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FAYETTE COUNTY LEGISLATIVE BODY

April 06, 2004

BE IT REMEMBERED That pursuant to call in the following words and figures, to-wit:

"I, Rhea Taylor, County Mayor of Fayette County, Tennessee, pursuant to the provisions of Section 5-5-105 of the Tennessee Code Annotated, Official Edition, the public necessities requiring it, do hereby call a Special Session of the County Commission to convene on Tuesday, April 06, 2004, at 7:30 P>M> in the upstairs courtroom of the Fayette County Courthouse in Somerville, Tennessee, for the following purposes:

1. Select a site for the jail and/or criminal justice complex.
2. Adopt an initial resolution authorizing general obligation Bonds, the amount to be determined.
3. Adopt a Bond Resolution.
4. Vote on any other related business to accomplish these purposes including site acquisition.

This 25<sup>th</sup> day of March, 2004.

A true copy of said above notice having been delivered to each Comissioner of Fayette County, Tennessee, and published in a local newspaper at least five days before the April 06, 2004 date: A SPECIAL MEETING OF THE FAYETTE COUNTY LEGISLATIVE BODY WAS BEGUN AND HELD IN AND FOR FAYETTE COUNTY, IN SOMERVILLE , TENNESSEE on Tuesday, April 06, 2004 at 7:30 PM; present and presiding Chairman Christopher L. Campbell; also present, Dell T. Graham, County Clerk, and the following Commissioners: Joann C. Allen; Steve Anderson, Joe B. Burnette, Jr., Bob Doll, Lee "Sissy" Dowdle, John F. Dowdy, Thomas Howell Fowler, Willie German, Jr., Ronnie Graves, Ronnie Harris, Myles Leifer, David H. Lillard, Sr., Sylvester Logan, George McCloud, Claude D. Oglesby, Jr., Myles Wilson and Allen Yancey, Jr.

Absent: Commissioner Richard D. Vaughan.

With a quorum being present, the following proceedings were had and entered of record, to-wit:

The first matter to be addressed by the Board was the selection of a site for the jail/justice complex site.

Motion was made by Commissioner Lillard and seconded by Commissioner McCloud placing the Wilson site as the site for the jail. Discussion followed.

Upon roll call vote, the following voted "YES" for the Wilson site:

Commissioners Allen, Anderson, Burnette, Doll, Fowler, German, Graves, Leifer, Lillard, Logan, McCloud and Oglesby. (12)

Voting "NO": Commissioners Dowdle, Dowdy, Wilson and Yancey. (4)

Passing: Commissioner Harris.

Absent: Commissioner Vaughan.

Said motion carried making the Wilson site the site for the new jail/justice complex.

Motion was then made by Commissioner Lillard and seconded by Commissioner Fowler, to adopt an initial resolution determining to issue general obligation bonds not to exceed \$5.9 million for construction of a Fayette County Jail. Discussion followed. Mayor Taylor presented an additional revenue option of Hickory With sales tax or an increase of litigation tax.

John S. Jumper of Finance Coastal Securities addressed the Board and was available for questions. Discussion continued.

Motion was then made by Commissioner Burnette, seconded by Commissioner Leifer to amend the original motion for the bonds to be at \$11.2 million to cover a justice complex center. The following Roll Call Vote was then taken on the amended motion. Voting "YES": Commissioners Burnette, Dowdle, Dowdy, German, Harris, Leifer, Oglesby and Wilson (8)

Voting "NO": Commissioners Allen, Anderson, Doll, Fowler, Graves, Lillard, Logan, McCloud and Yancey. (9)

Absent: Commissioner Vaughan.

Said motion failed.

Roll Call Vote was then taken on the original motion which carried unanimously. Same being as follows:

INITIAL RESOLUTION DETERMINING TO ISSUE NOT TO EXCEED \$ 5.9 million GENERAL OBLIGATION BONDS OF FAYETTE COUNTY, TENNESSEE

WHEREAS, the Board of County Commissioners of Fayette County, Tennessee (the "County") has determined that it is necessary to acquire land, do site preparation, and construct and equip facilities for use as a new county jail, which facilities may also include a justice complex, and to acquire, construct, renovate and/or equip other buildings or facilities for county use (collectively the "Project"); and

WHEREAS, the County is authorized by Sections 9-21-101 et seq. of the Tennessee Code Annotated to issue bonds for such purposes.

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners of Fayette County, Tennessee, as follows:

Section 1. That it is necessary and desirable and in the best interests of the citizens of Fayette County, Tennessee that the County (i) acquire land, do site preparation, and construct and equip a new county jail, which facilities may also include a justice complex, and (ii) acquire, construct, renovate and/or equip other buildings or facilities for county use, and further that the County issue its bonds for such purposes and to pay legal, fiscal, administrative, architectural and engineering costs of the Project and costs incident to the issuance and sale of the bonds.

Section 2. That the Board of County Commissioners of Fayette County, Tennessee hereby determines pursuant to the authority of Sections 9-21-101 et seq. of the Tennessee Code Annotated, as amended, that it shall issue its general obligation bonds for the Project and for other purposes stated above in an aggregate amount not-to-exceed \$ 5.9 million, that such bonds may be issued in one or more emissions, that such bonds will bear interest at such rate or rates not-to-exceed 5.50%, and that such bonds shall be payable, both principal and interest, from ad valorem taxes levied without limitation as to rate or amount upon all taxable property in the County.

Mayor Taylor then presented a Resolution authorizing sale of county bonds. Motion was made by Commissioner McCloud, seconded by Commissioner Leifer to approve the Bond Resolution. Discussion followed.

Commissioners McCloud and Leifer then withdrew their motion.

Motion was then made by Commissioner Harris, seconded by commissioner Oglesby, to approve the Resolution. Discussion continued. Upon Roll Call Vote, the following voted "YES": Commissioners Burnette, Dowdle, Dowdy, German, Graves, Harris, Leifer, Lillard, Logan, McCloud, Oglesby and Wilson (12)

Voting "NO": Commissioners Anderson, Doll and Fowler. (3)

Passing: Commissioners Allen and Yancey.

