

# OFFICIAL STATEMENT

NEW ISSUE  
Book-Entry Only

Rating: Moody's "Aa3"

*In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the Municipality, interest on the Series 2021 Bonds will be excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and interest on the Series 2021 Bonds is not treated as an item of tax preference in calculating the alternative minimum tax imposed on individuals under the Code. For an explanation of certain tax consequences under federal law which may result from the ownership of the Series 2021 Bonds, see the discussion under the heading "Tax Matters" herein. Under existing law, the Series 2021 Bonds and the income therefrom will be exempt from all state, county and municipal taxation in the State of Tennessee, except Tennessee franchise and excise taxes. (See "Tax Matters" herein).*

**\$7,900,000**  
**CITY OF LAWRENCEBURG, TENNESSEE**  
**Electric System Revenue Bonds, Series 2021**  
**(Bank-Qualified)**

Dated: Date of Delivery

Due: July 1, as shown below

The City of Lawrenceburg, Tennessee (the "Municipality") will issue its Electric System Revenue Bonds, Series 2021 (the "Series 2021 Bonds") as fully registered bonds, without coupons, in denominations of \$5,000 or any integral multiple thereof and will bear interest at the annual rates shown below. Interest on the Series 2021 Bonds will be payable semi-annually on January 1 and July 1, commencing January 1, 2022. Principal of and interest on the Series 2021 Bonds will be payable at the corporate trust office of U.S. Bank National Association, Nashville, Tennessee, as Paying Agent and Registration Agent, provided that interest may be paid by check or draft mailed by the Registration Agent to each registered owner as of the record date.

The Series 2021 Bonds are limited obligations of the Municipality, payable solely from and secured by a lien upon and pledge of certain revenues of the Municipality's electric distribution system (the "System"), which is owned and operated on behalf of the Municipality through its board of public utilities, operating as Lawrenceburg Utility Systems ("LUS"), subject to the prior pledge of such revenues in favor of the Prior Lien Bonds (as defined herein). The Series 2021 Bonds are not obligations of the State of Tennessee, or any of its political subdivisions, other than the Municipality, nor is the State of Tennessee, or any of its political subdivisions, other than the Municipality, liable for the payment of the principal of or interest on the Series 2021 Bonds. The Resolution does not grant to owners of the Series 2021 Bonds any mortgage on or security interest in any real or personal property of the Municipality other than the lien on the revenues of the System. Neither the full faith and credit nor any taxing power of the Municipality is pledged to secure payment of the Series 2021 Bonds.

The Bonds will be "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

The Series 2021 Bonds are subject to optional redemption on July 1, 2030 and thereafter at a price of par, as set forth herein. The Series 2021 Bonds are payable on July 1 of each year as follows:

Maturity				Maturity					
<u>Date</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP</u>	<u>Date</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP</u>
2022	\$260,000	5.000%	0.150%	520534AR9	2032	\$420,000	2.000%	1.350% c	520534BB3
2023	280,000	5.000	0.200	520534AS7	2033	425,000	2.000	1.450 c	520534BC1
2024	290,000	5.000	0.320	520534AT5	2034	435,000	2.000	1.500 c	520534BD9
2025	305,000	5.000	0.450	520534AU2	2035	445,000	2.000	1.550 c	520534BE7
2026	320,000	5.000	0.580	520534AV0	2036	455,000	2.000	1.600 c	520534BF4
2027	340,000	5.000	0.720	520534AW8	2037	460,000	2.000	1.650 c	520534BG2
2028	355,000	5.000	0.850	520534AX6	2038	470,000	2.000	1.700 c	520534BH0
2029	370,000	5.000	1.000	520534AY4	2039	480,000	2.000	1.750 c	520534BJ6
2030	390,000	5.000	1.100	520534AZ1	2040	490,000	2.000	1.800 c	520534BK3
2031	410,000	2.000	1.250 c	520534BA5	2041	500,000	2.000	1.850 c	520534BL1

c Yield to July 1, 2030 Call Date

The Series 2021 Bonds are offered when, as and if issued and received by the Underwriter, subject to the approval of legality by Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel. Certain legal matters will be passed upon for the Municipality by Alan Betz, Esq., Lawrenceburg, Tennessee, Counsel to the Municipality. Stephens Inc. is serving as municipal advisor to LUS. It is expected that the Series 2021 Bonds in book-entry form will be available for delivery through The Depository Trust Company on or about June 23, 2021.

June 9, 2021

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or amended (collectively, the "Official Statement") by the City of Lawrenceburg, Tennessee (the "Municipality"), is an Official Statement with respect to the Series 2021 Bonds described herein that is deemed final by the Municipality as of the date hereof (or of any such supplement or amendment). It is subject to completion with certain information to be established at the time of the sale of the Series 2021 Bonds as permitted by Rule 15c2-12 of the Securities and Exchange Commission.

No dealer, broker, salesman or other person has been authorized by the Municipality or by Stephens Inc. (the "Municipal Advisor") to give any information or make any representations other than those contained in this Official Statement and, if given or made, such information or representations with respect to the Municipality or the Series 2021 Bonds must not be relied upon as having been authorized by the Municipality or the Municipal Advisor. This Official Statement does not constitute an offer to sell, or solicitation of an offer to buy, any securities other than the securities offered hereby to any person in any jurisdiction where such offer or solicitation of such offer would be unlawful.

This Official Statement should be considered in its entirety and no one factor should be considered more or less important than any other by reason of its position in this Official Statement. Where statutes, reports or other documents are referred to herein, reference should be made to such statutes, reports or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof.

The information and expressions of opinion in this Official Statement are subject to change without notice and neither the delivery of this Official Statement nor any sale made under it shall, under any circumstances, create any implication that there has been no change in the affairs of the Municipality since the date as of which information is given in this Official Statement.

**In making an investment decision investors must rely on their own examination of the Municipality and the terms of the offering, including the merits and risks involved. No registration statement relating to the Series 2021 Bonds has been filed with the Securities and Exchange Commission or with any state securities agency. The Series 2021 Bonds have not been approved or disapproved by the Commission or any state securities agency, nor has the Commission or any state securities agency passed upon the accuracy or adequacy of this Official Statement. Any representation to the contrary is a criminal offense.**

Any CUSIP numbers presented herein have been assigned by Standard & Poor's CUSIP Service Bureau, a Division of The McGraw Hill Companies, Inc., and are included solely for the convenience of the Bondholders. Neither the Underwriter nor the Municipality is responsible for the selection or use of these CUSIP numbers, nor is any representation made as to their correctness on the Series 2021 Bonds or as indicated herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2021 Bonds as a result of various subsequent actions, including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2021 Bonds.

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**OFFICIALS**

**CITY OF LAWRENCEBURG, TENNESSEE**

**BOARD OF MAYOR AND COUNCIL**

Blake Lay, Mayor  
Robin Williams, Vice-Mayor and Councilmember  
Ronald Fox, Councilmember  
Chad Moore, Councilmember  
Jaime Sevier, Councilmember

**LAWRENCEBURG UTILITY SYSTEMS**

Bobby Jones – Chairman  
Shane Hughes – Vice Chairman  
Ronald Fox – Commissioner  
Jerry Jones – Commissioner  
Cathy Mashburn – Commissioner

Vic Pusser – General Manager  
John Cain – Financial Controller

**CITY ATTORNEY**

Alan Betz, Esq.  
Lawrenceburg, Tennessee

**AUDITOR**

Alexander Thompson Arnold PLLC  
Jackson, Tennessee

**BOND COUNSEL**

Bass, Berry & Sims PLC  
Nashville, Tennessee

**REGISTRATION AND PAYING AGENT**

U.S. Bank National Association  
Nashville, Tennessee

**MUNICIPAL ADVISOR TO LAWRENCEBURG UTILITY SYSTEMS**

Stephens Inc.  
Nashville, Tennessee

**UNDERWRITER**

Robert W. Baird & Co., Inc.  
Milwaukee, Wisconsin

**Summary Statement**

*This Summary is expressly qualified by the entire Official Statement, which should be viewed in its entirety by potential investors.*

- ISSUER**..... City of Lawrenceburg, Tennessee (the "Municipality").
- ISSUE**..... \$7,900,000 Electric System Revenue Bonds, Series 2021 (the "Series 2021 Bonds").
- PURPOSE** ..... Fund the cost of capital improvements to the electric distribution system, including the construction of a new substation, and pay costs incident to the issuance and sale of the Series 2021 Bonds.
- DATED DATE** ..... June 23, 2021.
- INTEREST DUE**..... Each January 1 and July 1, commencing January 1, 2022.
- PRINCIPAL DUE**..... July 1, 2022 through July 1, 2041, as set forth on the cover.
- OPTIONAL REDEMPTION\*** ..... The Series 2021 Bonds shall be subject to redemption at the option of the Municipality on and after July 1, 2030 at the price of par.
- SECURITY** ..... The Series 2021 Bonds are limited obligations of the Municipality, payable solely from and secured by a lien upon and pledge of the Net Revenues of the System pursuant to the provisions of the Resolution, subject to the prior pledge of such revenues in favor of the Prior Lien Bonds (capitalized terms having the meanings ascribed herein). The Resolution does not grant to owners of the Series 2021 Bonds any mortgage on or security interest in any real or personal property of the Municipality. Neither the full faith and credit nor any taxing power of the Municipality is pledged to secure payment of the Series 2021 Bonds.
- RATING** ..... "Aa3" by Moody's Investors Service, Inc. ("Moody's") based on documents and other information provided by the Municipality. The rating reflects only the view of Moody's and neither the Municipality, the Municipal Advisor nor the Underwriter make any representations as to the appropriateness of such rating.

There is no assurance that such rating will continue for any given period of time or that it will not be lowered or withdrawn. Any such downward change in or withdrawal of the rating may have an adverse effect on the secondary market price of the Series 2021 Bonds. Any explanation of the significance of the rating may be obtained from Moody's. See "Rating" herein.

