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FAYETTE COUNTY LEGISLATIVE BODY

February 22, 2005

BE IT REMEMBERED That the Fayette County Legislative Body met in regular session at the Courthouse in Somerville, Tennessee on the 22nd day of February, 2005. Present and presiding Chairman Rhea Taylor. Also present, Dell T. Graham, County Clerk and the following County Commissioners: Steve Anderson, Joe B. Burnette, Jr., Christopher L. Campbell, Bob Doll, Lee "Sissy" Dowdle, John F. Dowdy, Thomas Howell Fowler, Willie German, Jr., Ronnie Harris, Myles Leifer, David H. Lillard, Sr., Sylvester Logan, Goerge McCloud, Claude D. Oglesby, Jr., Gordon M. Tomlin, Myles Wilson and Allen Yancey, Jr.

Absent: Commissiners Joann C. Allen and Ronnie Graves.

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

Chairman Taylor opened the floor to the public to address items not on the agenda. With no one coming forward, the floor was closed.

Motion was made by Commissioner Wilson, seconded by Commissiner McCloud and unanimously carried by the Board approving the minutes of the January 25, 2005 reguard meeting of this Body and the February 02, 2005 Special Call Meeting.

At this time Chairman Taylor turned the floor over to Commissioner Ken Givens who addressed the Board briefly.

Now before the Board was the rezoning request of Robert Conrad for rezoning of 26.1 acres located in Civil District 7 from R – 1 to R – 3 for a residential subdivision. Kevin Perk with the Planning commission reviewed the rezoning request and advised that the Planning Commission had recommended the approval of this request.

Chairman Taylor then opened the floor to the public for comments in favor of or in opposition to the rezoning. With no comments being offered, the floor was closed to the public.

Motion was then made by Commissioner Burnette, seconded by Commissioner Leifer and unanimously carried by the Board approving the rezoning request.

Mr. Perk then reviewed the rezoning request of Marshall Tillman for approximately three acres situated in Civil District 10 to be rezoned from R – 1 to B – 3 for use as a community business. Mr. Perk advised that this request was presented with the recommendation of the Planning Commission for denial.

Chairman Taylor then opened the floor to the public for comments in favor of and in opposition to the rezoning. Addressing the Board in favor of the request was Marshall Tillman; in opposition, James Teague. The floor was then closed to the public.

Motion was made by Commissioner Burnette, seconded by Commissioner Anderson and unanimously carried by the Board denying the rezoning request.

Motion was made by Commissioner Dowdle, seconded by Commissioner Oglesby and unanimously carried by the Board appointing the following as **Notaries Public**: Marion Francis Cantrel, Sandra K. Hall, Clara T. Harris, Gayle L. Holland, Daphane Kee and Jean Webb Roberts.

The next item on the agenda was the election of a **County Attorney**. Motion was made by Commissioner Doll, seconded by Commissioner Tomlin and unanimously carried by the Board to table action on this matter until the next meeting of this Board.

Chairman Taylor reported orally for the County Mayor's Office.

Reports from the Board of Education, Juvenile Court and Board of Public Works were called for, but none available.

Commissioner Yancey reported for the **Development Committee**. With their recommendation for passage, motion was made by Commissioner Leifer, seconded by Commissioner McCloud and unanimously carried by the Board approving the **Three-Star Pilot Program-Five Strategic Plan**.

Commissioner Lillard then reported for the **General Services Committee**. As recommended by that Committee for approval of appointment of Commissioners Campbell, Doll and Harris to a committee to survey the need for **courthouse space**, motion was made by Commissioner Lillard, seconded by Commissioner German and unanimously carried by the Board approving said committee.

Commissioner Doll now reported for the **Budget Committee**.

