

FAYETTE COUNTY LEGISLATIVE BODY

FILE COPY

August 26, 2008

BE IT REMEMBERED that the Fayette County Legislative Body met in regular session at the Bill G. Kelley Justice Complex in Somerville, Tennessee, on the 26th day of August, 2008. Present and presiding was Chairman Rhea Taylor. Also present were the following: Sue W. Culver, County Clerk; James R. Riles, Sheriff; and the following County Commissioners: Ed Allen, Joann Allen, Steve Anderson, Charles Brewer; Joe B. Burnette, Jr.; Larry Cook; Odis Cox, Lee "Sissy" Dowdle; John F. Dowdy; Ron Gant; Willie German, Jr.; Ronald Harris; Tom Karcher; Bill G. Kelley; David Lillard; Sylvester Logan; George McCloud; Claude Oglesby, and Myles Wilson.

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

The floor was opened to the public for comments on non-agenda items. Gina Thweatt addressed the Board regarding the re-zoning application for Fayette County Animal Rescue.

Chris and Casie Jackson, who live in the Mossy Springs Subdivision in Oakland, addressed the Board regarding the loss of their family pets. Their two labs were shot by Animal Control Officer Bill Crook when they escaped from their pen and were loose in the neighborhood, while Mr. and Mrs. Jackson were both at work. They asked that the incident be thoroughly investigated as the dogs were never known to be aggressive before.

The Board was also addressed by Rikki Boyd of Collierville, who stated that the same thing could have happened to her dog a while back had she not been at home. She re-emphasized the need for an investigation into the matter.

The first item on the agenda was the approval of the minutes for July 22, 2008. Commissioner Joann Allen stated that the nomination of Buck Matthews for the Road Board had been made by Commissioner Anderson, and not she, as reported. Commissioner Dowdle moved that the minutes be approved with this change, and upon second by Commissioner Cook, motion passed unanimously.

The floor was opened for a public hearing in the matter of establishing a speed limit of 40 MPH on McFadden Drive. With no one speaking "for" or "against" the public hearing was closed. Motion was then made by Commissioner Cook, seconded by Commissioner Ed Allen, and approved unanimously as follows:

BE IT RESOLVED by the Board of County Commissioners and/or County Legislative Body of Fayette County, Tennessee, in regular session assembled on this 26th day of August, 2008, being the fourth Tuesday of said month and the regular monthly meeting date of the August said County Legislative Body, in the Criminal Justice Complex at Somerville, Tennessee, that pursuant to the provisions of Chapter No. 357 of the Private Acts of Tennessee 1967-68, and amendment thereto, it shall be unlawful for any person to operate or drive a motor vehicle in excess of forty (40) miles per hour on that portion of McFadden Drive (3.65 miles) from Oakland City Limits on the west to Warren Road on the east, being located in the 8th Civil District of Fayette County,

Tennessee; and **BE IT FURTHER RESOLVED** that any person violating the provisions of this Resolution shall be guilty of a misdemeanor and punished accordingly.

The next item on the agenda was the election of notaries public. Motion was made by Commissioner Dowdle, seconded by Commissioner Cook to elect the following as notaries public: Margaret A. Beyer; Shana N. Burch; Brandi Delee; Linda M. Jenkins; Lisa Taylor Karas; Melissa Samples; Carmen R. Simmons; and Derba F. Smith. The motion passed unanimously.

Chairman Taylor then reported for the Mayor's Office. He announced that the speaker system for the Justice Complex is in the works, but there are a few bugs to be worked out.

No reports were presented for the Sheriff's Department, the Board of Education, and Juvenile Court.

The Board of Public Works presented a copy of the minutes from the July 1, 2008 and the Trustee submitted a written report of errors and double assessments for her office.

There was no report from Planning and Development.

Chairman Taylor then called for a brief recess for an Attorney-Client meeting, after which, the meeting was again called to order.

