
OFFICIAL NOTICE OF SALE
CITY OF KINGSPORT, TENNESSEE



\$25,405,000*

Consisting Of:

\$14,480,000* GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2017A

\$10,925,000* GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2017B

Electronic Bids Only Due No Later Than

11:00 A.M., EDT

Monday, August 28, 2017

RAYMOND JAMES®

Municipal Advisor
1 Burton Hills Blvd. – Suite 225
Nashville, Tennessee 37215
800-764-1002

* Subject to revision and adjustment as outlined herein

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NOTICE IS HEREBY GIVEN that combined electronic bids only will be received by the Mayor of the City of Kingsport, Tennessee (the "Municipality") for the purchase of all, but not less than all, of its \$14,480,000* General Obligation Improvement Bonds, Series 2017A (the "Series 2017A Bonds") and its \$10,925,000* General Obligation Improvement Bonds, Series 2017B (the "Series 2017B Bonds"). The Series 2017A Bonds and the Series 2017B Bonds are collectively referred to herein as the "Bonds". A single bid for the Bonds will be received until 11:00 a.m., EDT, on Monday, August 28, 2017 (or at such later times and date announced at least forty-eight hours in advance via IPREO's BiDCOMP®/Parity® system). Electronic bids must be submitted for the Bonds through BiDCOMP®/Parity® as described herein and no other provider of electronic bidding services will be accepted. No written bids will be received. The Town's "Preliminary Official Statement", dated August 16, 2017 is an integral part of this "Official Notice of Sale" and is incorporated by reference herein. See "Bidding Instructions" herein.

Description of the Bonds. The Bonds will be issued in fully registered, book-entry form (except as set forth herein) without coupons and will be initially issued or reissued upon transfer in \$5,000 denominations or multiples thereof, as shall be requested by the purchaser or registered owner thereof, as applicable. Interest on the Bonds will be payable on March 1 and September 1 of each year, commencing March 1, 2018.

The Bonds will be dated the date of their issuance expected to be on or about September 8, 2017*. The Bonds will mature and be payable on each year as outlined in the section entitled "Preliminary Amortization Schedules" herein.

Registration and Depository Participation. The Bonds, when issued, will be registered in the name of Cede & Co., DTC's partnership nominee. When the Bonds are issued, ownership interests will be available to purchasers only through a book-entry system maintained by DTC (the "Book-Entry-Only System"). One or more fully-registered Bond certificates will be issued for each maturity, in the entire aggregate principal amount of the Bonds and will be deposited with DTC. The book-entry system will evidence beneficial ownership interests of the Bonds in the principal amount of \$5,000 for the Bonds and any integral multiple of \$5,000, with transfers of beneficial ownership interest effected on the records of DTC participants and, if necessary, in

* Subject to adjustment and revision as outline herein

turn by DTC pursuant to rules and procedures established by DTC and its participants. The successful bidder, as a condition to delivery of the Bonds, shall be required to deposit the Bond certificates with DTC, registered in the name of Cede & Co., nominee of DTC. The Bonds will be payable, at maturity to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC, and transfer of principal and interest payments (as applicable) to beneficial owners of the Bonds by Participants of DTC, will be the responsibility of such participants and of the nominees of beneficial owners. The Municipality will not be responsible or liable for such transfer of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

In the event that the book-entry only system for the Bonds is discontinued and a successor securities depository is not appointed by the Municipality, Bond Certificates in fully registered form will be delivered to, and registered in the names of, the DTC Participants or such other persons as such DTC participants may specify (which may be the indirect participants or beneficial owners), in authorized denominations of \$5,000 for the Bonds or integral multiples thereof. The ownership of Bonds so delivered shall be registered in registration books to be kept by the Registration Agent (named herein) at its corporate trust office, and the Municipality and the Registration Agent shall be entitled to treat the registered owners of the Bonds, as their names appear in such registration books as of the appropriate dates, as the owners thereof for all purposes described herein and in the Resolution (as defined in the "Preliminary Official Statement" which is incorporated herein as an integral part of this "Official Notice of Sale") authorizing the Bonds.