Absent: Commissioner Vaughan.

Said Resolution was adopted, same being as follows:

RESOLUTION AUTHORIZING THE SALE BY THE COUNTY MAYOR AND PROVIDING THE DETAILS OF NOT TO EXCEED \$ \_\_\_\_\_ GENERAL OBLIGATION BONDS, SERIES 2004, OF FAYETTE COUNTY, TENNESSEE, AND PROVIDING FOR THE LEVY OF AD VALOREM TAXES IN CONNECTION THEREWITH.

WHEREAS, the Board of County Commissioners of Fayette County, Tennessee (the "County") has determined that it is necessary to acquire land, do site preparation, and construct and equip facilities for use as a new county jail, which facilities may also include a justice complex, and to acquire, construct, renovate and/or equip other buildings or facilities for county use; and

WHEREAS, the County is authorized by Sections 9-21-101 *et seq.* of the Tennessee Code Annotated to issue bonds for such purposes; and

WHEREAS, not to exceed \$ \_\_\_\_\_ General Obligation Bonds, Series 2004 (the "Bonds"), of Fayette County will be issued pursuant to authority of Sections 9-21-101 *et seq.*, of the Tennessee Code Annotated, as amended; and

WHEREAS, prior to the issuance and sale of the Bonds, it is necessary that the County publish a Notice of Sale with respect to the Bonds of the County proposed to be issued; and

WHEREAS, it is appropriate for the County Mayor to conduct the sale of the Bonds, to accept the best bid for the Bonds and to sell the Bonds to the best bidder; and

WHEREAS, it is further appropriate for this Board to provide the details of the Bonds and the pledge of revenues thereto at this time; and

WHEREAS, the Initial Resolution, together with the notice required by Section 9-21-206, Tennessee Code Annotated, as amended, will be published as required by law; and

WHEREAS, in the event no petition protesting the issuance of the bonds is filed pursuant to the requirements of Section 9-21-207, Tennessee Code Annotated, as amended, this Board desires the County Mayor to proceed with the issuance of the Bonds;

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners of Fayette County, Tennessee, as follows:

SECTION 1. In order to finance the acquisition of land, site preparation, and the construction and equipping of a new county jail, which facilities may also include a justice complex, and to acquire, construct, renovate and/or equip other buildings or facilities for county use, the County shall borrow a sum not exceeding \$ \_\_\_\_\_, and General Obligation Bonds of the County in the principal amount borrowed shall be issued pursuant to Sections 9-21-101 et seq., inclusive, of the Tennessee Code Annotated as amended.

SECTION 2. The following terms shall have the following meanings in this resolution unless the text expressly or by necessary implication requires otherwise:

(a) "Bond Registrar" shall mean the registration and paying agent for the Bonds appointed by the County Mayor of the County pursuant to Section 9, or any successor as from time to time designated by the Governing Body.

(b) "Bonds" shall mean the General Obligation Bonds, Series 2004, of the County, in an aggregate amount not to exceed the principal amount specified in Section 1, to be dated April 1, 2004 or as otherwise permitted pursuant to Section 7, authorized to be issued by this resolution;

(c) "Book-Entry Form" or "Book-Entry System" means a form or system, as applicable, under which physical bond certificates in fully registered form are issued to a Depository, or to its nominee as Registered Owner, with the certificate of bonds being held by and "immobilized" in the custody of such Depository, and under which records maintained by persons, other than the County or the Bond Registrar, constitute the written record that identifies,

and records the transfer of, the beneficial "book-entry" interests in those bonds;

(d) "Code" shall mean the Internal Revenue Code of 1986, as amended, and all regulations promulgated thereunder;

(e) "County" shall mean Fayette County, Tennessee;

(f) "County Mayor" shall mean the duly elected County Mayor of the County from time to time.

(g) "Depository" shall mean any securities depository that is a clearing agency under federal laws operating and maintaining, with its participants or otherwise, a Book-Entry System, including, but not limited to, DTC;

(h) "DTC" means the Depository Trust Company, a limited purpose company organized under the laws of the State of New York, and its successors and assigns;

(i) "DTC Participant(s)" means securities brokers and dealers, banks, trust companies and clearing corporations that have access to the DTC System;

(j) "Financial Advisor," shall mean Coastal Security,

(k) "Governing Body" shall mean the Board of County Commissioners of the County;

(l) "Project" shall mean (i) the acquisition of land, site preparation, and construction and equipping of facilities for use as a new county jail, which facilities may also include a justice complex, (ii) the acquisition, construction, renovation and/or equipping of other buildings or facilities for county use, (iii) the payment of legal, fiscal, administrative, architectural and engineering costs incident to the foregoing, and (iv) the retirement of obligations of the County previously issued for such purposes;

**SECTION 3** The County Mayor is hereby authorized and directed to determine the principal amount of the Bonds not to exceed the principal amount specified in Section 1 to be actually issued (which may be in one or more emissions) and to effect adjustments in the maturity schedule and optional redemption dates set forth herein as authorized in Section 7. The determinations made by the County Mayor, as described above, and the finalization of the details of the Bonds and sale of the Bonds to the successful bidder by the County Mayor shall be binding on the County and no further action by the Governing Body with respect thereto shall be required. The County Mayor shall cause, if advantageous to the County, all or a portion of the Bonds to be insured by a bond insurance policy issued by a nationally recognized bond insurance

company so long as it is demonstrated to the County Mayor's satisfaction either (i) that such insurance is necessary to sell the Bonds, or the portion thereof to be insured, or (ii) the present value of the projected savings in interest costs to the County as a result of obtaining such bond insurance exceeds the premium cost to the County for such bond insurance.

