
NOTICE OF SALE

**City of Clarksville, Tennessee
\$10,150,000* General Obligation Refunding and Improvement Bonds
Series 2014**

Electronic Bids, as Described Herein
Will Be Accepted Until
10:00 a.m., Central Time, April 23, 2014**

* Subject to change both before and after award as provided herein.

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

CONTACTS

Issuer

City of Clarksville, Tennessee

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BiDCOMP/PARITY®

Customer Service

(212) 404-8102

i-Deal Prospectus

Customer Service

(212) 404-8104

NOTICE OF SALE

City of Clarksville, Tennessee
\$10,150,000* General Obligation Refunding and Improvement Bonds
Series 2014

NOTICE IS HEREBY GIVEN that electronic bids will be received on the date and up to the time specified below:

SALE DATE: April 23, 2014*

SALE TIME: 10:00 a.m. Central Time*

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

Bids will be received for the purchase of all, but not less than all, of the \$10,150,000* General Obligation Refunding and Improvement Bonds, Series 2014 (the "Series 2014 Bonds") to be issued by the City of Clarksville, Tennessee (the "City"). The Series 2014 Bonds are more particularly described in the Preliminary Official Statement dated April 17, 2014 relating to the Series 2014 Bonds, available at the i-Deal Prospectus website, www.i-dealprospectus.com. Prior to accepting bids, the City reserves the right to change the principal amount of the Series 2014 Bonds being offered, and certain terms of the Series 2014 Bonds as described herein, to postpone the sale to a later date, or to cancel the sale based upon market conditions as discussed herein. Notice of a change or cancellation will be announced via Thomson Municipal News at the internet website address www.tm3.com not later than 10:00 a.m., Central Time, on the business day preceding the bid opening. Such notice will specify the revised principal amount or feature, if any, and any later date selected for the sale, which may be postponed or cancelled in the same manner. If the sale is postponed, a later public sale may be held at the hour and on such date as communicated upon at least twenty-four hours notice via Thomson Municipal News at the internet website address www.tm3.com. Consideration of the bids and the award will be completed within six (6) hours after the bids are received. The City will continue to reserve the right to adjust the principal amount of the Series 2014 Bonds offered, to eliminate maturities, or to cancel the sale of the Series 2014 Bonds after the bids are opened as further described herein. See "ADJUSTMENT OF AMOUNTS AND MATURITIES".

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

BIDDING PARAMETERS TABLE*

INTEREST		PRICING	
Dated Date:	Delivery Date	Max. Reoffering Price	
Delivery Date:	May 7, 2014	Each Maturity:	N.A.
Interest Payment Dates:	June 1 and December 1	Aggregate:	115.0%
First Interest:	December 1, 2014	Min. Reoffering Price	
Coupon Multiples:	1/8 or 1/20 of 1%	Each Maturity:	98.5%
Maximum Coupon:	5.00%	Aggregate:	99.0%
Minimum Coupon:	N.A.		
Maximum TIC:	N.A.	PROCEDURAL	
		Sale Date:	April 23, 2014
		Bid Submission:	Electronic through PARITY [®] only
PRINCIPAL		All or None:	Yes
Optional Redemption:	Bonds maturing on or after June 1, 2025 subject to redemption on or after June 1, 2024 at par		
Principal Increases Each Maturity:	15%	Bid Award Method:	Lowest TIC
Aggregate:	Aggregate principal cannot exceed \$11,000,000	Bid Confirmation:	Fax Signed PARITY [®] screen
Principal Reductions Each Maturity:	15%	Awarding of Bid:	Within 6 hours of receiving bids
Aggregate:	20%	Good Faith Deposit:	\$220,000; as more fully described on page 8 "Good Faith Deposit"
Term Bonds:	Any consecutive maturities on or after June 1, 2025. Must have sinkers equal to amortization		

Principal Maturities:

\$10,150,000 General Obligation Refunding and Improvement Bonds, Series 2014**

<u>June 1</u>	<u>Principal Amount**</u>	<u>June 1</u>	<u>Principal Amount**</u>
2015	\$515,000	2025	\$395,000
2016	560,000	2026	405,000
2017	580,000	2027	420,000
2018	600,000	2028	430,000
2019	615,000	2029	445,000
2020	630,000	2030	460,000
2021	660,000	2031	475,000
2022	700,000	2032	490,000
2023	365,000	2033	505,000
2024	380,000	2034	520,000

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

** Subject to change both before and after bids are received as provided herein.

THE SERIES 2014 BONDS

The Series 2014 Bonds will be issued in fully registered, book-entry only form, without coupons, will be dated as of the date set forth in the Bidding Parameters Table; will be issued in denominations of \$5,000 or integral multiples thereof; and will bear interest from their date until paid or duly called for redemption at the annual rate or rates specified by the successful bidder, subject to the limitations specified below, payable as shown in the Bidding Parameters Table. Interest will be computed on the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board (“MSRB”). The Series 2014 Bonds must meet the minimum and maximum coupon and pricing criteria shown in the Bidding Parameters Table on a maturity and aggregate basis.

The Series 2014 Bonds will mature on the month and day, in the years and principal amounts shown on the Bidding Parameters Table as either serial bonds or as term bonds with sinking fund installments as described under “Designation of Term Bonds.”

DESIGNATION OF TERM BONDS

Bidders for the Series 2014 Bonds may, at their option, designate consecutive principal amounts payable on or after the maturity set forth in the Bidding Parameters Table to be combined into term bonds as set forth in the Bidding Parameters Table. Each such term bond designated will be subject to mandatory sinking fund redemption commencing on the principal payment date of the first year which has been combined to form such term bond and continuing on the principal payment date in each year thereafter until the stated maturity date of such term bond, which will be the last year combined to form such term bond. The amount redeemed in any year will be equal to the principal amount for such year as set forth in the Principal Maturities schedule set forth in the Bidding Parameters Table. The Series 2014 Bonds to be redeemed in any year by mandatory sinking fund redemption will be redeemed at par.

OPTIONAL REDEMPTION

The Series 2014 Bonds maturing on and after the maturity specified in the Bidding Parameters Table may be redeemed prior to their respective maturity dates at the option of the City on or after the date specified in the Bidding Parameters Table, in whole or in part at any time at the redemption prices set forth in the Bidding Parameters Table, together with accrued interest thereon to the redemption date. The Series 2014 Bonds maturing before the maturity specified in the Bidding Parameters Table will not be subject to optional redemption prior to their respective maturity dates.

Written notice of redemption shall be mailed to registered owners of the Series 2014 Bonds at least thirty days before the redemption date. While DTC or its nominee is the registered owner of the Series 2014 Bonds, the City shall send the notice of redemption to DTC, and the City shall not be responsible for mailing notices of redemption to participants or indirect participants or to the beneficial owners of the Series 2014 Bonds. Any failure of DTC to mail such notice to any participant will not affect the sufficiency or the validity of the redemption of the Series 2014 Bonds.

SECURITY

The Series 2014 Bonds will be payable from unlimited ad valorem taxes to be levied on all taxable property within the City. For the prompt payment of the principal of and the interest on the Series 2014 Bonds, the full faith and credit of the City are irrevocably pledged.

ADJUSTMENT OF AMOUNT AND MATURITIES

The aggregate principal amount of each maturity of the Series 2014 Bonds is subject to adjustment by the City after the receipt and opening of the bids for their purchase as specified in the Bidding Parameters Table. Changes to be made after the opening of the bids will be communicated to the successful bidder directly by 4:00 p.m., Central Time, on the Sale Date.

Prior to the Sale Date, the City may cancel the sale of the Series 2014 Bonds or adjust the aggregate principal amount and the principal amount of any maturity of the Series 2014 Bonds. Notice of a change or cancellation will be announced via Thomson Municipal News at the internet website address www.tm3.com not later than 10:00 a.m., Central Time, on the business day preceding the bid opening.

After the receipt and opening of the bids for their purchase, the City may cancel the sale of the Series 2014 Bonds or adjust the aggregate principal amount and the principal amount of each maturity of the Series 2014 Bonds; provided that such adjustments are within the limitations set forth in the Bidding Parameters Table, calculated based on the applicable bid amount. The City will consult with the successful bidder before adjusting the amount of any maturity of the Series 2014 Bonds or canceling the sale of the Series 2014 Bonds; however, the City reserves the sole right to make adjustments, within the limits described above, or cancel the sale of the Series 2014 Bonds. Any adjustments made after the opening of the bids will be communicated to the successful bidder directly by 4:00 p.m., Central Time, on the Sale Date. Adjustments within the limits described above will not relieve the successful bidder from its obligation to purchase all of the Series 2014 Bonds offered by the City, assuming the City has satisfied all other conditions of this Notice of Sale.

In the event that the principal amount of any maturity of the Series 2014 Bonds is revised after the award, the interest rate and reoffering price (as a percentage of principal) for each maturity and the Underwriter's Discount on the Series 2014 Bonds as submitted by the successful bidder shall be held constant. The "Underwriter's Discount" shall be defined as the difference between the purchase price of the Series 2014 Bonds submitted by the bidder and the price at which the Series 2014 Bonds will be issued to the public, calculated from information provided by the bidder, divided by the par amount of the Series 2014 Bonds bid.

FORM AND PAYMENT

The Series 2014 Bonds will be issued in fully registered, book-entry-only form, and a bond certificate for each maturity will be issued to The Depository Trust Company, New York, New York ("DTC"), registered in the name of its nominee, Cede & Co., and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the Series 2014 Bonds, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The successful bidder, as a condition to delivery of the Series 2014 Bonds, will be required to deposit the Bond certificates with DTC, registered in the name of Cede & Co. Principal of, premium, if any, and interest on the Series 2014 Bonds will be payable by U.S. Bank National Association, Nashville, Tennessee, the registrar/paying agent (the "Registration Agent") by wire transfer or in clearinghouse funds to DTC or its nominee as registered owner of the Series 2014 Bonds. Transfer of principal, premium, if any, and interest payments to the beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. Neither the City nor the Registration Agent will be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. The successful bidder will be required to furnish to DTC within seven (7) days after the sale the customary underwriter's questionnaire and information as to each DTC participant and the Series 2014 Bonds to be held for it.

Payment of principal of, and premium, if any, on the Series 2014 Bonds will be made by the City by wire transfer through the Registration Agent to DTC or its nominee, Cede & Co., as registered owner of the Series 2014 Bonds on the month and day, in the years and amounts established in accordance with the award of the Series 2014 Bonds. Interest on the Series 2014 Bonds is payable on the dates shown in the Bidding Parameters Table. Interest payments on the Series 2014 Bonds will be mailed by the Registration Agent on each interest payment date to the owners of the Series 2014 Bonds at the addresses listed on the registration books maintained by the Registration Agent for such purpose. So long as DTC or its nominee is the registered owner of the Series 2014 Bonds, payments of principal, interest and any redemption premium on the Series 2014 Bonds will be made to DTC or its nominee.

PRELIMINARY OFFICIAL STATEMENT AND FINAL OFFICIAL STATEMENT

The City has authorized the preparation and distribution of a Preliminary Official Statement dated April 17, 2014 (the “Preliminary Official Statement”) containing information relating to the Series 2014 Bonds. The Preliminary Official Statement comprises the deemed “final” Official Statement required by Rule 15c2-12 of the Securities and Exchange Commission. The City will furnish the successful bidder on the date of closing, with its certificate, in its usual form, as to the completeness and accuracy of the Official Statement.

The Preliminary Official Statement, this Notice of Sale and any other information concerning the proposed financing will be available electronically at i-Deal’s website, www.i-dealprospectus.com. Assistance in obtaining the documents will be provided by i-Deal’s customer service at (212) 404-8104 or from Public Financial Management, Inc., 530 Oak Court Drive, Suite 160, Memphis, Tennessee 38117-3722, (901) 682-8356.

The Preliminary Official Statement, when amended to reflect the actual amount of the Series 2014 Bonds sold, the interest rates specified by the successful bidder and the price or yield at which the successful bidder will reoffer the Series 2014 Bonds to the public, together with any other information required by law, will constitute a “Final Official Statement” with respect to the Series 2014 Bonds as that term is defined in Rule 15c2-12. No more than seven (7) business days after the date of the sale, the City will provide without cost to the respective successful bidder up to 100 copies of the Final Official Statement. If the Series 2014 Bonds are awarded to a syndicate, the City will designate the senior managing underwriter of the syndicate as its representative for purposes of distributing copies of the Final Official Statement to each participating underwriter. Any underwriter submitting a bid with respect to the Series 2014 Bonds agrees thereby that if its bid is accepted, it shall accept such designation and shall enter into a contractual relationship with all participating underwriters for the purpose of assuring the receipt and distribution by each participating underwriter of the Final Official Statement.

CONTINUING DISCLOSURE

As set forth in the Preliminary Official Statement, the City will execute a continuing disclosure certificate under which it will covenant for the benefit of the holders and beneficial owners of the Series 2014 Bonds to provide certain financial and operating data relating to the City, notice of the occurrence of certain enumerated events and notice of failure of the City to provide any required financial information. These covenants will be made in order to assist the underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission. A description and form of the continuing disclosure certificate are set forth in the Preliminary Official Statement.

LEGAL OPINION

The approving legal opinion of Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel, will be furnished without cost to the purchaser of the Series 2014 Bonds. In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the City, interest on the Series 2014 Bonds will be excluded from gross income for Federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, such interest is taken into account in determining the adjusted current earnings of certain corporations for purposes of the alternative minimum tax on corporations. For an explanation of certain tax consequences under federal law which may result from the ownership of the Series 2014 Bonds, see the discussion under the heading "Tax Matters" in the Preliminary Official Statement. Under existing law, the Series 2014 Bonds and the income therefrom will be exempt from all state, county and municipal taxation in the State of Tennessee, except inheritance, transfer and estate taxes, and Tennessee franchise and excise taxes. The proposed form of legal opinion of Bond Counsel is attached as an appendix to the Preliminary Official Statement.

BIDDING PROCEDURE; CONFIRMATION OF BID

Only electronic bids submitted via **PARITY**[®] during the bidding time period will be accepted. No other form of bid or provider of electronic bidding services will be accepted. Bidders are permitted to submit bids for the Series 2014 Bonds during the bidding time period, provided they are eligible to bid as described under "ELIGIBILITY TO BID" below.