The first matter requiring action from this Board was approving the **Hickory With Fire Lease Agreement**. After reviewing the agreement as approved by the Budget committee and the General Services Committee, discussion followed. Motion was then made by Commissioner Doll, seconded by Commissioner Leifer and unanimously carried by Roll Call Vote by members present to enter into a lease agreement with Hickory With Fire Department paying \$85,000.00, with this payment to be written jointly to the Hickory With Fire Department and the lending institution; that Hickory With Fire Department be recognized as a County Fire Department as other rural departments in the county are recognized.

Commissioner Doll then reviewed a cost share on a **pumper grant with Hickory With Fire Department** as reviewed and recommended by the Budget committee. Motion was then made by Commissioner Doll, seconded by Commissioner McCloud and unanimously carried by Roll Call Vote by members present to enter into a grant sharing agreement with Hickory With Fire Department for purchase of a pumper, wherein the County would pay \$25,000.00 and would obtain use of the pumper for thirty years.

Also recommended by the Budget Committee was the approval of the County Sheriff leasing a vehicle to the **City of Gallaway**. Motion was made by Commissioner Doll, seconded by Commissioner Dowdle and unanimously carried by Roll Call Vote by members present to enter into a one year, one dollar lease agreement with an indemnity clause with the City of Gallaway for one responder truck.

Commissioner Doll then reviewed **General Fund Budget Amendments** as recommended by the Budget Committee. Motion was made by Commissioner Doll, seconded by Commissioner McCloud and unanimously carried by Roll Call Vote by members present to approve the following Budget Amendment:

RESOLUTION

BE IT RESOLVED, by the County Legislative Body and/or the Board of County Commissioners of Fayette County, Tennessee, in regular session on this 22nd day of February, 2005, it being the fourth Tuesday of the month and the regular monthly meeting of the County Legislative Body in the Courthouse in Somerville, Tennessee.

That the General Fund #101 Budget Amendment be amended in the following words and figures, to-wit:

**COUNTY GENERAL FUND
BUDGET AMENDMENT
F/Y 04/05
February, 2005**

<u>Adjustment to Expenditure Accounts:</u>	INCREASE	DECREASE
51500 Election Commission		
193 Election Workers		\$ 5,000.00
348 Postal Charges	\$ 3,000.00	
349 Printing, Stationery &Forms	<u>2,000.00</u>	
Subtotal-51500	\$ 5,000.00	\$ 5,000.00

<u>54310 Fire Prevention and Control</u>		
335	Maintenance & Repair-Buildings	\$ 3,500.00
452	Utilities	\$ 3,500.00
	Subtotal-54310	\$ 3,500.00
<u>55110 Local Health Center</u>		
348	Postal Charges	\$ 2,956.00
435	Office Supplies	\$ 2,956.00
	Subtotal-55110	\$ 2,956.00
TOTAL INCREASE/DECREASE	TO EXPENDITURE ACCOUNT	\$11,456.00

Prior Estimated Expenditures	\$9,158,690.00
Total Estimated Expenditures This Amendment	\$9,158,690.00
Projected Fund Balance before Amendment	\$1,089,066.00
Change in Fund Balance This Amendment	\$ 00.00
Estimated Ending Fund Balance as of June 30 th , 2005	\$1,089,066.00

Motion was then made by Commissioner Doll, seconded by Commissioner Leifer, and unanimously carried by Roll Call Vote by members present adopting the following **School Board Budget Amendment**:

FAYETTE COUNTY BOARD OF EDUCATION
GENERAL PURPOSE FUND
FUND 141
FEBRUARY, 2005

		INCREASE	DECREASE
1000	INSTRUCTION		
1100	REGULAR INSTRUCTION PROGRAM		
1100 722	Regular Instruction Equipment		\$10,000.00
	TOTAL:	\$0.00	\$10,000.00
2000	SUPPORT SERVICES		
2210	REGULAR INSTRUCTION PROGRAM		
2210 336	Maintenance & Repair Services - Eq.	\$10,000.00	
	TOTAL:	\$10,000.00	\$0.00
710	TRANSPORTATION		
710 146	Bus Drivers		\$11,500.00
710 399	Other Contracted Services	\$5,000.00	
710 599	Other Charges	\$4,000.00	
	TOTAL:	\$9,000.00	\$0.00