The County Mayor is hereby authorized and directed to publish a Notice of Sale for Bonds and, if appropriate, for any other bonds of the County which are being competitively sold at the same time, in The Fayette Falcon, Somerville, Tennessee, and, if required by law, in The Bond Buyer, New York, New York, and the date of publication shall be selected by the County Mayor as he may deem appropriate for the purpose of conducting the sale of the Bonds at public sale at the earliest possible date after complying with the requirement of Tennessee Code Annotated, Section 9-21-203 that the Bonds must be advertised for sale for not less than 5 days prior to the sale of the Bonds. Such Notice of Sale shall be in such form as shall be approved by the County Mayor and the Financial Advisor. The Bonds shall be sold by physical delivery of bids or by electronic bidding means of an internet bidding service as shall be determined by the County Mayor, in consultation with the Financial Advisor. The County Mayor is hereby authorized to enter into a contract for financial advisory services in connection with the sale of the Bonds and to authorize the Financial Advisor to submit a bid either alone or with other bidders at such public sale.

SECTION 4. The County Mayor and County Clerk, working with the Financial Advisor, are hereby authorized and directed to provide for the preparation and distribution, electronic or otherwise, of a Preliminary Official Statement describing the Bonds and any other bonds or notes which in the discretion of the County Mayor are sold at the same time as the Bonds. After the Bonds have been sold, the County Mayor and the County Clerk shall make such completions, omissions, insertions and changes in the Preliminary Official Statement not inconsistent with this resolution as are necessary or desirable to complete it as a final Official Statement for purposes of Rule 15c2-12(e)(3) of the Securities and Exchange Commission. The County Mayor and County Clerk shall arrange for the delivery of a reasonable number of copies of the Official Statement within seven business days after the Bonds have been sold to the successful bidder, to each potential investor requesting a copy of the Official Statement and to each person to whom such bidder and members of its bidding group initially sell the Bonds.

The County Mayor and County Clerk are authorized, on behalf of the County, to deem the Preliminary Official Statement and the Official Statement in final form, each to be final as of its date within the meaning of Rule 15c2-12(b)(1), except for the omission in the Preliminary Official Statement of certain pricing and other information allowed to be omitted pursuant to such Rule 15c2-12(b)(1). The distribution of the Preliminary Official Statement and the Official Statement in final form shall be conclusive evidence that each has been deemed in final form as of its date by the County except for the omission in the Preliminary Official Statement of such pricing and other information.

SECTION 5. The County Mayor is hereby authorized and directed to conduct the sale of General Obligation Bonds, Series 2004, to determine the principal amount of the Bonds not to exceed the amount specified in Section 1 to be actually issued (which may be in one or more emissions), to effect adjustments in the maturity schedule and optional redemption dates set forth herein as authorized in Section 7 and to accept the bid which results in the lowest true interest cost to the County at not less than ninety-nine percent (99%) of the par value plus accrued interest, all in accordance with the Notice of Sale and upon the date selected for such sale by the County Mayor. The determinations of the County Mayor, as described above, and the award of the Bonds by the County Mayor shall be binding on the County and no further action by the Governing Body with respect thereto shall be required.

SECTION 6. The Bonds shall be designated "General Obligation Bonds, Series 2004," shall be dated April 1, 2004, shall be numbered from 1 upward, shall be of the denomination of \$5,000 (or integral multiples thereof), and shall be subject to option of prior redemption as set forth below.

SECTION 7. The Bonds shall bear interest, payable semiannually, at the rates per annum approved by the County Mayor, not to exceed five and one-half percent (5 ½%) per annum, and shall mature April 1 in the years and in the amounts (subject to adjustment by the County Mayor prior to issuance as set forth below) as follows:

<u>YEAR</u>	<u>AMOUNT</u>
2005	\$ _____
2006	\$ _____
2007	\$ _____
2008	\$ _____
2009	\$ _____
2010	\$ _____
2011	\$ _____

2012	\$ _____
2013	\$ _____
2014	\$ _____
2015	\$ _____
2016	\$ _____
2017	\$ _____
2018	\$ _____
2019	\$ _____
2020	\$ _____
2021	\$ _____
2022	\$ _____
2023	\$ _____
2024	\$ _____
2025	\$ _____
2026	\$ _____
2027	\$ _____
2028	\$ _____
2029	\$ _____

The County Mayor is authorized to increase or decrease the amount of each maturity, to change the dated date of the Bonds to a date other than April 1, 2004, to sell the Bonds in one or more emissions, to change the Series designation of the Bonds, to adjust the principal and interest payment dates of the Bonds, and to change the optional redemption dates and provide for a premium not to exceed two percent (2%) of the par amount to be redeemed, such adjustments to be made as the County Mayor in his sole discretion shall deem most advantageous to the County, provided that the aggregate amount of Bonds issued pursuant to this resolution shall not exceed the principal amount specified in Section 1. The County Mayor is authorized to sell the Bonds, or any maturities thereof, as term bonds with mandatory redemption requirements corresponding to the maturities set forth herein or as determined by the County Mayor. In the event any or all the Bonds are sold as term bonds, the County shall redeem term bonds on redemption dates corresponding to the maturity dates set forth herein, in aggregate principal amounts equal to the maturity amounts established pursuant to this Section 7 for each redemption date, as such maturity amounts may be adjusted pursuant to this Section 7, at a price of par plus accrued interest thereon to the date of redemption. The term bonds to be redeemed within a single maturity shall be selected in the manner described in Section 8.

The County Mayor is hereby authorized to increase or decrease the amount of any maturity, such adjustments to be made as the County Mayor in his sole discretion shall deem appropriate, provided that the aggregate principal amount of Bonds issued pursuant to this resolution shall not exceed the principal amount specified in Section 1.

what extent the provisions of clauses (i) and (ii) of this paragraph 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 call for redemption, whether optional or mandatory, shall be given by the Bond Registrar on behalf of the County not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Bond Registrar as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for redemption of any of the Bonds for which proper notice was given. As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Bond Registrar to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the County nor the Bond Registrar shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant or Beneficial Owner will not affect the validity of such redemption. The Bond Registrar shall mail said notices as and when directed by the County pursuant to written instructions from an authorized representative of the County (other than for a mandatory sinking fund redemption, notices of which shall be given on the dates provided herein) given at least forty-five (45) days prior to the redemption date (unless a shorter notice period shall be satisfactory to the Bond Registrar). From and after the redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Bond Registrar for the payment thereof and if notice has been duly provided as set forth herein.