Each bid must be unconditional and received by **PARITY**[®] before the Sale Time set forth in the Bidding Parameters Table. No proposal to purchase the Series 2014 Bonds may be withdrawn after the deadline set for receiving bids. Prior to the deadline set for receiving bids, an eligible prospective bidder may, subject to the limitation which may be imposed by **PARITY**[®], modify the proposed terms of its bid in which event the proposed terms last modified will constitute its bid for the Series 2014 Bonds. At the deadline stated above for receiving bids, the bidding process will close and each bid shall then constitute an irrevocable offer to purchase the Series 2014 Bonds on the terms provided in the bid and this Notice of Sale.

ELECTRONIC BIDDING

Electronic bids may be submitted via **PARITY**[®] only. No other provider of electronic bidding services will be accepted. The use of **PARITY**[®] electronic bidding shall be at the bidder's risk and expense, and the City shall have no liability with respect thereto. The City is using electronic bidding as a communications medium and **PARITY**[®] is not acting as the City's agent.

Each electronic bid submitted via **PARITY**[®] shall be deemed an offer, in response to this Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the City. The successful bidder must confirm such bid by a signed **PARITY**[®] Bid Form and a signed statement of reoffering prices, both delivered by fax to the City (at the number specified in "Contacts" at the front of this Notice of Sale) no later than one hour after being notified by the City of being the winning bidder, the original of each of which must be received by City on the following business day at the address shown above. Failure to deliver this written confirmation does not relieve the bidder of the obligation to purchase the Series 2014 Bonds.

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

ELIGIBILITY TO BID

The City does not have a registration requirement for prospective bidders. However, bidders submitting electronic bids must be contracted customers of the BidCOMP Competitive Bidding System and should promptly contact **PARITY**[®] directly at (212) 404-8102 for information about **PARITY**[®], including its rules and fees, and becoming a contracted customer. In the event any bidder desires to submit a bid and is not a contracted customer of BidCOMP Competitive Bidding System, such bidder should contact the financial advisor of the City to arrange to participate in the bidding process.

FORM OF BID, INTEREST RATES AND BID PRICES

All bids must conform to the requirements of this Notice of Sale. Bidders must bid to purchase all maturities of the Series 2014 Bonds. No bid will be considered which does not offer to purchase all of the Series 2014 Bonds. Each bid must specify (1) an annual rate of interest for each maturity, (2) reoffering price or yield for each maturity and (3) a dollar purchase price for the entire issue of the Series 2014 Bonds.

A bidder must specify the rate or rates of interest per annum (with no more than one rate of interest per maturity), which the Series 2014 Bonds are to bear, to be expressed in the coupon rate multiples set forth in the Bidding Parameters Table. Any number of interest rates may be named, but the Series 2014 Bonds of each maturity must bear interest at the same single rate for all bonds of that maturity.

Each bid for the Series 2014 Bonds must meet the minimum and maximum coupon and pricing criteria shown in the Bidding Parameters Table on a maturity and aggregate basis.

Upon such notice, such bidder must confirm to the City the initial reoffering prices and Underwriter's discount by maturity for the Series 2014 Bonds. The initial reoffering prices and Underwriter's discount for each maturity confirmed to the City will be used by the City to calculate the final annual principal amounts. See "ADJUSTMENT OF AMOUNT AND MATURITIES" above.

AWARD OF BID

The City expects to award the Series 2014 Bonds to the winning bidder within six (6) hours of the bid opening. Bids may not be withdrawn prior to the award. Unless all bids for the Series 2014 Bonds are rejected, the Series 2014 Bonds will be awarded to the bidder whose bid complies with this Notice of Sale and results in the lowest true interest cost ("TIC") to the City. The TIC (expressed as an annual rate) for the Series 2014 Bonds will be determined as being twice the semi-annual discount rate, compounded semi-annually, which, when applied against principal of and interest on the Series 2014 Bonds as due, will equate the sum of such discounted payments to the aggregate purchase price for the Series 2014 Bonds, as provided by the bidder on the **PARITY**[®] Bid Form. The TIC shall be calculated from the Dated Date of the Series 2014 Bonds as shown on the Bidding Parameters Table. If two or more bidders offer to purchase the Series 2014 Bonds at the same lowest TIC (rounded to six (6) places after the decimal point), the Series 2014 Bonds may be apportioned between such bidders if it is agreeable to each of such bidders, and if apportionment is not acceptable to such bidders, the City reserves the right to award the Series 2014 Bonds to one of such bidders. There will be no auction.

RIGHT OF REJECTION

The City expressly reserves the right (i) to waive any informalities, (ii) to reject all bids, any incomplete bid or any bid not fully complying with all of the requirements set forth herein, and (iii) to solicit new bids or proposals for the sale of the Series 2014 Bonds or otherwise provide for the public sale of the Series 2014 Bonds if all bids are rejected or the winning bidder defaults.

DELIVERY AND PAYMENT

Delivery of the Series 2014 Bonds will be made by the City to DTC in book-entry only form, in New York, New York on or about the Delivery Date shown in the Bidding Parameters Table, or such other date agreed upon by the City and the successful bidder. Payment for the Series 2014 Bonds must be made in federal funds or other funds immediately available to the City at the time of delivery of the Series 2014 Bonds. Any expenses incurred in providing immediate funds, whether by transfer of Federal Funds or otherwise, will be borne by the purchaser. The cost of printing the Series 2014 Bonds, if any, will be borne by the City.

RIGHT OF CANCELLATION

The successful bidder will have the right, at its option, to cancel its obligation to purchase if the Registration Agent fails to execute the Series 2014 Bonds and tender the same for delivery within 60 days from the date of sale thereof, and in such event the successful bidder will be entitled to the return of the Good Faith Deposit accompanying its bid.

GOOD FAITH DEPOSIT

A Good Faith Deposit in the amount of \$220,000 is only required of the winning bidder for the Series 2014 Bonds. The winning bidder for the Bonds is required to submit such Good Faith Deposit payable to the order of the City in the form of a wire transfer in federal funds as instructed by the City's Financial Advisor, Public Financial Management, Inc. The winning bidder shall submit the Good Faith Deposit not more than two hours after verbal award is made. The winning bidder should provide as quickly as it is available, evidence of wire transfer by providing the City the federal funds reference number. If the Good Faith Deposit is not received in the time allotted, the bid of the winning bidder may be rejected and the City may direct the next lowest bidder to submit a Good Faith Deposit and thereafter may award the sale of the Series 2014 Bonds to the same. If the winning bidder fails to comply with the Good Faith Deposit requirement as described herein, that bidder is nonetheless obligated to pay to the City the Good Faith Deposit amount as liquidated damages due to the failure of the winning bidder to timely deposit the Good Faith Deposit.

Submission of a bid to purchase the Series 2014 Bonds serves as acknowledgement and acceptance of the terms of the Good Faith Deposit requirement.

The Good Faith Deposit so wired will be retained by the City until the delivery of the Series 2014 Bonds, at which time the Good Faith Deposit will be applied against the purchase price of the Series 2014 Bonds or the Good Faith Deposit will be retained by the City as partial liquidated damages in the event of the failure of the successful bidder to take up and pay for such Series 2014 Bonds in compliance with the terms of the Notice of Sale and of its bid. No interest on the Good Faith Deposit will be paid by the City. The balance of the purchase price must be wired in federal funds to the account detailed in the closing memorandum, simultaneously with delivery of the Series 2014 Bonds.

NO LITIGATION

There is no litigation pending concerning the validity of the Series 2014 Bonds, the existence of the City, or the entitlement of the officers thereof to their respective offices, and the successful bidder will be furnished a no-litigation certificate certifying to the foregoing as of and at the time of the delivery of the Series 2014 Bonds.

CUSIP NUMBERS

It is anticipated that CUSIP numbers will be printed on the Series 2014 Bonds, but neither failure to print such numbers on any Bond nor any error with respect thereto will constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Series 2014 Bonds. The policies of the CUSIP Service Bureau will govern the assignment of specific numbers to the Series 2014 Bonds. The successful bidder will be responsible for applying for and obtaining, subject to the CUSIP Service Bureau policy and procedures, CUSIP numbers for the Series 2014 Bonds. All expenses in relation to the printing of CUSIP numbers on the Series 2014 Bonds will be paid for by the City; provided, however, that the CUSIP Service Bureau charge for the assignment of said numbers will be the responsibility of and will be paid for by the successful bidder.

BLUE SKY

The City has not taken any action relating to the requirements of the securities or “blue sky” laws of any jurisdiction with respect to the offer and sale of the Series 2014 Bonds. In addition, the City is aware that certain jurisdictions have filing requirements, which must be satisfied prior to any offer and sale of the Series 2014 Bonds to the public.

CERTIFICATE RELATING TO THE OFFICIAL STATEMENT

The City will deliver a certificate of an official of the City, dated the date of delivery of said Series 2014 Bonds, stating that as of the date thereof, to the best of the knowledge and belief of said official, the Official Statement does not contain an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

ADDITIONAL INFORMATION

Additional information may be obtained from either the City or its Financial Advisor. See the CONTACTS page herein for their telephone numbers and addresses.

THE CITY OF CLARKSVILLE, TENNESSEE

By /s/ Kim McMillan
Mayor

Dated: April 17, 2014

NEW ISSUE
Book Entry Only

RATINGS: MOODY'S: Aa2
FITCH: AA
(See "Ratings" herein)

In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the City, interest on the Bonds will be excluded from gross income for Federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, such interest is taken into account in determining the adjusted current earnings of certain corporations for purposes of the alternative minimum tax on corporations. For an explanation of certain tax consequences under federal law which may result from the ownership of the Bonds, see the discussion under the heading "Tax Matters" herein. Under existing law, the Bonds and the income therefrom will be exempt from all state, county and municipal taxation in the State of Tennessee, except inheritance, transfer and estate taxes, and Tennessee franchise and excise taxes. (See "Tax Matters" herein).

OFFICIAL STATEMENT RELATING TO THE ISSUANCE OF
\$ 10,150,000*
CITY OF CLARKSVILLE, TENNESSEE
GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS,
SERIES 2014

Dated: Delivery Date

Due: June 1, as shown on the inside front cover

The Bonds Interest on the General Obligation Refunding and Improvement Bonds, Series 2014 (the "Bonds") is payable semi-annually on June 1 and December 1, commencing December 1, 2014.
Denominations are \$5,000 or any integral multiple thereof.

Book-Entry Only System The Depository Trust Company. See "THE BONDS - BOOK ENTRY SYSTEM" herein.

Security The Bonds will be direct general obligations of the City, and the City has pledged its full faith, credit and unlimited taxing power to the punctual payment of the principal of and interest on the Bonds. See "THE BONDS - SECURITY AND REMEDIES" herein.

Redemption The Bonds are subject to optional and mandatory redemption as described herein. See "THE BONDS - OPTIONAL REDEMPTION" and "THE BONDS - MANDATORY REDEMPTION" herein.

Tax Matters Interest on the Bonds is excludable from gross income for Federal income tax purposes to the extent and subject to the conditions, limitations and continuing compliance with tax covenants as described herein.

The Bonds and the interest thereon are free from Tennessee taxes, subject to certain exceptions. See "TAX MATTERS" herein.

Bond Counsel Bass, Berry & Sims PLC, Nashville, Tennessee.

Delivery Date It is expected that the Bonds will be available for delivery in New York, New York, through the facilities of The Depository Trust Company on or about May __, 2014.

This cover page contains certain information for quick reference only. It is not a summary of the issues. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

The Bonds are offered, subject to prior sale, when, as and if issued and received by the Underwriter and subject to certain conditions, including the issuance of the approving opinion of Bass, Berry & Sims PLC, Bond Counsel, Nashville, Tennessee. Certain legal matters will be passed upon for the City by its counsel, Lance Baker, Esquire.

Official Statement Dated April __, 2014

* Preliminary; Subject to Change

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

CITY OF CLARKSVILLE, TENNESSEE

\$ 10,150,000* General Obligation Refunding and Improvement Bonds,
Series 2014

Maturity Schedule*

<u>Due June 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP¹ Numbers</u>
2015	\$ 515,000	%	%	
2016	560,000			
2017	580,000			
2018	600,000			
2019	615,000			
2020	630,000			
2021	660,000			
2022	700,000			
2023	365,000			
2024	380,000			
2025	395,000			
2026	405,000			
2027	420,000			
2028	430,000			
2029	445,000			
2030	460,000			
2031	475,000			
2032	490,000			
2033	505,000			
2034	520,000			

* Preliminary; Subject to Change

¹ These CUSIP numbers have been assigned by Standard & Poor's CUSIP Service Bureau, a Division of The McGraw-Hill Companies, Inc., and are included solely for convenience of the Bondholders. The City is not responsible for the selection or use of these CUSIP numbers, nor is any representation made as to their correctness on the Bonds or as indicated herein.

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 Clarksville, Tennessee (the "City") from time to time, may be treated as an Official Statement with respect to the Bonds described herein that is deemed final by the City 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 Bonds as permitted by Rule 15c2-12 of the Securities and Exchange Commission.

No dealer, salesperson or other person has been authorized to give any information or to make any representations other than those in the Official Statement in connection with the offering contained herein; and if given or made, such information or representations must not be relied upon. The Official Statement does not constitute an offer of the securities offered hereby to any jurisdiction where such offer or solicitation of such offer would be unlawful. The information set forth herein has been provided by the City and other sources that are believed to be reliable, but the accuracy or completeness of the information is not guaranteed by and is not to be construed as a representation by the Financial Advisor or the City. The delivery of the Official Statement at any time does not imply that information herein is correct as of any time subsequent to its date.

This Official Statement is not to be construed as a contract or agreement between the City and any purchaser of any of the Bonds. Any statements made herein involving matters of opinion, whether or not expressly so stated, are intended merely as opinion and not as representations of fact. The information contained herein is subject to change without notice and neither the delivery hereof nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City, or its agencies and authorities, since the date hereof.

This Official Statement has been prepared only in connection with the initial offering and sale of the Bonds and may not be reproduced or used in whole or in part for any other purpose.