72810	CENTRAL AND OTHER SUPPORT SERVICES		
72810 499	Other Supplies and Materials	\$2,500.00	
	TOTAL:	\$2,500.00	\$0.00
	GRAND TOTAL:	\$21,500.00	\$21,500.00

Total Increase/Decrease: \$.00

Transfer from 72200-722 to 72210-336 for repairs & assistance in installation needed for schools computers and network.

72710 399 needed for drug/alcohol testing, physicals, TB skin testing for drivers
 72710-599 needed for maintenance on fuel tanks, repair of driveways, maintenance of bus & shop radios, walkie talkies used in schools for security.
 72810-499 needed to purchase uniforms and equipment for 13 security officers in schools.
 72710-146 transferred to the above accounts.

FAYETTE COUNTY BOARD OF EDUCATION
 FEDERAL PROJECTS FUND
 FUND 142
 SUBFUND 585 - DRUG FREE SCHOOLS
 FEBRUARY, 2005

		INCREASE	DECREASE
72000	SUPPORT SERVICES		
72130	OTHER STUDENT SUPPORT		
72130 399 PUB	Other Contracted Services		\$4,000.00
72130 499 PUB	Other Supplies and Materials	\$4,000.00	
	TOTAL:	\$4,000.00	\$4,000.00

Total Increase/Decrease: \$.00

FAYETTE COUNTY BOARD OF EDUCATION
 FEDERAL PROJECTS FUND
 FUND 142
 SUBFUND 550 - VOCATIONAL IMPROVEMENT
 FEBRUARY, 2005

		INCREASE	DECREASE
71000	INSTRUCTION		
71300	VOCATIONAL INSTRUCTION PROGRAM		
71300 355	Travel		\$108.25
71300 599	Other Charges	\$108.25	
	TOTAL:	\$108.25	\$108.25

FAYETTE COUNTY BOARD OF EDUCATION
 FEDERAL PROJECTS FUND
 FUND 142
 SUBFUND 491 - IDEA
 FEBRUARY, 2005

		INCREASE	DECREASE
71000	INSTRUCTION		
71200	SPECIAL EDUCATION PROGRAM		
71200 128	Homebound Teachers		\$3,494.12
71200 201	Social Security		\$216.34
71200 204	State Retirement		\$192.33
71200 212	Medicare		\$50.40
71200 499	Other Supplies and Materials	\$3,953.19	
	TOTAL:	\$3,953.19	\$3,953.19
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72000	SUPPORT SERVICES		
72120	HEALTH SERVICES		
72120 355	Travel	\$350.00	
72120 413	Drugs and Medical Supplies		\$350.00
	TOTAL:	\$350.00	\$350.00
	GRAND TOTAL:	\$4,303.19	\$4,303.19

Total Increase/Decrease: \$0.00

Line items 128-212 allocated will not be spent by the end of the fiscal year thus the transfer of funds to supplies/materials for staff is requested. Additional is needed in nurse travel transferred from supplies.

Commissioner Doll then reviewed the **Oakland School Addition Funding** as addressed by the Budget Committee. Sessions Brown of Coastal Securities then addressed the Board and presented a resolution regarding the sale of School Bond Anticipation Notes. Discussion followed. Motion was made by Commissioner Doll, seconded by Commissioner McCloud and unanimously carried by Roll Call Vote by members present adopting the following Resolution:

RESOLUTION AUTHORIZING THE SALE AND PROVIDING THE DETAILS OF NOT TO EXCEED \$ _____ SCHOOL BOND ANTICIPATION NOTES, SERIES 2005, OF FAYETTE COUNTY, TENNESSEE, AND PROVIDING FOR THE LEVY OF AD VALOREM TAXES IN CONNECTION THEREWITH