SECTION 9. The County hereby authorizes the County Mayor to appoint the initial paying agent and bond registrar (the "Bond Registrar") with respect to the Bonds and authorizes and directs the Bond Registrar to maintain Bond registration records with respect to the Bonds, to authenticate and deliver the Bonds as provided herein, either at original issuance or upon transfer, to effect transfers of the Bonds, and to make all payments of principal and interest with respect to the Bonds as provided herein, and to cancel and destroy Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange, transfer or cancellation and to furnish the County with a certificate of destruction. The Bond Registrar shall maintain

registration books for the registration and registration of transfer of the Bonds, which books shall be kept in a manner that complies with the requirements of Section 149 of the Internal Revenue Code of 1986, as amended, and Regulations thereunder (or under corresponding provisions of prior law, if applicable) for recordkeeping relating to "registration-required bonds" and in accordance with the Tennessee Public Obligations Registration Act (T.C.A. §9-19-101 et seq., as amended).

SECTION 10. The Bonds shall be payable, both principal and interest, in lawful money of the United States of America at the designated corporate trust office of the Bond Registrar. The Bond Registrar shall 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 Bond Registrar as of the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by depositing such payment in the United States mail, postage prepaid, addressed to such owners at such owners' addresses shown on said Bond 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 County in respect of such Bonds to the extent of the payments so made. Payment of principal of and premium, if any, on the Bonds shall be made upon presentation and surrender of such Bonds to the Bond Registrar as the same shall become due and payable. In the event the Bonds are no longer registered in the name of DTC, or a successor Depository, 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 Bond Registrar and written notice of any such election and designated account is given to the Bond Registrar prior to the record date.

The Bonds are transferrable only by presentation to the Bond Registrar by the registered owner, or his legal representative duly authorized in writing, of the registered Bond(s) to be transferred with the form of assignment on the reverse side thereof (or attached thereto) completed in full and signed with the name of the registered owner as it appears upon the face of the Bond(s) accompanied by appropriate documentation necessary to prove the legal capacity of any legal representative of the registered owner. Upon receipt of the Bond(s) in such form and

with such documentation, if any, the Bond Registrar shall issue a new Bond or Bonds to the assignee(s) in such authorized denominations, as requested by the registered owner requesting transfer. No charge shall be made to any registered owner for the privilege of transferring any Bond, provided that any transfer tax relating to such transaction shall be paid by the owner requesting transfer. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the County nor the Bond Registrar shall be affected by any notice to the contrary, including, but not limited to, any previous transfer request not accompanied by acceptable documentation.

The Bonds shall be signed by the County Mayor with his manual or facsimile signature, shall be attested by the County Clerk by his or her manual or facsimile signature, and shall have imprinted or impressed thereon the official seal of the County (or a facsimile thereof).

The Bond Registrar is hereby authorized to authenticate and deliver the Bonds from time to time to the original purchasers thereof or as it or they may designate upon receipt by the County of the proceeds of the sale thereof, together with any necessary documentation, and to authenticate and deliver Bonds in exchange for Bonds of the same principal amount delivered for transfer upon receipt of the Bond(s) to be transferred in proper form with proper documentation as hereinabove described. The Bonds shall not be valid for any purpose unless authenticated by the Bond Registrar by the manual signature of an officer thereof on the certificate set forth herein on the Bond form.

In case any Bond shall become mutilated, or be lost, stolen, or destroyed, the County, in its discretion, shall issue, and the Bond Registrar shall authenticate and deliver a new Bond of like tenor, amount, maturity and date, in exchange and substitution for, and upon the cancellation of, the mutilated Bond, or in lieu of and substitution for such lost, stolen or destroyed Bond, or if any such Bond shall have matured or shall be about to mature, instead of issuing a substituted Bond the County may pay or authorize payment of such Bond without surrender thereof. In every case, the applicant shall furnish evidence satisfactory to the County and the Bond Registrar of the destruction, theft or loss of such Bond, and indemnity satisfactory to the County and the Bond Registrar, and the County may charge the applicant for the issue of such new Bond an amount sufficient to reimburse the County for the expense incurred by it in the issue thereof.

Any interest on any Bond that 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 County 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 County shall notify the Bond Registrar 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 County shall deposit with the Bond Registrar 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 Bond Registrar 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 as in this Section provided. Thereupon, not less than ten (10) days after the receipt by the Bond Registrar of the notice of the proposed payment, the Bond Registrar shall fix a Special Record Date for the payment of such Defaulted Interest which Date shall be not more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment to the registered owners. The Bond Registrar shall promptly notify the County of such Special Record Date and, in the name and at the expense of the County, 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 therefor 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 Bond Registrar as of the date of such notice. Nothing contained in this Section 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 County to punctually pay or duly provide for the payment of principal of, premium, if any, and interest on the Bonds when due.

The Bond Registrar shall not be required to transfer or exchange any Bond during the period commencing on a Regular or Special Record Date and ending on the corresponding interest payment date of such Bond, nor to transfer or exchange any Bond after the publication of notice calling such Bond for redemption has been made, nor to transfer or exchange any Bond during the period following the receipt of instructions from the County to call such Bond for

redemption; provided, the Bond Registrar, at its option, may make transfers after any of said dates. No charge shall be made to any registered owner for the privilege of transferring any Bond, provided that any transfer tax relating to such transaction shall be paid by the registered owner requesting transfer. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the County nor the Bond Registrar shall be affected by any notice to the contrary whether or not any payments due on the Bonds shall be overdue. The Bonds, upon surrender to the Bond Registrar, may, at the option of the registered owner, be exchanged for an equal aggregate principal amount of the Bonds of the same maturity in any authorized denomination or denominations.