<b>TAX MATTERS</b> .....	In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the Municipality, interest on the Series 2021 Bonds will be excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and interest on the Series 2021 Bonds is not treated as an item of tax preference in calculating the alternative minimum tax imposed on individuals under the Code. For an explanation of certain tax consequences under federal law which may result from the ownership of the Series 2021 Bonds, see the discussion under the heading "Tax Matters" herein. Under existing law, the Series 2021 Bonds and the income therefrom will be exempt from all state, county and municipal taxation in the State of Tennessee, except Tennessee franchise and excise taxes. (See "Tax Matters" herein).
<b>BANK QUALIFICATION</b> .....	The Bonds will be "qualified tax-exempt obligations" pursuant to Section 265(b) of the Internal Revenue Code of 1986, as amended.
<b>REGISTRATION AND PAYING AGENT</b> .....	U.S. Bank National Association, Nashville, Tennessee.
<b>MUNICIPAL ADVISOR</b> .....	Stephens Inc., Nashville, Tennessee.
<b>UNDERWRITER</b> .....	Robert W. Baird & Co., Inc., Milwaukee, Wisconsin

**\$7,900,000**

**City of Lawrenceburg, Tennessee**

**Electric System Revenue Bonds, Series 2021**

**(Bank-Qualified)**

**INTRODUCTION**

The purpose of this Official Statement, which includes the cover page and the Appendices hereto, is to furnish certain information in connection with the sale by City of Lawrenceburg, Tennessee (the "Municipality") of \$7,900,000 in aggregate principal amount of its Electric System Revenue Bonds, Series 2021 (the "Series 2021 Bonds"). Capitalized terms used but not defined herein shall have the meanings assigned to them in the Resolution (hereinafter defined). (See Appendix A - Summary of Certain Provisions of the Resolution.)

*This introduction is not a summary of this Official Statement and is intended only for quick reference. It is only a brief description of and guide to, and is qualified in its entirety by reference to, more complete and detailed information contained in the entire Official Statement, including the cover page and the Appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement and of the documents summarized or described herein, if necessary. The offering of the Series 2021 Bonds to potential investors is made only by means of the entire Official Statement, including the Appendices hereto. No person is authorized to detach this Introduction from the Official Statement or to otherwise use it without the entire Official Statement, including the Appendices hereto.*

The Municipality, the issuer of the Series 2021 Bonds, is a political subdivision of the State of Tennessee and, through its board of public utilities known as Lawrenceburg Utility Systems, owns and operates an electrical power transmission and distribution system (the "System"). See Appendix B.

The Series 2021 Bonds are being issued in accordance with the Constitution of the State of Tennessee and laws of the State of Tennessee, and pursuant to a resolution of the Board of Mayor and Council (the "Governing Body") of the Municipality adopted on May 13, 2021 (the "Resolution"). A summary of certain provisions of the resolution is attached hereto as Appendix A.

Audited financial statements for the System's fiscal year ended June 30, 2020 are attached hereto as Appendix C and certain statistical and demographic information regarding the System is attached hereto as Appendix B.

This Official Statement and the Appendices hereto contain brief descriptions of, among other matters, the Municipality, the Series 2021 Bonds, and the security and sources of payment for the Series 2021 Bonds. Such descriptions and information do not purport to be comprehensive or definitive. The summaries of various constitutional provisions, statutes, the Resolution, and other documents are intended as summaries only and are qualified in their entirety by reference to such documents, and references herein to the Series 2021 Bonds are qualified in their entirety to the form thereof included in the Resolution. Copies of the Resolution and other documents and information are available, upon request, from the Financial Controller, Lawrenceburg Utility Systems, 1607 North Locust Avenue, Lawrenceburg, Tennessee 38464.



**PLAN OF FINANCING**

The Series 2021 Bonds are being issued for the purpose of funding the costs of capital improvements to the System, and paying the costs of issuing the Series 2021 Bonds.

**Estimated Sources and Uses of Funds**

The sources and uses of funds in connection with the issuance of the Series 2021 Bonds are estimated below.

Sources of Funds:	
Par Amount of Series 2021 Bonds	\$7,900,000.00
Original Issue Premium	<u>804,635.50</u>
 Total Sources of Funds	 \$8,704,635.50
 Uses of Funds:	
Deposit to Project Fund	\$8,552,442.70
Costs of Issuance <sup>(1)</sup>	<u>152,192.80</u>
 Total Uses of Funds	 \$8,704,635.50

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<sup>(1)</sup> Includes legal and accounting fees, underwriter's fees, municipal advisory fees, rating agency fees, printing, and other costs of issuance.

**The Project**

A portion of the proceeds of the Series 2021 Bonds are being used to fund capital improvements for the System, including the construction of a new substation (the "Project"). Pursuant to the Resolution, the portion of proceeds of the Series 2021 Bonds described above will be deposited in a project fund (the "Project Fund") to be held and invested by Lawrenceburg Utility Systems, and used to pay costs of the Project. Monies in the Project Fund may be invested as permitted by Tennessee law and may not be used for any purpose other than the Project.

**DESCRIPTION OF THE SERIES 2021 BONDS**

**General**

The Series 2021 Bonds are dated as of the date of their delivery, and bear interest from such date at the rates per annum set forth on the cover page of this Official Statement (computed on the basis of a 360-day year of twelve 30-day months). Interest on the Series 2021 Bonds is payable on each January 1 and July 1, commencing January 1, 2022.

Payment of the principal of and interest on the Series 2021 Bonds will be made by the Registration Agent directly to Cede & Co., as nominee of DTC, and will subsequently be disbursed to DTC Participants and thereafter to Beneficial Owners of the Series 2021 Bonds. See "Book-Entry Only Bonds."

When not in book-entry form, interest on the Series 2021 Bonds will be paid by check or draft on the Registration Agent, and will be mailed on the date due by first class mail to the registered owners of record as of the 15th day of the calendar month (the "Regular Record Date") immediately preceding the applicable Interest Payment Date, at the address shown on the registration books of the Municipality maintained by the Registration Agent. When not in book-entry form, the principal of and redemption premium (if any) on the Series 2021 Bonds will be paid upon the presentation and surrender of the Series 2021 Bonds at the principal corporate trust office of the Registration Agent.

Any interest on any Series 2021 Bond that is payable but is not punctually paid or duly provided for on an Interest Payment Date (the "Defaulted Interest") will cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such Defaulted Interest will be paid by the Municipality to the persons in whose names the Series 2021 Bonds are registered at the close of business on a date (the "Special Record Date") for the payment of such Defaulted Interest, which date will be fixed in the following manner: the Municipality will notify the Registration Agent of the amount of Defaulted Interest proposed to be paid on each Series 2021 Bond and the date of the proposed payment. Thereupon, not less than ten days after the receipt by the Registration Agent of the notice of the proposed payment, the Registration Agent will fix a Special Record Date for the payment of such Defaulted Interest, which date will be not more than 15 nor less than 10 days prior to the date of the proposed payment to the registered owners. The Registration Agent will promptly notify the Municipality of such Special Record Date, and in the manner and at the expense of the Municipality, not less than ten days prior to such Special Record Date, will cause notice of the proposed payment of such Defaulted Interest and the Special Record Date to be mailed, first-class postage prepaid, to each registered owner at the address thereof as it appears in the registration records maintained by the Registration Agent as to the date of such notice.

### **Denominations, Registration, Transfers and Exchanges**

The Series 2021 Bonds will be issued in fully registered form in the denomination of \$5,000 each or integral multiples thereof. The Series 2021 Bonds will be registered as to principal and interest on the registration books kept by the Registration Agent. The registered owner thereof shall be treated as the absolute owner thereof for all purposes, including payment, and payment to the registered owner thereof shall satisfy all liability thereon to the extent of sums so paid.

When in book-entry form, Series 2021 Bonds held by DTC or Cede & Co., as its nominee, on behalf of the Beneficial Owners thereof, are transferable upon delivery to DTC or Cede & Co., as its nominee, of an assignment executed by the Beneficial Owner or the Beneficial Owner's duly authorized attorney. See "Book-Entry Only Bonds."

When not in book-entry form, ownership of any Series 2021 Bond will be transferable upon surrender thereof to the Registration Agent, together with an assignment duly executed by the registered owner or his attorney, in such form as shall be satisfactory to the Registration Agent. Upon any such transfer of ownership, the Registration Agent will cause to be authenticated and delivered a new Series 2021 Bond or Series 2021 Bonds registered in the name of the transferee in the authorized denomination in the same aggregate principal amount and interest rate as the Series 2021 Bonds surrendered for such transfer. When not in book-entry form, the Series 2021 Bonds may be exchanged for a like principal amount of Series 2021 Bonds of the same interest rate of other authorized denominations. For every exchange or registration of transfer, the Registration Agent, may charge an amount sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration or transfer, but no other charge may be made to the owner for any exchange or registration of transfer of the Series 2021 Bonds.

### **Optional Redemption**

The Series 2021 Bonds are subject to redemption prior to maturity at the option of the Municipality on or after July 1, 2030, in whole or in part at any time, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date.

If less than all the Series 2021 Bonds shall be called for redemption, the maturities to be redeemed shall be selected by the Mayor of the Municipality in his discretion. If less than all of the Series 2021 Bonds within a single maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

- (i) if the Series 2021 Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the Series 2021 Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or
- (ii) if the Series 2021 Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Series 2021 Bonds within the maturity to be redeemed shall be selected by the

Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

### **Notice of Redemption**

Notice of call for redemption shall be given by the Registration Agent not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Series 2021 Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for the redemption of any of the Series 2021 Bonds for which proper notice was given. An optional redemption notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to affect the redemption with the Registration Agent no later than the redemption date ("Conditional Redemption"). As long as DTC, or a successor Depository, is the registered owner of the Series 2021 Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Series 2021 Bonds, as and when above provided, and neither the Municipality nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant will not affect the validity of such redemption. From and after any redemption date, all Series 2021 Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth in the Resolution. In the case of a Conditional Redemption, the failure of the Municipality to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to the Depository or the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain outstanding.