Purpose. The Series 2017A Bonds are issued for the purpose of (1) financing a portion of the costs of certain public works projects, consisting of the acquisition of public art; the acquisition, construction, improvement and renovation of public school facilities; road, street, parking, and sidewalk construction, improvement and expansion, including Greenbelt improvements; the acquisition, construction, renovation, improvement and equipping of public buildings within the Municipality, including renovations to the library and improvements to fire facilities and court facilities; acquisition of public works equipment, including playground equipment and improvements to technology infrastructure, grounds maintenance equipment, street lights, and traffic light systems; acquisition, construction, and improvement of public parks and recreational facilities, including Bays Mountain Park, Preston Forest Park, and aquatic center pool expansion; the acquisition of all property real and personal, appurtenant thereto or connected with such work; and paying legal, fiscal, administrative, and engineering costs, reimbursing the Municipality for the costs of any of the above projects, paying capitalized interest, and (2) paying costs incident to the issuance and sale of the Series 2017A Bonds.

The Series 2017B Bonds are issued for the purpose of (1) financing a portion of the costs of certain public works projects, consisting of the acquisition of public art; construction, expansion and improvement of the Municipality's water system; construction, expansion and improvement of the Municipality's sewer system; the acquisition of all property real and personal, appurtenant thereto or connected with such work; and paying legal, fiscal, administrative, and engineering costs, reimbursing the Municipality for the costs of any of the above projects, paying capitalized interest, and (2) paying costs incident to the issuance and sale of the Series 2017B Bonds.

Security. The Bonds are payable from funds of the Municipality legally available therefor and

to the extent necessary from ad valorem taxes to be levied on all taxable property within the corporate limits of the Municipality without limitation as to time, rate, or amount. For the prompt payment of the Bonds, both principal and interest, as the same shall become due, the full faith, and credit of the Municipality is irrevocably pledged. To the extent the proceeds of the Series 2017B Bonds are used to fund projects for the Municipality's water and sewer system, such Series 2017B Bonds shall additionally be payable from, but not secured by, revenues to be derived from the operation of the Municipality's water and sewer system.

For the purpose of providing for the payment of the principal of, premium, if any, and interest on, the Bonds, to the extent necessary, there shall be levied in each year in which such Bonds shall be outstanding a direct tax on all taxable property in the Municipality, fully sufficient, to pay all such principal and interest falling due prior to the time of collection of the next succeeding tax levy. Said tax shall be assessed, collected, and paid at the time, and in the same manner, as the other taxes of said Municipality, shall be in addition to all other taxes, and shall be without limitation as to time, rate, or amount. The Board of the Municipality is required by law and shall and does hereby pledge to levy such tax. Principal, premium, if any, and interest, or any of the foregoing, falling due at any time when there shall be insufficient funds on hand from such tax levy for the payment thereof shall be paid from the General Fund or other available funds of the Municipality, but reimbursement therefor may be made from the taxes herein provided when the same shall have been collected. Such taxes levied and collected therefor shall be deposited in General Fund of the Municipality, and used for the payment of principal and interest on the Bonds as the same shall become due.

Optional Redemption. Bonds maturing March 1, 2019 through March 1, 2025, are not subject to redemption prior to maturity. The Bonds maturing on and after March 1, 2026, are subject to redemption prior to maturity on March 1, 2025, and at any time thereafter, at the option of the Municipality, as a whole or in part, in integral multiples of \$5,000 (less than all Bonds of a single maturity to be selected by lot by the Registration Agent), at the price of par, plus accrued interest to the date fixed for redemption.

Term Bond Option; Mandatory Redemption. Bidders shall have the option to designate certain consecutive serial maturities of the Series 2017A Bonds and the Series 2017B Bonds as term Bonds ("Term Bonds") bearing a single interest rate or yield. If the successful bidder for the Bonds designates certain consecutive serial maturities of the Bonds to be combined as one or more Term Bond as allowed herein, then such Term Bond(s) shall be subject to mandatory sinking fund redemption by the Municipality at a redemption price equal to 100% of the principal amount thereof, together with accrued interest to the date fixed for redemption at the rate stated in such Term Bond to be redeemed. Each such mandatory sinking fund redemption shall be made on the date on which a consecutive maturity included as part of a Term Bond is payable in accordance with the proposal of the successful bidder for the Bonds and in the amount of the maturing principal installment for the Bonds listed herein for such principal payment date. Term Bonds to be redeemed within a single maturity shall be selected in the manner provided for optional redemption of the Series 2017A Bonds or the Series 2017B Bonds within a single maturity.