Except as otherwise provided in this resolution, the Bonds shall be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Bonds. References in this Section to a Bond or the Bonds shall be construed to mean the Bond or the Bonds that are held under the Book-Entry System. One Bond for each maturity shall be issued to DTC and immobilized in its custody. A Book-Entry System shall be employed, evidencing ownership of the Bonds in authorized denominations, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants pursuant to rules and procedures established by DTC.

Each DTC Participant shall be credited in the records of DTC with the amount of such DTC Participant's interest in the Bonds. Beneficial ownership interests in the Bonds may be purchased by or through DTC Participants. The holders of these beneficial ownership interests are hereinafter referred to as the "Beneficial Owners." The Beneficial Owners shall not receive the Bonds representing their beneficial ownership interests. The ownership interests of each Beneficial Owner shall be recorded through the records of the DTC Participant from which such Beneficial Owner purchased its Bonds. Transfers of ownership interests in the Bonds shall be accomplished by book entries made by DTC and, in turn, by DTC Participants acting on behalf of Beneficial Owners. SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE

REGISTERED OWNER OF THE BONDS, THE BOND REGISTRAR SHALL TREAT CEDE & CO., AS THE ONLY HOLDER OF THE BONDS FOR ALL PURPOSES UNDER THIS RESOLUTION, INCLUDING RECEIPT OF ALL PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS, RECEIPT OF NOTICES, VOTING AND REQUESTING OR DIRECTING THE BOND REGISTRAR TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THIS RESOLUTION.

Payments of principal, interest, and redemption premium, if any, with respect to the Bonds, so long as DTC is the only owner of the Bonds, shall be paid by the Bond Registrar directly to DTC or its nominee, Cede & Co. as provided in the Letter of Representation relating to the Bonds from the County and the Bond Registrar to DTC (the "Letter of Representation"). DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners. The County and the Bond Registrar shall not be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants.

In the event that (1) DTC determines not to continue to act as securities depository for the Bonds or (2) the County determines that the continuation of the Book-Entry System of evidence and transfer of ownership of the Bonds would adversely affect their interests or the interests of the Beneficial Owners of the Bonds, the County shall discontinue the Book-Entry System with DTC. If the County fails to identify another qualified securities depository to replace DTC, the County shall cause the Bond Registrar to authenticate and deliver replacement Bonds in the form of fully registered Bonds to each Beneficial Owner.

THE COUNTY AND THE BOND REGISTRAR SHALL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY DTC PARTICIPANT OR ANY BENEFICIAL OWNER WITH RESPECT TO (i) THE BONDS; (ii) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (iii) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS; (iv) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY DTC PARTICIPANT OF ANY NOTICE DUE TO ANY BENEFICIAL OWNER THAT IS

REQUIRED OR PERMITTED UNDER THE TERMS OF THIS RESOLUTION TO BE GIVEN TO BENEFICIAL OWNERS, (v) THE SELECTION OF BENEFICIAL OWNERS TO RECEIVE PAYMENTS IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (vi) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC, OR ITS NOMINEE, CEDE & CO., AS OWNER.

The Bond Registrar is hereby authorized to take such action as may be necessary from time to time to qualify and maintain the Bonds for deposit with DTC, including but not limited to, wire transfers of interest and principal payments with respect to the Bonds, utilization of electronic book entry data received from DTC in place of actual delivery of Bonds and provision of notices with respect to Bonds registered by DTC (or any of its designees identified to the Bond Registrar) by overnight delivery, courier service, telegram, telecopy or other similar means of communication. No such arrangements with DTC may adversely affect the interest of any of the owners of the Bonds, provided, however, that the Bond Registrar shall not be liable with respect to any such arrangements it may make pursuant to this section.

SECTION 11. The Bonds shall be in substantially the following form:

(Form of Bond)

REGISTERED  
Number \_\_\_\_\_ REGISTERED  
\$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF TENNESSEE

COUNTY OF FAYETTE  
GENERAL OBLIGATION BOND, SERIES 2004

Interest Rate: \_\_\_\_\_ Maturity Date: \_\_\_\_\_ Date of Bond: April 1, 2004 CUSIP No.: \_\_\_\_\_

Registered Owner:

Principal Amount:

KNOW ALL MEN BY THESE PRESENTS: That the County of Fayette in the State of Tennessee (the "County"), for value received hereby promises to pay to the registered owner hereof, hereinabove named, or registered assigns, in the manner hereinafter provided, the principal amount hereinabove set forth on the maturity date hereinabove set forth (or upon earlier redemption as set forth herein), and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on said principal amount at the annual rate of interest hereinabove set

forth from the date hereof until said maturity date or redemption date, said interest being payable on October 1, 2004, and semi-annually thereafter on the first day of April and October in each year until this Bond matures or is redeemed. Both principal hereof and interest hereon are payable in lawful money of the United States of America by check or draft at the corporate trust office of \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, as bond registrar and paying agent (the "Bond Registrar"). The Bond Registrar shall make all interest payments with respect to this Bond on each interest payment date directly to the registered owner hereof shown on the Bond registration records maintained by the Bond Registrar 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 owner at such owner's address shown on said bond registration records, without, except for final payment, the presentation or surrender of this Bond, and all such payments shall discharge the obligations of the County to the extent of the payments so made. Any such interest not so punctually paid or duly provided for on any interest payment date 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 payable to the person in whose name this Bond is registered at the close of business on the date (the "Special Record Date") for payment of such defaulted interest to be fixed by the Bond Registrar, notice of which shall be given to the owners of the Bonds of the issue of which this Bond is one not less than ten (10) days prior to such Special Record Date. Payment of principal of [and premium, if any,] on this Bond shall be made when due upon presentation and surrender of this Bond to the Bond Registrar.

