREAS, Resolution 2011-12-08 approved by Hawkins County Board of Commissioners on December 19, 2011 allowed for the loan for said building to be extended for a twelve (12) month period until January 16, 2013; and

WHEREAS, the Board has already secured a \$600,000.00 grant toward this purpose and has received a proposal from U.S. Bank to secure the remaining funds necessary for the construction in the approximate amount of \$700,000.00. This proposal provides, among other things, that Hawkins County, Tennessee, must be a 100% Guarantor of this loan, and that the loan will be secured by lien of deed of trust on the premises upon which the building is to be erected. The interest rate will be discounted as a result of borrower being a tax exempt governmental entity. The amount of the loan will be slightly more than one-half (1/2) of the estimated total construction costs of \$1,300,000.00 (the remaining \$600,000.00 being covered by the grant referred to aforesaid). The purpose of this resolution is for the extension of twenty-four (24) months until January 16, 2015.

WHEREAS, to date only interest has been paid on the loan by the Hawkins County Industrial Board; however, due to new Federal banking regulations when the loan matures on January 16, 2013, the loan will need to include monthly principal and interest payments. On October 15, 2012, the Hawkins County Budget Committee approved unanimously to recommend to full commission that beginning in February 2013, Hawkins County start making monthly principal and interest payments of approximately \$4,750, based on a 15 year amortization for said loan. Payments will be made from the General Debt Service Fund. A budget amendment for such will be presented later when actual principal and interest amounts are known.

THEREFORE, BE IT RESOLVED THAT:

1. Hawkins County, Tennessee does hereby approve and consent to be a 100% Guarantor of the aforesaid loan with the principal sum not to exceed \$700,000.00 and extends for twenty-four months.
2. Hawkins County begin making in February 2013, monthly Principal and Interest payments of approximately \$4,750.
3. Hawkins County, Tennessee is to be reimbursed for all payments made on said loan within 30 days after the sale of the spec building is closed.
4. Pursuant thereto the Hawkins County Attorney be and hereby is authorized to prepare an Opinion letter to the effect that Hawkins County, Tennessee has lawfully obligated itself to be a 100% Guarantor of the aforesaid loan and an extension of twenty-four (24) months until January 16, 2015.

Introduced By Esq. Gary Hicks, Chmn Budget Comm

ACTION: AYE NAY PASSED

Seconded By Esq. _

Roll Call _____

Date Submitted 12-3-12

Voice Vote _____

A. Canally Jenkins
County Clerk

Absent _____

COMMITTEE ACTION

By: _____

Chairman Melville Bailey

RESOLUTION

No. 2012/ 12 / 07

To the HONORABLE MELVILLE BAILEY, Chairman, and Members of the Hawkins County Board of Commission in Regular Session, met this 17th day of December, 2012.

RESOLUTION IN REF: APPROVAL OF PERMIT FEE SCHEDULE FOR URBANIZED MS4 STORMWATER AREAS IN HAWKINS COUNTY, TN BEGINNING JANUARY 1, 2013

WHEREAS, the Environmental Committee met on November 9, 2012 and was addressed by Mr. Vince Pishner, Stormwater Manager for Hawkins County. He stated that Hawkins County had not established a fee structure to cover the costs incurred in reviewing stormwater plans and inspecting the sites. These reviews and inspections are a requirement of the Tennessee Department of Environment and Conservation (TDEC). The costs associated with stormwater plan review are for licensed engineer review and lab testing where needed, and travel to and from the site. The stormwater manager is paid the same each month and would get no compensation from these fees except for travel reimbursement. An engineer's review will not always be required, however a fee needs to be establish in the event said review is needed. Funding for these reviews should be at the developer's cost not the taxpayers cost;

WHEREAS, fees will only affect the Hawkins County urbanized area, non-agriculture and only if one (1) acre or more is involved;

WHEREAS, the Fee Schedule/Application/Permit form is attached.

THEREFORE, BE IT RESOLVED that the attached Fee Schedule/Application/Permit form be approved and that collection of said fees and issuance of permits begins January 1, 2013 with the Stormwater Manager collecting the fee and issuing the permits.

Introduced By Esq. Shane Bailey, Chrmn Environmental Comm

Seconded By Esq.

Date Submitted 12-3-12

A. Carroll Jenkins
County Clerk

By: _____

Chairman Melville Bailey

ACTION: AYE NAY PASSED

Roll Call _____

Voice Vote _____

Absent _____

COMMITTEE ACTION

**PROPOSED STORMWATER FEE SCHEDULE
FOR HAWKINS COUNTY, TN**

A. Basic Fee

DESCRIPTION	SIZE	FEE
1. Subdivisions each phase (Does not include below Permanent Structures)	5 Lots or Less	\$ 500
	6 – 20 Lots	\$ 500 plus \$75 per lot over 5
	21 – 40 Lots	\$ 1,625 plus \$50 per lot over 20
	Over 40 Lots	\$ 2,625 plus \$25 per lot over 40
2. Multi-family Units		\$ 250 minimum, then \$50 per unit over 5 up to a maximum of \$1,000
3. Commercial, Industrial or Institutional Sites	Up to 1 Acre	\$ 500
	> 1 Acre < 6 Acres	\$ 500 plus \$100/acre up to 5 acres
	6 – 20 Acres	\$ 900 plus \$75/acre up to 20 acres
	21 – 40 Acres	\$ 2,025 plus \$50/acre up to 40 acres
	Over 40 acres	\$ 3,035 plus \$25/acre
B. Stormwater Basins (temp or permanent) and Other Permanent Structures (Swales, Pipelines, etc)		\$ 100 each plus \$100 per inspection (minimum of 1 per structure)

C. Grading Permit

1. Restricted (Permits installation of runoff control devices only)	\$ 150
2. Unrestricted (Control Devices Approved)	\$ 50

Please print everything except signatures

Permit issuance date

RESOLUTION NO. 2012 / 12 / 08

TO THE HONORABLE MELVILLE BAILEY, CHAIRMAN, AND MEMBERS OF
THE HAWKINS COUNTY BOARD OF COMMISSIONERS IN REGULAR SESSION, MET THIS
17TH DAY OF DECEMBER, 2012

**RESOLUTION IN REFERENCE: AMENDMENT OF JUNE 30, 2012 ESTIMATED FUND
BALANCES AND RESERVES ON APPROVED 2012-13 FY BUDGETS**

WHEREAS, it is recommended that the estimated fund balances and reserves presented to County
Commission should reasonably reflect the actual June 30 fund balances and reserves for each fund, and

WHEREAS, the June 30, 2012 audit was released in November 2012, and

WHEREAS, some closing entries and/or adjustments were not included in the approved 2012 - 2013 FY
Budget, and

WHEREAS, it has been recommended that County Commission be informed of the actual June 30
fund balance of each fund and that the budget document be amended with such.

<u>Fund</u>	<u>Estimated 6/30/12 Fund Balances and Reserves on the 2012-13 FY Budget Document</u>	<u>Actual 6/30/12 Fund Balances and Reserves after Closing Accounting Records for the 2011-2012 FY</u>	<u>Difference</u>
General	\$ 5,045,502	\$ 5,259,491	\$ 213,989
Solid Waste	521,235	535,834	\$ 14,599
Drug Control	248,643	251,071	\$ 2,428
Highway	2,963,448	2,971,492	\$ 8,044
General Debt Service	4,022,295	4,022,294	\$ (1)
Special Debt Service	1,562,676	1,562,678	\$ 2
Education Debt Service	9,606,313	9,606,316	\$ 3

NOW THEREFORE BE IT RESOLVED THAT the above actual June 30, 2012 fund balances and
reserves be recognized and amended for the approved 2012 - 13 budgets for the purpose of meeting audit
requirements. No general ledger entries for any fund will be required from this resolution.

INTRODUCED BY: Gary W. Hicks, Jr., Chairman
Budget Committee

SECONDED BY: _____

ACTION: AYE NAY

ROLL CALL _____

VOICE VOTE _____

ABSENT _____

COMMITTEE ACTION: _____

ESTIMATED COST _____

PAID FROM _____ FUND _____

DATE SUBMITTED 12-3-12

COUNTY CLERK: A. CARROLL JENKINS

BY: A. Carroll Jenkins

APPROVED _____ DISAPPROVED _____

CHAIRMAN:

Melville Bailey
MELVILLE BAILEY

TO THE HONORABLE MELVILLE BAILEY, CHAIRMAN, AND MEMBERS OF
THE HAWKINS COUNTY BOARD OF COMMISSIONERS IN REGULAR SESSION, MET THIS
17TH DAY OF DECEMBER, 2012.

RESOLUTION IN REFERENCE: BUDGET AMENDMENT - GENERAL FUND

The following budget amendments are being requested as listed below:

Account Number	Description				
	JAIL	Current Budget			Amended Budget
	Increase Expenditures		Increase		
54210-790	Other Equipment	1,000.00	1,000.00		2,000.00
	Decrease Expenditures			Decrease	
54210-196	In-Service Training	6,000.00		(1,000.00)	5,000.00
	Sub-total	\$ 7,000.00	\$ 1,000.00	\$ (1,000.00)	\$ 7,000.00
The increase in Other Equipment is needed to purchase a check point records management system for the jail. This will allow the correction officers to scan their ID cards when entering the pods, to have an accurate log.					
Funding will come from a transfer within Jail budget.					
	JUVENILE COURT AND JUVENILE SERVICES	Current Budget			Amended Budget
	Increase Expenditures		Increase		
54240-337	Maintenance & Repair Serv-Office Equip	1,800.00	3,100.00		4,900.00
	Decrease Expenditures			Decrease	
53500-196	In-Service Training	3,000.00		(2,500.00)	500.00
53500-355	Travel	700.00		(600.00)	100.00
	Sub-total	\$ 5,500.00	\$ 3,100.00	\$ (3,100.00)	\$ 5,500.00
The increase in Maintenance and Repair Services-Office Equipment is needed to re-instate the technical support for the Juvenile software program that was terminated by Judge Taylor in 2009 when the support fee increased from \$1200 to \$1850 per year. Half of the re-instatement fee can be applied toward the upgrade of the program, which is needed. The software has not been upgraded since the mid 90's. This software stores the records on all the children in the Juvenile Court system and organizes the docket. The upgrade will allow the look-up of children's parents and keep track of all siblings, even if they have a different last name. The cost of the upgrade will be \$15,940 which will be requested in the 2013-2014 FY budget.					
Funding will come from transfers within the Juvenile Court budget.					
		Current Budget	Increase	Decrease	Amended Budget
	Page Totals- Expenditures	\$ 12,500.00	\$ 4,100.00	\$ (4,100.00)	\$ 12,500.00
	Page Totals- Revenues	\$	\$	\$	\$

INTRODUCED BY: Gary Hicks, Chrmn Budget Committee

ESTIMATED COST _____

SECONDED BY: _____

PAID FROM _____ FUND _____

ACTION: AYE NAY

DATE SUBMITTED 12-3-12

ROLL CALL _____

COUNTY CLERK: A. CARROLL JENKINS

VOICE VOTE _____

BY: A. Carroll Jenkins

ABSENT _____

COMMITTEE ACTION: _____

APPROVED _____

DISAPPROVED _____

CHAIRMAN: _____

Melville Bailey
MELVILLE BAILEY

Page 2

[illegible]

TO THE HONORABLE MELVILLE BAILEY, CHAIRMAN, AND MEMBERS OF
THE HAWKINS COUNTY BOARD OF COMMISSIONERS IN REGULAR SESSION, MET THIS
17TH DAY OF DECEMBER, 2012.

RESOLUTION IN REFERENCE: BUDGET AMENDMENT - DRUG CONTROL FUND

The following budget amendments are being requested as listed below:

Account Number	Description	Current Budget	Increase	Decrease	Amended Budget
	DRUG ENFORCEMENT				
	Increase Expenditures		Increase		
54150-716	Law Enforcement Equipment	30,000.00	15,000.00		45,000.00
	Decrease Expenditures			Decrease	
54150-718	Motor Vehicles	50,000.00		(15,000.00)	35,000.00
	Sub-total	\$ 80,000.00	\$ 15,000.00	\$ (15,000.00)	\$ 80,000.00
The increase in Law Enforcement Equipment is needed to purchase specialty under-cover surveillance equipment.					
Funding will come from a transfer within the Drug Control Fund budget.					
		Current Budget	Increase	Decrease	Amended Budget
	Page Total - Expenditures	\$ 80,000.00	\$ 15,000.00	\$ (15,000.00)	\$ 80,000.00
		\$	\$	\$	\$

INTRODUCED BY: Gary Hicks, Chairman

ESTIMATED COST _____

BUDGET COMMITTEE: Budget Committee

SECONDED BY: _____

PAID FROM _____ FUND _____

ACTION: AYE NAYDATE SUBMITTED 12-3-12

ROLL CALL _____

COUNTY CLERK: A. CARROLL JENKINS

VOICE VOTE _____

BY: A. Carroll Jenkins

ABSENT _____

COMMITTEE ACTION: _____

APPROVED _____ DISAPPROVED _____

CHAIRMAN:

Melville Bailey
MELVILLE BAILEY

RESOLUTION NO. 2012/ 12 / 11

TO THE HONORABLE MELVILLE E. BAILEY, CHAIRMAN, AND MEMBERS OF THE
HAWKINS COUNTY BOARD OF COMMISSIONERS IN REGULAR SESSION, MET THIS 17th
DAY OF DECEMBER 2012.

RESOLUTION IN REF: GENERAL PURPOSE SCHOOL FUND BUDGET AMENDMENT

WHEREAS, the Hawkins County Board of Education has approved the attached budget amendment to the General Purpose School Fund, and now requests approval of said amendment by the Hawkins County Board of Commissioners.

NOW THEREFORE BE IT RESOLVED THAT the Hawkins County Board of Commissioners, meeting in regular session, December 17, 2012, go on record as passing this resolution.

Introduced by Esq. Gary Hicks

Estimated Cost: _____

Seconded by Esq. _____

Paid From _____ Fund

ACTION: Aye Nay

Date Submitted 12-3-12

Roll Call _____ _____

County Clerk: A. Carroll Jenkins

Voice Vote _____ _____

By: A. Carroll Jenkins

Absent _____ _____

COMMITTEE ACTION:

APPROVED

DISAPPROVED

CHAIRMAN: Melville E. Bailey

FUND: 141 GENERAL PURPOSE SCHOOL FUND
 AMENDMENT NUMBER: 4
 DATE: December 6, 2012

ORIGINAL BUDGET AMOUNT	51,134,342.00
PREVIOUS AMENDMENTS	1,099,371.56
TOTAL	52,233,713.56
REQUESTED AMENDMENT	457,569.00
TOTAL	52,691,282.56

Desc Code	ACCOUNT NO	DESCRIPTION	CURRENT BUDGET	INCREASE	DECREASE	AMENDED BUDGET
		EXPENDITURES				
		71100 REGULAR INSTRUCTION PROGRAM				
1	71100-207	Health Insurance	2,720,639.00	183,000.00		2,903,639.00
		Subtotal	2,720,639.00	183,000.00	-	2,903,639.00
		71150 ALTERNATIVE INSTRUCTION PROGRAM				
1	71150-207	Health Insurance	33,473.00	2,500.00		35,973.00
4	71150-599-ATEAM	Other Charges	-	200.00		200.00
		Subtotal	33,473.00	2,700.00	-	36,173.00
		71200 SPECIAL EDUCATION PROGRAM				
1	71200-207	Health Insurance	573,947.00	39,000.00		612,947.00
		Subtotal	573,947.00	39,000.00	-	612,947.00
		71300 VOCATIONAL EDUCATION PROGRAM				
1	71300-207	Health Insurance	155,000.00	11,000.00		166,000.00
		Subtotal	155,000.00	11,000.00	-	166,000.00
		71600 ADULT EDUCATION PROGRAM				
1	71600-207	Health Insurance	4,368.00	400.00		4,768.00
		Subtotal	4,368.00	400.00	-	4,768.00
		72110 ATTENDANCE				
1	72110-207	Health Insurance	11,120.00	800.00		11,920.00
		Subtotal	11,120.00	800.00	-	11,920.00
		72120 HEALTH SERVICES				
1	72120-207	Health Insurance	79,490.00	19,500.00		98,990.00
10	72120-499-FRC	Other Supplies and Materials	7,500.00	500.00		8,000.00
		Subtotal	86,990.00	20,000.00	-	106,990.00
		72130 OTHER STUDENT SUPPORT				
1	72130-207	Health Insurance	155,960.00	10,000.00		165,960.00
5	72130-599-SOC_C	Other Charges	-	20,000.00		20,000.00
5	72130-599-SOC_V	Other Charges	-	20,000.00		20,000.00
		Subtotal	155,960.00	50,000.00	-	205,960.00
		72210 REGULAR INSTRUCTION PROGRAM				
1	72210-207	Health Insurance	177,545.00	12,500.00		190,045.00
7	72210-499	Other Supplies and Materials	-	2,000.00		2,000.00
7	72210-499-T	Other Supplies and Materials	4,500.00	2,000.00		6,500.00
8	72210-524	Inservice/Staff Development	25,000.00	7,500.00		32,500.00
7	72210-790-T	Other Equipment	174,025.49		2,000.00	172,025.49
		Subtotal	381,070.49	24,000.00	2,000.00	403,070.49
		72220 SPECIAL EDUCATION PROGRAM				
1	72220-207	Health Insurance	29,522.00	2,500.00		32,022.00
		Subtotal	29,522.00	2,500.00	-	32,022.00
		72230 VOCATIONAL EDUCATION PROGRAM				
1	72230-207	Health Insurance	5,651.00	600.00		6,251.00
		Subtotal	5,651.00	600.00	-	6,251.00
		72260 ADULT PROGRAMS				
1	72260-207	Health Insurance	4,368.00	600.00		4,968.00
		Subtotal	4,368.00	600.00	-	4,968.00
		72310 BOARD OF EDUCATION				
9	72310-118	Secretary to Board	1,200.00	1,200.00		2,400.00
9	72310-189	Other Salaries and Wages	8,400.00	8,400.00		16,800.00
9	72310-201	Social Security	596.00	596.00		1,192.00
9	72310-204	Retirement	883.00	883.00		1,766.00
1	72310-207	Health Insurance	359,000.00	28,000.00		387,000.00
9	72310-212	Medicare	140.00	140.00		280.00
6	72310-320	Dues and Memberships	14,000.00	500.00		14,500.00
		Subtotal	384,219.00	39,719.00	-	423,938.00

		72320 DIRECTOR OF SCHOOLS				
1	72320-207	Health Insurance	28,193.00	2,500.00		30,693.00
		Subtotal	28,193.00	2,500.00	-	30,693.00
		72410 OFFICE OF THE PRINCIPAL				
1	72410-207	Health Insurance	475,552.00	33,500.00		509,052.00
		Subtotal	475,552.00	33,500.00	-	509,052.00
		72510 FISCAL SERVICES				
1	72510-207	Health Insurance	36,500.00	3,000.00		39,500.00
		Subtotal	36,500.00	3,000.00	-	39,500.00
		72520 HUMAN SERVICES/PERSONNEL				
1	72520-207	Health Insurance	4,368.00	600.00		4,968.00
		Subtotal	4,368.00	600.00	-	4,968.00
		72610 OPERATION OF PLANT				
2	72610-189-ENERG	Other Salaries and Wages	43,200.00	2,800.00		46,000.00
2	72610-201-ENERG	Social Security	2,679.00	175.00		2,854.00
2	72610-204-ENERG	Retirement	3,971.00	260.00		4,231.00
1	72610-207	Health Insurance	205,379.00	17,000.00		222,379.00
2	72610-207-ENERG	Health Insurance	11,574.80		7,275.00	4,299.80
2	72610-212-ENERG	Medicare	627.00	40.00		667.00
2	72610-355-ENERG	Travel	-	4,000.00		4,000.00
2	72610-399-ENERG	Other Contracted Services	-	6,650.00		6,650.00
2	72610-524-ENERG	Inservice/Staff Development	-	5,000.00		5,000.00
		Subtotal	267,430.80	35,925.00	7,275.00	296,080.80
		72620 MAINTENANCE OF PLANT				
1	72620-207	Health Insurance	101,565.00	17,000.00		118,565.00
		Subtotal	101,565.00	17,000.00	-	118,565.00
		73400 EARLY CHILDHOOD EDUCATION				
3	73400-399	Other Contracted Services	0	900.00		900.00
3	73400-429	Instructional Supplies and Materials	3,762.00		900.00	2,862.00
		Subtotal	3,762.00	900.00	900.00	3,762.00
		TOTAL EXPENDITURES	5,463,698.29	467,744.00	10,175.00	5,921,267.29
		REVENUES				
4	44570-ATEAM	Contributions and Gifts	-	200.00		200.00
10	44570-FRC	Contributions and Gifts	-	500.00		500.00
1	46511	Basic Education Program	34,353,144.00	204,000.00		34,557,144.00
		TOTAL REVENUE	34,353,144.00	204,700.00	-	34,557,844.00
		RESERVES & FUND BALANCE				
1,2,5,6,7,8,9	39000	Budgeted Undesignated Fund Balance	335,759.80	252,869.00		588,628.80
		This budget amendment is to budget for the following:				
1	State Insurance 2013 Increase					
2	Adjustment to Energy Education Specialist as someone as now been hired					
3	Early Childhood needs money in contrated services for mulch to lay the mulch					
4	Employee appreciation money for Pathways					
5	Soccer start up funds for Cherokee and Volunteer					
6	To budget for the increased cost for Dues					
7	To budget for additional Supplies needed					
8	To pay for Safe Schools Training for 11-12					
9	To budget payment for Board committee meetings and workshops					
10	Donations to Family Resource Center for Shoes and Backpacks					

Balance Analysis					
			Beginning Actuals	Budgeted	Budgeted Ending Balance
	34555	Restricted for Education	613,945.00	613,945.00	-
	34755	Assigned for Education	878,803.00	878,803.00	-
	34775	Assigned for Capital Outlay	450,000.00	450,000.00	-
	34790-CTE	Assigned for Other Purposes	10,777.16	10,777.16	-
	34790-T	Assigned for Other Purposes	14,344.70	14,344.70	-
	39000	Undesignated Fund Balance	9,263,399.74	1,286,042.80	7,977,356.94
		***Beginning Actual was reduced by 555,212.48 due to a error at the			
		Trustee Office which was discovered by audit. And by 2,669.29			
		which was an audit adjustment to prior year revenue.			
		TOTAL FUND BALANCE	10,617,324.60	2,639,967.66	7,977,356.94

RESOLUTION NO. 2012 / 12 / 12

TO THE HONORABLE MELVILLE E. BAILEY, CHAIRMAN, AND MEMBERS OF THE
HAWKINS COUNTY BOARD OF COMMISSIONERS IN REGULAR SESSION, MET THIS 17th
DAY OF DECEMBER 2012.

RESOLUTION IN REF: FEDERAL PROJECTS SCHOOL FUND BUDGET AMENDMENT

WHEREAS, the Hawkins County Board of Education has approved the attached budget amendment to the School Federal Projects Fund, and now requests approval of said amendment by the Hawkins County Board of Commissioners.

NOW THEREFORE BE IT RESOLVED THAT the Hawkins County Board of Commissioners, meeting in regular session, December 17, 2012, go on record as passing this resolution.

Introduced by Esq. Gary Hicks

Estimated Cost: _____

Seconded by Esq. _____

Paid From _____ Fund

ACTION: Aye Nay

Date Submitted 12-3-12

Roll Call _____ _____

County Clerk: A. Carroll Jenkins

Voice Vote _____ _____

By: A. Carroll Jenkins

Absent _____ _____

COMMITTEE ACTION:

APPROVED

DISAPPROVED

CHAIRMAN: Melville E. Bailey

FUND: 142 FEDERAL PROJECTS FUND

AMENDMENT NUMBER: 4

DATE: November 1, 2012

ORIGINAL BUDGET AMOUNT

5,570,660.00

PREVIOUS AMENDMENTS

525,477.10

TOTAL

6,096,137.10

REQUESTED AMENDMENT

681,157.95

TOTAL

6,777,295.05

Desc Code	ACCOUNT NO	DESCRIPTION	CURRENT BUDGET	INCREASE	DECREASE	AMENDED BUDGET
		EXPENDITURES				
		71100 REGULAR INSTRUCTION PROGRAM				
1	71100-189	Other Salaries and Wages	66,188.00		1,500.00	64,688.00
1	71100-399	Other Contracted Services	93,688.00	1,500.00		95,188.00
		Subtotal	159,876.00	1,500.00	1,500.00	159,876.00
		72130 OTHER STUDENT SUPPORT				
2	72130-524	Inservice/Staff Development	60,614.00	0.00	96.74	60,517.26
		Subtotal	60,614.00	0.00	96.74	60,517.26
		TOTAL EXPENDITURES	220,490.00	1,500.00	1,596.74	220,393.26
		REVENUES				
2	47146	English Language Acquisition Grant	4,864.00	0.00	96.74	4,767.26
		The above amendment budgets for the following:				
1	This amendment is to budget for the use of a contracted employee for after school tutoring for 21st Century					
2	Reduces the Title 3 grant by the amount of the administrative fee for the Consortium					

RESOLUTION NO. 2012/ 12 / 13

TO THE HONORABLE MELVILLE E. BAILEY, CHAIRMAN, AND MEMBERS OF THE
HAWKINS COUNTY BOARD OF COMMISSIONERS IN REGULAR SESSION, MET THIS 17th
DAY OF DECEMBER 2012.

RESOLUTION IN REF: SCHOOL FOOD SERVICE FUND BUDGET AMENDMENT

WHEREAS, the Hawkins County Board of Education has approved the attached budget amendment to the School Food Service Fund, and now requests approval of said amendment by the Hawkins County Board of Commissioners.

NOW THEREFORE BE IT RESOLVED THAT the Hawkins County Board of Commissioners, meeting in regular session, December 17, 2012, go on record as passing this resolution.

Introduced by Esq. Gary Hicks

Estimated Cost: _____

Seconded by Esq. _____

Paid From _____ Fund

ACTION: Aye Nay

Date Submitted 12-3-12

Roll Call _____ _____

County Clerk: A. Carroll Jenkins

Voice Vote _____ _____

By: A. Carroll Jenkins

Absent _____ _____

COMMITTEE ACTION:

APPROVED

DISAPPROVED

CHAIRMAN: Melville E. Bailey

FUND: 143 FOOD SERVICE FUND

AMENDMENT NUMBER: 3

DATE: December 6, 2012

ORIGINAL BUDGET AMOUNT	\$ 3,868,120.00
PREVIOUS AMENDMENTS	\$ 61,911.00
TOTAL	\$ 3,930,031.00
REQUESTED AMENDMENT	\$ -
TOTAL	\$ 3,930,031.00

ACCOUNT NO	DESCRIPTION	CURRENT BUDGET	INCREASE	DECREASE	AMENDED BUDGET
	EXPENDITURES				
	73100 FOOD SERVICE				
73100-207	Medical Insurance	250,000.00	55,000.00		305,000.00
73100-336	Maintenance and Repair Service	75,000.00		20,000.00	55,000.00
73100-399	Other Contracted Services	200,080.00	16,000.00		216,080.00
73100-422	Food Supplies	1,419,192.00		20,000.00	1,399,192.00
73100-710	Food Service Equipment	99,854.00		31,000.00	68,854.00
	Subtotal	3,930,031.00	71,000.00	71,000.00	3,930,031.00
	TOTAL EXPENDITURES	3,930,031.00	71,000.00	71,000.00	3,930,031.00

This amendment is to move funds to 73100-207 Medical Insurance to cover increase in premium and retiree premium (\$55,000) and to 73100-399 Other Contracted Services (\$16,000) to cover NETCO CD fee and additional commodity costs. Total of \$71,000 to come from Maintenance & Repair, Food Supplies, and Food Equipment.

RESOLUTION NO. 2012/12/14

TO THE HONORABLE MELVILLE E. BAILEY, CHAIRMAN, AND MEMBERS OF THE HAWKINS COUNTY BOARD OF COMMISSIONERS IN REGULAR SESSION, MET THIS 17th DAY OF DECEMBER 2012.

RESOLUTION IN REF: AMENDMENT OF JUNE 30, 2012 ESTIMATED FUND BALANCES ON APPROVED 2012-2013 FY BUDGETS

WHEREAS, it is recommended that the estimated fund balances presented to County Commission should reasonably reflect the actual June 30 fund balances, and

WHEREAS, the June 30, 2012 audit has been released, and

WHEREAS, it is not always possible to project estimated fund balances and reserves prior to closing the accounting records before approval of each year's budgets, and

WHEREAS, it has been recommended that County Commission be informed of the actual June 30 fund balance of each fund and that the budget document be amended with such.

	Estimated 6/30/12 Fund Balances on 2012-2013 FY Budget Document	Actual 6/30/12 Fund Balances after Closing Accounting Records for the 2011-2012 FY	Difference
General Purpose School	12,224,761	11,231,269	(993,492)*
Federal Projects	302,484	172,757	(129,727)**
Central Cafeteria	2,501,715	2,503,325	1,610***
Transportation	627,338	627,338	0
* (435,610)	Encumbrances that should not have been included on the budget document		
(555,213)	Trustee error that will be corrected on our books		
(2,669)	Audit Adjustment to 11-12 Revenue		
(993,492)			
** (129,727)	Encumbrances that should not have been included on the budget document		
*** 1,610	Audit Adjustment to 11-12 Revenue		

NOW THEREFORE BE IT RESOLVED THAT the above actual June 30, 2012 fund balances be recognized and amended for the approved 2011-2012 FY Budgets for the purpose of meeting audit requirements. No general ledger entries for any fund will be required from this resolution.

Introduced by Esq. Gary Hicks

Seconded by Esq. _____

ACTION: Aye Nay

Roll Call _____

Voice Vote _____

Absent _____

Estimated Cost: _____

Paid From _____ Fund

Date Submitted 12-3-12

County Clerk: A. Carroll Jenkins

By: A. Carroll Jenkins

COMMITTEE ACTION:

APPROVED

DISAPPROVED

CHAIRMAN: Melville E. Bailey