WHEREAS, the Board of County Commissioners (the "Governing Body") of Fayette County, Tennessee (the "County") has determined that it is necessary for the County's Board of Education to expend money to purchase property for school purposes, to purchase sites for school buildings, to erect or repair school buildings, to furnish or equip school buildings, and to refund, call or make principal and interest payments on bonds or other obligations of the County previously issued for the same purposes (the "Project"); and

WHEREAS, the Governing Body of the County has determined that it will issue not to exceed \$ _____ of its School Bonds under authority of Sections 49-3-1001 to 49-3-1008, inclusive, of the Tennessee Code Annotated, as amended, for purposes of providing financing for the Project (the bonds to be issued for such purposes are hereinafter referred to as the "Bonds"); and

WHEREAS, the Governing Body of the County, after due deliberation, has determined that it is appropriate to issue its not-to-exceed \$ _____ School Bond Anticipation Notes, Series 2005 (the "Notes"), pursuant to authority of Sections 9-21-101 et seq. of the Tennessee Code Annotated, as amended, for the purpose of providing temporary or short-term financing for the Project in anticipation of the issuance of the Bonds; and

WHEREAS, the net proceeds from the sale of the Notes after payment of issuance expenses will be used for the purpose of paying the costs of the Project; and

WHEREAS, the issuance of the Notes must be approved by the State Director of Local Finance as required by Section 9-21-505 of the Tennessee Code Annotated prior to their issuance; and

WHEREAS, the Governing Body believes it to be in the best interests of the County to sell the Notes from time to time to one or more banks, financial institutions or other purchasers in private negotiated sales upon terms acceptable to the County; and

WHEREAS, it is necessary for the County to finalize the sale of some or all of the Notes at the earliest practicable date in order to pay expenses of the Project already incurred and to be incurred in the near future; and

WHEREAS, it is further appropriate for this Governing Body to provide the details of the Notes and the pledge of revenues thereto at this time.

NOW, THEREFORE, BE IT RESOLVED by the Governing Body of the County, as follows:

SECTION 1. In order to pay all or a portion of the costs to purchase property for school purposes, to purchase sites for school buildings, to erect or repair school buildings, and to furnish or equip school buildings and to refund, call or make principal and interest payments on obligations of the County previously issued for such purposes, the Governing Body hereby declares its intention to issue not to exceed \$ _____ School Bonds pursuant to Sections 49-3-1001 to 49-3-1008, inclusive, of Tennessee Code Annotated, as amended. Pending the issuance of the Bonds, the County shall borrow an amount not to exceed the sum of \$ _____ and School Bond Anticipation Notes of the County in the principal amount borrowed shall be issued pursuant to Sections 9-21-101 et seq. 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) "Bonds" shall mean the School Bonds to be issued by the County in an amount not to exceed the Maximum Authorized Amount;
- (b) "Code" shall mean the Internal Revenue Code of 1986, as amended;
- (c) "County" shall mean Fayette County, Tennessee;
- (d) "Depository" shall mean a state or federally chartered bank located in the State of Tennessee as selected by the County, and whose deposits are insured by the Federal Deposit Insurance Corporation;
- (e) "Financial Advisor" shall mean Coastal Securities, LP, Memphis, Tennessee.
- (f) "Governing Body" shall mean the Board of County Commissioners of the County;
- (g) "Maximum Authorized Amount" shall mean the principal amount of \$ _____;
- (h) "Notes" shall mean the School Bond Anticipation Notes, Series 2005 of the County in an aggregate amount not to exceed the Maximum Authorized Amount authorized to be issued by this resolution;

(i) "Obligations of the United States of America" shall mean direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States government; and

(j) "Project" shall mean the purchase of property for school purposes, the purchase of sites for school buildings, the erection or repair of school buildings, the furnishing or equipping of school buildings, and the refunding, calling or making principal and interest payments on bonds or other obligations of the County previously issued for such purposes.