### **Book-Entry Only System**

Except as otherwise provided in the Detailed Notice of Sale, the Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series 2021 Bonds. The Series 2021 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2021 Bond certificate will be issued for each maturity of the Series 2021 Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instrument from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Purchases of Series 2021 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2021 Bonds on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2021 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Series 2021 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2021 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2021 Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2021 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Series 2021 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Series 2021 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2021 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2021 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from Issuer or Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of County or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2021 Bonds at any time by giving reasonable notice to the Municipality or Registration Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2021 Bond certificates are required to be printed and delivered.

The Municipality may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Municipality believes to be reliable, but the Municipality takes no responsibility for the accuracy thereof.

**THE CITY AND THE REGISTRATION AGENT HAVE NO RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT; (II) THE PAYMENT BY DTC OR ANY PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF OR INTEREST ON THE BONDS; (III) THE DELIVERY OR TIMELINESS OF DELIVERY BY ANY PARTICIPANT OR ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE RESOLUTION TO BE GIVEN TO BONDHOLDERS; OR (IV) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC OR CEDE & CO. AS BONDHOLDER.**

### **SECURITY AND SOURCES OF PAYMENT OF THE SERIES 2021 BONDS**

Neither the full faith and credit nor the taxing power of the State of Tennessee or any political subdivision thereof, including the Municipality, is pledged to the payment of the Series 2021 Bonds. The Series 2021 Bonds are limited obligations of the Municipality and are payable solely from the Net Revenues (as described below and as defined in Appendix A hereto) of the System, subject to the prior pledge thereof in favor of the Municipality's outstanding Loan Agreement with the Public Building Authority of the City of Lawrenceburg (the "PBA"), dated March 1, 2002, securing the PBA's Electric System Revenue Refunding Bonds, Series 2002, dated April 2, 2002, its General Obligation Refunding Bonds, Series 2015C, dated June 25, 2015, and its General Obligation Refunding Bonds, Series 2019A, dated September 20, 2019 (collectively, the "Prior Lien Bonds"). The Series 2021 Bonds do not constitute a charge, lien or encumbrance upon any other property of the Municipality.

The Municipality, through Lawrenceburg Utility Systems ("LUS"), also owns and operates a water, sewer and gas system (the "Other Systems"). The Other Systems are separate from the System and their revenues are not pledged to or available for the payment of the Series 2021 Bonds.

#### **Pledge of Net Revenues**

Under the terms of the Resolution, the Series 2021 Bonds are secured by a pledge of and lien on the Net Revenues, subject to the prior pledge of such revenues in favor of the Prior Lien Bonds. Generally, Net Revenues means all revenues of the System, from whatever source, minus System operating expenses other than depreciation, amortization and interest expense. See Appendix A for a more detailed definition of Net Revenues. See Appendix B for information regarding the System, and "DEBT SERVICE SCHEDULE" for information regarding the Municipality's debt service obligations.

#### **Flow of Funds**

Pursuant to the Resolution, LUS has agreed to deposit all revenues derived from the operation of the System into the Revenue Fund and to apply such moneys as follows:

- First, to pay operating expenses
- Next, to pay debt service on the Prior Lien Bonds
- Next, to pay debt service on the Series 2021 Bonds and any Parity Bonds
- Next, to fund debt service reserves for the Series 2021 Bonds and any Parity Bonds, if applicable (the Municipality has not established a debt service reserve for the Series 2021 Bonds)
- Last, to pay debt service on Subordinate Lien Bonds and to pay any other legal purpose

See Appendix A for a more detailed description of the flow of funds.

## **Rate Covenant**

Under the terms of the Resolution, prior to the commencement of each Fiscal Year, LUS must estimate the revenues and expenditures for the upcoming Fiscal Year, based on rates then in effect, and, based on such estimate, adjust rates to the extent necessary to produce Net Revenues for the upcoming Fiscal Year (i) equal to not less than 1.20 times the debt service payable during the upcoming Fiscal Year on the Prior Lien Bonds, the Series 2021 Bonds and any Parity Bonds, (ii) sufficient, in addition, to provide for any required deposits during the upcoming Fiscal Year to the Reserve Fund and any other funds established by the Municipality or LUS pursuant to the Resolution and the resolutions authorizing any Prior Lien Bonds or Subordinate Lien Bonds or pursuant to sound and prudent operating practices as determined by LUS, (iii) sufficient to pay debt service on any Subordinate Lien Bonds, and (iv) sufficient to pay any amounts payable during such Fiscal Year under any Financial Guaranty Agreement, with respect to any Reserve Fund Credit Facility or under any financial guaranty agreement entered into pursuant to the resolutions authorizing the Series 2021 Bonds, Parity Bonds or any Subordinate Lien Bonds.

## **Bond Fund and Reserve Fund**

The Resolution establishes a Bond Fund for the Series 2021 Bonds and any Parity Bonds. The Resolution requires LUS to make monthly deposits to the Bond Fund sufficient to accumulate funds necessary to pay scheduled debt service on the Series 2021 Bonds and any Parity Bonds. The money on deposit in the Bond Fund will be used to pay the principal of and interest on the Series 2021 Bonds and any Parity Bonds as the same become due.

The Resolution does not require that the Municipality or LUS fund a Reserve Fund for the Series 2021 Bonds.

## **Parity Bonds**

The Municipality may, from time to time, issue Parity Bonds under the terms of the Resolution. Parity Bonds will have a lien on the Net Revenues of the System on a parity with the lien on the Net Revenues of the System securing the Series 2021 Bonds. See Appendix A for the conditions under which such Parity Bonds may be issued. The Municipality may not issue bonds payable from or secured by a lien on the Net Revenues senior to that securing the payment of the Series 2021 Bonds, including without limitation bonds on parity with the Prior Lien Bonds.

## **Subordinate Lien Bonds**

The Municipality may, from time to time, issue Subordinate Lien Bonds under the terms of the Resolution. Subordinate Lien Bonds will either (i) have a lien on the Net Revenues of the System subordinate to the lien on the Net Revenues of the System securing the Series 2021 Bonds, or (ii) be payable from, but not have a lien on the Net Revenues of the System.

## **Additional Borrowing Plans**

While LUS routinely funds capital improvements to the System, LUS does not anticipate the Municipality issuing or incurring any additional indebtedness payable from revenues of the System in the next two years. The Municipality does anticipate issuing additional System indebtedness to refinance outstanding debt and achieve debt service savings.

## LEGAL MATTERS

### Pending Litigation

The Municipality, like other similar bodies, is subject to a variety of suits and proceedings arising in the ordinary conduct of its affairs. The Municipality, after reviewing the current status of all pending and threatened litigation with its counsel believes that, while the outcome of litigation cannot be predicted, the final settlement of all lawsuits which have been filed and of any actions or claims pending or threatened against the Municipality or its officials in such capacity are adequately covered by insurance or sovereign immunity or will not have a material adverse effect upon the financial position or results of operations of the System.

There is no litigation now pending or, to the knowledge of the Municipality, threatened which restrains or enjoins the issuance or delivery of the Series 2021 Bonds, the use of Net Revenues for the payment of the Series 2021 Bonds, or the use of the proceeds of the Series 2021 Bonds or which questions or contests the validity of the Series 2021 Bonds or the proceedings and Municipality under which they are to be issued. Neither the creation, organization, or existence of the Municipality, nor the title of the present members or other officials of the Municipality to their respective offices, is being contested or questioned.

### Opinions of Bond Counsel

Legal matters incident to the authorization, validity, and issuance of the Series 2021 Bonds are subject to the approving opinion of Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel. The form of opinion of Bond Counsel is attached to this Official Statement as Appendix D. Copies of the opinion will be available at the time of the initial delivery of the Series 2021 Bonds. Certain legal matters will be passed upon for the Municipality by Alan Betz, Esq., counsel to the Municipality.

## TAX MATTERS

### Federal

**General.** Bass, Berry & Sims PLC, Nashville, Tennessee, is Bond Counsel for the Series 2021 Bonds. Their opinion under existing law, relying on certain statements by the Municipality and assuming compliance by the Municipality with certain covenants, is that interest on the Series 2021 Bonds:

- is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and
- is not treated as an item of tax preference in calculating the alternative minimum tax imposed on individuals under the Code.

The Code imposes requirements on the Series 2021 Bonds that the Municipality must continue to meet after the Series 2021 Bonds are issued. These requirements generally involve the way that the Series 2021 Bond proceeds must be invested and ultimately used. If the Municipality does not meet these requirements, it is possible that a bondholder may have to include interest on the Series 2021 Bonds in its federal gross income on a retroactive basis to the date of issue. The Municipality has covenanted to do everything necessary to meet these requirements of the Code.

A bondholder or who is a particular kind of taxpayer may also have additional tax consequences from owning the Series 2021 Bonds. This is possible if a bondholder is:

- an S corporation,
- a United States branch of a foreign corporation,
- a financial institution,
- a property and casualty or a life insurance company,
- an individual receiving Social Security or railroad retirement benefits,
- an individual claiming the earned income credit or
- a borrower of money to purchase or carry the Series 2021 Bonds.

If a bondholder is in any of these categories, it should consult its tax advisor.

Bond Counsel is not responsible for updating its opinion in the future. It is possible that future events or changes in applicable law could change the tax treatment of the interest on the Series 2021 Bonds or affect the market price of the Series 2021 Bonds. See also "Changes in Federal and State Tax Law" below in this heading.

Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel on the federal income tax treatment of interest on the Series 2021 Bonds, or under State, local or foreign tax law.

**Bond Premium.** If a bondholder purchases a Series 2021 Bond for a price that is more than the principal amount, generally the excess is "bond premium" on that Series 2021 Bond. The tax accounting treatment of bond premium is complex. It is amortized over time and as it is amortized a bondholder's tax basis in that Series 2021 Bond will be reduced. The holder of a Series 2021 Bond that is callable before its stated maturity date may be required to amortize the premium over a shorter period, resulting in a lower yield on such Series 2021 Bonds. A bondholder in certain circumstances may realize a taxable gain upon the sale of a Series 2021 Bond with bond premium, even though the Series 2021 Bond is sold for an amount less than or equal to the owner's original cost. If a bondholder owns any Series 2021 Bonds with bond premium, it should consult its tax advisor regarding the tax accounting treatment of bond premium.