Questions regarding information in this Official Statement should be directed to Laurie Matta, Chief Financial Officer, City of Clarksville, One Public Square, Clarksville, Tennessee, 37040 (931/645-7443) or Public Financial Management, Inc., Financial Advisor to the City, 530 Oak Court Drive, Suite 160, Memphis, Tennessee, 38117 (901/682-8356).

Although the City does not contract to do so and does not represent that it will do so, it may maintain, from time to time, a mailing list of parties wishing to receive annual and other information regarding the City. Parties wishing to receive such information should contact the Office of the Mayor, City of Clarksville, One Public Square, Clarksville, Tennessee 37040 (931/645-7444) for procedures to obtain such information.

This Official Statement has been prepared by the City in connection with the original offering for sale by it of the Bonds referred to on the front cover.

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CITY OFFICIALS

MAYOR

The Honorable Kim McMillan

CITY COUNCIL MEMBERS

Kip McNeill
James R. Lewis
Valerie Guzman
Geno Grubbs
Joel Wallace
Kaye Jones

Deanna McLaughlin
Wallace Redd
Marc Harris
David Allen
Bill Summers
Jeff Burkhart

CHIEF FINANCIAL OFFICER

Laurie Matta

CITY CLERK

Sylvia Skinner

CITY ATTORNEY

Lance Baker, Esq.

CITY ENGINEER

Brian Goodwin, P.E.

CITY JUDGE

Charles W. Smith

BOND COUNSEL

Bass, Berry & Sims, PLC
Nashville, Tennessee

CERTIFIED PUBLIC ACCOUNTANTS TO THE CITY

Crosslin & Associates, P.C.
Nashville, Tennessee

FINANCIAL ADVISOR

Public Financial Management, Inc.
Memphis, Tennessee

REGISTRATION AND ESCROW AGENT

U.S. Bank National Association

INTRODUCTION

This Official Statement, including the cover page and Appendices hereto, of the City of Clarksville, Tennessee (the "City"), is provided for the purpose of setting forth certain information concerning the sale by the City of its \$10,150,000* General Obligation Refunding and Improvement Bonds, Series 2014.

All financial and other information presented herein and in the Appendices has been provided by the City from its records, except for information expressly attributed to other sources. The presentation of information is intended to show recent historic information and is not intended to indicate future or continuing trends in the financial position or other affairs of the City. No representation is made that past experience, as might be shown by such financial and other information, will necessarily continue or be repeated in the future.

THE BONDS

DESCRIPTION

The \$10,150,000* General Obligation Refunding and Improvement Bonds, Series 2014 (the "Bonds") are dated the date of issuance and delivery and will bear interest from that date to their respective maturities in the amounts and at the rates set forth on the inside cover. The Bonds are issuable only as fully registered Bonds in the denomination of \$5,000 or any integral multiple thereof. Interest on the Bonds is payable on June 1 and December 1 of each year, commencing December 1, 2014, based on a 360-day year of twelve 30-day months.

U.S. Bank National Association, Nashville, Tennessee (the "Registration Agent") will make all interest payments with respect to the Bonds on each interest payment date directly to the registered owners as shown on the Bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by check or draft mailed to such owners at their addresses shown on said registration records, without, except for final payment, the presentation or surrender of such registered Bonds, and all such payments shall discharge the obligations of the City in respect of such Bonds to the extent of the payments so made. Payment of principal of the Bonds shall be made upon presentation and surrender of such Bonds to the Registration Agent as the same shall become due and payable. In the event the Bonds are no longer registered in the name of The Depository Trust Company, New York, New York ("DTC"), or its successor or assigns, if requested by the owner of at least \$1,000,000 in aggregate principal amount of the Bonds, payment of interest on such Bonds shall be paid by wire transfer to a bank within the continental United States or deposited to a designated account if such account is maintained with the Registration Agent and written notice of any such election and designated account is given to the Registration Agent prior to the record date.

Any interest on any Bond which is payable but is not punctually paid or duly provided for on any interest payment date (hereinafter "Defaulted Interest") shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such Defaulted Interest shall be paid by the City to the persons in whose names the Bonds are registered at the close of business on a date (the "Special Record Date") for the payment of such Defaulted Interest, which shall be fixed in the following manner: The City shall notify the Registration Agent in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment, and at the same time the City shall deposit with the Registration Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Registration Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest. Thereupon, not less than ten (10) days after the receipt by the Registration Agent of the notice of the proposed payment, the Registration Agent shall fix a Special Record Date for the payment of such Defaulted Interest which date shall not be more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment to the registered owners. The Registration Agent shall promptly notify the City of such Special Record Date and, in the name and at the expense of the City, not less than ten (10) days prior to such Special Record Date, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefore to be mailed, first class postage prepaid, to each registered owner at the address thereof as it appears in the Bond registration records maintained by the Registration Agent as of the date of such notice. Nothing contained in the Resolution (as hereinafter defined) or in the Bonds shall impair any statutory or other rights in law or in equity of any registered owner arising as a result of the failure of the City to punctually pay or duly provide for the payment of principal of and interest on the Bonds when due.

* Preliminary; Subject to Change

BOOK-ENTRY SYSTEM

Upon initial issuance, the Bonds will be available only in book-entry form. DTC will act as securities depository for the Bonds. The Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully registered Bond certificate will be issued in the aggregate principal amount of each maturity of the Bonds and will be deposited with DTC. Beneficial Owners of the Bonds will not receive physical delivery of bond certificates except under limited circumstances. A description of DTC and its operations are contained in Appendix C.

AUTHORITY FOR ISSUANCE OF THE BONDS

The Bonds are being issued by the City pursuant to the provisions of the Title 9, Chapter 21, Tennessee Code Annotated, as amended, other applicable provisions of law, and pursuant to bond resolutions adopted by the City Council on August 1, 2013 and April 3, 2014.

SECURITY AND REMEDIES

The Bonds will be payable from unlimited ad valorem taxes to be levied on all taxable property within the City. For the prompt payment of principal of and interest on the Bonds, the full faith and credit of the City are irrevocably pledged.

Pursuant to Tennessee law, any holder of the Bonds may by mandamus or other suit, action or proceeding, enforce such holder's rights against the City, the City Council or any officer, agent or employee of the City.

OPTIONAL REDEMPTION

The Bonds maturing on or before June 1, 2024 shall not be subject to optional redemption prior to maturity. The Bonds maturing on or after June 1, 2025 shall be subject to redemption prior to maturity at the option of the City on or after June 1, 2024 as a whole or in part, at any time, at the redemption price of par, plus interest accrued to the redemption date.

If less than all the Bonds shall be called for redemption, the Bonds to be redeemed shall be selected by the City Council in its discretion. If less than all of a Bond 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 Bonds are being held under a Book-Entry System by DTC, or a successor depository, the 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 Bonds are not being held under a Book-Entry System by DTC, or a successor depository, the 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.

MANDATORY REDEMPTION

Subject to the credit hereinafter provided, the City shall redeem Bonds maturing June 1, 20__ on the redemption dates set forth below opposite the maturity dates, in aggregate principal amounts equal to the respective dollar amounts set forth below opposite the respective redemption dates at a price of par plus accrued interest thereon to the date of redemption. DTC, as securities depository for Bonds, or such depository as shall then be serving as the securities depository for the Bonds, shall determine the interest of each Participant in the Bonds to be redeemed using its procedures generally in use at that time. If DTC or another securities depository is no longer serving as securities depository for the Bonds, the Bonds to be redeemed within a maturity shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall select. The dates of redemption and principal amount of Bonds to be redeemed on said dates are as follows:

<u>Final Maturity</u>	<u>Redemption Date</u>	<u>Principal Amount of Bonds Redeemed</u>
		\$

* Final Maturity

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such redemption date, the City may (i) deliver to the Registration Agent for cancellation Bonds to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and cancelled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the City on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Bonds to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced. The City shall on or before the forty-fifth (45th) day next preceding each payment date furnish the Registration Agent with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this subsection are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.

NOTICE OF REDEMPTION

Notice of call for redemption, whether optional or mandatory, of the Bonds or portions thereof to be redeemed, is to be given by the Registration Agent in accordance with the Resolution by mailing a copy of the redemption notice not more than 60 calendar days and not less than 30 calendar days prior to the date fixed for redemption to the registered owner (Cede & Co., so long as it is the registered owner in the book-entry-only system) of the Bonds. Each Beneficial Owner may desire to make arrangements with its related DTC Participant or Indirect Participant to have all notices of redemption or other communications to DTC, which may affect such persons, to be forwarded in writing by such DTC Participant or Indirect Participant to the Beneficial Owner. Any notice mailed as provided above shall be conclusively presumed to have been duly given, whether or not the Beneficial Owner of the Bonds or such other intended recipient receives such notice.

DEFEASANCE

If the City shall pay the indebtedness evidenced by any 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") in trust or escrow, on or before the date of maturity, sufficient money or Federal Obligations (as hereafter defined), the principal of and interest on which, when due and payable, will provide sufficient moneys to pay such Bonds and to pay interest thereon when due until the maturity;
- (c) By delivering such Bonds to the Registration Agent, for cancellation by it;

and if the City shall also pay or cause to be paid all other sums payable under the Resolution by the City with respect to such Bonds, or make adequate provision therefor, and by resolution of the City Council instruct any such Agent to pay amounts when and as required to the Registration Agent for the payment of principal of and interest 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 City to the holders of such Bonds shall be fully discharged and satisfied and shall thereupon cease, terminate and become void.

If the City 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 Federal Obligations deposited as aforesaid.

Except as otherwise provided in this section, neither Federal Obligations nor moneys deposited with the Registration Agent or an Agent pursuant to this Section, nor principal or interest payments on any such Federal 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 Federal Obligations, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to the City 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 Federal 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 maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the City. "Federal Obligations" means direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America,

or any agency thereof, obligations of any agency or instrumentality of the United States or any other obligations at the time of the purchase thereof are permitted investments under Tennessee law for the defeasance of bonds, 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.

CONTINUING DISCLOSURE

The City will, at the time the Bonds are delivered, execute a Continuing Disclosure Certificate under which it will covenant for the benefit of the holders and Beneficial Owners of the Bonds to provide certain financial information and operating data relating to the City, notice of the occurrence of certain enumerated events and notice of failure of the City to provide any required financial information. The information, data and notices described above will be filed or caused to be filed by the City with the Municipal Securities Rulemaking Board (“MSRB”) at www.emma.msrb.org and with any state information depository which may hereafter be established in Tennessee. The specific nature of the information contained in the Annual Report and notices can be found in the form of Continuing Disclosure Certificate attached hereto as Appendix D. 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”).

The City has previously undertaken to provide continuing disclosure pursuant to the Rule and has continuously filed its Comprehensive Annual Report (“CAFR”) with the Electronic Municipal Market Access (“EMMA”) system. The City failed to file all of its required annual financial information on time for the fiscal years ended June 30, 2011, 2010, 2009, and 2008. Although it has continuously filed its CAFR, the City inadvertently failed to file certain items of supplemental information for its water, sewer and gas revenue bonds and electric system revenue bonds. In addition, while the City’s CAFR was filed in connection with a series of its general obligation bonds additionally payable from revenues of the 911 Emergency Communications District of Montgomery County, Tennessee (the “District”), the Municipality failed to file the District’s audit.

To remedy past non-compliance, the City has filed on EMMA all filings required pursuant to the Rule regarding its prior continuing disclosure obligations. In addition, to ensure future compliance with its continuing disclosure undertakings, the City has (i) agreed in its Continuing Disclosure Certificate to specifically designate the Chief Financial Officer and City Attorney with primary responsibility for ensuring that the City complies with all of its ongoing continuing disclosure obligations pursuant to the Rule and (ii) hired DAC to serve as dissemination agent for the City’s bonds.

PLAN OF FINANCING AND REFUNDING

The proceeds of the Bonds will be used, in whole or in part, to (i) finance the capital costs related to the acquisition, construction, reconstruction, improvement and/or expansion of (a) roads, including sidewalks, signage, signalization and drainage improvements; (b) public buildings; (c) parks, greenways, trails, open space areas and other recreation areas; and (d) docks and dock facilities; (ii) refund all or a portion of the following maturities of its outstanding General Improvement Revenue and Tax Bonds, Series 2002 (the “Refunded Bonds”), and; (iii) pay the costs related to the issuance and sale of the Bonds.

General Improvement Revenue and Tax Bonds, Series 2002

<u>Date of Maturity</u>	<u>Par Amount</u>	<u>Interest Rate</u>	<u>Redemption Date</u>	<u>Redemption Price</u>
6/01/2015	270,000	4.300%	6/1/2014	100%
6/01/2016	285,000	4.400%	6/1/2014	100%
6/01/2017	295,000	4.500%	6/1/2014	100%
6/01/2018	310,000	4.600%	6/1/2014	100%
6/01/2020	665,000	4.750%	6/1/2014	100%
6/01/2022	730,000	4.875%	6/1/2014	100%
Total:	\$ 2,555,000			

The City has chosen to refund the Refunded Bonds for the purpose of achieving lower interest costs. Pursuant to a Refunding Escrow Agreement between the City and U.S. Bank National Association, Nashville, Tennessee (the "Escrow Agent"), the portion of the Bond proceeds used to refund the Refunded Bonds, together with any other amounts contributed by the City, will be used to purchase investments authorized under Section 9-21-914, Tennessee Code Annotated (the "Escrow Investments"). These Escrow Investments will be held in a separate escrow fund established by the Escrow Agent and will be sufficient to pay principal of and interest on the Refunded Bonds to their redemption date. Neither the principal of nor the interest on the Escrow Investments will be available for payment of the Bonds.

SOURCES AND USES OF FUNDS

Sources

Par Amount	\$
Net Premium	
Total Sources	<u>\$</u>

Uses

Deposit to Project Fund	\$
Deposit to Escrow	
Costs of Issuance ⁽¹⁾	
Underwriter's Discount	
Total Uses	<u>\$</u>

(1) Includes legal fees, financial advisory fees, rating agencies fees, rounding amount, printing and mailing expenses and other miscellaneous expenses.

