

AGREEMENT

THIS AGREEMENT, made and entered into on this 10th day of March, 2010, by and between HARDIN COUNTY TENNESSEE and the CITY OF SAVANNAH,

WITNESSETH:

WHEREAS, HARDIN COUNTY TENNESSEE and the CITY OF SAVANNAH have, in principle, agreed to work together to fund approximately Seven Million Dollars (\$7,000,000.00) in improvements for the purpose of construction, renovation and repair of Hardin County Schools; and

WHEREAS, on the 4th day of March, 2010, the CITY OF SAVANNAH, did, by ordinance, contingent upon the continuance of the one cent sales tax, approve conditions of providing long-term funding of Four Million Dollars (\$4,000,000.00) of the Seven Million Dollars (\$7,000,000.00) funding, plus an additional Five Hundred Thirty Five Thousand (\$535,000.00) in cash to be paid to HARDIN COUNTY TENNESSEE for the construction, renovation, repair, and conveyances of certain parcels of real property in Hardin County, Tennessee, and

WHEREAS, HARDIN COUNTY has agreed to issue additional bonds in the amount of Six Million Dollars (\$6,000,000.00) of which Four Million Dollars (\$4,000,000.00) will be serviced by the CITY OF SAVANNAH and said Four Million Dollars (\$4,000,000.00) to be repaid over a period of approximately Sixteen (16) years;

NOW, THEREFORE IN CONSIDERATION OF THE PREMISES, and Agreements herein set forth, the parties do agree as follows, subject to the passages of a City Ordinance and County Resolution adopting this Agreement:

1. The CITY OF SAVANNAH agrees to service Four Million Dollars (\$4,000,000.00) in bond issuances over a period of Sixteen (16) years, and additionally, upon execution of this Agreement, provide Five Hundred Thirty Five Thousand Dollars (\$535,000.00) cash. Upon executing this Agreement and all its covenants, and specifically providing Five Hundred Thirty Five Thousand Dollar (\$535,000.00) cash, then HARDIN COUNTY agrees to fund an additional Six Million Dollars (\$6,000,000.00) and contribute Five Hundred Thousand Dollars (\$500,000.00) from the educational fund balance for the purpose of payment towards the debt service for the construction, renovation and repair of Hardin County Schools.
2. The parties acknowledge that the CITY OF SAVANNAH is servicing Four Million Dollars (\$4,000,000.00) of debt, interest included, for a sixteen (16) year period at a rate not to exceed 3.75%, derived solely and conditionally from the CITY OF SAVANNAH'S portion of the One Cent Sales Tax Receipts. HARDIN COUNTY TENNESSEE will be actually issuing the bonds up to an additional Six Million dollars (\$6,000,000.00). In the event the Sales Tax Receipts exceed the amount necessary for payment of said County School Bond debt retirement by 125%, it is agreed by the CITY OF SAVANNAH and HARDIN COUNTY TENNESSEE, that such excess shall be escrowed by HARDIN COUNTY until said Six Million dollars (\$6,000,000.00) bond is callable and at such time 20% of any excess shall be paid towards the retirement of the CITY OF SAVANNAH'S share of debt principal.
3. Upon execution of this agreement, HARDIN COUNTY shall convey certain parcels of real property, one being ± 68 acres and known as "The Louie Black Property" and the others being known as "The Old North Elementary School Property" to the CITY OF SAVANNAH in fee simple absolute.

4. The CITY OF SAVANNAH shall make two (2) payments on the debt service per year and these payments shall coincide with the dates of which HARDIN COUNTY must make their bi-annual payments to the service of the entire bond issue. Such payments will be paid to the COUNTY five (5) days prior to the principal and/or interest payment date on said "Debt Service Schedule". The payment schedule for the CITY OF SAVANNAH is attached and part of this agreement.
5. HARDIN COUNTY agrees that all monies received from the CITY OF SAVANNAH, including interest, shall be applied to the service of the Four Million Dollars (\$4,000,000.00) of which the CITY is agreeing to service.
6. HARDIN COUNTY agrees to provide an accounting to the CITY OF SAVANNAH of all receipts and disbursements paid over into the service of the Four Million Dollars (\$4,000,000.00) debt monthly.
7. When the Tennessee Legislature, by special act or otherwise, enacts amendments, or otherwise allows the CITY OF SAVANNAH to "opt out" of the Tennessee River Resort Status, then all monies collected by HARDIN COUNTY, that are received from within the CITY OF SAVANNAH shall be paid over to the CITY OF SAVANNAH in a diligent and timely manner. At all times relevant HARDIN COUNTY agrees to provide an accounting of all monies received from said Tennessee River Resort Status for the benefit of the CITY OF SAVANNAH.
8. At the point when the CITY OF SAVANNAH has serviced the Four Million Dollars (\$4,000,000.00) in bond issuances ("the Debt") the CITY OF SAVANNAH'S obligations under this Agreement are at an end and they are no longer responsible unless future agreements are entered into in writing and executed by the appropriate parties.