**Original Issue Discount.** A Series 2021 Bond will have "original issue discount" if the price paid by the original purchaser of such Series 2021 Bond is less than the principal amount of such Series 2021 Bond. Bond Counsel's opinion is that any original issue discount on these Series 2021 Bonds as it accrues is excluded from a bondholder's federal gross income under the Internal Revenue Code. The tax accounting treatment of original issue discount is complex. It accrues on an actuarial basis and as it accrues a bondholder's tax basis in these Series 2021 Bonds will be increased. If a bondholder owns one of these Series 2021 Bonds, it should consult its tax advisor regarding the tax treatment of original issue discount.

**Information Reporting and Backup Withholding.** Information reporting requirements apply to interest on tax-exempt obligations, including the Series 2021 Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Series 2021 Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Series 2021 Bonds from gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's Federal income tax once the required information is furnished to the Internal Revenue Service.



## **State Taxes**

Under existing law, the Series 2021 Bonds and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on interest on the Series 2021 Bonds during the period the Series 2021 Bonds are held or beneficially owned by any organization or entity, or other than a sole proprietorship or general partnership doing business in the State of Tennessee, and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Series 2021 Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

## **Qualified Tax-Exempt Obligations**

Under the Code, in the case of certain financial institutions, no deduction from income under the federal tax law will be allowed for that portion of such institution's interest expense which is allocable to tax-exempt interest received on account of tax-exempt obligations acquired after August 7, 1986. The Code, however, provides that certain "qualified tax-exempt obligations", as defined in the Code, will be treated as if acquired on August 7, 1986. Based on an examination of the Code and the factual representations and covenants of the Municipality as to the Series 2021 Bonds, Bond Counsel has determined that the Series 2021 Bonds upon issuance will be "qualified tax-exempt obligations" within the meaning of the Code.

## **Changes in Federal and State Tax Law**

From time to time, there are presidential proposals, proposals of various federal and Congressional committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Series 2021 Bonds or otherwise prevent holders of the Series 2021 Bonds from realizing the full benefit of the tax exemption of interest on the Series 2021 Bonds. It cannot be predicted whether, or in what form, these proposals might be enacted or if enacted, whether they would apply to Series 2021 Bonds prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Series 2021 Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series 2021 Bonds would be impacted. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2021 Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

Prospective purchasers of the Series 2021 Bonds should consult their own tax advisors regarding the foregoing matters.

## **CONTINUING DISCLOSURE**

The Municipality will at the time the Series 2021 Bonds are delivered execute a Continuing Disclosure Agreement under which it will covenant for the benefit of holders and beneficial owners of the Series 2021 Bonds to provide certain financial information and operating data relating to the Municipality and the System by not later than twelve months after the end of each fiscal year commencing with the fiscal year ending June 30, 2021 (the "Annual Report"), and to provide notice of the occurrence of certain enumerated events. All continuing disclosure filings will be made with the Municipal Securities Rulemaking Board ("MSRB") at [www.emma.msrb.org](http://www.emma.msrb.org) and any State Information Depository ("SID"). If the Municipality is unable to provide the Annual Report to the MSRB and the SID, if any, by the date set forth above for the filing of the Annual Report, notice of such failure shall be sent to the MSRB and the SID, if any, on or before such date. The specific nature of the information to be contained in the Annual Report or the notices of enumerated events is set forth in the form of Continuing Disclosure Agreement attached hereto as Appendix E. These covenants have been made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b), as it may be amended from time to time (the "Rule").

While it is believed that all appropriate filings were made with respect to the ratings of the Issuer's outstanding bond issues, some of which were insured by the various municipal bond insurance companies, no absolute assurance can be made that all such rating changes of the bonds or various insurance companies which insured some transaction were made or made in a timely manner as required by Rule 15c2-12.

The Municipality does not believe such omissions, if any, are material. As a result, for the past five years, the Municipality believes that it has complied in all material respects with its existing continuing disclosure agreements in accordance with Rule 15c2-12.

### **RATING**

Moody's Investors Service, Inc. (the "Rating Agency") has assigned the Series 2021 Bonds a rating of "Aa3". An explanation of the significance of such rating may be obtained from the Rating Agency. This rating is not a recommendation to buy, sell or hold the Series 2021 Bonds. Generally, rating agencies base their ratings on information and materials furnished to the agencies and on investigations, studies and assumptions by the agencies. There is no assurance that this rating will be maintained for any given period of time or that this rating will not be revised downward or withdrawn entirely by the Rating Agency if, in such agency's judgment, circumstances so warrant. Any such downward revision or withdrawal of this rating may have an adverse effect on the market price of the Series 2021 Bonds. Neither the Municipality, the Municipal Advisor nor the Underwriter has undertaken any responsibility to oppose any revision or withdrawal of the rating.

### **MUNICIPAL ADVISOR**

Stephens Inc. is serving as Municipal Advisor to Lawrenceburg Utility Systems ("LUS") in connection with the issuance of the Series 2021 Bonds. Stephens Inc., in its capacity as Municipal Advisor, has relied on the opinion of Bond Counsel and has not verified and does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal or state income tax status of the Series 2021 Bonds or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies. The information set forth herein has been obtained from LUS and other sources believed to be reliable, but has not been independently verified by Municipal Advisor.

The Municipal Advisor's fee for services rendered with respect to the sale of the Series 2021 Bonds is contingent upon the issuance and delivery of the Series 2021 Bonds.

The Municipal Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to LUS and the Municipality and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Municipal Advisor does not guarantee the accuracy or completeness of such information.

### **UNDERWRITING**

Robert W. Baird & Co., Inc., Milwaukee, Wisconsin, acting for and on behalf of itself and such other securities dealers as it may designate, will purchase the Series 2021 Bonds for an aggregate purchase price of \$8,620,258.33, which is par, less \$84,377.17 underwriter's discount, plus original issue premium of \$804.635.50.

The Underwriter may offer and sell the Series 2021 Bonds to certain dealers (including dealer banks and dealers depositing the Series 2021 Bonds into investment trusts) and others at prices different from the public offering prices stated on the cover page of this Official Statement. Such initial public offering prices may be changed from time to time by the Underwriter.

### **INDEPENDENT AUDITORS**

The financial statements of the Municipality as of June 30, 2020 and for the year then ended, attached hereto as Appendix C, have been audited by Alexander Thompson Arnold PLLC, Jackson, Tennessee, independent auditors, as stated in their report thereon and are included in reliance upon the Municipality of such firm as independent auditors.

## MISCELLANEOUS

Use of the words "shall" or "will" in this Official Statement in summaries of documents to describe future events or continuing obligations is not intended as a representation that such event or obligation will occur but only that the document contemplates or requires such event to occur or obligation to be fulfilled.

Any statements made in this Official Statement involving estimates or matters of opinion, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates or matters of opinion will be realized. Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as a contract with the owners of the Series 2021 Bonds.

### AUTHORIZATION OF AND CERTIFICATION CONCERNING OFFICIAL STATEMENT

The Official Statement has been authorized by the Mayor of the Municipality and the Chairman of the Board of the System. Concurrently with the delivery of the Series 2021 Bonds, the undersigned will furnish an Agreement to the effect that nothing has come to the undersigned's attention which would lead the undersigned to believe that this Official Statement contained, as of the date of delivery of the Series 2021 Bonds, any untrue statement of a material fact or omitted to state a material fact which should be included herein for the purposes for which this Official Statement is intended to be used or which is necessary to make the statements contained herein, in light of the circumstances under which they were made, not misleading.

*/s/ Blake Lay*

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Blake Lay, Mayor, City of Lawrenceburg

*/s/ Bobby Jones*

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Bobby Jones, Chairman, Lawrenceburg Utility Systems

**APPENDIX A**

**SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION**

## SUMMARY OF RESOLUTION

The following information is a brief summary of certain provisions of the Resolution, as hereinafter defined, copies of which are available at the offices of the Municipality. This summary is not to be considered a complete statement of the Resolution, and, accordingly, is qualified by reference thereto and is subject to the full text thereof.

### Definitions of Certain Terms

The following are definitions of certain terms used in the Resolution and in this Official Statement.

"Acquired System" shall mean any electrical power generation, transmission and/or distribution system acquired by the Municipality or LUS and/or any such facilities hereafter constructed or otherwise established by the Municipality or LUS pursuant to the Act.

"Act" shall mean Sections 7-34-101 et seq. and 9-21-101 et seq., Tennessee Code Annotated.

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

"Board" means the Board of Directors of LUS.

"Bond Fund" shall mean the Series 2021 Principal and Interest Sinking Fund established by the Resolution.

"Bonds" means the Series 2021 Bonds and any Parity Bonds.

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

"Code" means the Internal Revenue Code of 1986, as amended, and any lawful regulations promulgated or proposed thereunder.

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

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

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

(a) The Debt Service Requirement with respect to Variable Rate Indebtedness shall be determined as if the variable rate in effect at all times during future periods equaled, at the option of LUS, either (A) the average of the actual variable rate which was in effect (weighted according to the length of the period during which each such variable rate was in effect) for the most recent 12-month period immediately preceding the date of calculation for which such information is available (or shorter period if such information is not available for a 12-month period), or (B) the current average annual fixed rate of interest on securities of similar quality having a similar maturity date, as certified by a Financial Adviser.