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LONG TERM DEBT SERVICE REQUIREMENTS

As of June 30, 2013

Fiscal Years	Prior Debt Service ⁽¹⁾			Refunded Bonds			Series 2014			Combined Debt Service		
	Principal	Interest ⁽²⁾	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2014	\$ 6,799,950	4,603,544	\$ 11,403,494	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2015	6,777,000	4,259,421	11,036,421			-			-			-
2016	7,706,000	3,995,702	11,701,702			-			-			-
2017	6,919,000	3,728,080	10,647,080			-			-			-
2018	7,198,000	3,464,955	10,662,955			-			-			-
2019	6,870,000	3,203,115	10,073,115			-			-			-
2020	7,154,000	2,926,006	10,080,006			-			-			-
2021	6,391,000	2,648,084	9,039,084			-			-			-
2022	6,407,000	2,373,263	8,780,263			-			-			-
2023	5,203,000	2,113,791	7,316,791			-			-			-
2024	4,732,000	1,899,078	6,631,078			-			-			-
2025	4,936,000	1,700,600	6,636,600			-			-			-
2026	4,210,000	1,492,673	5,702,673			-			-			-
2027	4,454,000	1,309,792	5,763,792			-			-			-
2028	4,255,000	1,115,190	5,370,190			-			-			-
2029	3,811,000	926,213	4,737,213			-			-			-
2030	3,967,000	763,233	4,730,233			-			-			-
2031	4,131,000	593,483	4,724,483			-			-			-
2032	3,662,000	418,730	4,080,730			-			-			-
2033	3,535,000	260,070	3,795,070			-			-			-
2034	2,206,000	105,910	2,311,910			-			-			-
Total	111,323,950	43,900,935	155,224,885									
Less Self Supporting Debt	(2,815,000)	(704,816)	(3,519,816)	-	-	-	-	-	-	-	-	-
Total	108,508,950	43,196,118	151,705,068									

(1) Existing debt service includes projected debt service for \$1,319,645 of undrawn debt at June 30, 2013.

(2) Interest rates for variable rate debt for the purpose of this schedule were assumed to be at 4.00%.

STATEMENT OF BONDED DEBT
As of June 30, 2013

General Obligation Debt:

Existing	\$ 111,323,950	
This Issue	-	
Total Bonded Debt	-	111,323,950
Less: Self Supporting Debt	2,815,000	
Less: Debt Service Funds	-	
Net Bonded Debt	-	108,508,950
Montgomery County's Total Bonded Debt as of 6/30/13	\$ 312,620,000	
Amount applicable to the City of Clarksville	72.97%	
Net Overlapping Bonded Debt		228,110,034
Net Bonded Debt Outstanding Including Net Overlapping Bonded Debt		\$ 336,618,984

	<u>City of Clarksville</u>	<u>City and Net Overlapping</u>
Total Debt Per Capita	\$837	\$2,352
Net Direct Debt Per Capita	816	1,716
Total Debt / Actual Value	1.47%	4.12%
Net Debt / Actual Value	1.43%	3.01%
Total Debt / Assessed Value	4.69%	13.18%
Net Debt / Assessed Value	4.58%	9.62%
	<u>Clarksville</u>	<u>Montgomery County</u>
2013 Assessed Value ¹	\$2,371,439,511	\$3,250,007,933
2011 Appraised Value ²	8,099,578,690	11,656,429,368
2010 Population	132,929	172,331

Clarksville's Assessed Value as a Percentage of Montgomery County's Assessed Value: 72.967 %

⁽¹⁾ Source: FY13 Comprehensive Annual Financial Report

⁽²⁾ Source: Tennessee Comptroller of the Treasury-Division of Property Assessments

STATEMENT OF DIRECT OTHER AND BONDED DEBT

As of June 30, 2013

	<u>Debt</u> <u>Outstanding</u>	<u>Estimated</u> <u>Percentage</u> <u>Applicable</u>	<u>Estimated</u> <u>Share of</u> <u>Overlapping</u> <u>Debt</u>
Governmental Activities (tax supported debt)			
Other Debt of the City of Clarksville			
2005 Tennessee Municipal Bond Fund Loan	\$1,801,000	100.00%	\$1,801,000
2007 Tennessee Municipal Bond Fund Loan	\$14,019,000	100.00%	\$14,019,000
2007 Tennessee Municipal Bond Fund Loan	\$3,504,000	100.00%	\$3,504,000
2008 Tennessee Municipal Bond Fund Loan	\$5,911,000	100.00%	\$5,911,000
2008 Tennessee Municipal Bond Fund Loan	\$24,750,000	100.00%	\$24,750,000
2008 Tennessee Municipal Bond Fund Loan	\$568,000	100.00%	\$568,000
2008A Tennessee Municipal Bond Fund Loan	\$995,000	100.00%	\$995,000
2010 Tennessee Municipal Bond Fund Loan	\$8,062,355	100.00%	\$8,062,355
2011 Capital Outlay Note	<u>\$2,400,000</u>	<u>100.00%</u>	<u>\$2,400,000</u>
Total Other Debt of the City of Clarksville	<u>\$62,010,355</u>	<u>100.00%</u>	<u>\$62,010,355</u>
Bonded Debt of City of Clarksville			
1976 FmHA Bond	\$125,000	100.00%	\$125,000
2002 General Improvement Revenue and Tax Bonds	\$2,815,000	100.00%	\$2,815,000
2006 Taxable General Obligation Industrial Park Bonds	\$3,475,000	100.00%	\$3,475,000
2009 General Obligation Refunding Bonds	\$17,117,000	100.00%	\$17,117,000
2009A General Obligation Refunding Bonds	\$341,950	100.00%	\$341,950
2011 Taxable General Obligation Improvement Refunding Bonds	\$11,095,000	100.00%	\$11,095,000
2012 General Obligation Public Improvement Bonds	<u>\$13,025,000</u>	<u>100.00%</u>	<u>\$13,025,000</u>
Total Bonded Debt of the City of Clarksville	<u>\$47,993,950</u>	<u>100.00%</u>	<u>\$47,993,950</u>
Total Other Debt and Bonded Debt of the City of Clarksville	\$110,004,305	100.00%	\$110,004,305
Less Self-Supporting Debt:			
2002 General Improvement Revenue and Tax Bonds	(\$2,815,000)	100.00%	(\$2,815,000)
Net Direct Debt of the City of Clarksville	<u>\$107,189,305</u>	<u>100.00%</u>	<u>\$107,189,305</u>

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FUTURE FINANCING PLANS

At this time, the City does not anticipate issuing any additional debt within the current calendar year for general government purposes.

OPINION OF COUNSEL

The City will deliver at its expense to the purchasers the opinion of Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel, dated as of the date of the delivery of the Bonds, as attached hereto as Appendix B. Certain legal matters will be passed upon for the City by Lance Baker, Esq., Counsel to the City.

LITIGATION

At the time of delivery of the Bonds, the City will certify that there is no litigation or other proceedings of any nature pending or to the knowledge of the City threatened to restrain or enjoin the sale, execution, issuance or delivery of the Bonds or in any way contesting the validity of the Bonds or affecting corporate existence or the boundaries of the City or the titles of its officers to the respecting offices or the power of the City to levy and collect taxes to pay the Bonds.

TAX MATTERS

FEDERAL TAXES

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

- is excluded from a Bondholder's federal gross income under the Internal Revenue Code of 1986, as amended (the "Code")
- is not a preference item for a Bondholder under the federal alternative minimum tax, and
- is included in the adjusted current earnings of a corporation under the federal corporate alternative minimum tax.

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

A Bondholder who is a particular kind of taxpayer may also have additional tax consequences from owning the 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 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 Bonds or affect the market price of the Bonds. See also "Changes in Federal and State Tax Law" below.

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 Bonds, or under State, local or foreign tax law.

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

Original Issue Discount. A Bond will have "original issue discount" if the price paid by the original purchaser of such Bond is less than the principal amount of such Bond. Bond Counsel's opinion is that any original issue discount on these Bonds as it accrues is excluded from a Bondholder's federal gross income under the 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 Bonds will be increased. If a Bondholder owns one of these Bonds, it should consult its tax advisor regarding the tax treatment of original issue discount.

Information Reporting and Backup Withholding. Unless the recipient is otherwise exempt, interest on the Bonds is subject to Federal information reporting requirements which can be generally satisfied upon the filing of a Form W-9, "Request for Taxpayer Identification Number and Certification." Failure to satisfy the information reporting requirements does not affect the excludability of the interest on the Bonds, but will result in a tax being withheld from the interest payment, calculated as set forth in the Code. Once the required information is provided, such amounts withheld would be allowed as a refund or credit against the Bondholder's Federal income tax.

STATE TAXES

Under existing law, the Bonds and the income therefrom are exempt from all present state, county and municipal taxes in the State of Tennessee except (a) inheritance, transfer and estate taxes, (b) Tennessee excise taxes on interest on the Bonds during the period the 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 (c) 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.

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 Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. For example, various proposals have been made in Congress and by the President which, if enacted, would subject interest on bonds, such as the Bonds, that is otherwise excluded from gross income for federal income tax purposes, to a tax payable by certain bondholders with an adjusted gross income in excess of certain proposed thresholds. It cannot be predicted whether, or in what form, these proposals might be enacted or if enacted, whether they would apply to 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 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 Bonds would be impacted. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. 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 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.

MISCELLANEOUS.

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

RATINGS

Moody's Investors Service and Fitch Ratings have assigned the Bonds the ratings of Aa2 and AA, respectively. The ratings reflect only the views of the rating agencies. Any explanation of the significance of the ratings may be obtained only from the rating agencies. The City furnished to the rating agencies certain information and materials, some of which may not have been included in this Official Statement, relating to the City as well as outstanding securities of the City. Generally, rating agencies base their ratings upon such information, materials, investigation, studies, and assumptions by the rating agencies. There can be no assurance that a rating will continue for any given period of time or that it will not be lowered or withdrawn entirely by a rating agency if in its judgment circumstances so warrant. Any such downward change in or withdrawal of a rating may have an adverse effect on the marketability or market price of outstanding securities.

The City expects to furnish to the rating agencies information and materials that it may request. However, the City assumes no obligation to furnish requested information and materials, and may issue debt for which a rating is not requested. Failure to furnish requested information and materials or the issuance of debt for which a rating is not requested may result in the suspension or withdrawal of a rating agency's rating on the Bonds.

FINANCIAL ADVISOR

This Official Statement has been prepared under the direction of the City by the Chief Financial Officer with the assistance of Public Financial Management, Inc., Memphis, Tennessee ("PFM") employed by the City to perform professional services in the capacity of financial advisor. In its role as financial advisor to the City, PFM has provided advice on the plan of financing and structure of the issue, reviewed and commented on certain legal documents and drafted certain portions of the Official Statement dated _____, 2014 (based upon information provided by the City), and verified the results of the competitive sale of the Bonds held on _____, 2014. This information set forth herein has been obtained from the City and other sources which are believed to be reliable. PFM has not verified the factual information contained in this Official Statement but relied on the information supplied by the City.

UNDERWRITING

The Bonds are being purchased for reoffering by _____ (the "Underwriter"), at an aggregate purchase price of \$ _____. Such purchase price results from subtracting underwriter's discount of \$ _____ from and adding Net Original Issue Premium of \$ _____ to the par amount of \$ _____. The City's Official Notice of Sale, with respect to the Bonds, requires that all of the Bonds will be purchased by the Underwriter if any of the Bonds are purchased.

The Bonds will be offered at the respective initial public offering prices shown on the inside cover page of this Official Statement. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and others at prices lower than the public offering prices stated on the inside cover page hereof. The initial public offering prices may be changed from time to time by the Underwriter in its discretion.

AUDITED FINANCIAL STATEMENTS AND BUDGET FORECAST

The balance sheets of the City as of June 30, 2013, and the related statement of revenues and expenditures and changes in fund balances and of cash flows for the year then ended have been audited by Crosslin & Associates, P.C., independent certified public accountants. The audited financial statements and the report of Crosslin & Associates, P.C. are included in Appendix A hereto as part of the Official Statement.

Based on the most recent forecast, the City anticipates that revenues and expenditures will be within the budget for the fiscal year ending June 30, 2014.

MISCELLANEOUS

The references herein to the Bonds, the Resolution and other materials not purporting to be quoted in full are only brief outlines of certain provisions thereof. Such outlines do not purport to be complete, and for full and complete statements of such provisions reference is made to such documents, copies of which are on file at the City. Any statements involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact.

CERTIFICATE AS TO OFFICIAL STATEMENT

At the time of payment for and delivery of the Bonds, the City will furnish a certificate, signed by the Mayor, to the effect that (a) the descriptions and statements of or pertaining to the City contained in its Official Statement and any addendum thereto, for its Bonds, on the date of such Official Statement, on the date of sale of the Bonds and the acceptance of the best bid therefor and on the date of the delivery, were and are true and correct in all material respects; (b) insofar as the City and its affairs, including its financial affairs, are concerned, such Official Statement did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of circumstances under which they were made, not misleading; (c) insofar as the descriptions and statements, including financial data of or pertaining to entities other than the City, and their activities contained in such Official Statement are concerned, such statements and data have been obtained from sources which the City believes to be reliable and that the City has no reason to believe that they are untrue in any material respect; and (d) there has been no material adverse change in the financial condition of the City since June 30, 2013, the date of the last audited financial statements of the City appearing in Appendix A.

/s/ _____
Mayor

PART II
ECONOMIC AND DEMOGRAPHIC INFORMATION

CITY OF CLARKSVILLE, TENNESSEE
ECONOMIC AND DEMOGRAPHIC INFORMATION

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PART II

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INTRODUCTION

Founded in 1784 near the confluence of the Cumberland and Red Rivers, Clarksville is one of the South's most historic cities. Clarksville is located approximately 25 miles due south of Hopkinsville, Kentucky on U.S. Highway 41, 50 miles northeast of Nashville on Interstate 24, and 180 miles southwest of Louisville, Kentucky on Interstate 65.

Clarksville, as Tennessee's fifth largest and third fastest growing city, is proud to offer the best of both a rich heritage and a vibrant city on the move. Clarksville, the county seat of Montgomery County (the "County"), has profited from communication and mechanical technology with a growth in population and industrial expansion. No longer dependent upon an agriculture base, the area has become an important transport, industrial, retail, and professional center with numerous recreational facilities.