Commissioner Wilson reported for the Development Committee, stating that a rezoning request for Carahill's II had been denied by the Committee, and now the request has been withdrawn.

Commissioner Anderson moved to adopt a resolution to require residential fire sprinklers in new construction for the county. Motion was seconded by Commissioner Joann Allen. After much discussion, Commissioner Anderson moved to amend his motion by deleting the first sentence of section 5, along with the other changes already made to the original motion, and the amendment was also seconded by Commissioner Joann Allen. After more discussion, Commissioner Dowdle suggested that this matter be tabled for 30 days to allow the Commission and all interested parties to see a demonstration of the sprinkler system at a house being built by Commissioner Logan. Motion was made by Commissioner McCloud, seconded by Commissioner Cook. A roll call vote was called for, with the following results:

Voting "Yes": Commissioners Ed Allen, Joann Allen, Anderson, Brewer, Burnette, Cook, Cox, Dowdle, Dowdy, German, Harris, Karcher, Logan, McCloud, Oglesby, and Wilson. (16)

Voting "No": Commissioners Gant, Kelley, and Lillard, (3)

Motion passed.

Commissioner Brewer moved that the following (3) three resolutions regarding the "Three-Star" program be adopted. Motion was seconded by Commissioner Wilson, and the following roll call vote was taken:

Voting "Yes": Commissioners Anderson, Brewer, Cox, Dowdle, Dowdy, German, Harris, Karcher, Lillard, Logan, McCloud, Oglesby, and Wilson. (13)

Voting "No": Commissioners Ed Allen, Joann Allen, Burnette, Cook, Gant, and Kelley (6)

Thereupon motions passed as follows:

RESOLUTION TO AFFIRM COMPLIANCE WITH
FEDERAL TITLE VI REGULATIONS

WHEREAS, both Title VI of the Civil Rights Act of 1964 and the Civil Rights Restoration Act of 1987 provide that no person in the United States shall, on the ground of race, color or national origin be excluded from participation in, be denied the benefits of or be subjected to discrimination under any program or activity receiving federal financial assistance; and

WHEREAS, the Tennessee Attorney General opined in Opinion No. 92.47 that state and local governments are required to comply with Title VI of the Civil Rights Act in administering federally funded programs; and

WHEREAS, the Community Development Division of the Tennessee Department of Economic and Community Development administers the Three-Star Program and awards financial incentives for communities designated as Three-Star communities; and

WHEREAS, by virtue of the Tennessee Department of Economic and Community Development receiving federal financial assistance all communities designated as Three-Star communities must confirm that the community is in compliance with the regulations of Title VI of the Civil Rights Act of 1964 and the Civil Rights Restoration Act of 1987;

NOW, THEREFORE, BE IT RESOLVED, by the County legislative body of Fayette County, Tennessee, meeting in regular session at Somerville, Tennessee, that:

SECTION 1. The legislative body of Fayette County declares that the County is in compliance with the federal Title VI regulations.

SECTION 2. The Department of Economic and Community Development may from time to time monitor the county's compliance with federal Title VI regulations.

SECTION 3. This Resolution shall take effect upon adoption, the public welfare requiring it.

Adopted this 26th day of August, 2008,

RESOLUTION TO ADOPT THE STRATEGIC ECONOMIC DEVELOPMENT PLAN

WHEREAS, the Three-Star Program was developed to meet the needs and challenges of the evolving economic environment in urban and rural communities and to partner with communities to create opportunities for sustained economic growth; and

WHEREAS, communities seeking certification as a Three-Star community must meet certain criteria, including the adoption of a five-year strategic economic development plan; and

WHEREAS, in achieving the mission of the Three-Star Program, the Department of Economic and Community Development commits to assist communities in developing and implementing a strategic plan;

NOW, THEREFORE, BE IT RESOLVED, by the County Legislative Body of Fayette County, Tennessee, meeting in regular session at Somerville, Tennessee, that:

SECTION 1. The Legislative Body of Fayette County declares that the county has adopted a five-year strategic economic development plan to be updated annually.

