

**REPORT ON DEBT OBLIGATION**  
(Pursuant to Tennessee Code Annotated Section 9-21-151)

**1. Public Entity:**  
 Name: City of Kingsport, Tennessee  
 Address: 225 West Center Street  
Kingsport, Tennessee  
 Debt Issue Name: General Obligation Public Improvement Bonds, Series 2014B  
 If disclosing initially for a program, attach the form specified for updates, indicating the frequency required.

**2. Face Amount:** \$ 9,300,000.00  
 Premium/Discount: \$ 223,155.55

**3. Interest Cost:** 2.7342 %  Tax-exempt  Taxable  
 TIC  NIC  
 Variable: Index \_\_\_\_\_ plus \_\_\_\_\_ basis points; or  
 Variable: Remarketing Agent \_\_\_\_\_  
 Other: \_\_\_\_\_

**4. Debt Obligation:**  
 TRAN  RAN  CON  
 BAN  CRAN  GAN  
 Bond  Loan Agreement  Capital Lease  
 If any of the notes listed above are issued pursuant to Title 9, Chapter 21, enclose a copy of the executed note with the filing with the Office of State and Local Finance ("OSLF").

**5. Ratings:**  
 Unrated  
 Moody's Aa2 Standard & Poor's AA Fitch n/a

**6. Purpose:**

		BRIEF DESCRIPTION
<input type="checkbox"/> General Government	_____ %	_____
<input type="checkbox"/> Education	_____ %	_____
<input checked="" type="checkbox"/> Utilities	<u>100.00</u> %	<u>water and sewer systems</u>
<input type="checkbox"/> Other	_____ %	_____
<input type="checkbox"/> Refunding/Renewal	_____ %	_____

**7. Security:**  
 General Obligation  General Obligation + Revenue/Tax  
 Revenue  Tax Increment Financing (TIF)  
 Annual Appropriation (Capital Lease Only)  Other (Describe): \_\_\_\_\_

**8. Type of Sale:**  
 Competitive Public Sale  Interfund Loan \_\_\_\_\_  
 Negotiated Sale  Loan Program \_\_\_\_\_  
 Informal Bid

**9. Date:**  
 Dated Date: 10/31/2014 Issue/Closing Date: 10/31/2014

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**10. Maturity Dates, Amounts and Interest Rates \*:**

Year	Amount	Interest Rate	Year	Amount	Interest Rate
2016	\$ 390,000.00	2.0000 %	2027	\$ 510,000.00	3.0000 %
2017	\$ 395,000.00	2.0000 %	2028	\$ 525,000.00	3.0000 %
2018	\$ 405,000.00	2.0000 %	2029	\$ 535,000.00	3.0000 %
2019	\$ 415,000.00	3.0000 %	2031	\$ 1,120,000.00	3.0000 %
2020	\$ 425,000.00	2.0000 %	2032	\$ 585,000.00	3.0000 %
2021	\$ 430,000.00	2.0000 %	2033	\$ 605,000.00	3.0000 %
2022	\$ 445,000.00	2.0000 %	2034	\$ 625,000.00	3.0000 %
2023	\$ 450,000.00	2.0000 %		\$	%
2024	\$ 465,000.00	3.0000 %		\$	%
2025	\$ 480,000.00	3.0000 %		\$	%
2026	\$ 495,000.00	3.0000 %		\$	%

If more space is needed, attach an additional sheet.

If (1) the debt has a final maturity of 31 or more years from the date of issuance, (2) principal repayment is delayed for two or more years, or (3) debt service payments are not level throughout the retirement period, then a cumulative repayment schedule (grouped in 5 year increments out to 30 years) including this and all other entity debt secured by the same source MUST BE PREPARED AND ATTACHED. For purposes of this form, debt secured by an ad valorem tax pledge and debt secured by a dual ad valorem tax and revenue pledge are secured by the same source. Also, debt secured by the same revenue stream, no matter what lien level, is considered secured by the same source.

\* This section is not applicable to the Initial Report for a Borrowing Program.