(b) For the purpose of calculating the Debt Service Requirement on Balloon Indebtedness and Short-Term Indebtedness, at the option of LUS, (i) the actual principal and interest on such Balloon Indebtedness and Short Term Indebtedness shall be included in the Debt Service Requirement, subject to the other assumptions contained herein, or (ii) such Balloon Indebtedness and Short Term Indebtedness shall be assumed to be amortized in substantially equal annual amounts to be paid for principal and interest over an assumed amortization period of 20 years at an assumed interest rate (which shall be the interest rate certified by a Financial Adviser to be the interest rate at which the Municipality could reasonably expect to borrow the same amount by issuing bonds with the same priority of lien as such Balloon Indebtedness and Short Term Indebtedness and with a 20-year term); provided, however, that if the maturity of such Balloon Indebtedness is in excess of 20 years from the date of issuance, then such Balloon Indebtedness shall be assumed to be amortized in substantially equal annual amounts to be paid for principal and interest over an assumed amortization period of years equal to the number of years from the date of issuance of such Balloon Indebtedness to maturity and at the interest rate applicable to such Balloon Indebtedness; provided further that this paragraph shall not be applicable for purposes of determining the Debt Service Requirement for purposes of the resolution unless the Municipality or LUS has a written commitment from a bank, underwriting firm or other financial institution to refinance at least 90% of the principal amount of such Balloon Indebtedness or Short-Term Indebtedness coming due in the relevant Fiscal Year.

(c) Any principal or interest payable on the first day of a Fiscal Year shall be deemed to become due on the last day of the immediately preceding Fiscal Year.

"Defeasance Obligations" shall mean direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, which bonds or other obligations shall not be subject to redemption prior to their maturity other than at the option of the registered owner thereof.

"Financial Adviser" means an investment banking or financial/municipal advisory firm, commercial bank, or any other person who or which is retained by the Municipality or LUS for the purpose of passing on questions relating to the availability and terms of specified types of debt obligations or the financial condition or operation of the System and is actively engaged in and, in the good faith opinion of LUS, has a favorable reputation for skill and experience in providing financial advisory services of the type with respect to which the Financial Adviser has been retained.

"Financial Guaranty Agreement" shall mean any Financial Guaranty Agreement authorized herein to be executed in connection with a Reserve Fund Credit Facility.

"Fiscal Year" means the twelve-month period commencing July 1<sup>st</sup> of each year and ending June 30<sup>th</sup> of the following year.

"Governing Body" means the Board of Mayor and Council of the Municipality.

"Gross Earnings" means all revenues, rentals, earnings and income of the System from whatever source, determined in accordance with generally accepted accounting principles; proceeds from the sale of System property; proceeds of System-related insurance and condemnation awards and compensation for damages, to the extent not applied to the payment of the cost of repairs, replacements and improvements; and all amounts realized from the investment of funds of the System, including money in any accounts and funds created by the Resolution, and resolutions authorizing any Parity Bonds or subordinate lien bonds (excluding any investment earnings from construction or improvement funds created for the deposit of bond proceeds pending use, to the extent such income is applied to the purposes for which the bonds were issued, and funds created to defease any outstanding obligations of the System); provided, however, at the election of the Board, the term "Gross Earnings" as used herein shall not

include any revenues, rentals, earnings or other income received from the operation of an Acquired System, and any bonds or other obligations issued in connection with such Acquired System shall not be payable from or secured by Net Revenues or be deemed to be Parity Bonds.

"Loan Agreement" shall mean any agreement or contract entered into by the Municipality or LUS whereby a third party agrees to advance funds to the Municipality or LUS and the Municipality or LUS agrees to repay those funds with interest from all or a portion of Gross Earnings.

"LUS" means Lawrenceburg Utility Systems, a board of public utilities formed pursuant to T.C.A. § 7-52-101 et seq.

"Maturity Amount" shall mean the Compound Accreted Value on the stated maturity date of a Capital Appreciation Bond.

"Maximum Annual Debt Service Requirement" means the maximum annual Debt Service Requirement for any Fiscal Year.

"Moody's" means Moody's Investors Service, Inc.

"Municipality" means the City of Lawrenceburg, Tennessee.

"Net Revenues" shall mean (i) Gross Earnings, excluding any profits or losses on the sale or other disposition, not in the ordinary course of business, of investments or fixed or capital assets and further excluding non-cash or non-recurring items, including but not limited to, non-cash contributions in aid of construction, less (ii) Operating Expenses.

"Operating Expenses" means and shall include but not be limited to, expenses for ordinary repairs, removals and replacements of the System, salaries and wages, employees' health, hospitalization, pension and retirement expenses, fees for services, materials and supplies, rents, administrative and general expenses (including legal, engineering, accounting and financial advisory fees and expenses and costs of other consulting or technical services not funded with proceeds of bonds, notes or other debt obligations), insurance expenses, taxes and other governmental charges, the imposition or amount of which is not subject to control of the Board, any payments made by LUS during any Fiscal Year to purchase electrical power for distribution and sale during or after the end of that Fiscal Year, and other payments made under any electrical power supply contract or commodity swap or other hedging mechanism, and any principal or interest payments made by LUS during any Fiscal Year on bonds, notes or other obligations, including loan agreements, issued or entered into for the purpose of financing the purchase of electrical power, and to the extent so provided by the resolution authorizing such bonds, notes or obligations and to the extent not inconsistent with generally accepted accounting principles. Operating Expenses do not include payments in lieu of taxes to the Municipality or other governmental jurisdictions, depreciation or obsolescence charges or reserves therefore, amortization of intangibles or other bookkeeping entries of a similar nature, on bonds, notes or other debt obligations of the System payable from Net Revenues of the System, costs or charges made therefor, capital additions, replacements, betterments, extensions or improvements to or retirement from the System which under generally accepted accounting principles are properly chargeable to the capital account or the reserve for depreciation, and do not include losses from the sale, abandonment, reclassification, revaluation or other disposition of any properties of the System, nor such property items, including taxes and fuels, which are capitalized pursuant to the then existing accounting practices of LUS or expenses of an Acquired System if revenues of the Acquired System are not included in Gross Earnings at the election of the Board.

"Parity Bonds" means bonds, notes, Loan Agreements, and other debt obligations, including Balloon Indebtedness, Short-Term Indebtedness and Variable Rate Indebtedness, issued or entered into by the Municipality or LUS on a parity with the Series 2021 Bonds herein authorized in accordance with the restrictive provisions of the Resolution, including any bonds or other obligations secured by a pledge of and/or lien on an Acquired System and the revenues derived from the operation of such Acquired System (provided such pledge and lien are subject only to normal and customary expenses of operating, maintaining, repairing and insuring any such System), so long as the Acquired System is not being operated separately from the System as is permitted herein or the revenues from such Acquired System are not excluded from Gross Earnings.

"Prior Lien Bonds" means the Municipality's outstanding Loan Agreement with the Public Building Authority of the City of Lawrenceburg (the "PBA"), dated March 1, 2002, securing the PBA's Electric System Revenue Refunding Bonds, Series 2002, dated April 2, 2002; its General Obligation Refunding Bonds, Series 2015C, dated June 25, 2015, and its General Obligation Refunding Bonds, Series 2019A, dated September 20, 2019.

"Rate Covenant Requirement" means an amount of Net Revenues which is equal to the sum of: (a) 120% of the Debt Service Requirement for the forthcoming Fiscal Year on the Prior Lien Bonds and the Bonds, plus (b) 100% of (i) the amounts, if any, required by the Resolution to be deposited by the Issuer into the Reserve Fund during the forthcoming Fiscal Year, (ii) debt service payable on, or reserve fund funding requirements for, any subordinate lien indebtedness, and (iii) any required payments in lieu of taxes to the Municipality or other governmental entities.

"Rating" means a rating in one of the categories by a Rating Agency, disregarding pluses, minuses, and numerical gradations.

"Rating Agencies" or "Rating Agency" means Moody's and S&P, or any successors thereto and any other nationally recognized credit rating agency.

"Reserve Fund" shall mean the Debt Service Reserve Fund established in the Resolution.

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

"Reserve Fund Credit Facility Issuer" means the issuer of a Reserve Fund Credit Facility that is, at the time such Reserve Fund Credit Facility is procured by the Issuer, assigned a financial strength rating of at least "AA-" by S&P or "Aa3" by Moody's.

"Reserve Fund Requirement" means an amount determined from time to time by the Municipality as a reasonable reserve, if any, for the payment of principal of and interest on a series of Bonds pursuant, which shall be set forth in the supplemental resolution authorizing such Bonds. With respect to the Series 2021 Bonds authorized herein, the Reserve Fund Requirement shall be \$0.

"Revenue Fund" shall mean the Revenue Fund established in the Resolution.

"Series 2021 Bonds" means the Municipality's \$7,900,000 Electric System Revenue Bonds, Series 2021.

"Short-Term Indebtedness" means bonds, notes, Loan Agreements or other debt obligations, including Variable Rate Indebtedness, maturing five years or less from their date of issuance, issued by the Municipality or LUS as Parity Bonds in accordance with the restrictive provisions of the Resolution.

"State" means the State of Tennessee.



"System" means the electrical power distribution system operated by LUS, any electrical power distribution and/or transmission system hereafter acquired, constructed or otherwise established, including all improvements and extensions made by LUS while the Bonds remain outstanding, and including all real and personal property of every nature comprising part of or used or useful in connection with the foregoing, and including all appurtenances, contracts, leases, franchises, and other intangibles; provided, however, at the election of the Board, an Acquired System may be included within the System as defined herein and become a part thereof or, at the election of the Board, not become a part of the System but be operated as a separate and independent system by LUS with the continuing right, upon the election of the Board, to incorporate such separately Acquired System within the System.

"S&P" means S&P Global Ratings.

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

### **Source of Payment and Security**

The Bonds shall be payable solely from and secured by a pledge of the Net Revenues, subject to the prior pledge thereof in favor of the Prior Lien Bonds. The punctual payment of principal of and premium, if any, and interest on the Bonds shall be secured equally and ratably by the Net Revenues without priority by reason of series, number or time of sale or delivery. The Net Revenues are hereby irrevocably pledged to the punctual payment of such principal, premium, if any, and interest as the same become due. The Bonds do not constitute a debt of the State of Tennessee or the City of Lawrenceburg (other than with respect to the Net Revenues).