SECTION 3. Findings of the Governing Body, It is hereby found and determined by the Governing Body as follows:

(a) The Project is necessary and in the best interests of the citizens of the County;

(b) The issuance of the Bonds to finance the Project will be required and the issuance of the Notes in anticipation thereof as soon as practicable is in the best interests of the County as the County has already incurred substantial costs with respect to the Project and will incur additional Project costs in the near future; and

(c) A private negotiated sale of the Notes is feasible and in the best interests of the County, and the County will be able to pay interest on the Notes together with all other indebtedness now outstanding. The principal of the Notes will be paid from the proceeds of the Bonds, when issued.

SECTION 4. A private negotiated sale of the Notes at a price of not less than 99% of the par value of the Notes actually issued, plus accrued interest, is hereby authorized and approved. The Mayor is authorized to execute and deliver from time to time one or more note purchase agreements with any one or more purchasers of the Notes and to designate the final interest rates on any such note or notes, such interest rates to be at such rate or rates, not to exceed 7.50%, as may be required to sell the note or notes at a price not less than 99% of the par amount thereof.

SECTION 5. The Mayor is authorized to finalize, execute and deliver an Official Statement in preliminary and/or final form regarding the Notes, which describes the Notes in detail and gives financial information concerning Fayette County and such other factual

information as is deemed pertinent, and to distribute such Official Statement to all requesting parties. No Official Statement shall be required with respect to any Notes sold to one or more banks, financial institutions or other purchasers who execute appropriate investment letters in connection, with such purchase.

SECTION 6. The Mayor, in consultation with the Financial Advisor, is hereby authorized and directed to finalize the issuance, sale and delivery of School Bond Anticipation Notes, Series 2005 in a principal amount not to exceed the Maximum Authorized Amount, to determine the principal amount of any Notes from time to time to be issued (provided that the aggregate principal amount of all Notes delivered from time to time under authority of this resolution shall not exceed the Maximum Authorized Amount), and to set the final maturity date of the Notes (provided that no Notes shall mature later than two (2) years after the date of issuance of the first Note issued hereunder). It shall not be necessary to issue the Notes at one time and the authority is specifically granted to issue the Notes from time to time as shall be necessary or appropriate to meet the County's budgetary and financial needs. In addition, this resolution provides for the issuance of the Notes in alternative form as a single Note representing a straight line of credit whereby the County may draw amounts from time to time as needed up to the Maximum Authorized Amount.

SECTION 7. The Notes shall be designated "School Bond Anticipation Notes, Series 2005", shall be dated as of the date of their issuance, shall be numbered from R-1 upward, shall be of in such denominations as shall be designated by the Mayor, and shall be subject to prior redemption as set forth below. Notes may be initially issued in temporary form exchangeable for definitive Notes when ready for delivery. Until exchanged for definitive Notes, the temporary Notes shall be entitled to the same benefits as definitive Notes authenticated and delivered hereunder.

The Notes shall bear interest, not exceeding ^{6%}~~7.50%~~, as designated by the Mayor, payable semiannually, monthly, or as otherwise agreed by the Mayor, shall mature not later than two (2) years after the date of issuance of the first Note issued hereunder, and shall be in such denominations as shall be specified by the Mayor.

SECTION 8. The Notes are subject to optional redemption by the County prior to maturity, as a whole or in part, at any time at a redemption price of par plus accrued interest to the date of redemption.

In the event any of the Notes or portions thereof are called for redemption as aforesaid, notice of call for redemption identifying the Notes or portions thereof to be redeemed shall be given (unless waived) not less than fifteen (15) nor more than thirty (30) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Notes to be redeemed in whole or in part by certified or registered mail, postage prepaid, or by personal delivery at the addresses shown on the Note registration records of the Note Registrar as of the date of the notice.