Visitors and residents alike experience that history through memorable attractions, unique architecture, and a variety of festivals and events. The Clarksville-Hopkinsville MSA enjoys the amenities of a large population without the problems that often follow a large central city. The educational and health care facilities in the area are modern and have received recognition on state and national levels. Housing is abundant and moderately priced. Recreation of many types, including NCAA basketball and football, golfing, water skiing, jet skiing and fishing is located in the area. Clarksville offers all the advantages of a major metropolitan area, without the high cost and hustle and bustle.

GOVERNMENTAL STRUCTURE

The City of Clarksville (the "City") was organized under Chapter 292 of the 1957 Private Acts of the General Assembly of the State of Tennessee. The City operates under a Mayor-Council form of government. The Mayor is elected at-large and serves a four-year term. The City Council is composed of twelve representative citizens who are elected from wards to serve four-year terms. The major administrative divisions of the City include: General Government (public safety, roads, buildings and grounds, recreation, and general), the Department of Electricity, the Gas, Water, and Sewer Departments, the Natural Gas Acquisition, the Clarksville Parking Authority, and the Clarksville Transit System. Also, the City has two component units: the Natural Gas Acquisition Corporation, and the Customs House Museums.

The City and its Component Units, which act as separate entities for which the City is financially accountable, provide a full range of services including, but not limited to, the construction and maintenance of highways, streets and infrastructure; fire and police protection; air and public transportation; community services; electric, gas, water and wastewater utilities; sanitation services; and recreation and cultural events. The City employs approximately 1,332 full-time employees and approximately 300 part-time employees.

FINANCIAL MANAGEMENT

Department of Finance and Revenue

The Chief Financial Officer (the "CFO") has charge of all fiscal affairs of the City except those that may be delegated by the City Council, and he reports directly to the Mayor. The CFO is the department head of the Department of Finance and Revenue. The Department of Finance and Revenue is responsible for the accounting and financial management systems of general government of the City. The CFO has custody of all reports, papers, and vouchers relating to the fiscal affairs of the City, and the records he maintains show the financial operation and condition of the property, assets, claims and liabilities of the City. The non-governmental funds of the City maintain their own accounting and financial systems and have finance directors responsible for the oversight of their respective funds, although ultimate responsibility still lies with the CFO.

Fiscal Year

The City operates on a fiscal year, which commences July 1 and ends June 30.

Financial Reporting

The City maintains a financial reporting system that provides timely and accurate reports on the City's financial position and the results of its operation. Independent auditors, as required by law, have audited the City's financial statements annually. The report of such accountants for the fiscal year ended June 30, 2013 is included in this Official Statement.

Accounting System

The City's accounting system for the governmental funds, internal service funds, and the parking authority are maintained by the Department of Finance and Revenue. Each of the utilities and the transit system maintain separate accounting systems. In addition, the City retains an independent certified public accounting firm to provide annual audits of all City funds.

BASIS OF ACCOUNTING

The City follows generally accepted accounting principles ("GAAP") accepted in the United States of America. Accounting records for general governmental operations are maintained on a modified accrual basis. Under this system, revenues are recorded when susceptible to accrual, that is, both measurable and available. Expenditures, other than interest on long-term debt, are recorded when the liability is incurred, if measurable, and if the liability will be paid from expendable available financial resources. Budgetary control is maintained in each of the appropriate funds by a formal appropriation and encumbrance system. Salary expenditures and commitments such as purchase orders and contracts are recorded when the liability is incurred.

Fund Structure

The City utilizes the fund types and account groups recommended by GASB Statement 1. They are:

- Governmental Funds - to account for most general governmental functions;
- Proprietary Funds - to account for ongoing activities and organizations that are similar to private enterprises;
- Fiduciary Funds - to account for assets held by the City in a trust capacity;
- The General Fixed Assets Account Group - although this account group is no longer required under GASB 34, the account group is still used to account for property and equipment used in governmental fund type operations other than those accounted for in Proprietary Funds; and
- The General Long Term Debt Account Group - although this account group is no longer required under GASB 34, the account group is still used to account for the general long-term liabilities expected to be financed from governmental funds.

Cash Management System

The City's general government's, the internal service funds, and Parking Authority's Cash Management System is maintained in the Department of Finance and Revenue. The City's enterprise funds' (Electric Department; Gas, Water, and Sewer Departments; and Transit System) Cash Management Systems are maintained internally within each department. Although the objective of each Cash Management System is to maximize both the cash available for investments and the earnings from such investments, safety of investments and liquidity are of primary importance. Statutes authorize the City to invest in obligations of the United States Treasury, its agencies and instrumentalities, commercial paper, bankers' acceptances and the State Treasurer's investment pool.

The City's banking relationship, for all funds of the City, is designed to capture the gains possible through external float management and utilizes techniques such as master disbursement accounts and lock-box services. Currently, U.S. Bank serves as depository for City's general fund.

PROPERTY TAX

Assessments

The property tax (real estate and personal property) provides the City with a major source of revenue for a variety of functions. The property tax levy is without legal limit.

The City Council reserves and allocates a portion of the property tax rate among general government, public transportation and the payment of the debt service on obligations which are not paid from various enterprise funds.

All real estate and personal property, including some utilities not under the jurisdiction of the Tennessee Regulatory Authority (“TRA”), are assessed by the Montgomery County Assessor of Property. Utilities and carriers (railroads, truck lines, air lines, bus lines, etc.) are assessed by the TRA, and some intangible personal property assessments related to banks are assessed by the State Division of Property Assessments.

The City will have completed a full reappraisal of all properties in the City for the 2014 tax year (collections in FY 2015). The appraised values approximate market value. The ratio of assessment under the Property Assessment and Classification Act of 1973, provides for assessing farm and residential real property at 25% of the current market value, commercial and industrial real property at 40% of the current market value, personal property at 30% of the current market value and real and personal property of public utilities at 55% of the current market value with corresponding reductions in tax rates.

New appraisal changes in real estate will occur only when improvements are made to existing structures, demolitions of existing structures occur, or when improvements are made on vacant property. Reappraisal does not occur based on property sales. Personal property assessments are made annually based upon returns submitted by the taxpayers and are, therefore, maintained on a current basis. Appraisals by the TRA for utilities and carriers are made annually based upon returns and are maintained at current market value. The City plans to revise all assessments every five years or more frequently as performed by the Montgomery County Assessor of Property in the future based on current market values.

Public utilities are assessed by the TRA and are automatically reviewed by the State Board of Equalization; these assessments include real estate and personal property on the basis of location and usage. Currently, under a ruling by the State Board of Equalization, the appraised value of public utilities is being reduced by multiplying it by a factor computed by dividing the appraised valuation for tax purposes of all real property within the City by the current market value. The assessed value is based on this reduced appraised value.

TOTAL TOP TEN LARGEST TAXPAYERS OF CLARKSVILLE

<u>Taxpayer</u>	<u>Business</u>	<u>2013 Assessment</u>	<u>% of Assessed Valuation</u>
Clarksville Health System	Hospital	145,919,400	6.31%
Governor's Square Co.	Retail	39,471,400	1.71%
Clarksville Nine L P	Residential	23,851,900	1.03%
Independence Place	Real Estate	18,974,400	0.82%
Campus Crest at Clarksville LLC	Residential	17,906,079	0.77%
Autumn Winds LLC	Residential	16,738,600	0.72%
Bristol Park @ Clarksville Group	Real Estate	15,616,100	0.68%
Trane Company	Manufacturer	11,273,986	0.49%
Bellsouth Telecommunications, Inc	Utilities	10,749,620	0.46%
Gateway Medical Center	Hospital	8,567,518	0.37%
Total - Top Ten Taxpayers		309,069,003	13.36%
All Other Taxpayers		2,002,934,928	86.64%
Total for All Taxpayers		2,312,003,931	100.00%

Source: FY13 City of Clarksville, TN Comprehensive Annual Financial Report

PROPERTY TAX RATES, ASSESSMENTS AND DELINQUENCIES
FY 2004 through FY 2013

<u>Tax</u> <u>Year</u>	<u>Fiscal</u> <u>Year</u>	<u>Tax Rate</u> <u>Per \$100</u>	<u>Total</u> <u>Assessments</u>	<u>Amount</u> <u>Delinquent⁽¹⁾</u>
2003	2004	1.58	20,122,199	789,260
2004	2005	1.50	19,719,457	774,062
2005	2006	1.50	20,959,084	1,289,882
2006	2007	1.31	21,919,483	889,707
2007	2008	1.31	23,251,711	1,215,392
2008	2009	1.31	24,711,181	1,034,840
2009	2010	1.24	27,533,757	1,405,342
2010	2011	1.24	27,887,819	1,863,903
2011	2012	1.24	28,207,244	1,134,482
2012	2013	1.24	29,074,992	1,055,230

⁽¹⁾ Delinquent as of June 30, in fiscal year of tax levy

Source: FY13 City of Clarksville, TN Comprehensive Annual Financial Report

BUDGETING AND APPROPRIATIONS PROCEDURES

The City's financial plans are embodied in the annual capital and operating budgets. These budgets reflect the projection of all receipts from and disbursements to all sources, and present the level of government services and the method of distributing costs to the various segments of the community through the collection of taxes and fees.

The City is required by its charter (the "Charter") to adopt annual budgets for those operating funds that are under the direct control of City Council. This includes the general fund, special revenue funds, debt service fund, and the capital projects fund, some internal service funds, certain enterprise funds, and certain capital projects' funds. Article V, Section 3 of the Charter provides that:

"The city council shall adopt an appropriations ordinance based on the approved budget. Appropriations need not be in more detail than a lump sum for each department and agency. The council shall not adopt any appropriations ordinance in excess of the available funds, except to provide for an actual emergency threatening the health, property or lives of the inhabitants of the city, providing the council unanimously agrees there is such an emergency, and provided further that the council shall be empowered to borrow such funds as may be necessary to meet such emergencies notwithstanding the provisions of Article I, Section 5(a)(16), as amended. If a budget ordinance is not adopted before the beginning of the new fiscal year, the budget ordinance for the fiscal year ending on June 30 less any appropriations for capital expenditures (land, buildings, equipment and infrastructure that cost more than \$5,000), shall become the budget ordinance for the new fiscal year beginning the following July 1, until such time as a budget ordinance for the new fiscal year can be adopted. The council shall adopt a budget ordinance by affirmative vote of a majority of the council on two (2) separate readings of the budget ordinance. The budget ordinance may be changed by the council at any time prior to the second and final reading; provided, however, all changes shall be disclosed prior to the adoption of the budget ordinance on the second and final reading. Amendments to the adopted budget ordinance may be approved by ordinance at any time during the fiscal year by the affirmative vote of a majority of the council on two (2) separate readings. The minimum requirements of the budget ordinance shall provide for the following: (1) Estimates of proposed expenditures for each department, board, office or other agency of the, showing in addition, the expenditures for corresponding items for the last preceding fiscal year, projected expenditures for the current fiscal year and reasons for recommended departures from the current appropriation pattern in such detail as may be prescribed by the governing body. It is the intent of the city, that except for moneys expended pursuant to a project ordinance or accounted for in a proprietary type fund or a fiduciary type fund that

are excluded from the budget ordinance, all moneys received and expended by a municipality shall be included in a budget ordinance.

Therefore, notwithstanding any other provision of law, the city may not expend any moneys regardless of their source (including moneys derived from bond and long-term note proceeds, federal, state or private grants or loans, or special assessments), except in accordance with a budget ordinance adopted under this section or through a proprietary type fund or a fiduciary type fund properly excluded from the budget ordinance. (2) Estimates of anticipated revenues of the city from all sources including current and delinquent taxes, non-tax revenues and proceeds from the sale of any bonds on long-term notes with a comparative statement of the amounts received by the municipality from each of such sources for the last preceding fiscal year, the current fiscal year, and the coming fiscal year in such detail consistent with the financial reporting within the comprehensive annual financial report or as may be prescribed by ordinance by the governing body. The council may by ordinance adopt policies and regulations for the implementation of this section and to provide for additional budget requirements.”

Public hearings are conducted to allow taxpayers an opportunity to comment on the proposed budgets before they become law.

In the implementation and administration of the budget, the total appropriation approved by the City Council, for the department or program shall not be exceeded. The departments and programs shall generally follow the line item worksheet submitted as part of their department's or program's budget document and are allowed discretion within non-salary and non-capital appropriations within their budgets. The Mayor is authorized to transfer funds to or from salaries/benefits or to or from capital outlay within departments throughout the fiscal year as may be necessary as long as the total appropriation as approved by the City Council is not exceeded. All other transfers or supplemental appropriations must be enacted by City Council. Actual expenditures and operating transfers out (financing uses) cannot legally exceed budget appropriations at the individual fund level. Budgetary control, however, is maintained at the departmental level for the general fund and at the individual fund level for all other budgeted funds.

The City prepares its governmental funds' budgets on a basis of accounting consistent with GAAP. The actual results of operations are presented in the combined financial statement of revenues, expenditures and changes in fund balance-budget and actual on the budgetary basis to provide a meaningful comparison of actual results with the budget because all funds are not budgeted.

Currently the City does not encumber, however those commitments that would normally be an encumbrance or a commitment related to an unperformed contract for goods or services are provided for in the subsequent year's budget during the amendment process of current fiscal year and adoption process for the subsequent fiscal year. The City is considering encumbering in future years; however the current system works in the annual allocation of the City's resources.

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MAJOR FUND SUMMARIES

The major governmental and enterprise fund summaries that follow were taken from the annual financial statements of the City of Clarksville for the fiscal years 2009, 2010, 2011, 2012, and 2013. The statements have been condensed due to space limitations. The financial statements as a whole should be read in conjunction with the notes to the financials. The notes to the financial statements are an integral part of the financial statements and aid the reader in understanding the financial statements as a whole.