SECTION 2. The strategic economic development plan includes the county's economic goals in promoting economic growth, a plan to accomplish those goals and a projected timeline in achieving those goals.

SECTION 3. The strategic economic development plan addresses the County's goals pertaining to existing industry, manufacturing recruitment, workforce development, retail/service, tourism, agriculture, infrastructure assessment and educational assessment.

Adopted this 26th day of August, 2008.

RESOLUTION TO PARTICIPATE IN THE THREE-STAR PROGRAM

WHEREAS, the Tennessee Department of Economic and Community Development is committed to assist the communities it serves in creating opportunities for sustained economic growth through the Three-Star Program; and

WHEREAS, participation in the Three-Star Program affords certified communities the opportunity to develop and implement programs affecting the economic appeal and viability considered by business and industry in making investment decisions; and

WHEREAS, certification as a Three-Star community in the Three-Star Program involves cooperative effort by numerous local entities;

WHEREAS, Fayette County Chamber of Commerce is the designated contact for the Three-Star Program,

NOW, THEREFORE, BE IT RESOLVED, by the County Legislative Body of Fayette County, Tennessee, meeting in regular session on this _____ day of _____, 2008, in Somerville, Tennessee, that Fayette County will participate in the Three-Star Program.

Adopted this 26th day of August, 2008.

Commissioner Logan moved that the motion to adopt the 2006 International Building Code be tabled for now. Motion was seconded by Commissioner Oglesby and passed unanimously.

Commissioner German moved that Mike Atkeison and Jimmy Skelton be appointed to the Construction Appeals Board. Motion was seconded by Commissioner Logan and passed unanimously.

The next item on the agenda was the "Resolution To Oppose The Construction of A Railroad Yard In Rossville". Commissioner Oglesby moved to adopt the resolution, motion was seconded by Commissioner Brewer, and after much discussion, including yielding the floor to Fred Scarface and Paul Murley, residents of the area, the motion passed unanimously as follows:

WHEREAS, Fayette County and the cities in Fayette County have continuously tried to implement good planning and economic development; and

WHEREAS, the Growth Plan of the State of Tennessee has formalized the process to establish good procedures on orderly growth; and

WHEREAS, Fayette County and the Town of Rossville have learned that the Norfolk Southern Railroad is in the process of obtaining property for the creation of a railroad yard; and

WHEREAS, a railroad yard will bring development that neither Fayette County nor the Town of Rossville is prepared for or presently desires; and

WHEREAS, federal law preempts local and state jurisdiction over the planning and development of facilities long considered to be a local issue; and

WHEREAS, Fayette County wishes to make known it's objection to state and federal officials who will be in a position to determine if tax dollars will be used to make improvements to roads and infrastructure to the site under consideration:

NOW, THEREFORE, BE IT RESOLVED by the County Commission of Fayette County that it's objections be formalized in this resolution and that a copy of this resolution be sent to all Fayette County Representatives in both the state and federal governments.

Adopted this 26th day of August, 2008.

Commissioner German then reported for the Health and Welfare Committee. Commissioner German stated that after receiving the proposals for ambulance services by private services, it was determined that the County should not enter into any private contracts for service.

Commissioner German stated that a copy of the ambulance study was in the packets that were sent out.

Relocation of the Fayette County Animal Rescue operation was discussed, but no location was decided on.

The Committee discussed Animal Control, and ordinances against certain breeds, but it was decided that they would support a "dangerous dog ordinance" rather than one against particular breeds.

The Personnel Committee, Criminal Justice/Public Safety Committee, and the Education Committee did not meet.