SECTION 9. The County shall act as its own registration agent and paying agent and hereby appoints its County Clerk as note registrar (the "Note Registrar") with respect to the Notes and authorizes and directs the Note Registrar to maintain Note registration records with respect to the Notes, to authenticate and deliver the Notes as provided herein, either at original issuance or upon transfer, to effect transfers of the Notes, and to make all payments of principal and interest with respect to the Notes as provided herein. The Note Registrar shall maintain registration books for the registration and registration of transfer of the Notes, 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 Notes shall be payable, both principal and interest, in lawful money of the United States of America at the office of the County Clerk, or any other paying agent from time to time designated by the County with respect to any of the Notes. The County shall make all interest payments with respect to the Notes on each interest payment date directly to the registered owners as shown on the Note registration records maintained by the Note Registrar as of the close of business on the fifteenth day of the month next preceding the interest payment date at such owners' addresses shown on said Note registration records, without, except for final payment, the presentation or surrender of such registered Notes, and all such payments shall discharge the obligations of the County in respect of such Notes to the extent of the payments so made. Payment of principal of and premium, if any, on the Notes shall be made upon presentation and surrender of such Notes to the Note Registrar as the same shall become due and payable.

The Notes are transferable only by presentation to the Note Registrar by the registered owner, or his legal representative duly authorized in writing, of the registered Note(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 Note(s) accompanied by appropriate documentation necessary to prove the legal capacity of any legal representative of the registered owner. The County may also require any assignee of a note to execute an appropriate investment letter in the event the Note being transferred was originally sold on a private placement basis. Upon receipt of the Note(s) in such form and with such documentation, if any, the Note Registrar shall issue a new Note or Notes to the assignee(s) in such denominations, as requested by the registered owner requesting transfer. No charge shall be made to any registered owner for the privilege of transferring any Note, provided that any transfer tax relating to such transaction shall be paid by the owner requesting transfer. The person in whose name any Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the County nor the Note 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 Notes shall be signed by the Mayor with his manual or facsimile signature, shall be attested by the County Clerk by his manual or facsimile signature, and shall have imprinted or impressed thereon the official seal of the County (or a facsimile thereof).

The Note Registrar is hereby authorized to authenticate and deliver the Notes 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 Notes in exchange for Notes of the same principal amount delivered for transfer upon receipt of the Note(s) to be transferred in proper form with proper documentation as hereinabove described. The Notes shall not be valid for any purpose unless authenticated by the Note Registrar by the manual signature of an officer thereof on the certificate set forth herein on the Note form.

In case any Note shall become mutilated, or be lost, stolen, or destroyed, the County, in its discretion, shall issue, and the Note Registrar, shall authenticate and deliver, a new Note of

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

SECTION 11. The Notes shall be in substantially one of the following forms:

(Form of Note)

REGISTERED

REGISTERED

Number R-

\$ _____

UNITED STATES OF AMERICA
STATE OF TENNESSEE
COUNTY OF FAYETTE

SCHOOL BOND ANTICIPATION NOTE, SERIES 2005

Interest Rate: Maturity Date: Date of Note: 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, and to pay interest on said principal amount at the annual rate of interest hereinabove set forth from the date hereof until said maturity date, said interest being payable on , and semi-annually thereafter on the first day of _____ and _____ in each year until this Note 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 office of the County Clerk, as note registrar and paying agent (the "Note Registrar"). The Note Registrar shall make all interest payments with respect to this

Note on each interest payment date directly to the registered owner hereof shown on the note registration records maintained by the Note Registrar as of the close of business on the fifteenth day of the month next preceding the interest payment date at such owner's address shown on said note registration records, without, except for final payment, the presentation or surrender of this note, and all such payments shall discharge the obligations of the County to the extent of the payments so made. Payment of principal of and premium, if any, on the Notes shall be made when due upon presentation and surrender of this Note to the Note Registrar.