Except as otherwise provided herein or in the Resolution, as hereinafter defined, this Bond shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds of the series of which this Bond is one. One Bond for each maturity of the Bonds shall be issued to DTC and immobilized in its custody. A book-entry system shall be employed, evidencing ownership of the Bonds in \$5,000 denominations, or multiples thereof, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants, as defined in the Resolution, pursuant to rules and procedures established by DTC. So long as Cede & Co., as nominee for DTC, is the registered owner of the Bonds, the County and the Bond Registrar shall treat Cede & Co., as the only owner of the Bonds for all purposes under the Resolution,

including receipt of all principal, premium, if any, and interest on the Bonds, receipt of notices, voting and requesting or taking or not taking, or consenting to, certain actions hereunder. Payments of principal, maturity amounts, interest, and redemption premium, if any, with respect to the Bonds, so long as DTC is the only owner of the Bonds, shall be paid directly to DTC or its nominee, Cede & Co. DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners, as defined in the Resolution. Neither the County nor the Bond Registrar shall be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants. In the event that (1) DTC determines not to continue to act as securities depository for the Bonds or (2) the County determines that the continuation of the book-entry system of evidence and transfer of ownership of the Bonds would adversely affect its interests or the interests of the Beneficial Owners of the Bonds, the County may discontinue the book-entry system with DTC. If the County fails to identify another qualified securities depository to replace DTC, the County shall cause the Bond Registrar to authenticate and deliver replacement Bonds in the form of fully registered Bonds to each Beneficial Owner. Neither the County nor the Bond Registrar shall have any responsibility or obligations to any DTC Participant or any Beneficial Owner with respect to (i) the Bonds; (ii) the accuracy of any records maintained by DTC or any DTC Participant; (iii) the payment by DTC or any DTC Participant of any amount due to any Beneficial Owner in respect of the principal or maturity amounts of and interest on the Bonds; (iv) the delivery or timeliness of delivery by DTC or any DTC Participant of any notice due to any Beneficial Owner that is required or permitted under the terms of the Resolution to be given to Beneficial Owners, (v) the selection of Beneficial Owners to receive payments in the event of any partial redemption of the Bonds; or (vi) any consent given or other action taken by DTC, or its nominee, Cede & Co., as owner.

If no Term Bonds are issued, the following provision shall be included:

Bonds of the issue of which this Bond is one maturing April 1, 2005 through April 1, 2014 shall mature without option of prior redemption. Bonds of the issue of which this Bond is

one maturing April 1, 2015 and thereafter shall be subject to redemption at the option of the County, in whole or in part on April 1, 2014 and at any time thereafter at a price of par plus interest accrued to the redemption date.

If Term Bonds are issued, the following provisions shall be included:

[The County shall redeem Bonds maturing April 1, \_\_\_\_\_ 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 the series of Bonds of which this Bond is one, or such Person 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 Bond Registrar by lot or such other random manner as the Bond Registrar in its discretion shall select. The dates of redemption and principal amount of Bonds to be redeemed on said dates are as follows:

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

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such redemption date, the County may (i) deliver to the Bond Registrar 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 canceled by the Bond Registrar 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 Bond Registrar at 100% of the principal amount thereof on the obligation of the County 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 County shall on or before the forty-fifth (45th) day next preceding each payment date furnish the Bond Registrar 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 call for redemption shall be given by the Bond Registrar not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Bond Registrar as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for the redemption of any of the Bonds for which proper notice was given. As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Bond Registrar to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the County nor the Bond Registrar shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant will not affect the validity of such redemption. From and after any redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Bond Registrar for the payment thereof and if notice has been duly provided as set forth in the Resolution, as hereafter defined.]

This Bond is transferable by the registered owner hereof in person or by such owner's legal representative duly authorized in writing at the designated corporate trust office of the Bond Registrar set forth on the front side hereof, but only in the manner, subject to limitations and upon payment of the charges provided in the Resolution, as hereafter defined, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds of authorized denominations of the same maturity and interest rate for the same aggregate principal amount will be issued to the transferee in exchange therefor. The person in whose name this Bond is registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the County nor the Bond Registrar shall be affected by any notice to the contrary whether or not any payments due on the Bond shall be overdue. Bonds, upon surrender to the Bond

Registrar, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of the Bonds of the same maturity in authorized denomination or denominations, upon the terms set forth in the Resolution. The Bond Registrar shall not be required to transfer or exchange any Bond during the period commencing on a Regular Record Date or Special Record Date and ending on the corresponding interest payment date of such Bond, nor to transfer or exchange any Bond after the notice calling such Bond for redemption has been made, nor during a period following the receipt of instructions from the County to call such Bond for redemption.

This bond is one of a series of bonds, all of like date, tenor and effect, except as to number, rate of interest and date of maturity, in an aggregate principal amount of \$\_\_\_\_\_ issued for the purpose of providing funds to finance (i) the acquisition of land, site preparation, and the construction and equipping of a new county jail, which facilities may also include a justice complex, (ii) the acquisition, construction, renovation and/or equipping of other buildings or facilities for county use, (iii) the payment of legal, fiscal, administrative, architectural and engineering costs incident to the foregoing, and (iv) the retirement of obligations previously issued for such purposes, and is issued under and pursuant to and in full compliance with the Constitution and statutes of the State of Tennessee, including Tennessee Code Annotated, Sections 9-21-101 *et seq.*, inclusive, and pursuant to a Resolution duly adopted by the Board of County Commissioners of Fayette County, Tennessee, on March 23, 2004. It is hereby certified, recited and declared that all acts, conditions and things required to happen, exist and be performed precedent to and in the issuance of this Bond, in order to make the same a legal, valid and binding obligation of Fayette County, Tennessee, have happened, do exist and have been performed in regular and due time, form and manner as required by law; that due provision has been made for the levy and collection of a direct annual tax, as may be found necessary each year, upon all taxable property within Fayette County, sufficient to pay the principal hereof and interest hereon as the same become due and payable; that for the prompt

payment of principal and interest on this Bond, the full faith and credit of the County are hereby irrevocably pledged and that this Bond and the issue of which it forms a part, together with all other indebtedness of Fayette County, Tennessee, do not exceed any applicable Constitutional or statutory debt limit.