The Budget Committee meeting was a Joint Committee Meeting and Chairman Taylor reported for that meeting. -Commissioner Anderson moved that application for the Tennessee Fast Track Grant for AOC be approved. This grant would require a match, but AOC would provide those funds. The motion was seconded by Commissioner Logan and approved unanimously as follows:

RESOLUTION AUTHORIZING THE SUBMISSION OF A
STATE OF TENNESSEE FASTTRACK INFRASTRUCTURE DEVELOPMENT
PROGRAM
GRANT APPLICATION AND MATCHING FUNDS

FAYETTE COUNTY, TENNESSEE

WHEREAS, Fayette County and the State of Tennessee, Department of Economic and Community Development have worked jointly and diligently towards the retainment of AOC, LLC. located within Fayette County limits; and

WHEREAS, a commitment to expand has been secured from the said industry, provided that adequate infrastructure such as sewer, water, and telecommunication highway crossings can be installed to accommodate their infrastructure needs, and;

WHEREAS, said FIDP funding is available to local governments on a matching basis which is a grant rate of 83% FIDP Grant, and 17% Fayette County Share; and

WHEREAS, Fayette County has agreed to be responsible for providing the local match for the FIDP grant, and other related costs; and,

WHEREAS, the Fayette County Commission is desirous of improving the local economic status of the County through job retention and creation such as this;

NOW THEREFORE, be it resolved by the Fayette County Commission, Meeting in regularly scheduled monthly session on August 26th, 2008 at the Bill G. Kelly Justice Complex in Somerville, Tennessee, that the County Mayor Rhea Taylor be and is related to the filing of a State of Tennessee's, Tennessee Industrial Infrastructure Program Grant, for the use and benefit of the Fayette County, on the industrial project as described herin; and,

THEREFORE, Fayette County Mayor Rhea Taylor, be and is hereby designated and appointed as Financial Officer under the terms and pursuant to the Tennessee Code

Annotated, as amended, and perform on behalf of Fayette County, Tennessee, those acts and assume such duties as are consistent with the said position.

READ AND ADOPTED this the 26th day of August, 2008.

Commissioner Wilson moved to adopt the following procedure not to discriminate against anyone with Limited English Proficiency (LEP), who participates in Federal Programs and/or services. The motion was seconded by Commissioner Dowdle, and passed by the Board.

It is the general policy of the County of Fayette, Tennessee, Human Resource (HR) staff, not to discriminate against anyone with Limited English Proficiency (LEP), who participates in our programs and/or services. We have taken steps to ensure that all individuals will be able to communicate, either through written or oral language series, with all members of our staff. These steps are as follows:

1. Employees will have access to "I Speak" cards
2. Once language proficiency is determined, employees will have resources available to assist the individual in determining his/her need.
3. If the need is not urgent or life threatening, employees will defer to their supervisors what steps need to be taken. The steps are, but not limited to, the following:
 - a. If the need is a documented translated, the supervisor will have the document translated as soon as possible, without jeopardizing his/her duties as a supervisor.
 - b. If the need is oral language services, the supervisor will take appropriate actions to provide the assistance as soon as possible through a translation service, without jeopardizing his/her duties as a supervisor.
 - c. The supervisor has the obligation to the safety of his/her employees as well as to the people of the County of Fayette to assist the need of all persons. This includes not leaving his/her work place unless it is an emergency.

Commissioner Burnette moved to approve loan resolutions that will allow the schools to finance buses and maintenance, and the county to finance fire trucks, solid waste equipment, and patrol cars. Included in the motion was the stipulation that all buses and school vehicles be titled to the Fayette County Board of Education. Motion was seconded by Commissioner Dowdy and approved unanimously as follows:

RESOLUTION AUTHORIZING THE SALE BY THE COUNTY MAYOR AND PROVIDING THE DETAILS OF NOT TO EXCEED \$1,115,000 SCHOOL CAPITAL OUTLAY NOTES 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 "Issuer") has determined that it is necessary to acquire, construct, renovate and equip school buildings and school facilities, to acquire transportation equipment for schools, and to make other capital improvements and acquisitions for schools (the "Project"); and

WHEREAS, the Issuer is authorized by Sections 9-21-101 *et seq.* of the Tennessee Code Annotated to issue capital outlay notes for such purposes, and