This Note is transferable only by presentation to the Note Registrar by the registered owner, or his legal representative duly authorized in writing, of this Note with the form of assignment on the reverse side hereof (or attached hereto) completed in full and signed with the name of the registered owner as it appears upon the face of hereof accompanied by appropriate documentation necessary to prove the legal capacity of any legal representative of the registered owner. The County may also require any assignee of this Note to execute an appropriate investment letter in the event this Note was originally sold on a private placement basis. Upon receipt of the Note(s) in such form and with such documentation, if any, the Note Registrar shall issue a new Note or Notes to the assignee(s) in such denominations, as requested by the registered owner requesting transfer. No charge shall be made to registered owner for the privilege of transferring any Note, provided that any transfer tax relating to such transaction shall be paid by the owner requesting transfer. The person in whose name this Note shall be registered shall be deemed and regarded as the absolute owner hereof for all purposes and neither the County nor the Note 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 Notes shall be subject to optional redemption by the County prior to maturity as a whole or in part, at any time at a redemption price of par plus accrued interest to the date of redemption.

In the event any of the Notes are called for redemption as aforesaid, notice of call for redemption identifying the Bonds or portions thereof to be redeemed shall be given (unless waived) not less than fifteen (15) nor more than thirty (30) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Notes to be redeemed in whole or in part by certified or registered mail, postage prepaid, or by personal delivery, at the addresses shown on the Note registration records of the Note Registrar as of the date of the notice.

This note is one of a series of notes, all of like tenor and effect, except as to date, number, rate of interest and principal amount, in an aggregate principal amount not to exceed \$ _____ issued for the purpose of providing funds in anticipation of the issuance of the County's not-to-exceed \$ _____ School Bonds in order to pay the costs to purchase property for school purposes, to purchase sites for school buildings, to erect or repair school buildings, to furnish or equip school buildings, and to refund, call or make principal and interest payments on bonds or other obligations previously issued for the same 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, Section 9-21-101 et seq., inclusive, and pursuant to a Resolution duly adopted by the Governing Body of the County on February 22, 2005. Both the principal of and interest on this Note are payable from taxes to be levied on all taxable property in said County without limitation as to rate or amount. For the payment of such principal and interest, the full faith, credit and resources of the County are hereby irrevocably pledged. Reference is made to the above-described resolution for a more complete statement of the revenues from which and the conditions under which this Note is payable and the general covenants and provisions pursuant to which this Note is issued.

It is hereby certified recited and declared that all act or conditions and things required to happen, exist and be performed precedent to and in the issuance of this Note, 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 from time to time may be found necessary, upon all taxable property within Fayette County sufficient to pay the principal and interest hereon as the same becomes due and payable; and that this Note 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 Note 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 and excise taxes applicable to certain holders.

This Note 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 Governing Body, has caused this note to be signed by its 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 ___ day of _____, 2005.

(SEAL)

FAYETTE COUNTY, TENNESSEE

COUNTERSIGNED:

County Clerk

Mayor

Transferable and payable at the Office
of the County Clerk, Fayette County
Courthouse, Somerville, Tennessee

Date of Registration: _____

This Note is one of the issue of Notes issued pursuant to the Resolution hereinabove described. This Note has been registered as to principal and interest in a Note registration book provided for that purpose in my office.

Fayette County Clerk, as Bond Registrar

(Form of Assignment)

For value received, _____ hereby sells, assigns, and transfers unto _____ is _____, the within mentioned Note and hereby irrevocably constitutes and appoints the Fayette County Clerk, or his successor as Note 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: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

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

(Form of Alternative Fully Registered Note)