### **Application of Revenues**

*Application of Revenues.* From and after the delivery of any of the Series 2021 Bonds hereunder, and as long as any of the Bonds shall be outstanding and unpaid either as to principal or as to interest, or until the discharge and satisfaction of all the Bonds, the Gross Earnings of the System shall be deposited as collected by LUS to the Revenue Fund established by the Resolution, administered and controlled by the Board. The funds so deposited in the Revenue Fund created under this Series 2021 Resolution shall be used only as follows:

Operating Expenses and Prior Lien Bonds. The money in the Revenue Fund shall be used first from month to month for the payment of Operating Expenses and for the satisfaction of any payment obligations with respect to the Prior Lien Bonds

Bond Fund. The money thereafter remaining in the Revenue Fund shall next be used to make deposits into a separate and special fund, to be known as the "Series 2021 Principal and Interest Sinking Fund" (the "Bond Fund") to be kept separate and apart from all other funds of LUS and used to pay principal of and interest on the Bonds as the same become due, either by maturity or mandatory redemption. Such deposits shall be made monthly until the Bonds are paid in full or discharged and satisfied pursuant to the Resolution, beginning in the month next following delivery of the Series 2021 Bonds.

For the period commencing with the month next following the delivery of any Bonds, to and including the month of the next interest payment date for such Bonds, each monthly deposit as to interest shall be an amount that, together with all other monthly deposits of approximately equal amounts during such period and amounts otherwise in said Fund, will be equal to interest due on such Bonds on the next interest payment date, and for each six month period thereafter, each monthly deposit as to interest for such Bonds shall be an equal to not less than one-sixth (1/6th) of the interest coming due on such Bonds on the next interest payment date net of any interest earnings on such amounts.

For the period commencing with the month next following the delivery of any Bonds to and including the month of the next principal payment for such Bonds, each monthly deposit as to principal shall be an amount that, together with all other monthly deposits during such period and amounts otherwise in said Fund, will be equal to the principal due on such Bonds on the next principal payment date (provided that, in the event that the next principal payment date is more than 12 months following the month next following delivery of such Bonds, monthly deposits to the Bond Fund in respect of principal shall begin in the month which is 12 months prior to the month of the next principal payment date), and for each twelve-month period thereafter, each monthly deposit as to principal for such Bonds shall be an amount equal to not less than one-twelfth (1/12th) of the principal amount or Maturity Amount, as the case may be, coming due on such Bonds, whether by maturity or mandatory redemption, on the next principal payment date net of any interest earnings on such amounts.

No further deposit shall be required as to any Bonds when the Bond Fund balance is equal to or greater than the amount needed to pay interest on the next interest payment date, the total of the principal amounts payable, either by maturity or mandatory redemption, during the applicable twelve-month period. Notwithstanding the foregoing, deposits for payment of interest and principal on Variable Rate Indebtedness shall be made as set forth in the resolution authorizing such Variable Rate Indebtedness, and if interest is not paid semi-annually and/or principal is not paid annually with respect to any Bonds, the deposits may be adjusted by the Municipality or LUS as provided in the resolution authorizing the issuance of such Bonds. Money in the Bond Fund shall be used and is hereby expressly pledged for the purpose of paying principal of and interest on the Bonds.

Repayment of Reserve Fund Credit Facility Issuers. The next available money in the Revenue Fund shall be paid to any Reserve Fund Credit Facility Issuer or Issuers (pro rata, if more than one) to the extent needed to reimburse the Reserve Fund Credit Facility Issuer for amounts advanced by the Reserve Fund Credit Facility Issuer or Issuers under the Reserve Fund Credit Facility, including any amounts payable under any Financial Guaranty Agreement, together with reasonable related expenses incurred by the Reserve Fund Credit Facility Issuer and interest as provided in the Financial Guaranty Agreement.

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

At the option of the Municipality, the Municipality may satisfy the Reserve Fund Requirement applicable to a series of Bonds, or a portion thereof, by providing for the benefit of owners of such series of Bonds a Reserve Fund Credit Facility or Facilities, at any time, in an amount not greater than the Reserve Fund Requirement applicable to such series of Bonds and release an equal amount of funds on deposit in the corresponding subaccount of the Reserve Fund to be used by the Municipality for legally permissible purposes. At any time during the term hereof, the Municipality shall have the right and option to substitute a new Reserve Fund Credit Facility or Facilities for any Reserve Fund Credit Facility or Facilities previously delivered, upon notice to the Registration Agent and the Reserve Fund Credit Facility Issuer or Issuers and delivery of a Reserve Fund Credit Facility or Facilities in substitution therefor. In the event of the issuance of Parity Bonds pursuant to the restrictive provisions of the Resolution with a Reserve Fund Requirement or the substitution of a Reserve Fund Credit Facility or Facilities for less than the full amount of the Reserve Fund Requirement, the Municipality shall satisfy the applicable Reserve Fund Requirement by depositing funds to the Reserve Fund or obtaining a Reserve Fund Credit Facility or Facilities, or any combination thereof, in an aggregate amount equal to the applicable Reserve Fund Requirement for the series of Bonds taking into account any funds then held therein or the amount of any Reserve Fund Credit Facility or Facilities then in effect.

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

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

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

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

Surplus Funds. The next available money in the Revenue Fund shall be used (i) to make payments in lieu of taxes to the Municipality and other governmental jurisdictions, (ii) for the purpose of the payment of principal of and interest on (including reasonable reserves therefor) any bonds or other obligations payable from revenues of the System, but junior and subordinate to the Bonds, and (iii) for any legally permissible purpose, as the Board shall determine.

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

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

### **Covenants Regarding the Operation of System**

*Charges for Services Supplied by the System.* While the Bonds remain outstanding and unpaid, LUS covenants and agrees that it will permit no free service to be furnished to any consumer or user whatsoever; that the charges for all services supplied through the medium of the System to all consumers and users shall be reasonable and just, taking into account and consideration the cost and value of the System and the cost of maintaining, operating, repairing and insuring the System, a proper and necessary allowance for the depreciation thereof, and the amounts necessary for the payment of principal of and interest on all obligations payable from revenues of the System; and that there shall be charged against all users of the services of the System such rates and amounts as shall be fully adequate to comply with the covenants of the Resolution.

LUS covenants that the System will be operated on a fully metered basis and that LUS will bill customers of the System on a monthly basis and will establish and maintain policies and procedures for discontinuing service to customers with delinquent bills.

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

*Books and Accounts; Audits.* LUS will cause to be kept proper books and accounts adapted to the System, will cause the books and accounts to be audited in accordance with GAAP at the end of each Fiscal Year by a recognized independent certified public accountant or a firm of such accountant or accountants and, upon written request, will make available to any registered owner of the Bonds the balance sheet and the profit and loss statement of LUS as certified by such accountant or accountants.

All expenses incurred in the making of the audits required by this subsection shall be regarded and paid as Operating Expenses. LUS further agrees to cause copies of such audits to be furnished to the registered owner of any of the Bonds, at the written request thereof, within one year after the close of each Fiscal Year. If LUS fails to provide the audits and reports required by this subsection, the registered owner or owners of twenty-five percent (25%) in principal amount of the Bonds may cause such audits and reports to be prepared at the expense of LUS.

*Rate Covenant.* LUS shall, through the Board, establish, fix, prescribe and collect rates, charges and fees for the sale or use of System services furnished by the Issuer which, together with other income, are reasonably expected to yield Net Revenues which are at least equal to the Rate Covenant Requirement for the forthcoming Fiscal Year. The Issuer agrees that should the annual financial statement made in accordance with the provisions of the Resolution disclose that during the period covered by such financial statement the Net Revenues were not at least equal to the Rate Covenant Requirement, the Issuer shall revise the schedule of rates, charges and fees insofar

as is practicable and further revise Operating Expenses so as to produce the necessary Net Revenues as herein required. The Issuer shall revise the schedules of rates, charges and fees as provided in the preceding sentence within 120 days after the filing of the financial statements pursuant to the Resolution.

*Sale or Disposal of System.* The Municipality and LUS will not sell, lease, mortgage, or in any manner dispose of the System, or any part thereof, including any and all extensions and additions that may be made thereto, or any facility necessary for the operation thereof; provided, however, the use of any of the System facilities may at any time be permanently abandoned or otherwise disposed of or any of the System facilities sold at fair market value, provided that:

(a) The Municipality and LUS are in full compliance with all covenants and undertakings in connection with all bonds, notes and other obligations then outstanding and payable from the revenues of the System and any required reserve funds for such bonds, notes and other obligations have been fully established and contributions thereto are current;

(b) Any sale proceeds will be applied either (A) to redemption of Bonds in accordance with the provisions governing repayment of Bonds in advance of maturity, or (B) to the purchase of Bonds at the market price thereof so long as such price does not exceed the amount at which the Bonds could be redeemed on such date or the next optional redemption date as set forth herein or in the resolutions authorizing the Parity Bonds, or (C) to the construction or acquisition of facilities in replacement of the facilities so disposed of or other facilities constituting capital improvements to the System, or (D) the deposit to a replacement fund to be used to make capital improvements to the System;

(c) (i) The abandonment, sale or disposition is for the purpose of disposing of facilities which are no longer necessary or no longer useful to the operation of the System or (ii) the operation of the System or revenue producing capacity of the System is not materially impaired by such abandonment, sale or disposition or any facilities acquired in replacement thereof are of equivalent or greater value; and

(d) If the facilities are being sold or disposed to an entity that is not a state or local government and the facilities were financed with the proceeds of Bonds the interest on which is excludable from gross income for federal income tax purposes, the Municipality or LUS shall have received an opinion of nationally recognized bond counsel to the effect that such sale, lease, mortgage or other disposition will not jeopardize the exclusion from federal income taxation of interest on any Bonds then outstanding intended to be excludable from gross income for federal income tax purposes.