GOVERNMENTAL FUNDS (COMBINED) (IN 000S)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Revenues and Other Sources					
Taxes	\$ 43,145	\$ 45,021	\$ 46,203	\$ 50,875	\$ 50,626
State Taxes	12,414	12,178	12,703	15,768	15,982
Licenses and Permits	910	1,171	1,111	1,845	1,740
Fines and Forfeitures	845	1,622	1,478	1,827	1,593
Charges for Services	1,796	1,764	2,220	2,769	2,670
Grants	3,122	3,837	7,496	5,202	5,733
Investment earnings	242	73	33	-	-
Other Revenues	<u>2,188</u>	<u>2,129</u>	<u>3,792</u>	<u>2,145</u>	<u>1,090</u>
Total Revenues	64,663	67,795	75,036	80,430	79,433
Expenditures and Other Uses					
General Government	7,379	7,844	8,414	8,534	8,760
Public Safety	32,442	34,075	35,764	37,012	38,037
Highways and Streets	9,202	9,664	9,971	10,544	10,703
Recreation	4,620	5,194	5,804	6,478	7,503
Community development	1,946	1,474	1,659	1,817	1,877
Other	8,385	1,622	1,586	3,098	1,972
Miscellaneous Agencies	1,550	1,874	1,752	1,723	1,838
Debt Service					
Principal	3,886	3,723	15,528	4,741	5,837
Interest	1,614	2,199	2,474	2,474	2,224
Capital Outlay	<u>14,698</u>	<u>23,442</u>	<u>28,996</u>	<u>16,421</u>	<u>13,195</u>
Total Expenditures	85,723	91,109	111,949	92,842	91,948
Excess of Revenues over Expenditures	(21,059)	(23,314)	(36,914)	(12,412)	(12,515)
Total Other Financing Sources (Uses)	29,397	21,208	35,057	14,309	20,772
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	8,337	(2,106)	(1,857)	1,897	8,257
Beginning Fund Balance	<u>22,857</u>	<u>31,194</u>	<u>29,087</u>	<u>27,231</u>	<u>29,128</u>
Fund Balance at End of Year*	<u>\$ 31,194</u>	<u>\$ 29,087</u>	<u>\$ 27,231</u>	<u>\$ 29,128</u>	<u>\$ 37,385</u>

* Numbers may not total due to rounding.

GENERAL FUND (IN 000S)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Revenues and Other Sources					
Total Taxes	41,802	\$ 43,802	\$ 45,201	\$ 49,486	\$ 48,822
Intergovernmental	12,414	12,178	12,703	15,768	15,982
Licenses and Permits	910	1,171	1,111	1,845	1,740
Fines and Forfeitures	617	650	657	930	823
Charges for Services	1,796	1,764	1,730	2,271	2,175
Grants	750	325	1,059	1,311	857
Investment earnings	193	61	33	26	40
Other Revenues	578	277	1,547	1,308	399
Total Revenues	59,061	60,227	64,040	72,946	70,837
Expenditures and Other Uses					
General Government	7,379	7,844	8,816	8,534	8,760
Public Safety	32,227	33,553	36,635	36,441	37,419
Highways and Streets	9,202	9,664	10,273	10,544	10,703
Recreation	4,434	4,798	5,745	6,124	6,673
Other	1,409	1,265	1,212	1,888	1,775
Capital Outlay	1,930	2,387	455	1,996	2,833
Miscellaneous Agencies	1,550	1,874	1,752	1,723	1,838
Total Expenditures	58,131	61,385	64,888	67,252	70,002
Excess of Revenues over Expenditures	930	(1,157)	(848)	5,694	835
Total Other Financing Sources (Uses)	(452)	(1,195)	(1,093)	3,345	(1,092)
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses					
	478	(2,352)	(1,941)	9,039	(258)
Fund Balance at Beginning of Year	21,343	21,821	19,469	17,528	25,418
Prior Period Adjustment	-	-	-	(1,149)	370
Fund Balance at End of Year*	<u>\$ 21,821</u>	<u>\$ 19,469</u>	<u>\$ 17,528</u>	<u>\$ 25,418</u>	<u>\$ 25,530</u>

* Numbers may not total due to rounding.

SPECIAL REVENUE FUNDS

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Revenues and Other Sources					
Local Sales Taxes/Property Taxes	\$ 1,343,281	\$ 1,218,972	\$ 2,036,681	\$ 1,450,000	\$ 1,900,000
Program Income	505,200	577,399	489,588	498,187	495,080
Fines and Forfeitures	227,508	972,209	821,287	896,838	769,910
Grants	2,172,898	2,404,970	2,144,520	2,716,630	2,399,341
Interest	7,003	3,775	1,173	40	41
Other Revenues	<u>603,694</u>	<u>881,512</u>	<u>567,033</u>	<u>356,165</u>	<u>90,801</u>
Total Revenues	4,859,584	6,058,837	6,060,282	5,917,860	5,655,173
Expenditures and Other Uses					
Public Safety	214,760	521,355	587,581	446,995	617,879
Recreation	186,613	395,636	453,683	353,621	829,537
Other Appropriations	2,092,179	1,608,004	1,855,501	-	2,074,287
Capital Outlay	494,248	904,811	335,679	759,183	397,272
Miscellaneous Community Agencies	<u>181,219</u>	<u>222,843</u>	<u>172,360</u>	<u>2,361,191</u>	<u>-</u>
Total Expenditures	3,169,019	3,652,649	3,404,804	3,920,990	3,918,975
Excess of Revenues over Expenditures	1,690,565	2,406,188	2,655,478	1,996,870	1,736,198
Total Other Financing Sources (Uses)	(457,179)	(1,674,547)	(2,977,313)	(3,617,605)	(1,256,465)
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	1,233,386	731,641	(321,834)	(1,620,735)	479,733
Fund Balance at Beginning of Year	1,634,639	2,868,025	3,599,666	3,277,831	1,657,096
Prior Period Adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,061)</u>
Fund Balance at End of Year*	<u>\$ 2,868,025</u>	<u>\$ 3,599,666</u>	<u>\$ 3,277,831</u>	<u>\$ 1,657,096</u>	<u>\$ 2,127,768</u>

* Numbers may not total due to rounding.

DEBT SERVICE FUND

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Revenues and Other Sources					
Bond Proceeds	\$ -	\$ -	\$ 12,271,714	\$ -	\$ -
Interest	6,574	1,199	-	-	-
Transfers In	5,268,240	5,432,718	6,305,052	6,521,525	7,671,349
Transfers from non-component unit	<u>390,805</u>	<u>392,743</u>	<u>388,893</u>	<u>389,993</u>	<u>390,393</u>
Total Revenues	5,665,619	5,826,660	18,965,659	6,911,518	8,061,742
Expenditures and Other Uses					
Debt Service					
Principal	\$ 3,886,100	\$ 3,723,300	\$ 15,527,700	\$ 4,741,000	\$ 5,837,353
Interest	1,614,428	2,198,658	2,303,294	2,468,012	2,223,351
Other Expenditures	<u>686,702</u>	<u>-</u>	<u>170,581</u>	<u>5,700</u>	<u>900</u>
Total Expenditures	6,187,230	5,921,958	18,001,575	7,214,712	8,061,604
Net Change in Fund Balance	(521,612)	(95,298)	964,084	(303,194)	138
Fund Balance at Beginning of Year	<u>1,583,949</u>	<u>1,062,337</u>	<u>967,039</u>	<u>1,931,123</u>	<u>1,627,929</u>
Fund Balance at End of Year*	<u>\$ 1,062,337</u>	<u>\$ 967,039</u>	<u>\$ 1,931,123</u>	<u>\$ 1,627,929</u>	<u>\$ 1,628,067</u>

* Numbers may not total due to rounding.

CAPITAL PROJECTS FUND

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Revenues and Other Sources					
Interest	35,771	7,513	3,351	2,016	13,891
Federal and State Grants	\$ 200,007	\$ 1,107,575	\$ 4,292,537	\$ 1,173,526	\$ 2,476,678
Contributions	109,492	57	250,044	1,187	60,238
Bond Proceeds	25,643,794	16,651,218	18,364,384	7,084,290	15,073,020
Transfer In	<u>414,000</u>	<u>1,992,725</u>	<u>2,635,900</u>	<u>976,000</u>	<u>375,997</u>
Total Revenues	26,403,064	19,759,088	25,546,216	9,237,019	17,999,824
Expenditures and Other Uses					
Capital Investments	\$ 12,273,739	\$ 524,101	\$ 469,773	\$ 291,516	\$ 1,434,085
Other Expenditures	<u>6,646,675</u>	<u>19,625,836</u>	<u>25,634,401</u>	<u>13,374,621</u>	<u>8,531,326</u>
Total Expenditures	18,920,414	20,149,937	26,104,174	13,666,137	9,965,411
Excess Revenues (Expenditures)	7,482,650	(390,849)	(557,958)	(4,429,118)	8,034,413
Fund Balance at Beginning of Year	(1,705,942)	5,441,676	5,050,827	4,492,869	63,751
Residual Equity Transfer / Restatement	<u>(335,032)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year*	<u>\$ 5,441,676</u>	<u>\$ 5,050,827</u>	<u>\$ 4,492,869</u>	<u>\$ 63,751</u>	<u>\$ 8,098,164</u>

* Numbers may not total due to rounding.

INTERNAL SERVICE FUNDS

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Operating Revenue					
Insurance Premiums	\$ 11,761,592	\$ 12,730,821	\$ 11,038,775	\$ 11,029,862	\$ 11,576,078
Other Income	<u>31,563</u>	<u>34,209</u>	<u>929</u>	<u>12,114</u>	<u>9,357</u>
Total Operating Revenues	11,793,155	12,765,030	11,039,704	11,041,976	11,585,435
Operating Expenses					
Claims	\$ 11,194,341	\$ 10,930,664	\$ 9,591,046	\$ 11,446,257	\$ 11,357,533
Administrative and General	52,967	412,911	299,806	170,900	180,379
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>872,104</u>	<u>328,677</u>
Total Expenditures	11,247,308	11,343,575	9,890,852	12,489,261	11,866,589
Operating Income (Loss)	545,847	1,421,455	1,148,852	(1,447,285)	(281,154)
Other Revenues					
Interest and Dividend Income	36,803	8,138	322	1,009	743
Net Income (Loss)	582,650	1,429,593	1,149,174	(1,446,276)	(281,154)
Equity Transfer / Fund Balance Adjustment					
Net Assets at Beginning of Year	<u>547,258</u>	<u>1,129,908</u>	<u>2,559,501</u>	<u>3,708,675</u>	<u>2,262,399</u>
Net Assets at End of Year*	<u>\$ 1,129,908</u>	<u>\$ 2,559,501</u>	<u>\$ 3,708,675</u>	<u>\$ 2,262,399</u>	<u>\$ 1,981,245</u>

* Numbers may not total due to rounding.

ECONOMIC AND DEMOGRAPHIC INFORMATION

POPULATION

Between 2000 and 2010, the population of the nation is estimated to have increased by 10% and the State of Tennessee by 12%. The population of Montgomery County is estimated to have shown a population increase of 27%. The 2010 population of Clarksville was estimated by the U.S. Census Bureau at 132,939, an increase of 29% from 2000.

POPULATION: CITY, COUNTY, STATE AND NATION

(In Thousands)

	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>Percent Change</u>	
				<u>2000-1990</u>	<u>2010-2000</u>
City of Clarksville	75	103	133	37%	29%
Montgomery County	100	135	172	35%	27%
Tennessee	4,877	5,689	6,346	17%	12%
United States	248,709	281,422	308,746	13%	10%

Source: U.S. Bureau of the Census.

PER CAPITA PERSONAL INCOME

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>Percent Change</u>
						<u>2008-2012</u>
Clarksville, MSA	36,496	36,415	37,165	39,527	38,902	7%
Montgomery County	38,194	38,490	39,756	42,173	41,418	8%
Tennessee	35,061	34,412	35,431	37,129	38,752	11%
United States	40,873	39,357	40,163	42,298	43,735	7%

Source: U.S. Bureau of Economic Analysis

2013 PERCENTAGE OF HOUSEHOLDS BY EFFECTIVE BUYING INCOME

	<u>City of</u> <u>Clarksville</u>	<u>Montgomery</u> <u>County</u>	<u>State of</u> <u>Tennessee</u>	<u>United</u> <u>States</u>
Under \$25,000	26%	26%	33%	29%
\$25,000-\$34,999	16%	15%	15%	14%
\$35,000-\$49,999	20%	19%	17%	18%
\$50,000 and over	38%	40%	34%	40%
Median Household EBI	\$40,958	\$42,386	\$36,168	\$41,358

Source: Claritas, Inc.

MONTGOMERY COUNTY
RETAIL SALES BY STORE GROUP
2008-2012
(\$000s)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Autos, Boats, & Aircraft; Service Stations	\$ 441,235	\$ 366,799	\$ 388,800	\$ 445,802	\$ 488,288
Eating & Drinking Establishments	216,262	222,693	221,342	239,637	249,785
Food Stores	310,877	267,770	292,391	336,090	360,285
Furniture & Home Décor; Building Materials	260,449	273,089	277,276	297,189	294,908
General Merchandise; Apparel & Accessories	554,400	565,154	573,057	608,867	618,465
Other Retail	242,471	257,176	265,402	281,347	276,276
Total Retail Sales	2,025,694	1,952,681	2,018,268	2,208,931	2,288,007

Source: Tennessee Department of Revenue website <http://www.state.tn.us/revenue/statistics/retail.shtml>

EMPLOYMENT

According to the Bureau of Labor Statistics, the unemployment rate for Montgomery County as of 2013 was 7.9%. Employment and unemployment trends for Montgomery County from 2004 to 2013 are presented below.

Year	Civilian Labor Force	Employment	Unemployment	Unemployment Rate (%)	Tennessee	USA
2004	64,226	61,137	3,089	4.8	5.4	5.5
2005	66,003	62,733	3,270	5.0	5.6	5.1
2006	68,941	65,696	3,245	4.7	5.2	4.6
2007	68,530	65,223	3,307	4.8	4.8	4.6
2008	68,057	63,743	4,314	6.3	6.7	5.8
2009	68,864	62,700	6,164	9.0	10.5	9.3
2010	75,169	68,327	6,842	9.1	9.8	9.6
2011	77,181	70,168	7,013	9.1	9.3	8.9
2012	77,909	71,807	6,102	7.8	8.2	8.1
2013	77,508	71,365	6,142	7.9	8.2	7.4

Source: Bureau of Labor Statistics.