This Bond and the income herefrom are exempt from all state, county, and municipal taxation in the State of Tennessee, except inheritance, transfer and estate taxes and except Tennessee franchise, excise and corporate privilege taxes applicable to certain holders.

[This Bond is a "qualified tax-exempt obligation" designated by the County for purposes of Section 265(b) (3) (B) of the Internal Revenue Code of 1986, as amended.]

IN WITNESS WHEREOF, Fayette County, Tennessee, through its Board of County Commissioners, has caused this Bond to be signed by its County Mayor by his manual or facsimile signature and countersigned by the manual or facsimile signature of its County Clerk under the impressed or imprinted seal (or a facsimile thereof) of the County all as of the first day of April, 2004.

COUNTERSIGNED:

FAYETTE COUNTY, TENNESSEE

(SEAL)

\_\_\_\_\_  
County Clerk

\_\_\_\_\_  
County Mayor

Transferable and payable at the corporate trust  
office of

\_\_\_\_\_

Date of Registration: \_\_\_\_\_

This Bond is one of the issue of Bonds issued pursuant to the Resolution hereinabove described.

\_\_\_\_\_, as  
Bond Registrar

By: \_\_\_\_\_  
Authorized Officer

(Form of Assignment)

For value received, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ whose address is \_\_\_\_\_

[ \_\_\_\_\_ (please insert social security number or tax identification number)], the within mentioned Bond and hereby irrevocably constitutes and appoints \_\_\_\_\_, or its successor as Bond Registrar, to transfer the same on the books kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Registered Owner

Signature Guaranteed:

\_\_\_\_\_

Notice: The signature must correspond with the name of the registered owner as it appears on the face of the within bond in every particular, without alteration or enlargement or any change whatsoever.

Notice: Signature(s) must be guaranteed by a member firm of a Medallion Program acceptable to the Bond Registrar.

SECTION 12. When the Bonds hereby authorized are issued, the same shall be the absolute and general obligations of Fayette County, Tennessee, to the payment of which the full faith, credit and resources of Fayette County, Tennessee, are hereby irrevocably pledged, and in order to provide for the payment of the Bonds and the interest thereon, there shall be and there is hereby directed to be levied and collected, at the same time and in the same manner as other taxes of Fayette County, Tennessee, are levied and collected, a direct, continuing annual tax upon all taxable property within the boundaries of Fayette County, Tennessee, in such amount as may be found necessary each year to provide for the payment of the principal of the Bonds and the interest thereon, as the same mature and become due.

It shall be the duty of the tax-levying and collecting authorities of Fayette County, Tennessee, in each year while any of the Bonds issued hereunder shall remain outstanding and unpaid, without any further direction or authority to levy and collect the taxes herein provided for, and the rate of taxation to be levied in each year shall be sufficient, after making allowance for delinquencies in the payment of taxes and the cost of collection, to provide the sums required in each year for the payment of the principal and the interest on the Bonds. Should there be a failure in any year to comply with the requirements of this Section, such failure shall not impair the right of the holders of any of the Bonds in any subsequent year to have adequate taxes levied and collected to meet the obligations of the Bonds herein authorized to be issued, both as to principal and interest. Principal and interest falling due at any time when there are insufficient

funds on hand shall be paid from the current funds of the County and reimbursement therefor shall be made out of the taxes hereby provided to be levied when the same shall have been collected. The tax herein provided may be reduced to the extent of direct appropriations from the general funds of the County to the payment of debt service on the Bonds.

SECTION 13. Remedies of Bondholders. Except as herein expressly limited, the registered owners of the Bonds shall have and possess all the rights of action and remedies afforded by the common law, the Constitution and statutes of the State of Tennessee and of the United States of America for the enforcement of payment of such Bonds and the interest thereon and of the pledge of the revenues made hereunder and of the covenants of the County hereunder, including all the benefits and rights granted by Sections 9-21-101 et seq. of the Tennessee Code Annotated.

SECTION 14. From the proceeds of the sale of the Bonds, all accrued interest shall be deposited to the Bond Fund of the County and used to pay interest on the Bonds on the first interest payment date following delivery of the Bonds.

From the remaining proceeds, all costs of issuance and sale of the Bonds, including necessary legal, accounting, fiscal, printing, engraving, advertising and similar expenses and Bond Registrar fees' shall be paid or provided for.

The balance of the proceeds from the sale of the Bonds shall be deposited with the County Trustee and shall be kept separate and apart from all other funds of the County in a special fund hereby designated as the "Fayette County, Tennessee, 2004 Construction Fund," which shall be applied exclusively to pay costs of the Project, to refund, call or make principal and interest payments on obligations of the County previously issued for such purposes and to pay any unpaid expenses in the issuance and sale of the Bonds, including but not limited to necessary legal, accounting, engineering and fiscal expenses, printing, engraving, advertising and similar expenses, administrative and clerical costs and Bond Registrar fees; and it shall be used for no other purposes. Any Bond funds not put to immediate use shall be deposited at interest by the County Trustee until needed. The interest arising therefrom shall be used only towards retiring the Bonds or may be added to Bond proceeds and used for the same purposes. Money in such Fund shall be secured in the manner prescribed by applicable statutes relative to the securing of public or trust funds, if any, or, in the absence of such a statute, by a pledge of readily marketable securities having at all times a market value of not less than the amount in such Fund. Any funds remaining in such Fund after completion of the Project and payment of

authorized expenses shall be used to pay principal of and interest on the Bonds or may be used by the County Mayor, on approval of the County Trustee, to purchase Bonds at not more than par value.