Bidding Instructions. Electronic bids only for the Bonds must be submitted through IPREO's BiDCOMP®/Parity® system and no other provider of electronic bidding services will be accepted and no written bids will be accepted. Subscription to the IPREO's

BiDCOMP®/Parity® competitive bidding system is required in order to submit electronic bids. The Municipality will neither confirm any subscription nor be responsible for the failure of any prospective bidders to subscribe. For the purposes of the bidding process, the time as maintained by BiDCOMP®/Parity® shall constitute the official time with respect to all bids for the Bonds. To the extent any instructions or directions set forth in BiDCOMP®/Parity® conflict with the terms of the “Official Notice of Sale”, the “Official Notice of Sale” shall prevail. Electronic bids made through the facilities of BiDCOMP®/Parity® shall be deemed an offer to purchase in response to the “Official Notice of Sale” and shall be binding upon each bidder as if made by a signed, sealed written bid delivered to the Municipality. The Municipality, Bond Counsel and the Municipal Advisor shall not be responsible for any malfunction or mistake made by or as a result of the use of the electronic bidding facilities provided and maintained by IPREO. The use of the IPREO’s BiDCOMP®/Parity® facilities is at the sole risk of the prospective bidders. Further information regarding BiDCOMP®/Parity® may be obtained from IPREO (www.newissuehome.i-deal.com).

Bidding Specifications. All bidders must bid to purchase all maturities of the Series 2017A Bonds and the Series 2017B Bonds. No bids will be considered that do not offer to purchase all of the Bonds.

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SERIES 2017A BONDS AND SERIES 2017B BONDS			
INTEREST		BIDDING	
Dated Date:*	September 8, 2017	Bids Due:	11:00 A.M., EDT, August 28, 2017
Delivery Date:*	September 8, 2017	Bids Accepted/Rejected:	By the Mayor following bidding
Day Count:	30/360	Electronic Submission:	IPREO's BiDCOMP/Parity <u>only</u>
Interest Payment Dates:	March 1 and September 1	Award Basis:	Lowest TIC
First Interest:	March 1, 2018	All or None:	Yes
Coupon Multiples:	0.01% and/or 0.125% of 1.00%	Good Faith Deposit:	\$500,000 - See page 7 herein for specific details
High Coupon:	5.00%		
Low Coupon:	1.00%	Tax Status:	Tax-Exempt
Rate Per Maturity:	One	Possible Adjustments:	Yes. See the following section
Ascending Coupons:	Not required		
PRINCIPAL		PRICING	
Due Date:	March 1 as shown below	Minimum Bid:	Not less than 100.0% of par
Term Bonds:	Permitted as described herein	Maximum Bid:	Not greater than 120.0%
Denominations:	\$5,000 or multiples thereof	Zero Coupon:	Not permitted
Optional Redemption:	March 1, 2025 @ par		

Preliminary Amortization Schedule

March 1 Year	Series 2017A Bonds*	Series 2017B Bonds*	March 1 Year	Series 2017A Bonds*	Series 2017B Bonds*
2018	-		2028	\$765,000	\$575,000
2019	490,000	\$370,000	2029	800,000	605,000
2020	515,000	390,000	2030	840,000	635,000
2021	545,000	410,000	2031	865,000	655,000
2022	570,000	430,000	2032	895,000	675,000
2023	600,000	450,000	2033	920,000	695,000
2024	630,000	475,000	2034	945,000	715,000
2025	660,000	500,000	2035	975,000	735,000
2026	695,000	520,000	2036	1,005,000	760,000
2027	730,000	550,000	2037	1,035,000	780,000

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* Subject to adjustment and revision as set forth herein

Adjustment and/or Revision. While it is the Municipality's intention to sell and issue the approximate par amounts of the Series 2017A Bonds and the Series 2017B Bonds as offered herein, adjustments and/or revisions may be necessary in order to properly size the Series 2017A Bonds and the Series 2017B Bonds. Accordingly, the Municipality reserves the right to make corresponding adjustments in each maturity of the Series 2017A Bonds and/or the Series 2017B Bonds as described in the following paragraphs.

The Municipality reserves the right in its sole discretion to cancel one or more maturities in their entirety and/or adjust the original par amount of each maturity without limitation. In no case will the par amount of the Series 2017A Bonds exceed \$15,600,000 nor the Series 2017B Bonds exceed \$11,750,000.