The major areas of employment in Montgomery County are the services and retail trade industries. Comparatively, both the Southeast Region and the United States show a heavier concentration in manufacturing than does Montgomery County, but they also display high employment in the services and governmental services industries.

MAJOR EMPLOYERS

A diversified employment base of military, industries, state and local governments, health care, higher education and retail trade supports the economic base of the area. The area's principal employers are:

<u>Employer</u>	<u>Employees</u>
Department of Defense (Fort Campbell)	5,100
Clarksville-Montgomery County School System	3,900
Trane Company	1,400
Wal-Mart Supercenter	1,363
City of Clarksville	1,330
Gateway Medical Center	1,165
Montgomery County	921
Austin Peay State University	900
Convergys Corporation	800
Jostens Printing & Publishing	600
Akebono	500
Letica	400
Bridgestone Metalpha	400
Hendrickson Trailer Suspension Systems	320
Spear USA	302

Source: FY13 City of Clarksville, TN Comprehensive Annual Financial Report

HOUSING AND CONSTRUCTION

The demand for housing in the City has promoted the building of over 14,774 additional housing units between 2000 and 2010, an increase of 36.90%. According to the U.S. Bureau of the Census, housing units in the City of Clarksville increased from 40,041 in 2000 to 54,815 in 2010. The median price for a single dwelling unit in Clarksville is approximately \$134,400. The following table presents data on housing units in Clarksville from 1980 to 2010.

HOUSING UNITS COUNTY AND CITY

Housing Units City (1980-2010)

Year	Total Units	Occupied Owner Units	Occupied Renter Units	Occupied Units	Occupancy Rate
1980	19,412	9,527	8,290	17,817	91.78%
1990	27,642	13,906	11,536	25,442	92.04%
2000	40,041	21,275	15,694	36,969	92.33%
2010	54,815	27,732	21,707	49,439	90.19%

Source: U.S. Bureau of the Census.

Occupied Housing Units County and City (1990-2010)

	1990	2000	2010	1990-2010 Percent Change
	<hr/>			
Clarksville				
Owner Units	13,906	21,275	27,732	99.42%
Renter Units	11,536	15,694	21,707	88.17%
Total Units	25,442	36,969	49,439	94.32%
<hr/>				
				1990-2010 Percent Change
<hr/>				
Montgomery County				
Owner Units	20,983	30,700	40,635	93.66%
Renter Units	13,362	18,630	21,583	61.53%
Total Units	34,345	49,330	62,218	81.16%

Source: U.S. Bureau of the Census.

The table below provides annual data on the number of building permits granted by the City of Clarksville and the value of related construction between 2004 through 2013.

**BUILDING PERMITS ISSUED
2004 through 2013**

<u>City of Clarksville</u>		
<u>Total Permits</u>		
<u>Year</u>	<u>No.</u>	<u>Value</u>
2004	1,434	146,671,091
2005	1,690	233,766,772
2006	1,692	516,756,919
2007	1,319	230,756,369
2008	875	192,668,975
2009	951	135,602,805
2010	1,203	196,314,096
2011	1,128	198,812,325
2012	1,557	224,651,808
2013	1,112	267,037,699
Totals	<u>12,961</u>	<u>2,343,038,859</u>

Source: Clarksville-Montgomery County Regional Planning Commission

TRANSPORTATION

The highway system in Montgomery County includes Interstate 24 which connects Clarksville to Nashville, Chattanooga, and Atlanta and to Interstate 75 leading to St. Louis and Chicago. Other highways in the County include U.S. Highway 79 and 41A and State Highways 12, 13, 48, 76, 149, 374, 236, and 237.

The northern portion of a new four-lane loop, Route 840, has been planned to run south of Clarksville and will connect east of Nashville to Interstate 40 and west of Nashville to Interstate 24, which runs through the County, and north of Nashville to Interstate 65 North. The southern portion of the loop around Nashville is under construction with some portions completed, which will also connect at Interstate 40 and provide additional access to Interstate 65 and Interstate 40 through Nashville to Chattanooga/Atlanta and Birmingham, Alabama.

The highway system provides for one-day delivery to 76% of major U.S. markets. In addition to the highway system, the R.J. Corman Railroad runs from Clarksville to CSX Transportation mainline in Guthrie, Kentucky, approximately 20 miles north.

The transportation system includes the Cumberland River, a navigable waterway of 381 miles from Celina, Tennessee east of Nashville to its mouth on the Ohio River upstream from Paducah, Kentucky. A canal connects the Cumberland River and Tennessee River (Kentucky Lake) at Lake Barkley.

Air transportation includes Outlaw Field overseen by the Clarksville/Montgomery County Airport Authority with runways of 6,000 and 4,000 feet to accommodate more than 40,000 private and corporate flights. The Nashville International Airport located approximately 45 miles southeast in Nashville provides commercial service on American, Air Canada, Continental, Delta, Northwest, TWA, United, Southwest, Western Pacific, US Airways, and Delta Express on 368 daily flights.

UTILITIES

The City of Clarksville operates the Clarksville Department of Electricity (the “Electric Department”) and the Clarksville Gas, Water, and Sewer Department (the “Gas, Water, and Sewer Departments”). The Electric Department generally confines its sales to within the City. The Gas, Water, and Sewer Departments extend their sales outside the City to the industrial park and to utility districts. The following tables provide basic information about the City’s utilities.

STATISTICAL DATA - CITY OF CLARKSVILLE'S UTILITIES For the Fiscal Years 2009 through 2013

Clarksville Department of Electricity					
	2009	2010	2011	2012	2013
Number of Customers					
Residential	49,295	52,413	54,019	55,434	55,837
Commercial and Industrial	5,784	6,279	6,336	6,553	6,580
Other	1,282	1,288	1,321	1,318	1,315
Total Customers	56,361	59,980	61,676	63,305	63,732
Kilowatt hours sold	1,449,664,544	1,477,960,178	1,455,892,735	1,395,190,442	1,406,335,366
Utility Sales	\$ 135,092,448	\$ 134,832,982	\$ 152,783,360	\$ 152,858,073	\$ 152,108,989
 Clarksville Gas Department					
	2009	2010	2011	2012	2013
Number of Customers					
Residential	19,325	20,101	20,967	21,301	21,448
Commercial and Industrial	2,898	2,965	3,143	3,172	3,191
Other	-	-	-	-	13
Total Customers	22,223	23,066	24,110	24,473	24,652
Cubic Feet Sold	4,582,121	4,542,451	4,475,835	3,436,391	3,901,631
Utility Sales	\$ 45,377,427	\$ 31,625,197	\$ 30,635,248	\$ 21,618,218	\$ 24,913,185
 Clarksville Water and Sewer Department					
	2009	2010	2011	2012	2013
Number of Customers					
Residential	53,264	52,586	52,645	54,549	47,392
Commercial and Industrial	2	2	4,081	4,137	3,229
Other	-	-	-	-	7
Total Customers	53,266	52,588	56,726	58,686	50,628
Gallons Pumped and Sold-Water Sales	4,266,126	4,011,681	4,309,813	4,434,753	4,187,341
Utility Sales	\$ 17,210,178	\$ 17,497,154	\$ 18,999,188	\$ 19,673,265	\$ 47,738,549

Source: City of Clarksville Department of Finance and Revenue

MEDICAL FACILITIES

Clarksville is quickly becoming a regional medical hub for the area. The medical facilities offer programs, services, and facilities that rival the best in the state. The brand new state-of-the-art Gateway Medical Center opened its doors in 2008 in St. Bethlehem, near Exit 4 on I-24, near Governors Square. The hospital employs 1,165 professionals and serves Upper Middle Tennessee and South Central Kentucky.

The Gateway Medical Center is a fully accredited 270-bed medical center that provides numerous state-of-the-art services, including a heart center, magnetic resonance imaging, respiratory care, surgery, critical care, inpatient rehabilitation and emergency services. The medical staff of more than 150 physicians represents 30 specialties and sub-specialties.

Gateway-Vanderbilt Cancer Treatment Center is a joint venture with Vanderbilt Medical Center bringing the latest technology in radiation therapy to Clarksville. Clarksville Imaging Center is a joint venture with Radiology Associates of Clarksville.

Gateway Medical Center is fully accredited by the Joint Commission on Accreditation of Healthcare Organizations. It is also an accredited Chest Pain Center, an accredited Cancer Program and is accredited for Metabolic and Bariatric Surgery. It is a member of the American Association of Blood Banks, accredited in Mammography and has received recognition in Diabetes Education.

EDUCATION

Clarksville-Montgomery County School System – One of the area’s major assets is the education network of public and private elementary and secondary education and the higher education institutions. The Clarksville-Montgomery County School System has 34 schools, of which 20 are elementary schools, seven are middle schools, and seven are high schools. All schools in the system are approved by the Tennessee State Department of Education and accredited by the Southern Association of Colleges and Schools (SACS). The school system has been recognized in the top 10 percent of the nation’s schools in meeting parents’ goals.

Clarksville-Montgomery County Schools

<u>Year</u>	<u>Enrollment</u>
2003-04	24,789
2004-05	25,876
2005-06	26,438
2006-07	27,201
2007-08	27,754
2008-09	29,205
2009-10	29,796
2010-11	30,440
2011-12	30,566
2012-13	31,300

Source: FY13 City of Clarksville, TN Comprehensive Annual Financial Report

There are five private schools in Montgomery County offering an educational program for grades K through 12. Private schools in the Clarksville-Montgomery County area offer a choice for parents seeking an alternative to the traditional school system. Each has distinctive characteristics that meet the different needs of individual students. (Source: Clarksville-Montgomery County Economic Development Council)

Austin Peay State University – Clarksville is home to Austin Peay State University, one of Tennessee's outstanding regional higher education institutions. Austin Peay has an impressive campus adjacent to the central business district. Founded in 1927 and named for native son, Governor Austin Peay, APSU is Tennessee's designated liberal arts university. APSU offers:

- *Diverse Degree Programs*: More than 50 majors in associate's, bachelor's, master's, and education specialist's degrees with additional areas of concentration.
- *Two Accomplished Centers of Excellence*: The Center for the Creative Arts and The Center for Field Biology of Land Between the Lakes.
- *Four Chairs of Excellence*: Roy Acuff Chair in the Creative Arts, Foundation Chair in Free Enterprise, Harper/Bourne Chair in Business, and Lenora C. Reuther Chair in Nursing.
- *Athletics*: The Governors and Lady Gobs are members of the Ohio Valley Conference (NCAA-Division 1-A), fielding teams in 16 competitive sports.

Austin Peay State University is also home to the new Sundquist Science Complex, one of the South's premier science education facilities. With a price tag in excess of \$38 million, it represents the largest capital appropriation ever in Tennessee for a single classroom building. The 180,000 square foot facility houses the biology, chemistry, physics and agriculture departments, as well as the Center for Field Biology, a museum of zoology, a herbarium, and the Robert F. Sears Memorial Planetarium.

DOWNTOWN HISTORIC DISTRICT

The Montgomery County Courthouse serves as the center of Clarksville's historic downtown. Its grandeur and historical significance make it the very heart of the community.

Courthouse – The Courthouse has been fully restored since being damaged by a 1999 tornado and includes an additional floor to accommodate additional office and storage space, a center rotunda, a two-level commission meeting room with balcony seating, and a bell tower.

Courthouse Complex – The 176,000-square-foot Courts Complex includes spires, a domed skylight, and other architectural elements, and occupies the north end of the Courthouse block.

Millennium Plaza – Located between the Courthouse and Courts Complex is a plant-filled plaza containing ornamental horticulture mixed with brick walkways and public art. This pedestrian-friendly project was funded primarily by a federal grant, with the remaining 20% covered by individual contributors.

With an aim to be the highlight of downtown beautification efforts, key elements include a semi-circular plaza in front of the court facility, a sculptural fountain, and a curved wall depicting the history of the Montgomery County Courthouse.

Riverwalk – The City of Clarksville continues to extend its famous walkway, extending from McGregor Park located on the scenic Cumberland River, across Riverside Drive, into the Downtown Historic District. The walkway features beautiful overlook plazas, a children's playground, an amphitheater, picnic facilities, performance stages, a boat ramp, a wharf, and a pedestrian gateway into the Downtown Historic District. A permanent exhibit is housed in the Cumberland River Center; the exhibit features a 12-panel chronological history of the Cumberland River and the river's significance to the development of Clarksville.

GOVERNMENT

Fort Campbell – One of the key factors in Clarksville's growth is the relationship it has with adjoining Fort Campbell, Kentucky, home of the 101st Airborne Division (Air Assault), the 160th Special Operations Aviation Regiment (SOAR), 5th Special Forces Group and 101st Corps Support Group. The 101st Airborne Division is one of the most powerful and prestigious divisions, having made a name for itself during World War II as the *Screaming Eagles* in Bastogne, Market Garden, Holland. Today, the highly trained soldiers of the 101st are the world's only Air Assault Division. The 101st participates in peacekeeping and humanitarian missions at home and abroad.

30,438 active duty soldiers, 53,116 family members, and 151,360 retirees and their family members and reserve component call Fort Campbell home. The installation manages the records of some 4,000 civilians, with approximately \$2.5 billion per year, making it the largest employer in both Tennessee and Kentucky.

RECREATION AND CULTURAL ACTIVITIES

The Clarksville Parks and Recreation Department (CPRD) is a Tier II Benchmarked Agency and offers a wide variety of recreational facilities and activities for all ages. Within the City of Clarksville, the CPRD maintains over 400 acres of parks and facilities. The City's 22 park facilities offer playgrounds, picnic areas, walking trails and pavilions. Several City parks also feature restrooms, basketball areas, tennis courts and ball fields. The CPRD also maintains three community centers with year-round programming for all ages.

The Riverwalk is the launch pad for the City's recreational trail system which in the future may span 334 miles. The trail is partnered with the Rails to Trails initiative, which transforms abandoned railroad beds into scenic walkways. The Riverwalk is also the venue for City events such as the Independence Day Celebration, Riverfest and Christmas on the Cumberland.