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

Notwithstanding anything elsewhere provided in this resolution, and without being subject to any of the foregoing restrictions, with the approval of LUS, the Municipality shall have the right to sell, lease, transfer, or otherwise dispose of the System, as a whole or substantially as a whole, to any municipal corporation, county, political subdivision, governmental corporation, or governmental agency (each of which shall be included within the term "Transferee" as herein used), provided the Transferee thus acquiring the System from the Municipality will assume the performance of and be bound by all of the obligations of the Municipality and LUS to the holders of the Bonds under the covenants and provisions of the Resolution.

*Budgets.* Prior to the beginning of each Fiscal Year, the Board shall prepare, or cause to be prepared, and adopted an annual budget of estimated revenues, Operating Expenses, and capital expenditures for the System for the ensuing Fiscal Year in compliance with the rate covenant requirement set forth in the Resolution, and will undertake to operate the System within such budget to the best of its ability. Copies of such budgets and amendments thereto will be made available to any registered owner of a Bond upon written request.

*Franchises.* Neither the Municipality nor LUS will construct, finance or grant a franchise for the development or operation of facilities that compete for service with the services to be provided by the System or consent to the provision of any such services in the area currently or hereafter served by the Municipality or LUS by any other public or private entity and will take all steps necessary and proper, including appropriate legal action to prevent any such entity from providing such service; provided, nothing herein contained shall prohibit the transfer or exchange of service areas to provide for more efficient operation of the System so long as LUS is in full compliance with the covenants set forth herein immediately following such transfer or exchange.

*Control of System.* That for the purpose of assuring the efficient, impartial and nonpolitical operation of said system for the benefit of the Municipality and the Bondholders of the Bonds from time to time outstanding, the complete and independent control and operation of the system shall be vested in the Board, subject, however, to the obligation and duty on the part of said Board to carry out and perform faithfully all of the covenants and agreements contained in the Resolution. Notwithstanding anything herein to the contrary, all obligations of the Municipality hereunder with respect to the Bonds and the System shall be exercised and fulfilled by LUS, on behalf of the Municipality. Nothing herein is intended to limit the ability of the Municipality to dispose of the System in the manner described in the Resolution.

### **Remedies of Bond Owners**

Any registered owner of any of the Bonds may either at law or in equity, by suit, action, mandamus or other proceedings, in any court of competent jurisdiction enforce and compel performance of all duties imposed upon LUS or the Municipality by the provisions of this resolution, including the making and collecting of sufficient rates, the proper application of and accounting for revenues of the System, and the performance of all duties imposed by the terms hereof.

If any default be made in the payment of principal of, premium, if any, or interest on the Bonds, then upon the filing of suit by any registered owner of said Bonds, any court having jurisdiction of the action may appoint a receiver to administer the System in behalf of LUS or the Municipality with power to charge and collect rates sufficient to provide for the payment of all bonds and obligations outstanding against the System and for the payment of Operating Expenses, and to apply the income and revenues thereof in conformity with the provisions of this resolution.

### **Prohibition of Prior Lien; Parity Bonds**

*Prohibition of Prior Liens.* Neither the Municipality nor LUS will issue other bonds or obligations of any kind or nature payable from or enjoying a lien on the revenues of the System having priority over the Bonds, including without limitation any bonds issued on parity with the Prior Lien Bonds.

*Parity Bonds.* Additional bonds, notes, Loan Agreements or obligations may hereafter be issued on a parity with the Bonds under the following conditions but not otherwise:

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

(i) LUS shall have obtained a report from a Financial Adviser demonstrating that the refunding is expected to reduce the total debt service payments on the Bonds, including payments on related Credit Facilities; and

(ii) the requirements of subsections (b)(ii) and (iv) below are met with respect to such refunding.

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

(i) There shall have been procured and filed with LUS a report by a Financial Adviser or a certificate by the Chairman of the Board, or his designee, to the effect that the historical Net Revenues for either (i) a period of 12 consecutive months of the most recent 18 consecutive months prior to the issuance of the proposed Parity Bonds or (ii) the most recent audited Fiscal Year, were equal to at least 120% of the Maximum Annual Debt Service Requirement on all Prior Lien Bonds and Bonds which will be outstanding immediately after the issuance of the proposed Parity Bonds, in the then current and each succeeding Fiscal Year, provided, however, (w) the report or certificate may contain pro forma adjustments to historical related Net Revenues equal to the increased annual amount of Net Revenues attributable to improvements to the System that had been placed in service prior to the delivery of the proposed Parity Bonds and that are not fully reflected in the historical related Net Revenues actually received during such historical period used, (x) the report or certificate may contain pro forma adjustments to historical related Net Revenues equal to 100% of the increased annual amount attributable to any revision in the schedule of rates, fees, and charges for the services and facilities furnished by the System, imposed prior to the date of delivery of the proposed Parity Bonds and not fully reflected in the historical related Net Revenues actually received during such historical period used; (y) if the Municipality or LUS has a contract to purchase or otherwise acquire an Acquired System that will become part of the System, the historical Net Revenues may be adjusted to include the anticipated Net Revenues from the Acquired System; and (z) if the Municipality or LUS has entered into a contract to furnish services of the System that is not fully reflected in the historical Net Revenues of the System, such historical Net Revenues may be adjusted to include the anticipated Net Revenues from such contract.

(ii) LUS shall have received, at or before issuance of the Parity Bonds, a report from a Financial Adviser or a certificate of the Chairman of the Board, or his designee, to the effect that (x) the payments required to be made into the Bond Fund have been made and the balance in the Bond Fund is not less than the balance required hereby as of the date of issuance of the proposed Parity Bonds; and (y) the Reserve Fund is funded to the Reserve Fund Requirement and will be funded to the Reserve Fund Requirement immediately following the issuance of the proposed Parity Bonds.

(iii) The resolution authorizing the proposed Parity Bonds must require the proceeds of such proposed Parity Bonds to be used to make capital improvements to or capital acquisitions for the System, to pre-purchase supplies of electrical power, to fund interest on the proposed Parity Bonds, to refund other obligations issued for such purposes (whether or not such refunding Parity Bonds satisfy the requirements of (a)), for any other legal purpose under applicable law as evidenced by an opinion of Bond Counsel, and/or to pay expenses incidental thereto and to the issuance of the proposed Parity Bonds.

(iv) The Chairman of the Board shall have certified, by written certificate dated as of the date of issuance of the Parity Bonds, that LUS is in compliance with all requirements of this resolution and the resolutions authorizing the Prior Lien Bonds.

(c) Upon the determination of LUS to combine an Acquired System into the System, all outstanding Bonds and any bonds, notes and other obligations of the Acquired System outstanding upon such combination may, at the election of LUS, be payable from Net Revenues of the combined System on a parity and equality of lien with each other, provided that there shall be filed with LUS:

(i) a report by a Financial Adviser or a certificate by the Chairman of the Board, or his designee the Net Revenues of such combined System for a period of 12 consecutive months of the most recent 18 consecutive months prior to such combination were equal to at least 120% of the Maximum Annual Debt Service Requirement on all Bonds and any bonds, notes and other obligations of the Acquired System which will be outstanding immediately after the combination, provided, however, (w) the report or certificate may contain pro forma adjustments to historical related Net Revenues equal to the increased annual amount of Net Revenues attributable to improvements to the System that had been placed in service prior to the combination and that are not fully reflected in the historical related Net Revenues actually

received during such historical period used, (x) the report or certificate may contain pro forma adjustments to historical related Net Revenues equal to 100% of the increased annual amount attributable to any revision in the schedule of rates, fees, and charges for the services and facilities furnished by the System, imposed prior to the date of the combination and not fully reflected in the historical related Net Revenues actually received during such historical period used; and (y) if the Municipality or LUS has entered into a contract to furnish services of the System that is not fully reflected in the historical Net Revenues of the System, such historical Net Revenues may be adjusted to include the anticipated Net Revenues from such contract.

(ii) A certificate of the Chairman of the Board, as of the date of the combination, that LUS is in compliance with all requirements of this resolution.

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

#### **Discharge and Satisfaction of Bonds**

If the Municipality or LUS shall pay and discharge the indebtedness evidenced by all or any portion of the Bonds in any one or more of the following ways:

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

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

(c) By delivering such Bonds to the Registration Agent, for cancellation by it;

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

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

Except as otherwise provided in this Section, neither Defeasance Obligations nor moneys deposited with the Registration Agent pursuant to this Section nor principal or interest payments on any such Defeasance Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal and interest on said Bonds; provided that any cash received from such principal or interest payments on



such Defeasance Obligations deposited with the Registration Agent, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to the Municipality as received by the Registration Agent and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Defeasance Obligations maturing at times and in amounts sufficient to pay when due the principal and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to LUS, as received by the Registration Agent.

### **Modification of Resolution**

*Amendment Without Bondholder Consent.* The Resolution may be amended without the consent of or notice to the registered owners of the Bonds for the purpose of curing any ambiguity or formal defect or omission herein; provided such amendment shall not adversely affect the registered owners, without taking into account any bond insurance policy.

*Other Amendments.* In addition to the amendments to the Resolution without the consent of registered owners as referred to in the Resolution, the registered owners of a majority in aggregate principal amount of the Bonds at any time outstanding (not including in any case any Bonds which may then be held or owned by or for the account of the Municipality but including such refunding bonds as may have been issued for the purpose of refunding any of such Bonds if such refunding bonds shall not then be owned by the Municipality) shall have the right from time to time to consent to and approve the adoption by the Governing Body of a resolution or resolutions modifying any of the terms or provisions contained in the Resolution; provided, however, that the Resolution may not be so modified or amended in such manner, without the consent of 100% of the registered owners of the Bonds, as to:

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

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

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

If the registered owners of at least a majority in aggregate principal amount of the Bonds outstanding as in this section defined, at the time of the adoption of such amendatory resolution, or the predecessors in title of such owners, shall have consented to and approved the adoption thereof as herein provided, no registered owner of any Bonds, whether or not such owner shall have consented to or shall have revoked any consent as in this Section provided, shall have any right or interest to object to the adoption of such amendatory resolution or to object to any

of the terms or provisions therein contained or to the operation thereof or to enjoin or restrain the Municipality from taking any action pursuant to the provisions thereof.