WHEREAS, the Issuer proposes to issue not to exceed \$1,115,000 School Capital Outlay Notes, Series 2008 (the "Notes") pursuant to authority of Sections 9-21-101 *et seq.* of the Tennessee Code Annotated, as amended, to provide financing for the Project; and

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

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

SECTION 1. In order to provide financing to acquire, construct, renovate and equip school buildings and school facilities, to acquire transportation equipment for schools, and to make other capital improvements and acquisitions for schools (the "Project"), the Issuer shall borrow a sum not exceeding \$1,115,000, and School Capital Outlay Notes, Series 2008 of the Issuer in the principal amount borrowed shall be issued pursuant to Sections 9-21-101 et seq., inclusive, of the Tennessee Code Annotated as amended. It is hereby found and determined by the Governing Body that (a) the Project is necessary and in the best interests of the Citizens of the Issuer, (b) the issuance of the Notes as soon as practicable is in the best interests of the Issuer, and (c) the Issuer will be able to amortize the Notes and all other indebtedness now outstanding and any indebtedness anticipated to be issued by the Issuer.

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

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

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

(c) "Issuer" shall mean Fayette County, Tennessee;

(d) "Mayor" or "County Mayor" shall mean the duly elected County Mayor of the Issuer from time to time.

(e) "Note Registrar" shall mean the County Clerk.

(f) "Notes" shall mean the School Capital Outlay Notes, Series 2008, of the Issuer, in an aggregate amount not to exceed the principal amount specified in Section 1, to be dated as of their date of issuance or as otherwise permitted pursuant to Section 8, authorized to be issued by this resolution;

(j) "Project" shall mean (i) to acquire, construct, renovate and equip school buildings and school facilities, to acquire transportation equipment for schools, and to make other capital improvements and acquisitions for schools; and (ii) the payment of legal, fiscal, and administrative costs incident to the foregoing and to the issuance of the Notes.

SECTION 3. The Mayor is hereby authorized and directed to determine the principal amount of the Notes 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 date of maturity

and optional redemption provisions set forth herein as authorized in Section 8. The determinations made by the Mayor, as described above, and the finalization of the details of the Notes and sale of the Notes to the purchaser by the Mayor shall be binding on the Issuer and no further action by the Governing Body with respect thereto shall be required.

Prior to the sale of the Notes, the Issuer shall submit a copy of this resolution authorizing the Notes to the State Director of Local Finance for approval together with any additional information required. In its request for approval, the Issuer shall state and demonstrate that the proposed sale is feasible and in the best interests of the Issuer, and that the Issuer should be able to amortize the Notes and all other indebtedness now outstanding and any indebtedness anticipated to be issued.

SECTION 4. The Mayor is hereby authorized and directed to finalize a sale of the Notes to one or more financial institutions located in the State of Tennessee, as determined by the Mayor, using the informal bid process.

SECTION 5. The Mayor and County Clerk, working with the Financial Advisor, are hereby authorized and directed to provide appropriate financial information to the proposed note purchasers, provided, however, that no official statement shall be required in connection with the sale of the Notes to one or more banks or financial institutions that execute appropriate investment letters in connection with such purchase.

SECTION 6. The Mayor is hereby authorized and directed to sell School Capital Outlay Notes, Series 2008, to determine the principal amounts of the Notes not to exceed the amounts specified in Section 1 to be actually issued (which may be in one or more emissions), to effect adjustments in the maturity schedules and optional redemption provisions set forth herein as authorized in Section 8, and to sell the Notes at not less than ninety-nine percent (99%) of the par

value. The determinations of the Mayor, as ¹⁰described above, and the sale of the Notes by the Mayor shall be binding on the Issuer and no further action by the Governing Body with respect thereto shall be required.

After the issuance and sale of the Notes and for each year that any of the Notes are outstanding, the Issuer shall submit its annual budget to the State Director of Local Finance for approval immediately upon the Issuer's adoption of the budget.