UNITED STATES OF AMERICA

STATE OF TENNESSEE

COUNTY OF FAYETTE

SCHOOL BOND ANTICIPATION NOTE, SERIES 2005

\$ _____

KNOW ALL MEN BY THESE PRESENTS: That the County of Fayette, in the State of Tennessee (the "County"), hereby acknowledges itself to owe and for value received hereby promises to pay to the registered owner hereof, or its registered assigns, the sum of \$ _____ or so much as may be outstanding on or before _____ 1, _____, together with interest at the rate of _____ percent (_____ %) per annum until paid, such interest being payable [at maturity] [on _____, 200 _____, and semi-annually [monthly] thereafter on the _____ day of _____ and _____ of each year]. Both principal hereof and interest hereon are payable in lawful money of the United States of America by check or draft mailed to the registered owner at the address shown on the registration book, and such payments shall discharge the obligation of the issuer hereof to the extent of the payments so made. Upon final payment, this Note shall be submitted to the Registrar for cancellation. For the prompt payment of this obligation, both principal and interest at maturity, the full faith, credit and other resources of said County are hereby irrevocably pledged.

This Note, evidences a straight line of credit in an authorized principal amount of up to \$ _____. Once the total amount of principal has been advanced, the County is not entitled to further loan advances. Advances under this Note shall be requested in writing by either the Mayor or the County Trustee. The unpaid balance owing on this Note at any time may be evidenced by endorsements on this Note or by Lender's internal records, including daily computer printouts. This Note is issued by said County for the purpose of providing funds in anticipation of the issuance of the County's not-to-exceed \$ _____ School Bonds in order to pay the costs of the purchase of property for school purposes, to purchase sites for school buildings, to erect or repair school buildings, to furnish or equip school buildings, and to refund, call or make principal and interest payments on bonds or other obligations previously issued for the same purposes, and is in all respects in compliance with and under the authority of Sections 9-21-101 et seq., Tennessee Code Annotated, and under authority of proceedings duly adopted by the Governing Body of the County, on the 22nd day of February, 2005, in anticipation of the proceeds of School Bonds to be issued by the County under authority of Sections 49-3-1001 to 49-3-1008, inclusive, Tennessee Code Annotated, and other applicable provisions of Tennessee law, which proceeds shall be applied to the repayment hereof.

This Note is transferable by the registered owner hereof, or by its attorney duly authorized in writing, on the registration books of the County at the office of the County Clerk of the County, as Registrar, and the notation of such transfer and registration by the Registrar on the registration books. All assignees shall take this Note subject to such condition. The County may treat the registered owner as the absolute owner hereof for all purposes, and shall not be affected by any notice to the contrary whether or not any payments due on this Note shall be overdue.

It is hereby certified and recited that all acts, conditions and things required by the constitution and by the laws of the State of Tennessee to exist, or to be done precedent to and in the issuance of this obligation, do exist, and have been properly done, happened, and been performed in regular and due form and time as required by law; and that provision has been made to pay the principal and interest thereon as same falls due.

This Note and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except inheritance, transfer and estate taxes and except Tennessee franchise and excise taxes applicable to certain holders.

This Note is subject to prepayment prior to maturity at the option of the County, in whole or in part, at any time at the principal amount thereof and accrued interest to the date of prepayment.

This Note 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, the Fayette County, through its Governing Body, has caused this Note to be signed by its Mayor and attested by its County Clerk under the seal of the County on this _____ day of _____, 200__.

FAYETTE COUNTY, TENNESSEE

Mayor

(SEAL)

ATTESTED:

County Clerk

Motion was then made by Commissioner Doll, seconded by Commissioner Fowler and unanimously carried by Roll Call Vote by members present setting the compensation rate for the **Back Tax Attorney** at 10%.

Shannon Cotter and Grant Tharp of Barge, Waggoner addressed the **Justice Complex Center**. After discussion, motion was made by Commissioner Lillard, seconded by Commissioner Leifer and unanimously carried by the Board to approve the schematic plan of 69,000 square feet footprint as presented by Barge, Waggoner.

With no other matters to be brought before this Board, said meeting adjourned.

RHEA TAYLOR - Chairman

Attest:

Dell T. Graham, County Clerk