Among other factors, the Municipality may (but shall be under no obligation to) consider in sizing each transaction and individual par amounts of each maturity are the amount of premium bid per maturity, if any, the size of the individual maturities or sinking fund installments, assuring funding needs and certain debt service patterns and/or other preferences of the Municipality.

In the event of any such adjustment and/or revision with respect to the Bonds, no rebidding will be permitted. The underwriter's discount on the Bonds as submitted by the successful bidder shall be held constant. The "underwriter's discount" shall be defined as the difference between the purchase price of the Bonds submitted and the price at which the Bonds will be issued to the public, as calculated from information provided by the successful bidder, divided by the par amount of the successful bid for the Bonds.

Notwithstanding the paragraph above, prior to the sale, the Municipality will make a decision on whether to adjust the amortization schedules and the par amounts of each maturity of the Bonds. Unless the market is notified via **IPREO** not later than 12:00 Noon (EDT) on the business day preceding the sale date, the Bonds will be offered as outlined herein, but subject to the foregoing additional adjustments, if necessary.

The successful bidder for the Bonds will be notified not later than 5:00 p.m., EDT, on the sale date of the exact revisions and/or adjustments required, if any.

Award. Unless all bids are rejected, the Bonds will be awarded on an all or none basis on the sale date to the bidder whose bid result in the lowest true interest rate for the Bonds to be calculated as that rate (or yield) that, when used in computing the present worth of all payments of principal and interest on the Bonds (compounded semi-annually from the date of the Bonds that produces an amount equal to the purchase price of the Bonds exclusive of accrued interest, if any. For purposes of calculating the true interest cost, the principal amount of any Term Bond scheduled for mandatory sinking fund redemption as part of the Term Bond shall be treated as a serial maturity in such year for the Bonds. In the event that two or more bidders offer to purchase the Bonds at the same lowest true interest rate, the Mayor shall determine (in his sole discretion) which bidder shall be awarded the Bonds.

The Municipality reserves the right to reject all bids for the Series 2017A Bonds and the Series 2017B Bonds and to waive informalities in the bid accepted.

Good Faith Deposit. No good faith check will be required to accompany any bid submitted. The successful bidder shall be required to deliver to the Municipality's Municipal Advisor (wire transfer) the amount of \$500,000 that will secure the faithful performance of the terms of the successful bid. Wire transfers must be received by the Municipal Advisor no later than the close of business on the day following the competitive sale.

A wire transfer may be sent to:

Citibank NA 111 Wall Street
New York, NY 10043 ABA Number: 021000089
For Credit to: Raymond James & Associates, Inc. Account Number: 40776559
For Benefit of: FI/PF FIN REP [TN 1173 – City of Kingsport, TN Good Faith]

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

In the event of the failure of the Municipality to deliver the Bonds to the purchasers in accordance with the terms of this “Official Notice of Sale” within 45 days after the date of the sale, the good faith deposit will be promptly returned to such bidder unless such bidder directs otherwise.

Establishment of Issue Price

General. The winning bidder shall assist the Municipality in establishing the issue price of the Bonds as more fully described herein. All actions to be taken by the Municipality under this “Official Notice of Sale” to establish the issue price of the Bonds may be taken on behalf of the Municipality by the Municipality’s Municipal Advisor identified herein and any notice or report to be provided to the Municipality may be provided to the Municipality’s Municipal Advisor.

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

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

Any bid submitted pursuant to this “Official Notice of Sale” shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

Application of 10% Test if Competitive Sale Requirements Are Not Satisfied. In the event that the competitive sale requirements are not satisfied, the Municipality shall so advise the winning bidder. The Municipality shall treat the first price at which 10% of a maturity of the Bonds (the “10% test”) is sold to the public as the issue price of that maturity, applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The winning bidder shall advise the Municipality if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds. ***The Municipality will not require bidders to comply with the “hold-the-offering-price rule” and therefore does not intend to use the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity.***

Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied. *However, the Municipality reserves the right to reject all bids for the Series 2017A Bonds and the Series 2017B Bonds and to waive informalities in the bid accepted.*

If the competitive sale requirements are not satisfied, then until the 10% test has been satisfied as to each maturity of the Bonds, the winning bidder agrees to promptly report to the Municipality the prices at which the unsold Bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold.