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

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

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

Notwithstanding the foregoing, if any Bonds are insured by a bond insurance policy, the bond insurer issuing such bond insurance policy shall be entitled to consent to any modifications to this Resolution on behalf of the owners of the Bonds insured by such bond insurer, provided that no bond insurer shall be entitled to consent to any modifications to this Resolution that require the unanimous consent of the owners of the Bonds as described above.

**APPENDIX B**  
**STATISTICAL AND DEMOGRAPHIC INFORMATION**  
**REGARDING THE SYSTEM**

**APPENDIX C**

**AUDITED FINANCIAL STATEMENTS FOR THE SYSTEM  
FOR FISCAL YEAR ENDED JUNE 30, 2020**

**APPENDIX D**  
**BOND COUNSEL OPINION**

(Form of Bond Counsel Opinion)

June 23, 2021

City of Lawrenceburg, Tennessee  
Lawrenceburg, Tennessee

Robert W. Baird & Co., Inc.  
Milwaukee, Wisconsin

Re: City of Lawrenceburg, Tennessee Electric System Revenue Bonds, Series 2021

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the City of Lawrenceburg, Tennessee (the "Issuer") of \$7,900,000 Electric System Revenue Bonds, Series 2021, dated the date hereof (the "Bonds"). We have examined the law and such certified proceedings and other papers as we deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify such facts by independent investigation.

Based on our examination, we are of the opinion, as of the date hereof, as follows:

1. The Bonds have been duly authorized, executed and issued in accordance with the constitution and laws of the State of Tennessee and constitute valid and binding obligations of the Issuer.
2. The resolution of the Board of Mayor and Council of the Issuer authorizing the Bonds has been duly and lawfully adopted, is in full force and effect and is a valid and binding agreement of the Issuer enforceable in accordance with its terms.
3. The principal of and interest on the Bonds are limited obligations of the Issuer, payable solely from and secured by a pledge of revenues to be derived from the operation of the electrical power transmission and distribution system of the Issuer, subject only to the payment of the reasonable and necessary costs of operating, maintaining, repairing and insuring said system and to the prior pledge of such revenues in favor of the Issuer's outstanding Loan Agreement with the Public Building Authority of the City of Lawrenceburg (the "PBA"), dated March 1, 2002, securing the PBA's Electric System Revenue Refunding Bonds, Series 2002, dated April 2, 2002, its General Obligation Refunding Bonds, Series 2015C, dated June 25, 2015, and its General Obligation Refunding Bonds, Series 2019A, dated September 20, 2019. We express no opinion as to the sufficiency of such revenues for the payment of principal of and interest on the Series 2021 Bonds.
4. Interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals under the Code. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause interest on the Bonds to be so included in gross income retroactive to the date of issuance of the Bonds. The Issuer has covenanted to comply with all such requirements. Except as set forth in this Paragraph 4 and Paragraph 6 below, we express no opinion regarding other federal tax consequences arising with respect to the Bonds.

5. Under existing law, the Bonds and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on all or a portion of the interest on any of the Bonds during the period such Bonds are held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee, and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership doing business in the State of Tennessee.

6. The Bonds are “qualified tax-exempt obligations” for purposes of Section 265 of the Code.

It is to be understood that the rights of the owners of the Bonds and the enforceability of the Bonds and the resolution authorizing the Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Bonds.

This opinion is given as of the date hereof, and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Yours truly,

Bass Berry & Sims PLC

**APPENDIX E**  
**FORM OF CONTINUING DISCLOSURE AGREEMENT**



CITY OF LAWRENCEBURG, TENNESSEE

\$7,900,000 ELECTRIC SYSTEM REVENUE BONDS, SERIES 2021

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this "Disclosure Agreement") is executed and delivered this 23<sup>rd</sup> day of June, 2021 by the City of Lawrenceburg, Tennessee (the "Issuer") and Lawrenceburg Utility Systems ("LUS") in connection with the issuance of the Issuer's \$7,900,000 Electric System Revenue Bonds, Series 2021 (the "Bonds"). The Issuer and LUS hereby covenant and agree as follows:

SECTION 1. Purpose of and Authority for the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer and LUS for the benefit of the Registered Owners and the Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with Rule 15c2-12(b)(5) (the "Rule") of the Securities and Exchange Commission (the "SEC"). This Disclosure Agreement is being executed and delivered by the Issuer and LUS under the authority of the Resolution.

SECTION 2. Definitions. In addition to the terms otherwise defined herein, the following capitalized terms shall have the following meanings:

"Beneficial Owner" shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Fiscal Year" shall mean any period of twelve consecutive months adopted by the Issuer or LUS as the fiscal year of the System for financial reporting purposes, and shall initially mean the period beginning on July 1 of each calendar year and ending June 30 of the following calendar year.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Official Statement" shall mean the Official Statement of the Issuer, dated June 9, 2021, relating to the Bonds.

"Participating Underwriters" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Registered Owner" means any person who is identified as a holder of Bonds on the registration records maintained by or on behalf of the Issuer with respect to the Bonds.

"Resolution" shall mean the bond resolution adopted by the Board of Mayor and Council of the Issuer on May 13, 2021.

"State" shall mean the State of Tennessee.

"State Repository" shall mean any public or private repository or entity designated by the State as a state repository for the purpose of the Rule.

"System" means the electric distribution system operated by LUS.

SECTION 3. Continuing Disclosure. The Issuer and LUS hereby agree to provide or cause to be provided the information set forth below:

(a) *Annual Financial Information*. For Fiscal Years ending on or after June 30, 2021, the Issuer and LUS shall provide annual financial information and operating data within 12 months after the end of the Fiscal Year. The annual financial information and operating data shall include:

(i) The audited financial statements for the System, prepared in accordance with generally accepted accounting principles, or, if the System's audited financial statements are not available, then the System's unaudited financial statements; and

(ii) To the extent not included in the audited financial statements, operating data of the type included under the following headings of the Official Statement, which data may be presented in a manner other than as set in the Official Statement:

- (A) Electric Rates
- (B) Customers and Usage
- (C) Summary of Operations
- (D) Debt Service Coverage
- (E) Summary of Outstanding Electric System Debt
- (F) Debt Service Requirements

(b) *Audited Financial Statements*. For Fiscal Years ending on or after June 30, 2021, the Issuer and LUS shall provide audited financial statements of the System, prepared in accordance with generally accepted accounting principles, if and when available, if such audited financial statements are not included with the annual financial information described in subsection (a) above.

(c) *Event Notices*. The Issuer and LUS will provide notice of the following events relating to the Bonds in a timely manner, not in excess of ten business days after the occurrence of the event:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
- (vii) Modifications to rights of Bondholders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances (including disclosure as to whether the Bonds have been defeased to their maturity or to a preceding call date);
- (x) Release, substitution, or sale of property securing repayment of the securities, if material;
- (xi) Rating changes;

- (xii) Bankruptcy, insolvency, receivership or similar event of the obligated person;
- (xiii) The consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (xv) Incurrence of a financial obligation\* of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders, if material; and
- (xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation\* of the Issuer, any of which reflect financial difficulties.

\* As used in subsections (xv) and (xvi), the term "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "financial obligation" does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

(d) *Notice of Failure to File Annual Financial Information.* The Issuer and LUS will provide timely notice of its failure to provide the annual financial information described in subsection (a) above within the time frame prescribed by subsection (a).

(e) *Notice of Amendment of Disclosure Agreement.* The Issuer and LUS will provide timely notice of an amendment to this Disclosure Agreement pursuant to the terms of Section 5(a) below.

#### SECTION 4. Methods of Providing Information.

(a) All disclosures required by Section 3 shall be transmitted to the MSRB using the MSRB's Electronic Municipal Market Access System ("EMMA") or by such other method as may be subsequently determined by the MSRB.

(b) Information shall be provided to the MSRB in an electronic format as prescribed by the MSRB, either directly, or indirectly through an indenture trustee or a designated dissemination agent.

(c) All transmissions to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(d) Any required disclosure may be incorporated by reference to other documents filed with the MSRB in the manner required by subsection (a) above. The Issuer and LUS shall clearly identify each such other document so incorporated by reference.

(e) All disclosures transmitted to the MSRB hereunder shall be simultaneously transmitted to any State Repository.

SECTION 5. Amendment.

This Disclosure Agreement may be amended or modified so long as: (i) any such amendments are not violative of any rule or regulation of the SEC or MSRB, or other federal or state regulatory body; (ii) the amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligated person, or type of business conducted; (iii) this Disclosure Agreement, as amended, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (iv) the amendment does not materially impair the interests of Beneficial Owners or Registered Owners, as determined either by parties unaffiliated with the Issuer and LUS (such as bond counsel), or by approving vote of the Beneficial Owners and Registered Owners pursuant to the terms of the Resolution at the time of the amendment.

(b) In the event of any amendment or modification to the financial information or operating data required to be filed pursuant to Section 3(a) above, the Issuer shall describe such amendment in the next filing pursuant to Section 3(a), and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, the next filing pursuant to Section 3(a) or 3(b), as applicable, shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 6. Termination of Reporting Obligation. The obligations of the Issuer and LUS under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 7. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any disclosure required hereunder, in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future disclosure.

SECTION 8. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Registered Owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 9. Default. In the event of a failure of the Issuer and LUS to comply with any provision of this Disclosure Agreement, any Registered Owner or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Issuer and LUS to comply with their obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed a default under the Resolution, and the sole remedy under this Disclosure Agreement in the event of any failure of any party to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 10. Governing Law. This Disclosure Agreement shall be governed by and construed in accordance with the laws of the State.

SECTION 11. Severability. In case any one or more of the provisions of this Disclosure Agreement shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Disclosure Agreement, but this Disclosure Agreement shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

SECTION 12. Delegation of Responsibility to LUS. Without limiting its responsibilities hereunder, the Issuer hereby directs LUS and delegates to LUS the responsibility to ensure the Issuer's and LUS's compliance with the terms hereof.