SECTION 15. The County recognizes that the purchasers and holders of the Bonds will have accepted them on, and paid therefor a price that reflects, the understanding that interest thereon is exempt from federal income taxation under laws in force on the date of delivery of the Bonds. In this connection, the County agrees that it shall take no action which may render the interest on any of said Bonds subject to federal income taxation and agrees to take all action as may be necessary to comply with the provisions of the Code and regulations thereunder in order to maintain or assure the tax exempt status of the Bonds. It is the reasonable expectation of the Governing Body of the County that the proceeds of the Bonds will not be used in a manner which will cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, including any lawful regulations promulgated or proposed thereunder (or under corresponding provisions of prior law, if applicable), and to this end the said proceeds of the Bonds and other related funds established for the purposes herein set out, shall be used and spent expeditiously for the purposes described herein. The County Mayor, County Clerk and County Trustee or either of them, are authorized and directed to make such certifications in this regard in connection with the sale of the Bonds as they shall deem appropriate, and such certifications shall constitute representations and certifications of the County.

SECTION 16. To the extent it may do so, the County hereby designates the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b) (3) (B) of the Code and covenants that the Bonds do not constitute private activity bonds as defined in Section 141 of the Code, and that not more than \$10,000,000 aggregate principal of obligations the interest on which is excludable (under Section 103(a) of the Code) from gross income for federal income taxes (excluding, however, private activity bonds as defined in Section 141 of the Code, other than qualified 501(c) (3) Bonds as defined in Section 145 of the Code and further excluding bonds issued to refund, other than to advance refund, other bonds to the extent the amount of the refunding bonds do not exceed the outstanding amount of the refunded bonds), including the Bonds, have been or are reasonably expected to be issued by the County, including all

subordinate entities of the County, during the calendar year 2004, or in any subsequent year in which any emission of the Bonds may be issued.

SECTION 17. If the County shall pay and discharge the indebtedness evidenced by any of the Bonds in any one or more of the following ways, to wit:

(a) By paying or causing to be paid, by deposit of sufficient funds as and when required with the Bond Registrar, 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 bank whose deposits are insured by the Federal Deposit Insurance Corporation and which has trust powers ("an Agent which Agent may be the Bond Registrar), in trust, on or before the date of maturity or redemption, sufficient money or Obligations of the United States of America, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Bonds and to pay premium, if any, and interest thereon when due until the maturity or redemption date (provided, if such Bonds are to be redeemed prior to maturity thereof, proper notice of such redemption shall have been given or adequate provision shall have been made for the giving of such notice) and if the County shall, also pay or cause to be paid all other sums payable hereunder by the County with respect to such Bonds, or make adequate provision therefor, and by resolution of the Governing Body instruct any such Agent to pay amounts when and as required to the Bond Registrar for the payment of principal of and interest and redemption premiums, if any, on such Bonds when due; or

(c) By delivering such Bonds to the Bond Registrar, for cancellation by it; then and in that case the indebtedness evidenced by such Bonds shall be discharged and satisfied and all covenants, agreements and obligations of the County to the owners of such cease, terminate and become void.

If the County 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 Obligations of the United States of America deposited as aforesaid.

Except as otherwise provided in this Section 17, neither the Obligations of the United States of America nor moneys deposited with the Bond Registrar pursuant to this Section nor principal or interest payments on any such Obligations of the United States of America shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the

principal and premium, if any, and interest on said Bonds; provided, that any cash received from such principal or interest payments on such Obligations of the United States of America deposited with the Bond Registrar, (A) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Obligations of the United States of America maturing at times and in amounts sufficient to pay when due the principal and premiums, if any, and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the County, as received by the Bond Registrar.

SECTION 18. Continuing Disclosure. The County hereby covenants and agrees that it will provide annual financial information and material event notices if and as required by Rule 15c2-12 of the Securities Exchange Commission for the Bonds. The County Mayor is authorized to execute a continuing disclosure agreement for the benefit of and enforceable by the owners of the Bonds specifying the details of the financial information and material event notices to be provided and the County's obligations relating thereto. Failure of the County to comply with the undertaking herein described and to be detailed in such continuing disclosure agreement, shall not be a default hereunder, but any such failure shall entitle the owner or owners of any of the Bonds to take such actions and to initiate such proceedings as shall be necessary and appropriate to cause the County to comply with its undertaking as set forth herein and in such continuing disclosure agreement, including the remedies of mandamus and specific performance.

SECTION 19. The provisions of this Resolution shall constitute a contract between the County and the registered owners of the Bonds, and after the issuance of the Bonds, no change, variation or alteration of any kind in the provisions of this Resolution shall be made in any manner until such time as the Bonds and interest due thereon shall have been paid in full except such changes as shall be required to assure the validity and/or tax exempt status of the Bonds.

SECTION 20. If any section, paragraph, clause or provision of this Resolution shall be held to be invalid or ineffective for any reason, the remainder of this Resolution shall remain in full force and effect, it being expressly hereby found and declared that the remainder of the Resolution would have been adopted by this Board despite the invalidity of such section, paragraph, clause or provision.

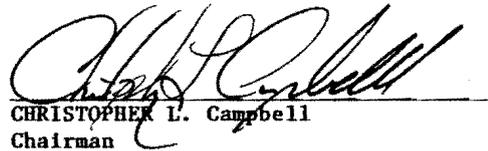
SECTION 21. All orders or resolutions in conflict herewith be and the same are hereby

repealed insofar as such conflict exists.

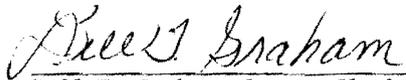
SECTION 22. This resolution shall take effect from and after its approval, the general welfare of Fayette County requiring it.

Commissioner Yancey asked that the records indicate that he does not feel that he can give representation to matters that he has not had a chance to review prior to voting on same.

Thereupon, said meeting adjourned.

  
CHRISTOPHER L. Campbell  
Chairman

ATTEST:

  
Dell T. Graham, County Clerk