By submitting a bid, each bidder confirms that:

(i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public, if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and

(ii) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder or such underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public, if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

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

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

Issue Price Certificate. The winning bidder will be required to provide the Municipality, at closing, with an issue price certificate consistent with the foregoing, together with any supporting documentation such as pricing wires or equivalent communications. A form of the issue price certificate is attached to this “Official Notice of Sale” as Exhibit A. In the event the winning bidder will not reoffer any maturity of the Bonds for sale to the Public (as defined herein) by the delivery date of the Bonds, the issue price certificate may be modified in a manner approved by the Municipality.

Legal Opinions. The unqualified approving opinions of Adams and Reese LLP, Nashville, Tennessee, Bond Counsel along with other certificates including, but not limited to, a tax certificate (with respect to the Bonds) and a continuing disclosure certificate dated as of the date of delivery of the Bonds will be furnished to the purchasers at the expense of the Municipality. As set forth in the “Preliminary Official Statement”, Bond Counsel's opinion with respect to the Bonds will state that interest on the Bonds will be excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal law alternative minimum tax imposed on individuals and corporations; however, such interest is taken into account in determining adjusted current earnings of certain corporations for purposes of the alternative minimum tax on corporations. As set forth in the “Preliminary Official Statement”, the owners of the Bonds, however, may be subject to certain additional taxes or tax consequences arising with respect to ownership of the Bonds. Reference is hereby made to the

“Preliminary Official Statement” and the proposed forms of the opinions which are contained in Appendix A thereof.

Continuing Disclosure. At the time the Bonds are delivered, the Municipality will execute a Continuing Disclosure Certificate(s) in which it will covenant for the benefit of holders and beneficial owners of the Bonds to provide certain financial information relating to the Municipality by not later than 12 months after each of the Municipality's fiscal years (the “Annual Report”), and to provide notice of the occurrence of certain enumerated events. The Annual Report (and audited financial statements, if filed separately) will be filed with the Municipal Securities Rulemaking Board (“MSRB”) through the operation of the Electronic Municipal Market Access system (“EMMA”) and any State Information Depository established in the State of Tennessee (the “SID”). If the Municipality is unable to provide the Annual Report to the MSRB and the SID by the date required, notice of each failure will be sent to the MSRB and the SID on or before such date. The notices of certain enumerated events will be filed by the Municipality with the MSRB and the SID. The specific nature of the information to be contained in the Annual Report or the notices of events will be summarized in the Municipality's “Official Statement” to be prepared and distributed in connection with the sale of the Bonds. Reference is hereby made to the “Preliminary Official Statement” (“MISCELLANEOUS – Continuing Disclosure”) and the form of the certificate which is contained in Appendix C: “Form of Continuing Disclosure Certificate”.

Delivery of Bonds. Delivery of the Bonds is expected on or about September 8, 2017* although that date is subject to change and will be finalized when the Bonds are awarded. At least a 5 day notice will be given to the successful bidder. Delivery will be made in book-entry form through the facilities of The Depository Trust Company, New York, New York. Payment for the Bonds must be made in Federal Funds or other immediately available funds.

CUSIP Numbers. Separate CUSIP numbers will be assigned to the Series 2017A Bonds and the Series 2017B Bonds at the expense of the Underwriter. The Municipality will assume no obligation for assignment of such numbers or the correctness of such numbers and neither failure to record such numbers on the Bonds nor any error with respect thereto shall constitute cause for failure or refusal by the purchaser thereof to accept delivery of and make payment for the Bonds. The successful bidder must furnish the CUSIPS to the Municipality to complete the “Official Statement” in final form within 2 hours after receipt and award of the bid for the Bonds.

Provision of Information for the “Official Statement”. The successful bidder must furnish the following information to the Municipality to complete the “Official Statement” in final form within 2 hours after receipt and award of the bids for the Bonds:

1. The initial offering prices or yields for the Bonds (expressed as a price or yield per maturity, exclusive of any accrued interest, if applicable);
2. Selling compensation (aggregate total anticipated compensation to the underwriters expressed in dollars, based on the expectation that all the Bonds are sold at the prices or yields as provided above);

* Subject to adjustment and revision as outlined herein

3. The identity of the underwriters if the successful bidders are part of a group or syndicate; and
4. Any other material information necessary to complete the “Official Statement” in final form, but not known to the Municipality.