In addition to the Riverwalk, the City also has the Uplands Trail leading into downtown as well as the Clarksville Greenway. The Clarksville Greenway is a walking, biking, and hiking trail located in north Clarksville that is approximately 4.6 miles long. The Clarksville Greenway preserves a natural space for alternative transportation from downtown to the north side of town, while still providing a place for native plants and animals to live.

The CPRD also maintains Fort Defiance, a Civil War outpost that overlooks the Cumberland and Red rivers. The four acre site includes a walking trail, an interpretive center as well as some of the best preserved earth works in the nation.

In the fall of 2012, the City of Clarksville officially opened the redeveloped Liberty Park. The park includes the Clarksville Marina and the redeveloped fairgrounds. The Clarksville Marina is home to numerous boat slips, dry docks and four boat ramps. Adjoined to the marina, Liberty Park features amenities such as a ball fields, a pavilion, an amphitheater and a building to be used for special events, such as the Independence Day Celebration, overlooking the Cumberland River. Both private and public funds were utilized to complete the project. Future plans for the Marina also include retail and residential development areas.

The CPRD has a partner agreement with the Clarksville-Montgomery County School System to use their park facilities for tournaments and athletics. Heritage Park boasts eight soccer fields, four softball fields, four baseball fields and two full-court basketball pads. The Swan Lake Sports Complex has an eight court tennis facility as well as an Olympic-sized pool with a 100' water slide.

In addition to the Swan Lake pool, the City also operates four other public swimming pools. In January 2010, New Providence pool was transformed into a year-round swimming facility with the addition of a pool dome.

Aside from their park facilities, athletics, walking trails and Marina project, the City also has several special events throughout the year. The Queen City Road Race Downtown Market, Movies in the Park, Party in the Park, Riverfest and Christmas on the Cumberland are all staples in the Clarksville community.

Austin Peay State University's Center for the Creative Arts – The Center, established in 1985 to promote the creative arts in Tennessee, promotes over 100 musical and dance productions, recitals, concerts, theatrical performances, literary readings and art exhibitions annually.

Roxy Regional Theatre – This hallmark theatre is located at 100 Franklin Street in historic downtown. The theatre is Clarksville's oldest professional theatre and offers patrons a combination of professional company shows and community offerings. Housed in a 1947 art deco theatre, The Roxy produces 10 main stage productions annually.

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APPENDIX A
AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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BASIC FINANCIAL STATEMENTS

Audited Financial Statements of the City of Clarksville, Tennessee (the “City”) and supplementary information as of and for the fiscal year ending June 30, 2013 together with the independent auditors’ report from Crosslin & Associates, P.C. are available through the website of the City’s Department of Finance at <http://www.cityofclarksville.com/modules/showdocument.aspx?documentid=4471>, and are included as part of this Appendix A.

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APPENDIX B

FORM OF BOND COUNSEL OPINION

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[Proposed Form of Bond Counsel Opinion]

(Closing Date)

City Council
City of Clarksville
One Public Square
Clarksville, Tennessee 37040

[Underwriter]

Ladies and Gentlemen:

We have acted as bond counsel to the City of Clarksville, Tennessee (the "Issuer") in connection with the issuance of \$_____ General Obligation Refunding and Public Improvement Bonds, Series 2014, 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 general obligations of the Issuer.

2. The resolutions of the City Council of the Issuer authorizing the Bonds have been duly and lawfully adopted, are in full force and effect and are a valid and binding agreement of the Issuer enforceable in accordance with its terms.

3. The principal of and interest on the Bonds are payable from unlimited ad valorem taxes to be levied on all taxable property within the corporate limits of the Issuer.

4. Interest on the Bonds (including any original issue discount properly allocable to an owner thereof) 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 and corporations; however, such interest is taken into account in determining adjusted current earnings of certain corporations for purposes of alternative minimum tax on corporations. 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, 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) inheritance, transfer and estate taxes, (b) 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 (c) 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.

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,

11184153.1

APPENDIX C
BOOK-ENTRY SYSTEM

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APPENDIX C

INFORMATION RELATED TO DEPOSITORY TRUST COMPANY

1. The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the securities (the “Securities”). The Securities 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 Security certificate will be issued for the Securities, in the aggregate principal amount of such issue, and will be deposited with DTC.
2. 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 on-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 rating of AA+. 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 and www.dtc.org.
3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities 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 Securities 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 Securities is discontinued.

4. To facilitate subsequent transfers, all Securities 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 Securities with DTC and their registration in the name of Cede & Co. or such other nominee do not effect 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 Securities 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.
5. 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. Beneficial Owners of Securities may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners, or in the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.
6. Redemption notices shall be sent to DTC. If less than all of the Securities 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.
7. Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Securities. Under its usual procedures, DTC mails an Omnibus Proxy to the City 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 Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).
8. Redemption proceeds, distributions, and dividend payments on the Securities 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 the City 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, Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividends to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.
9. DTC may discontinue providing its services as securities depository with respect to the Securities at any time by giving reasonable notice to the City or Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Security certificates are required to be printed and delivered.

10. Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered.
11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

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APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

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CITY OF CLARKSVILLE, TENNESSEE

\$_____ GENERAL OBLIGATION REFUNDING AND PUBLIC IMPROVEMENT BONDS,
SERIES 2014

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered this __ day of _____, 2014 by the City of Clarksville, Tennessee (the "Issuer") in connection with the issuance of its \$_____ General Obligation Refunding and Public Improvement Bonds, Series 2014 (the "Bonds"). The Bonds are being issued pursuant to resolutions adopted by the City Council of the Issuer on August 1, 2013 and April 3, 2014 (the "Resolution"). The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to the Rule and this Disclosure Certificate.

"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.

"Dissemination Agent" means DAC or any successor designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"Fiscal Year" shall mean any period of twelve consecutive months adopted by the Issuer as its fiscal year 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.

"Listed Events" shall mean any of the events listed in Section 5.3 of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board, or any successor thereto.

"Official Statement" shall mean the Official Statement dated _____, 2014, relating to the Bonds.

"Participating Underwriter" shall mean _____.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of Tennessee.

"State Depository" shall mean any public or private depository or entity designated by the State as a state depository to which continuing disclosure information shall be sent pursuant to State law. As of the date of this Disclosure Certificate, there is no State Depository.

SECTION 3. Provision of Annual Reports. Not later than one year after the end of the Fiscal Year, commencing with Fiscal Year ending June 30, 2014, the Issuer shall provide an Annual Report to the MSRB at emma.msrb.org and to the State Depository, if any. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate. Notwithstanding the foregoing, the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report when such audited financial statements are available. In the event that the audited financial statements are not included with the Annual Report and will be submitted at a later date, the Issuer shall include unaudited financial statements of the Issuer in the Annual Report and shall indicate in the Annual Report the date on which the audited financial statements of the Issuer will be submitted. The audited financial statements of the Issuer, when available, will be provided to the MSRB and to the State Depository, if any. If the Annual Report (or audited financial statements which were to be separately submitted) is not timely filed, the Issuer shall in a timely manner send a notice to the MSRB and to the State Depository, if any.

SECTION 4. Content of Annual Reports. The Issuer's Annual Report shall contain or incorporate by reference the General Purpose Financial Statements of the Issuer for the fiscal year, prepared in accordance with generally accepted accounting principles; provided, however, if the Issuer's audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained herein, and the audited financial statements shall be filed when available. The Annual Report shall also include in a similar format the following information included in Part II of this Official Statement as follows.

1. "Long-Term Debt Service Requirements";
2. "Statement of Bonded Debt";
3. "Total Top Ten Largest Taxpayers of Clarksville";
4. "Property Tax Rates, Assessments and Delinquencies";
5. "Major Fund Summaries";
6. "Population: City, County, State and Nation";
7. "Per Capita Personal Income";
8. "Percentage of Households by Effective Buying Income";
9. "Montgomery County – Retail Sales by Store Group";
10. "Employment";
11. "Major Employers";
12. "Housing Units – County and City";

13. "Building Permits Issued";
14. "Statistical Data – City of Clarksville’s Utilities"; and
15. "Clarksville – Montgomery County Schools".

Any or all of the items above may be incorporated by reference from other documents, including Official Statements in final form for debt issues of the Issuer or related public entities, which have been submitted to the Securities and Exchange Commission. If the document incorporated by reference is a final Official Statement, in final form, it will be available from the Municipal Securities Rulemaking Board. The Issuer shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Significant Events.

The Issuer will file notice regarding certain significant events with the MSRB and State Depository, if any, as follows:

1. Upon the occurrence of a Listed Event (as defined in (3) below), the Issuer shall in a timely manner, but in no event more than ten (10) business days after the occurrence of such event, file a notice of such occurrence with the MSRB and State Depository, if any.
2. For Listed Events where notice is only required upon a determination that such event would be material under applicable Federal securities laws, the Issuer shall determine the materiality of such event as soon as possible after learning of its occurrence.
3. The following are the Listed Events:
 - a. Principal and interest payment delinquencies;
 - b. Non-payment related defaults, if material;
 - c. Unscheduled draws on debt service reserves reflecting financial difficulties;
 - d. Unscheduled draws on credit enhancements reflecting financial difficulties;
 - e. Substitution of credit or liquidity providers, or their failure to perform;
 - f. 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;
 - g. Modifications to rights of Bondholders, if material;
 - h. Bond calls, if material, and tender offers;
 - i. Defeasances;
 - j. Release, substitution, or sale of property securing repayment of the securities, if material;
 - k. Rating changes;

- l. Bankruptcy, insolvency, receivership or similar event of the obligated person;
- m. 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; and
- n. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

SECTION 6. Dissemination Agent; Procedures for Ensuring Compliance with Obligations.

The Issuer may, from time to time, appoint a dissemination agent to assist it in carrying out its obligations under this Disclosure Certificate, and the Issuer may, from time to time, discharge the dissemination agent, with or without appointing a successor dissemination agent. DAC is currently engaged to serve as dissemination agent for the Issuer's bonds. If at any time there is not a designated dissemination agent, the Issuer shall be the dissemination agent.

The Issuer has taken specific steps to ensure compliance with its obligations under this Disclosure Certificate, including, but not limited to, specifically designating the Chief Financial Officer and the City Attorney with primary responsibility for ensuring that the Issuer complies with all of its on-going continuing disclosure obligations in accordance with the Rule. The specific procedures that have been identified and agreed to by the Issuer include the following:

(a) Not later than nine months after the end of the Issuer's Fiscal Year, the Chief Financial Officer, or the Finance Director in his/her absence, shall determine if the audited financial statements of the Issuer are available for filing in accordance with Section 3 above and shall notify the City Attorney as to such determination.

(b) If the audited financial statements of the Issuer are not available for filing by the end of the ninth month after the end of the Issuer's Fiscal Year, the Chief Financial Officer, or the Finance Director in his/her absence, shall ascertain from the auditors the date when the audited financial statements will be available and shall notify the City Attorney of such date.

(c) Not later than ten months after the end of the Issuer's Fiscal Year, the Chief Financial Officer, or the Finance Director in his/her absence, shall file or cause the Dissemination Agent to file the Annual Report in accordance with Section 3 above and shall immediately notify the City Attorney that the Annual Report has been filed. In the event that the audited financial statements are not included with the Annual Report and will be submitted at a later date, the Chief Financial Officer, or the Finance Director in his/her absence, shall include unaudited financial statements of the Issuer in the Annual Report and shall indicate in the Annual Report the date on which the audited financial statements of the Issuer will be submitted. The Chief Financial Officer, or the Finance Director in her absence, shall file or cause the Dissemination Agent to file the audited financial statements of the Issuer, when available, in accordance with Section 3 above.

(d) The Chief Financial Officer, or the Finance Director in his/her absence, and the City Attorney shall have responsibility for monitoring the occurrence of any of the Listed Events with respect to the Bonds. Upon the occurrence of any of the Listed Events, the Chief Financial Officer, or the Finance Director in his/her absence, shall file or cause the Dissemination Agent to file a notice with respect to such Listed Event in accordance with Section 5 above and shall notify the City Attorney that such notice has been filed.

(e) The Chief Financial Officer shall ensure that all incumbents and successors holding the positions of Chief Financial Officer, Finance Director and City Attorney are adequately informed of their respective responsibilities under this Disclosure Certificate.

SECTION 7. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 8. Amendment. Notwithstanding any other provision of the Disclosure Certificate, the Issuer may amend the Disclosure Certificate, and any provision of the Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions concerning the Annual Report and Reporting of Significant Events it 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 an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized Bond Counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Resolution for amendments to the Resolution with the consent of the Holders, or (ii) does not, in the opinion of nationally recognized Bond Counsel, materially impair the interests of the Holders or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of the Disclosure Certificate, the Issuer shall describe such amendment in the next Annual Report, 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, (i) notice of such change shall be given, and (ii) the Annual Report for the year in which the change is made should 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 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any Beneficial Owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Resolution, and the sole remedy under this

Disclosure Certificate in the event of any failure of any party to comply with this Disclosure Certificate shall be an action to compel performance. The cost to the Issuer of performing its obligations under the provisions of this Disclosure Certificate shall be paid solely from funds lawfully available for such purpose.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The Dissemination Agent may consult with counsel (who may, but need not, be counsel for any party hereto or the Issuer), and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriter and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 13. Intermediaries; Expenses. The Dissemination Agent is hereby authorized to employ intermediaries to carry out its obligations hereunder. The Dissemination Agent shall be reimbursed immediately for all such expenses and any other reasonable expense incurred hereunder (including, but not limited to, attorneys' fees).

SECTION 14. Governing Law. This Disclosure Certificate shall be governed by and construed in accordance with the laws of the State.

SECTION 15. Severability. In case any one or more of the provisions of this Disclosure Certificate shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Disclosure Certificate, but this Disclosure Certificate shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

SECTION 16. Filings with the MSRB. All filings required to be made with the MSRB shall be made electronically at emma.msrb.org, shall be accompanied by identifying information as prescribed by the MSRB and shall be submitted in any other manner pursuant to, and in accordance with, SEC Release No. 34-59062.

CITY OF CLARKSVILLE, TENNESSEE

By: _____
Mayor

11184146.1