**11. Cost of Issuance and Professionals:**

No costs or professionals

	AMOUNT (Round to nearest \$)	FIRM NAME
Financial Advisor Fees	\$ 16,991	Raymond James & Associates, Inc.
Legal Fees	\$ 0	
Bond Counsel	\$ 16,804	Adams and Reese LLP
Issuer's Counsel	\$ 0	
Trustee's Counsel	\$ 0	
Bank Counsel	\$ 0	
Disclosure Counsel	\$ 0	
Paying Agent Fees	\$ 560	Regions Bank
Registrar Fees	\$ 0	
Trustee Fees	\$ 0	
Remarketing Agent Fees	\$ 0	
Liquidity Fees	\$ 0	
Rating Agency Fees	\$ 13,070	Moody's and Standard & Pools
Credit Enhancement Fees	\$ 0	
Bank Closing Costs	\$ 0	
Underwriter's Discount 1.44 %		
Take Down	\$ 133,483	Robert W. Baird & Co., Inc.
Management Fee	\$ 0	
Risk Premium	\$ 0	
Underwriter's Counsel	\$ 0	
Other expenses	\$ 0	
Printing and Advertising Fees	\$ 840	I-Deal Prospectus
Issuer/Administrator Program Fees	\$ 0	
Real Estate Fees	\$ 0	
Sponsorship/Referral Fee	\$ 0	
Other Costs	\$ 0	
<b>TOTAL COSTS</b>	<b>\$ 181,747</b>	

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<b>12. Recurring Costs:</b>		
<input type="checkbox"/> No Recurring Costs		
	<b>AMOUNT</b> (Basis points/\$)	<b>FIRM NAME</b> (If different from #11)
Remarketing Agent		
Paying Agent / Registrar	500.00	Regions Bank
Trustee		
Liquidity / Credit Enhancement		
Escrow Agent		
Sponsorship / Program / Admin		
Other _____		

<b>13. Disclosure Document / Official Statement:</b>	
<input type="checkbox"/> None Prepared	
<input checked="" type="checkbox"/> EMMA link	<u><a href="http://emma.msrb.org/ER805447-ER627023-ER1028589.pdf">http://emma.msrb.org/ER805447-ER627023-ER1028589.pdf</a></u> or
<input type="checkbox"/> Copy attached	

<b>14. Continuing Disclosure Obligations:</b>	
Is there an existing continuing disclosure obligation related to the security for this debt?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is there a continuing disclosure obligation agreement related to this debt?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes to either question, date that disclosure is due <u>June 30</u>	
Name and title of person responsible for compliance <u>James H. Demming, City Recorder/CFO</u>	

<b>15. Written Debt Management Policy:</b>	
Governing Body's approval date of the current version of the written debt management policy	<u>11/15/2011</u>
Is the debt obligation in compliance with and clearly authorized under the policy?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

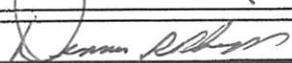
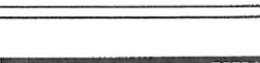
  

<b>16. Written Derivative Management Policy:</b>	
<input checked="" type="checkbox"/> No derivative	
Governing Body's approval date of the current version of the written derivative management policy	_____
Date of Letter of Compliance for derivative	_____
Is the derivative in compliance with and clearly authorized under the policy?	<input type="checkbox"/> Yes <input type="checkbox"/> No

<b>17. Submission of Report:</b>			
To the Governing Body:	on <u>10/31/2014</u>	and presented at public meeting held on	<u>11/18/2014</u>
Copy to Director to OSLF:	on <u>11/19/2014</u>	either by:	
<input type="checkbox"/> Mail to:	OR	<input checked="" type="checkbox"/> Email to:	
505 Deaderick Street, Suite 1600 James K. Polk State Office Building Nashville, TN 37243-1402		<u>StateAndLocalFinance.PublicDebtForm@cot.tn.gov</u>	

<b>18. Signatures:</b>	
	
<b>AUTHORIZED REPRESENTATIVE</b>	<b>PREPARER</b>
Name	<u>Dennis R. Phillips</u>
Title	<u>Mayor</u>
Firm	<u>City of Kingsport, Tennessee</u>
Email	<u>DennisPhillips@kingsporttn.gov</u>
Date	<u>10/31/2014</u>
	<u>Cynthia M. Barnett, Esq.</u>
	<u>Bond Counsel</u>
	<u>Adams and Reese LLP</u>
	<u>cindy.barnett@arlaw.com</u>
	<u>10/31/2014</u>