Official Statements; Other. The Municipality has deemed the “Preliminary Official Statement” (incorporated herein by reference) to be final as of its date within the meaning of Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”) except for the omission of certain pricing and other information. The Municipality will furnish each successful bidder at the expense of the Municipality a reasonable number of copies of the “Official Statement” in final form, containing the pricing and other information supplied by each successful bidder which will be dated the date of the sale. The “Official Statement”, together with the foregoing information will be delivered by the successful bidder and to the persons to whom such bidder and members of the bidding group initially sell the Bonds. Acceptance of the bid for the Bonds will constitute a contract between the Municipality and the successful bidder for the provision of such copies within seven business days of the sale date.

Further Information. Additional information, including the “Preliminary Official Statement” and the “Official Notice of Sale” may be obtained from **IPREO** Documents at (www.i-dealprospectus.com) or the Municipality’s Municipal Advisor, Raymond James & Associates, Inc., One Burton Hills Blvd. - Suite 225, Nashville, Tennessee 37215-6299, Telephone: 615-665-6920 or 800-764-1002 or email: richard.dulaney@raymondjames.com. Further information regarding BiDCOMP®/Parity® may be obtained from **IPREO** (www.newissuehome.i-deal.com).

/s/ John Clark
Mayor

Exhibit A

\$25,405,000*

CITY OF KINGSPORT, TENNESSEE

Consisting Of:

\$14,480,000* GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2017A

\$10,925,000* GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2017B

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF UNDERWRITER] (the “Purchaser”), hereby certifies as set forth below with respect to the sale of the above-captioned obligation (the “Bonds”).

[Assuming the Qualified Competitive Sale Requirements Are Satisfied]

1. Reasonably Expected Initial Offering Price.

- (a) I am familiar with the facts herein certified and I am duly authorized to execute and deliver this certificate on behalf of the Purchaser and any underwriting syndicate.
- (b) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the Purchaser are the prices listed below (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by the Purchaser in formulating its bid to purchase the Bonds. Attached as Exhibit A is a true and correct copy of the bid provided by the Purchaser to purchase the Bonds.
- (c) The Purchaser was not given the opportunity to review other bids prior to submitting its bid.
- (d) The bid submitted by the Purchaser constituted a firm offer to purchase the Bonds.

[End]

**[Assuming the Qualified Competitive Sale Requirements Are Not Satisfied
and the 10% Test Applies]**

1. Sale of the 10% of Each Maturity of the Bonds.

- (a) As of the date of this Certificate, the first price at which at least 10% of the following maturities were sold to the Public is the respective price listed on the following page.

* Subject to adjustment and revision as outline herein

<u>Maturity</u>	<u>Par Amount</u>	<u>Interest Rate</u>	<u>Price (% of Par)</u>

(b) As of the date of this certificate, less than 10% of the following maturities of the Bonds (the “Undersold Maturities”) have been sold to the Public. For each maturity of the Undersold Maturities, the Municipality will treat the first price at which 10% of such Undersold Maturity is sold to the Public as the issue price of that Maturity. Pursuant to the terms of the “Official Notice of Sale” for the Bonds, the Purchaser has agreed to promptly report to the Municipality and to the Municipality’s Municipal Advisor the prices at which it sells Bonds of such Undersold Maturities to the Public. That reporting obligation shall continue until 10% test of each of the Undersold Maturities has been sold to the Public.

<u>Maturity</u>	<u>Par Amount</u>	<u>Interest Rate</u>

[End]

2. *Defined Terms.*

- (a) “*Maturity*” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.
- (b) “*Municipality*” means the City of Kingsport, Tennessee.
- (c) “*Public*” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this Certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.
- (d) “*Sale Date*” means the first day on which there is a binding contract in writing for the sale or exchange the Bonds. The Sale Date of the Bonds is August 28, 2017*.
- (e) “*Underwriter*” means (i) any person that agrees pursuant to a written contract with the Municipality (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a

* Subject to revision as outlined in the “Official Notice of Sale”

member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Municipality with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Adams and Reese LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Municipality from time to time relating to the Bonds.

Dated: [Issue Date]

[NAME OF PURCHASER, as Underwriter]

By:_____

Name:_____

Title:
