

NOTICE OF SALE

Dated September 10, 2019

State of Tennessee

General Obligation Bonds

\$98,550,000* 2019 Series A
\$28,000,000* 2019 Series B (Federally Taxable)

Electronic Bids, as Described Herein
Will Be Accepted Until

9:15 a.m. Central Time**
for Series A Bonds

and

9:45 a.m. Central Time**
for Series B Bonds

on September 17, 2019

* Subject to change both before the sale date and time, and after award, as provided herein.

** Subject to change before the sale date and time as provided herein.

CONTACTS

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BiDCOMP™/PARITY®

Customer Service

(212) 849-5021

i-Deal Prospectus

Customer Service

(212) 849-5024

NOTICE OF SALE

Dated September 10, 2019

State of Tennessee
General Obligation Bonds
\$98,550,000* 2019 Series A
\$28,000,000* 2019 Series B (Federally Taxable)

NOTICE IS HEREBY GIVEN that electronic bids will be received at the place, on the date and until the respective times specified below for the purchase of all, but not less than all, of (i) the \$98,550,000* General Obligation Bonds, 2019 Series A (the “Series A Bonds”) and/or (ii) separately, the \$28,000,000* General Obligation Bonds, 2019 Series B (Federally Taxable) (the “Series B Bonds” and, together with the Series A Bonds, the “Bonds”), to be issued by the State of Tennessee (the “State”).

DATE: Tuesday, September 17, 2019**

TIME: Series A Bonds: 9:15 a.m. Central Time**
Series B Bonds: 9:45 a.m. Central Time**

ELECTRONIC BIDS: May be submitted only through **PARITY®** as described below.
No other form of bid or provider of electronic bidding services will be accepted.

The Bonds are more particularly described below and in the Preliminary Official Statement dated September 10, 2019 relating to the Bonds (the “Preliminary Official Statement”), available at the i-Deal Prospectus website, www.i-dealprospectus.com. For assistance in obtaining the Preliminary Official Statement from this website, contact i-Deal Prospectus' customer service or PFM Financial Advisors LLC. See the Contacts page of this Notice of Sale.

Prior to the sale date and times, the State reserves the right to change the aggregate or annual principal amounts of the Bonds or the terms of the Bonds, and to postpone the sale to a later date or time or to cancel the sale. Notice of a change, postponement or cancellation will be announced via Thomson Municipal News at the website address www.tm3.com not later than 12:00 Noon, Central Time, on the day preceding the bid opening or, in the case of a cancellation, at any time prior to the receipt of bids. If the sale is postponed, a later public sale may be held on such date and at such time as shall be announced at least forty-eight (48) hours in advance via Thomson Municipal News at the website address www.tm3.com. Consideration of the bids and the award of the Bonds will be completed within six (6) hours after the bids are received. The State also reserves the right to adjust the principal amount of the Bonds offered and to cancel the sale of the Bonds after the bids are opened as further described herein under “ADJUSTMENTS OF AMOUNTS AND MATURITIES AFTER AWARD”.

[Bidding Parameters Tables follow]

* Subject to change both before the sale date and time, and after award, as provided herein.

** Subject to change before the sale date and time as provided herein.

\$98,550,000 SERIES A BONDS BIDDING PARAMETERS TABLE*

Description	Page No.	Description	Page No.
DATES		REDEMPTION	
Dated Date: Delivery Date	4	Optional On or after September 1, 2027 at 100%	4
Delivery Date: On or about October 3, 2019	4, 12	Mandatory: Each sinking fund installment date for term bonds at 100%	4
INTEREST		PRICING	
Interest Payment Dates: March 1 and September 1	4	Max. Reoffering Price:	
First Interest Payment: March 1, 2020	4	Each Maturity: N.A.	9
Coupon Multiples: 1/8 or 1/20 of 1%	9	Aggregate: 130.0%	9
Maximum Coupon: 5.00%	9	Min. Reoffering Price:	
Minimum Coupon: 5.00% on and after September 1, 2028	9	Each Maturity: 98.5%	9
Maximum TIC: 5.00%		Aggregate: 100%	9
PRINCIPAL		PROCEDURAL	
Adjustments-Increases:	10	Bid Submission: PARITY® only	3, 8
Each Maturity: + 25%	10	All or None?: Yes	9
Aggregate: + 15%		Bid Award Method: Lowest TIC	9
Adjustments-Decreases:	10	Bid Confirmation: Fax signed PARITY® screen	8
Each Maturity: -20%	10	Award of Bid: Within 6 hours	1, 9
Aggregate: -15%		Good Faith Deposit: \$990,000	10
Term Bonds: One or more on or after September 1, 2028 (sinking fund installments must equal amortization)	4		

PRINCIPAL MATURITIES

Year (September 1)	Principal Amount**
2020 NC	\$4,925,000
2021 NC	4,930,000
2022 NC	4,930,000
2023 NC	4,930,000
2024 NC	4,930,000
2025 NC	4,930,000
2026 NC	4,930,000
2027 NC	4,930,000
2028 T	4,930,000
2029 T	4,930,000

Year (September 1)	Principal Amount**
2030 T	\$4,930,000
2031 T	4,925,000
2032 T	4,925,000
2033 T	4,925,000
2034 T	4,925,000
2035 T	4,925,000
2036 T	4,925,000
2037 T	4,925,000
2038 T	4,925,000
2039 T	4,925,000

NC: Non-callable.

T: May be designated as sinking fund installments for term maturity or maturities.

* If numerical (excluding page numbers) or date references contained in the body of this Notice of Sale conflict with the Bidding Parameters Table, the body of this Notice of Sale shall control. Consult the body of this Notice of Sale for a detailed explanation of the items contained in the Bidding Parameters Table, including interpretation of such items and methodologies used to determine such items.

** Subject to change both before the sale date and time, and after award, as provided herein.

\$28,000,000 SERIES B BONDS BIDDING PARAMETERS TABLE*

Description	Page No.	Description	Page No.
DATES		REDEMPTION	
Dated Date: Delivery Date	4	Optional On or after September 1, 2029 at 100%; Prior to September 1, 2029 at the Make-Whole Redemption Price	4
Delivery Date: On or about October 3, 2019	4, 12		
INTEREST		Mandatory: Each sinking fund installment date for term bonds at 100%	4
Interest Payment Dates: March 1 and September 1	4		
First Interest Payment: March 1, 2020	4	PRICING	
Coupon Multiples: 1/8, 1/20 or 1/100 of 1%	9	Max. Reoffering Price:	
Maximum Coupon: 5.00%	9	Each Maturity: No Limit	9
Minimum Coupon: N/A	9	Aggregate: 120.0%	9
Maximum TIC: 5.00%	9	Min. Reoffering Price:	
PRINCIPAL		Each Maturity: 99.75%	9
Adjustments-Increases:		Aggregate: 99.0%	9
Each Maturity: + 25%	10	PROCEDURAL	
Aggregate: + 15%	10	Bid Submission: PARITY® only	3, 8
Adjustments-Decreases:		All or None?: Yes	9
Each Maturity: -20%	10	Bid Award Method: Lowest TIC	9
Aggregate: -15%	10	Bid Confirmation: Fax signed PARITY® screen	8
Term Bonds: One or more on or after September 1, 2030 (sinking fund installments must equal amortization)	4	Award of Bid: Within 6 hours	1, 9
		Good Faith Deposit: \$280,000	10

PRINCIPAL MATURITIES

Year (September 1)	Principal Amount**
2020 NC	\$1,400,000
2021 NC	1,400,000
2022 NC	1,400,000
2023 NC	1,400,000
2024 NC	1,400,000
2025 NC	1,400,000
2026 NC	1,400,000
2027 NC	1,400,000
2028 NC	1,400,000
2029 NC	1,400,000

Year (September 1)	Principal Amount**
2030 T	\$1,400,000
2031 T	1,400,000
2032 T	1,400,000
2033 T	1,400,000
2034 T	1,400,000
2035 T	1,400,000
2036 T	1,400,000
2037 T	1,400,000
2038 T	1,400,000
2039 T	1,400,000

NC: Non-callable.

T: May be designated as sinking fund installments for term maturity or maturities.

* If numerical (excluding page numbers) or date references contained in the body of this Notice of Sale conflict with the Bidding Parameters Table, the body of this Notice of Sale shall control. Consult the body of this Notice of Sale for a detailed explanation of the items contained in the Bidding Parameters Table, including interpretation of such items and methodologies used to determine such items.

** Subject to change both before the sale date and time, and after award, as provided herein.

THE BONDS

General

The Bonds will be dated as of the Dated Date shown on the respective Bidding Parameters Tables, will be issued in denominations of \$5,000 or integral multiples thereof, and will bear interest from their date at the annual rate or rates specified by the winning bidder, subject to the limitations specified below, payable as shown on the respective Bidding Parameters Table. Interest payable on the Bonds will be computed on the basis of a 360-day year of twelve (12) 30-day months. The Bonds must meet the criteria shown on the respective Bidding Parameters Table on a maturity and aggregate basis.

The Bonds will mature on the month and day, in the years and in the principal amounts shown on the respective Bidding Parameters Table as either serial bonds or as term bonds with sinking fund installments as described under “Designation of Term Bonds; Mandatory Sinking Fund Redemption” below, subject to change before the sale date and time as provided above and after award as provided in “ADJUSTMENTS OF AMOUNTS AND MATURITIES AFTER AWARD” below.

Designation of Term Bonds; Mandatory Sinking Fund Redemption

Bidders for the Series A Bonds or the Series B Bonds may, at their option, combine consecutive principal amounts payable on or after the date indicated on the respective Bidding Parameters Table as maturities that may be designated as sinking fund installments for one or more term bonds bearing interest at the same rate. Each such term bond will be subject to mandatory sinking fund redemption commencing on the principal payment date of the first year which has been combined to form such term bond and continuing on the principal payment date in each year thereafter until the stated maturity date of such term bond, which will be the last year combined to form such term bond. The amount redeemed in any year will be equal to the principal amount for such year as set forth in the amortization schedule for such Bonds shown in the respective Bidding Parameters Table, subject to change before the sale date and time as provided above and after award as provided in “ADJUSTMENTS OF AMOUNTS AND MATURITIES AFTER AWARD” below. Bonds to be redeemed in any year by mandatory sinking fund redemption will be redeemed at par and will be selected from among the Bonds of the same series and maturity, by lot in the case of the Series A Bonds and pro-rata in the case of the Series B Bonds.

Optional Redemption

Series A Bonds. The Series A Bonds maturing on or after September 1, 2028 may be redeemed prior to their respective maturity dates at the option of the State on and after September 1, 2027, in whole or in part at any time at the redemption price of 100% of the principal amount of the Series A Bonds or portions thereof to be redeemed, together with accrued interest thereon to the redemption date. Series A Bonds which are designated to be term bonds as described in “Designation of Term Bonds; Mandatory Sinking Fund Redemption” above shall be subject to mandatory sinking fund redemption as described therein.

Series B Bonds. The Series B Bonds maturing on or after September 1, 2030 may be redeemed prior to their respective maturity dates at the option of the State on and after September 1, 2029, in whole or in part at any time at the redemption price of 100% of the principal amount of the Series B Bonds or portions thereof to be redeemed, together with accrued interest thereon to the redemption date. Series B Bonds which are designated to be term bonds as described in “Designation of Term Bonds; Mandatory Sinking Fund Redemption” above shall be subject to mandatory sinking fund redemption as described therein.

Prior to September 1, 2029, the Series B Bonds may be redeemed prior to their respective maturity dates, at the option of the State, in whole or in part at any time at the Make-Whole Redemption Price (as defined below).

The “Make-Whole Redemption Price” of any Series B Bonds to be redeemed is an amount equal to the greater of (i) 100% of the principal amount of such Series B Bonds or (ii) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of such Series B Bonds not including any portion of those payments of interest accrued and unpaid as of the date on which such Series B Bonds are to be

redeemed, discounted on a semiannual basis to the date on which such Series B Bonds are to be redeemed, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate (as defined below) plus 15 basis points; plus, in each case, accrued and unpaid interest on such Series B Bonds on such redemption date.

"Treasury Rate" means, with respect to any redemption date for any particular Series B Bond, the greater of:

(i) the yield to maturity as of such redemption date of the United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two business days prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to maturity; provided, however, that if the period from the redemption date to maturity is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used; all as will be determined by an independent accounting firm, investment banking firm or financial advisor retained by the State at the State's expense and such determination shall be conclusive and binding on the owners of the Series B Bonds, or

(ii) the rate per annum, expressed as a percentage of the principal amount, equal to the semiannual equivalent yield to maturity or interpolated maturity of the Comparable Treasury Issue (defined below), assuming that the Comparable Treasury Issue is purchased on the redemption date for a price equal to the Comparable Treasury Price (defined below), as calculated by the Designated Investment Banker (defined below).

"Comparable Treasury Issue" means, with respect to any redemption date for a particular Series B Bond, the United States Treasury security or securities selected by the Designated Investment Banker that has an actual or interpolated maturity comparable to the remaining average life of the Series B Bond to be redeemed.

"Comparable Treasury Price" means, with respect to any redemption date for a particular Series B Bond, (i) if the Designated Investment Banker receives at least four Reference Treasury Dealer Quotations (defined below), the average of such quotations for such redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (ii) if the Designated Investment Banker obtains fewer than four Reference Treasury Dealer Quotations, the average of all such quotations.

"Designated Investment Banker" means one of the Reference Treasury Dealers (as defined below) appointed by the State.

"Reference Treasury Dealer" means each of the four firms, specified by the State from time to time, that are primary United States government securities dealers in the City of New York (each a "Primary Treasury Dealer"); provided, however, that if any of them ceases to be a Primary Treasury Dealer, the State will substitute another Primary Treasury Dealer.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any redemption date for a particular Series B Bond, the average, as determined by the Designated Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Designated Investment Banker by such Reference Treasury Dealer at 3:30 P.M., New York City time, on the third business day preceding such redemption date.

The redemption price of such Series B Bonds to be redeemed will be determined by an independent accounting firm, investment banking firm or financial advisor retained by the State to calculate such redemption price. The State may conclusively rely on the determination of such redemption price by such independent accounting firm, investment banking firm or financial advisor and will not be liable for such reliance.

AUTHORITY AND SECURITY

The Bonds are being issued under and pursuant to the Constitution and laws of the State, including Title 9, Chapter 9, Tennessee Code Annotated, all as more fully described in the Preliminary Official Statement relating to the Bonds. The Bonds will be direct general obligations of the State for the payment of which, as to both principal and interest, the full faith and credit of the State is pledged. See the Preliminary Official Statement for a description of additional security for the Bonds and other related matters.

FORM AND PAYMENT

The Bonds will be issued in fully registered book-entry only form, and a bond certificate for each maturity of each series will be issued to The Depository Trust Company (“DTC”), registered in the name of its nominee, Cede & Co., and immobilized in its custody. A book-entry system will be employed to evidence ownership of the Bonds, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. Principal of, premium, if any, and interest on the Bonds will be payable by the State to DTC or its nominee as registered owner of the Bonds. Transfer of principal, premium, if any, and interest payments to the beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The State will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. Beneficial owners will be entitled to receive Bond certificates only under the limited circumstances described in the Preliminary Official Statement.

BIDDING PROCEDURE; CONFIRMATION OF BID

Only electronic bids submitted via PARITY® will be accepted. No other provider of electronic bidding services will be accepted. No bid delivered in person or by facsimile directly to the State will be accepted. Bidders are permitted to submit bids for (i) the Series A Bonds, and/or (ii) separately the Series B Bonds during the respective bidding time period, provided they are eligible to bid as described under “ELIGIBILITY TO BID”.

Each electronic bid submitted via PARITY® for the purchase of the Bonds shall be deemed an offer to purchase such Bonds in response to this Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the State. The winning bidder must confirm the details of such bid by a signed PARITY® Bid Form delivered by fax to (615) 741-5986 no later than one hour after being notified by the State of being the winning bidder, the original of which must be received by the Director of State and Local Finance of the State on the following business day at the address shown on the Contacts page of this Notice of Sale. Failure to deliver this confirmation does not relieve the bidder of its obligation to complete the purchase of the Bonds bid for.

ELECTRONIC BIDDING

The use of PARITY® electronic bidding shall be at the bidder’s risk and expense, and the State shall have no liability with respect thereto. The State is using electronic bidding as a communications medium and PARITY® is not acting as the State’s agent.

If any provisions of this Notice of Sale conflict with information provided by PARITY®, this Notice of Sale shall control. The State is not bound by any advice or determination of PARITY® as to whether any bid complies with the terms of this Notice of Sale. The time as maintained by PARITY® shall constitute the official time with respect to all bids submitted.

By submitting a bid for Bonds, a prospective bidder represents and warrants to the State that such bidder’s bid for the purchase of such Bonds is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder to a legal, valid and enforceable contract for the purchase of such Bonds.

ELIGIBILITY TO BID

The State does not have a registration requirement for prospective bidders. However, bidders submitting electronic bids must be contracted customers of the BiDCOMP™ Competitive Bidding System and should promptly contact PARITY® directly for information about PARITY®, and BiDCOMP™ including their rules and fees, and becoming a contracted customer. (See the Contacts page of this Notice of Sale.) By contracting with BiDCOMP™, a prospective bidder is not obligated to submit a bid in connection with the sale.

ESTABLISHED INDUSTRY REPUTATION REQUIRED OF BIDDERS

By submitting a bid for the Bonds, each bidder certifies it has an established industry reputation for underwriting new issuances of municipal bonds. The State will not accept bids from firms without an established industry reputation for underwriting new issuances of municipal bonds.

CONTENTS OF BID, INTEREST RATES, BID PRICES AND REOFFERING PRICES

Bidders may bid for (i) the Series A Bonds, and/or (ii) by separate bid, for the Series B Bonds. Bidders must bid for all maturities of any Bonds of a Series Bid for. Each bid must specify (1) an annual rate of interest for each maturity of Series A Bonds or Series B Bonds bid for, (2) the reoffering price or yield of each such maturity and (3) a dollar purchase price for all of the Bonds of a Series Bid for.

Each bid for the Bonds must meet the criteria shown on the respective Bidding Parameters Table. Any number of interest rates may be named, but the Bonds of the same series and maturity must bear interest at the same single rate.

As promptly as reasonably possible after bids for the respective Bonds are received, the State will notify the winning bidder for such Bonds that it is the apparent winner. Upon such notice, such bidder must confirm to the State the initial reoffering prices and Underwriter's discounts by maturity for the Bonds bid for. Reoffering prices must meet the criteria shown on the respective Bidding Parameters Table. The initial reoffering prices and Underwriter's discount for each maturity confirmed to the State will be used by the State to calculate the final annual principal amounts and will be included in the final Official Statement. See "ADJUSTMENTS OF AMOUNTS AND MATURITIES AFTER AWARD" below. The State will not include in the final Official Statement an "NRO" ("not reoffered") designation with respect to any maturity of the Bonds.

Reoffering prices for the Bonds also must be confirmed as described under "ESTABLISHMENT OF ISSUE PRICE FOR THE SERIES A BONDS" below.

Each winning bidder (a "Purchaser") will be responsible to the State in all respects for the accuracy and completeness of information provided by such Purchaser with respect to such reoffering.

AWARD

The State expects to award the Series A Bonds and the Series B Bonds to the respective winning bidder within six (6) hours of the respective bid opening. Bids may not be withdrawn prior to the award. Unless all bids for the Series A Bonds or the Series B Bonds are rejected, the respective Bonds will be awarded to the bidder therefor whose bid complies with this Notice of Sale and results in the lowest true interest cost ("TIC") to the State. The TIC (expressed as an annual rate) will be determined for each of the Series A Bonds and the Series B Bonds as being twice the semi-annual discount rate, compounded semi-annually, which, when applied against principal of and interest on the respective Bonds as due, will equal the sum of such discounted payments to the aggregate purchase price for such Bonds, as provided by the respective bidder on the PARITY® Bid Form. The TIC shall be calculated from the Dated Date of the Bonds, which for this purpose shall be the delivery date specified in the Bidding Parameters Tables. If two or more bidders offer to purchase the Series A Bonds or the Series B Bonds at the same lowest TIC (rounded to six (6) places after the decimal point), such Bonds may be apportioned between such bidders if it is agreeable to each of such bidders, and if apportionment is not acceptable to such bidders, the State reserves the right to award such Bonds to one of such bidders. There will be no auction.

ADJUSTMENTS OF AMOUNTS AND MATURITIES AFTER AWARD

The aggregate principal amount of the Bonds of each series, and the principal amount of each maturity thereof, are subject to adjustment by the State after the award of such Bonds to the winning bidder. Changes to be made after the award will be communicated to the winning bidder therefor directly by 10:00 a.m., Central Time, on the day following the sale.

The State may increase or decrease the aggregate principal amount of the Series A Bonds or the Series B Bonds, or the aggregate principal amount of any maturity thereof, by no more than the individual maturity or aggregate principal percentages shown in the respective Bidding Parameters Table from the respective amounts bid on. The State will consult with the winning bidder for the respective Bonds before adjusting the amount of any maturity of such Bonds; however, the State reserves the sole right to make adjustments within the limits described above.

Adjustments within the limits described above will not relieve the Purchasers from their obligation to purchase all of the respective Bonds, assuming all other conditions of this Notice of Sale have been satisfied by the State.

In the event that the principal amount of any maturity of the Series A Bonds or the Series B Bonds is revised after the award, the interest rate and reoffering price for each maturity and the Underwriter's discount on the Series A Bonds or the Series B Bonds, as the case may be, shall be held constant. The "Underwriter's discount" for each series of the Bonds shall be the difference between the dollar purchase price submitted by the bidder for the purchase of all of the Bonds of such series and the total dollar price at which all of the Bonds of such series will be offered to the public, calculated from information provided by the bidder, divided by the number of such Bonds. (The number of Bonds equals the par amount of Bonds divided by 1,000.)

RIGHT OF REJECTION

The State reserves the right, in its discretion, to reject any and all bids and to waive any irregularity or informality in any bid.

RIGHT OF CANCELLATION

The winning bidder for any Bonds will have the right, at its option, to cancel its obligation to purchase if the State fails to deliver such Bonds within 60 days from the date of sale, and in such event the winning bidder will be entitled to the return of an amount equal to the good faith deposit but without any additional liability to the State.

GOOD FAITH DEPOSIT

The winning bidder for the Series A Bonds and for the Series B Bonds is required to submit the good faith amount shown in the respective Bidding Parameters Table (the "Good Faith Amount") to the State in the form of a wire transfer in federal funds, as instructed by the State's Financial Advisor, not later than two hours after the verbal award is made. If such wire transfer deposit is not received by the State by that time, the bid of such apparent winning bidder may be rejected and the State may direct the next lowest bidder(s) for the respective Bonds to submit a good faith deposit and thereafter may award the sale of such Bonds to them. The cover bidder shall hold its bid constant until two hours after the initial verbal award is made or, if earlier, the time the apparent winning bidder's good faith deposit is received, as advised by the State's Financial Advisor.

In the event that the original apparent winning bidder does not comply with the good faith deposit requirements and another bidder complies with the good faith deposit requirements as described herein, or in the event no bidder complies with the good faith deposit requirements as described herein, the original apparent winning bidder is obligated to promptly pay to the State, as liquidated damages for its failure to timely comply with the terms of this Notice of Sale and of its bid, an amount equal to the greater of (i) the difference between the true interest cost of the original apparent winner and of the ultimate winner, or (ii) the Good Faith Amount, plus in each case reasonable attorney's fees and expenses. ***Submission of a bid to purchase Bonds shall constitute***

acknowledgement and acceptance of the terms of the good faith deposit requirements, including liquidated damages, as provided herein.

The good faith deposits so wired will be deposited and held by the State until the delivery of the respective Bonds, at which time each good faith deposit will be applied against the purchase price of the respective Bonds or such good faith deposit will be retained by the State as partial liquidated damages in the event of the failure of the winning bidder to take up and pay for such Bonds in compliance with the terms of the Notice of Sale and of its bid. No interest on the good faith deposits will be paid by the State. The balance of the purchase price must be wired in federal funds to the account specified by or on behalf of the Funding Board, simultaneously with delivery of such Bonds.

ESTABLISHMENT OF ISSUE PRICE FOR THE SERIES A BONDS

If the State receives at least three (3) bona fide bids for the Series A Bonds, the issue price of the Series A Bonds shall be established pursuant to Treasury Regulation Section 1.148-1(f)(2)(iii) based on the reasonably expected initial offering price to the public as of the sale date. The Purchaser of the Series A Bonds agrees to execute the Issue Price Certificate attached hereto as Exhibit A not later than 2:00 P.M., Central Time, on the business day prior to the date of delivery of the Series A Bonds (by delivery of manually signed hard copy, or by electronic transmission confirmed with manually signed hard copy delivered the following day), with such modifications as may be appropriate or necessary in the reasonable judgment of the State or Bond Counsel. The Purchaser of the Series A Bonds agrees to take such actions, both before and after the award of the Series A Bonds, as shall be necessary to enable it to satisfy the requirements of such Issue Price Certificate.

If the State does not receive at least three (3) bona fide bids for each series of the Series A Bonds, the issue price of the Series A Bonds shall be established pursuant to Treasury Regulation Section 1.148-1(f)(2)(ii) (the “hold-the-price” rule). The Purchaser of the Series A Bonds agrees to execute the Issue Price Certificate attached hereto as Exhibit B not later than 2:00 P.M., Central Time, on the business day prior to the date of delivery of the Series A Bonds (by delivery of manually signed hard copy, or by electronic transmission confirmed with manually signed hard copy delivered the following day), with such modifications as may be appropriate or necessary in the reasonable judgment of the State or Bond Counsel. The Purchaser of the Series A Bonds agrees to take such actions, both before and after the award of the Series A Bonds, as shall be necessary to enable it to satisfy the requirements of such Issue Price Certificate.

In either event, the Purchaser of the Series A Bonds also will be required to provide to the State and Bond Counsel such additional information as may be requested by Bond Counsel.

ADDITIONAL RESPONSIBILITIES OF PURCHASERS

Each Purchaser agrees to make a bona fide public offering of all of the Bonds bid for, and represents that it shall reoffer such Bonds in compliance with all applicable securities laws of the jurisdictions in which such Bonds are offered.

PRELIMINARY OFFICIAL STATEMENT AND FINAL OFFICIAL STATEMENT

The Preliminary Official Statement comprises the “deemed final” Official Statement for purposes of Rule 15c2-12 of the Securities and Exchange Commission and, when amended to reflect, among other things, the actual amount of the Bonds sold, the interest rates specified by the winning bidders and the prices or yields at which the winning bidders will reoffer the Bonds to the public, will constitute a “Final Official Statement” (as defined in Rule 15c2-12) with respect to the Bonds. No more than seven business days after the date of the sale, the State will provide without cost to the winning bidder for the Series A Bonds up to 25 copies of the final Official Statement and to the winning bidder for the Series B Bonds up to 25 copies of the final Official Statement. If Bonds are awarded to a syndicate, the State will deliver final Official Statements only to the entity submitting the successful bid, which shall be responsible for distributing copies of the final Official Statement among the participating underwriters.

The State will deliver to the Purchasers of the Bonds certificates of the State, dated the date of delivery of the Bonds, stating that as of the sale date and at the time the Bonds are delivered, (i) the information and statements, including financial statements, of or pertaining to the State contained in the Official Statement were and are correct in all material respects; (ii) insofar as the State and its affairs, including its financial affairs, are concerned, the Official Statement did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and (iii) insofar as the descriptions and statements, including financial data, of or pertaining to other governmental bodies, nongovernmental bodies, and their respective activities contained in the Official Statement are concerned, such descriptions, statements, and data have been obtained from sources believed by the State to be reliable, and the State has no reason to believe that they are untrue or incomplete in any material respect.

DELIVERY AND PAYMENT

Delivery of the Bonds will be made by the State to DTC in book-entry only form, on or about the Delivery Date shown in the Bidding Parameters Tables or on such other date agreed upon by the State and the respective winning bidder. Payment for Bonds must be made in Federal Funds or other funds immediately available to the State at the time of delivery of such Bonds. Any expenses incurred in providing immediate funds, whether by transfer of Federal Funds or otherwise, will be borne by the Purchaser. The cost of printing the Bonds, if any, will be borne by the State.

CUSIP NUMBERS

It is anticipated that CUSIP numbers will be printed on the Bonds, but neither failure to print such numbers on any Bonds nor any error with respect thereto will constitute cause for a failure or refusal by the Purchasers to accept delivery of and pay for the respective Bonds. The policies of the CUSIP Service Bureau will govern the assignment of specific numbers to the Bonds. The State's Financial Advisor will timely apply for CUSIP numbers for the Bonds required by MSRB Rule G-34 but the respective Purchasers shall be responsible for the payment of the CUSIP Service Bureau charge for the assignment of said numbers. All expenses in relation to the printing of CUSIP numbers on the Bonds will be paid for by the State.

BLUE SKY

The State has not taken any action relating to the requirements of the securities or "blue sky" laws of any jurisdiction with respect to the offer and sale of the Bonds. Certain jurisdictions may have filing requirements which must be satisfied prior to any offer or sale of the Bonds.

CONTINUING DISCLOSURE

In order to assist bidders in complying with Rule 15c2-12, the State will execute and deliver a written Continuing Disclosure Undertaking to provide annual financial information, operating data and notices of certain events. A description of the Continuing Disclosure Undertaking is set forth in the Preliminary Official Statement and will be set forth in the final Official Statement. Execution and delivery of the Continuing Disclosure Undertaking will be a condition precedent to the obligation of the winning bidder to take up and pay for the Bonds.

LEGAL OPINION

The legal opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to the State, with respect to the Bonds will be furnished in reasonable quantity to the winning bidders for the Bonds without cost to such winning bidders. For the proposed form of such opinion, see the Preliminary Official Statement.

ADDITIONAL INFORMATION

Additional information may be obtained from either the Director of the Office of State and Local Finance of the State or the State's Financial Advisor. See the Contacts page of this Notice of Sale.

STATE OF TENNESSEE

By: *Justin P. Wilson*
Comptroller of the Treasury and Secretary of the
State Funding Board, State of Tennessee

STATE OF TENNESSEE
GENERAL OBLIGATION BONDS
\$[_____] SERIES 2019A

ISSUE PRICE CERTIFICATE

[October 3, 2019]

[NAME OF ORIGINAL PURCHASER], as the winning bidder (the “**Original Purchaser**”), on behalf of itself and other Underwriters as defined below, in connection with the sale by the State of Tennessee (the “**State**”) of its \$[_____] aggregate principal amount of General Obligation Bonds, 2019 Series A (the “**Bonds**”) maturing September 1, [_____] to [_____] pursuant to the Notice of Sale dated September 10, 2019, published on September 10, 2019, hereby certifies as follows:

1. The Original Purchaser reasonably expected on the date the sale of the Bonds was awarded to it (the “**Sale Date**”) to reoffer the Bonds to the Public at the prices and/or yields set forth in **ATTACHMENT I** hereto.

2. Attached hereto as **ATTACHMENT II** is a copy of the bid provided by the Original Purchaser to purchase the Bonds.

3. The Original Purchaser was not given the opportunity to review other bids prior to submitting its bid.

4. The bid submitted by the Original Purchaser constituted a firm offer to purchase the Bonds.

5. For purposes of this certificate, the following definitions will apply:

“**Public**” means any person (including an individual, trust, estate, partnership, association, company or corporation) other than an Underwriter or a Related Party, as defined below, to an Underwriters;

“**Underwriter**” means (i) the Original Purchaser, (ii) any person that agrees pursuant to a written contract to participate in the initial sale of the Bonds to the Public, and (iii) any person that agrees pursuant to a written contract directly or indirectly with the Original Purchaser or a person described in clause (ii) of this definition 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;

“**Related Party**” means any entity if an Underwriter and such entity are subject, directly or indirectly, to (i) more than 50 percent 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 percent common ownership of their capital interests or profit interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50 percent 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);

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We understand that the representations contained herein may be relied upon by the State in making certain of the representations contained in the Tax Certificate, and we further understand that Hawkins Delafield & Wood LLP, as bond counsel to the State, may rely upon this certificate, among other things, in providing an opinion with respect to the exclusion from gross income of interest on the Bonds pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”). The undersigned is certifying only as to facts in existence on the date hereof. Nothing herein represents the undersigned’s interpretation of any laws; in particular the regulations under the Code, or the application of any laws to these facts. The certifications contained herein are not necessarily based on personal knowledge, but may instead be based on either inquiry deemed adequate by the undersigned or institutional knowledge (or both) regarding the matters set forth herein. Although certain information furnished in this Certificate has been derived from other Underwriters who may be considered Related Parties to the Original Purchaser and cannot be independently verified by us, we have no reason to believe it to be untrue in any material respect.

Very truly yours,

[NAME OF ORIGINAL PURCHASER]

By: _____
Name: _____
Title: _____

Attachment I

REOFFERING PRICES AND YIELDS OF MATURITIES TO THE PUBLIC

[List Maturities, Prices and Yields]

ATTACHMENT II
COPY OF WINNING BID

STATE OF TENNESSEE
GENERAL OBLIGATION BONDS
\$[_____] SERIES 2019A

ISSUE PRICE CERTIFICATE

[October 3, 2019]

[NAME OF ORIGINAL PURCHASER], as the original purchaser (the “**Original Purchaser**”) of the \$ _____ aggregate principal amount General Obligation Bonds, 2019 Series A (the “**Bonds**”) issued by the State of Tennessee (the “**Issuer**”), hereby certifies that:

- (i) as of September 17, 2019 (the “**Sale Date**”), all of each Maturity, as defined below, of the Bonds has been the subject of a bona fide offering to the Public, as defined below, at the prices (the “**Initial Offering Price**”) shown on the final pricing wire in respect of the Bonds dated (the “**Final Pricing Wire**”) attached hereto as Schedule A;
- (ii) as of the Sale Date, except for the Maturities [**PLEASE IDENTIFY UNSOLD/UNDERSOLD MATURITIES**] (the “**Unsold Maturities**”), shown on Schedule B attached hereto, the price at which the first 10 percent of each Maturity of the Bonds was sold by the Underwriters (which includes the Original Purchaser) to the Public is set forth on such Schedule B;
- (iii) following the Sale Date, with respect to each Unsold Maturity, the Underwriters, as defined below, in compliance with the applicable provisions described in the Notice of Sale, dated _____, 2019, relating to the Bonds (the “**Notice of Sale**”), have neither offered nor sold the bonds comprising any such Unsold Maturity to the Public at a price that is higher or yield lower than the Initial Offering Price during the period starting on the Sale Date and ending on the earlier of the following: (a) the close of the fifth business day after the Sale Date, or (b) the date on which at least 10 percent of the bonds of the Unsold Maturity has been sold to the Public at or below the Initial Offering Price.

For purposes of this certificate the following definitions apply:

“**Public**” means any person (including an individual, trust, estate, partnership, association, company or corporation) other than an Underwriter or a Related Party, as defined below, to an Underwriter;

“**Underwriter**” means (i) the “Original Purchaser”, (ii) any person that agrees pursuant to a written contract to participate in the initial sale of the Bonds to the Public, and (iii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (ii) of this definition 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;

“**Related Party**” means any entity if an Underwriter and such entity are subject, directly or indirectly, to (i) more than 50 percent 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 percent common ownership of their capital interests or profit interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50 percent 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);

“Maturity” shall refer to Bonds with the same maturity date, interest rate and credit terms.

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We understand that the representations contained herein may be relied upon by the Issuer in making certain of the representations contained in the Tax Certificate, and we further understand that Hawkins Delafield & Wood LLP, as bond counsel to the Issuer, may rely upon this certificate, among other things, in providing an opinion with respect to the exclusion from gross income of interest on the Bonds pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”). The undersigned is certifying only as to facts in existence on the date hereof. Nothing herein represents the undersigned’s interpretation of any laws; in particular the regulations under the Code, or the application of any laws to these facts. The certifications contained herein are not necessarily based on personal knowledge, but may instead be based on either inquiry deemed adequate by the undersigned or institutional knowledge (or both) regarding the matters set forth herein. Although certain information furnished in this Certificate has been derived from other Underwriters and cannot be independently verified by us, we have no reason to believe it to be untrue in any material respect.

Very truly yours,

[NAME OF ORIGINAL PURCHASER]

By: _____
Name: _____
Title: _____

Schedule A

FINAL PRICING WIRE

Schedule B

MATURITIES ACTUALLY SOLD AS OF THE SALE DATE

[List Maturity and Sale Price]

AND

UNSOLD MATURITIES

[List Maturity]