IN WITNESS WHEREOF, this Agreement has been executed by the appropriate and proper officials of each party as authorized by their governing body, the Tennessee code annotated, and on the day and date first above written.

ATTEST:


CITY RECORDER

CITY OF SAVANNAH

BY:


BOB SHUTT, CITY MAYOR

ATTEST:


CONNIE STEPHENS, COUNTY
CLERK

HARDIN COUNTY TENNESSEE

BY: 
KEVIN DAVIS, COUNTY MAYOR

\$6,000,000 (\$4,000,000 City Portion)

Hardin County, Tennessee
 General Obligation School Bonds, Series 2010
 (Taxable Build America Bonds) - City Portion

Debt Service Schedule

Date	Principal	Coupon	Interest	LOC	Total P+I	Fiscal Total
03/25/2010	-	-	-	-	-	-
12/01/2010	-	-	105,295.69	(36,853.49)	68,442.20	-
06/01/2011	155,000.00	1.000%	77,045.63	(26,965.97)	205,079.66	273,521.86
12/01/2011	-	-	76,270.63	(26,694.72)	49,575.91	-
06/01/2012	195,000.00	1.500%	76,270.63	(26,694.72)	244,575.91	294,151.82
12/01/2012	-	-	74,808.13	(26,182.84)	48,625.29	-
06/01/2013	205,000.00	2.000%	74,808.13	(26,182.84)	253,625.29	302,250.58
12/01/2013	-	-	72,758.13	(25,465.34)	47,292.79	-
06/01/2014	210,000.00	2.250%	72,758.13	(25,465.34)	257,292.79	304,585.58
12/01/2014	-	-	70,395.63	(24,638.47)	45,757.16	-
06/01/2015	220,000.00	3.000%	70,395.63	(24,638.47)	265,757.16	311,514.32
12/01/2015	-	-	67,095.63	(23,483.47)	43,612.16	-
06/01/2016	225,000.00	3.200%	67,095.63	(23,483.47)	268,612.16	312,224.32
12/01/2016	-	-	63,495.63	(22,223.47)	41,272.16	-
06/01/2017	235,000.00	3.875%	63,495.63	(22,223.47)	276,272.16	317,544.32
12/01/2017	-	-	58,942.50	(20,629.88)	38,312.62	-
06/01/2018	245,000.00	4.000%	58,942.50	(20,629.88)	283,312.62	321,625.24
12/01/2018	-	-	54,042.50	(18,914.88)	35,127.62	-
06/01/2019	255,000.00	4.375%	54,042.50	(18,914.88)	290,127.62	325,255.24
12/01/2019	-	-	48,464.38	(16,962.53)	31,501.85	-
06/01/2020	260,000.00	4.500%	48,464.38	(16,962.53)	291,501.85	323,003.70
12/01/2020	-	-	42,614.38	(14,915.03)	27,699.35	-
06/01/2021	270,000.00	4.500%	42,614.38	(14,915.03)	297,699.35	325,398.70
12/01/2021	-	-	36,539.38	(12,788.78)	23,750.60	-
06/01/2022	285,000.00	4.600%	36,539.38	(12,788.78)	308,750.60	332,501.20
12/01/2022	-	-	29,984.38	(10,494.53)	19,489.85	-
06/01/2023	295,000.00	4.625%	29,984.38	(10,494.53)	314,489.85	333,979.70
12/01/2023	-	-	23,162.50	(8,106.88)	15,055.62	-
06/01/2024	305,000.00	4.800%	23,162.50	(8,106.88)	320,055.62	335,111.24
12/01/2024	-	-	15,842.50	(5,544.88)	10,297.62	-
06/01/2025	315,000.00	4.900%	15,842.50	(5,544.88)	325,297.62	335,595.24
12/01/2025	-	-	8,125.00	(2,843.75)	5,281.25	-
06/01/2026	325,000.00	5.000%	8,125.00	(2,843.75)	330,281.25	335,562.50
Total	\$4,000,000.00	-	\$1,667,423.92	(583,598.36)	\$5,083,825.56	-

Yield Statistics

Bond Year Dollars.....	\$38,103.33
Average Life.....	9.526 Years
Average Coupon.....	2.8444377%
Net Interest Cost (NIC).....	2.9009306%
True Interest Cost (TIC).....	2.8866327%
Bond Yield for Arbitrage Purposes.....	2.8250080%
All Inclusive Cost (AIC).....	3.1204674%

IRS Form 8038

Net Interest Cost.....	2.7704150%
Weighted Average Maturity.....	9.513 Years

Morgan Keegan & Company, Inc - 865-777-5840
 Knoxville Public Finance - SPG