SECTION 7. Subject to the adjustments permitted pursuant to Section 6, the Notes shall be designated "School Capital Outlay Notes, Series 2008," shall be dated as of their date of issuance, shall be numbered from 1 upward and shall be of any denomination, including but not limited to a single note with principal retirement provisions or notes which mature in accordance with a principal retirement schedule.

SECTION 8. The Notes shall bear interest, payable not less than annually, as determined by the Mayor, at the rates per annum approved by the Mayor, not to exceed five and one-half percent (5 ½%) per annum, shall mature or have principal retirement as follows:

On or before June 1, 2009	\$115,000
On or before June 1, 2010	125,000
On or before June 1, 2011	130,000
On or before June 1, 2012	135,000
On or before June 1, 2013	140,000
On or before June 1, 2014	150,000
On or before June 1, 2015	155,000
<u>On or before June 1, 2016</u>	<u>165,000</u>
Total	\$1,115,000

The Notes shall be subject to option of prior redemption at par at any time, provided that the Mayor may make changes in the maturity date and optional redemption provisions as he deems advantageous to the Issuer.

The term of the Notes will not exceed the reasonably expected economic life of the Project, which is hereby certified by the Governing Body to be at least eight (8) years.

SECTION 9. The County Clerk shall be the initial note registrar (the "Note Registrar") with respect to the Notes and shall 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 cancel and destroy Notes which have been paid at maturity or upon earlier redemption or submitted for exchange, transfer or cancellation and to furnish the Issuer with a certificate of destruction. 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 a financial institution designated by the Noteholder in the State of Tennessee. Payment of principal of and premium, if any, and interest on the Notes shall be made upon presentation and surrender of such Notes to the Note Registrar at maturity or upon earlier redemption.

The Notes are transferrable 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. 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 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 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 Issuer 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 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 Issuer (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 Issuer 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 Issuer, 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 Issuer may pay or authorize payment of such Note without surrender thereof. In every case, the applicant shall furnish evidence satisfactory to the Issuer and the Note Registrar of the destruction, theft or loss of such Note, and indemnity satisfactory to the Issuer and the Note Registrar, and the Issuer may charge the applicant for the issue of such new Note an amount sufficient to reimburse the Issuer for the expense incurred by it in the issue thereof.

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 registered 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 Issuer nor the Note Registrar shall be affected by any notice to the contrary whether or not any payments due on the Notes shall be overdue. The Notes, upon surrender to the Note Registrar, may, at the option of the registered owner, be exchanged for an equal aggregate principal amount of the Notes of the same maturity in any authorized denomination or denominations.

SECTION 11. The Notes shall be in substantially the following form with appropriate adjustments:

(Form of Note)

REGISTERED

REGISTERED

Number _____

\$ _____

UNITED STATES OF AMERICA
STATE OF TENNESSEE

FAYETTE COUNTY
SCHOOL CAPITAL OUTLAY NOTE, SERIES 2008

Interest Rate: _____ Maturity Date: _____ Date of Note: _____, 2008

Registered Owner:

Principal Amount:

KNOW ALL MEN BY THESE PRESENTS: That Fayette County in the State of Tennessee (the "Issuer"), 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 _____ and (monthly, quarterly, semiannually, annually) thereafter until this Note matures or is redeemed. The Issuer shall make principal payments on the outstanding principal balance annually in accordance with the following schedule:

Date	Principal Amount
On or before June 1, 2009	\$115,000
On or before June 1, 2010	125,000
On or before June 1, 2011	130,000
On or before June 1, 2012	135,000
On or before June 1, 2013	140,000
On or before June 1, 2014	150,000
On or before June 1, 2015	155,000
<u>On or before June 1, 2016</u>	<u>165,000</u>
Total	\$1,115,000

This Note represents a straight line of credit in an authorized principal amount not-to-exceed \$1,115,000. Once the total amount has been advanced, the Issuer is not entitled to further loan advances. Advances under this Note shall be requested in writing by the Mayor and all such requests for advances shall be made on or before _____. The unpaid balance owing on this Note may be evidenced by endorsements on this Note or by the Registered Owner's internal records, including daily computer printouts.

Both principal hereof and interest hereon are payable in lawful money of the United States of America. The Issuer shall make all principal and interest payments with respect to this Note directly to the registered owner hereof shown on the Note registration records maintained by the County Clerk, as Note Registrar (the "Note Registrar"), and at final payment or maturity upon presentation and surrender of this Note, and such payment shall discharge the obligations of the Issuer to the extent of the payments so made.

At the option of the Issuer, this Note may be prepaid and retired by the Issuer at any time with or without notice by paying the principal amount hereof and accrued interest to the date of such payment and without the payment of any premium, and upon such payment the Registered Owner shall surrender this Note for cancellation.

This Note is transferable by the registered owner hereof in person or by such owner's legal representative duly authorized in writing at the office of the Note Registrar, 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 Note. Upon such transfer a new Note or Notes 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 Note is registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the Issuer nor the Note Registrar shall be affected by any notice to the contrary whether or not any payments due on the Note shall be overdue. Notes, upon surrender to the Note Registrar, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of the Notes of the same maturity in authorized denomination or denominations, upon the terms set forth in the Resolution. The Note Registrar shall not be required to transfer or exchange any Note after the notice calling such Note for redemption has been made, nor during a period following the receipt of instructions from the Issuer to call such Note for redemption.

This Note is one of a series of Notes, all of like date, tenor and effect, except as to number, rate of interest and date of maturity, in an aggregate principal amount of \$1,115,000 issued for the purpose of providing funds (i) to acquire, construct, renovate and equip school buildings and school facilities, to acquire transportation equipment for schools, and to make other capital improvements and acquisitions for schools; and (ii) the payment of legal, fiscal, and administrative costs incident to the foregoing and to the issuance of Notes, 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 August 26, 2008. 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 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 may be found necessary each year, upon all taxable property within Fayette County, Tennessee, 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 Note, the full faith and credit of the Issuer are hereby irrevocably pledged and that this Note and the issue of which it forms a part, together with all other indebtedness of the 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, excise and corporate privilege taxes applicable to certain holders.

[This Note is a "qualified tax-exempt obligation" designated by the Issuer 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 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 Issuer all as of the ____ day of _____, 2008.

COUNTERSIGNED: FAYETTE COUNTY, TENNESSEE

(SEAL)

County Clerk

County Mayor

Transferable at the office of
the Fayette County Clerk

Date of Registration: _____, 2008

This Note is one of the issue of Notes issued pursuant to the Resolution hereinabove described.

Sue Culver
Fayette County Clerk

(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 Note and hereby irrevocably constitutes and appoints the Fayette County Clerk, 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: 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.

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

(No writing in this blank except by the Registrar)

Date of Registration	In Whose Name Registered	Signature of Registrar

SECTION 12. When the Notes 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 Notes 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 Notes 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 Notes 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 Notes. 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 Notes in any subsequent year to have adequate taxes levied and collected to meet the obligations of the Notes 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 Issuer 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 Issuer to the payment of debt service on the Notes.

SECTION 13. Remedies of Noteholders. Except as herein expressly limited, the registered owners of the Notes 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 Notes and the interest thereon and of the pledge of the revenues made hereunder and of the covenants of the Issuer 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 Notes, accrued interest (if any) shall be deposited to the Note Fund of the Issuer and used to pay interest on the Notes at maturity.

From the remaining proceeds, all costs of issuance and sale of the Notes, including necessary legal, accounting, fiscal, printing, and similar expenses shall be paid or provided for.

The balance of the proceeds from the sale of the Notes shall be deposited with the County Trustee and shall be kept separate and apart from all other funds of the Issuer in a special fund hereby designated as the "Fayette County, Tennessee, 2008 School Capital Projects Fund," (the "School Projects Fund") which shall be applied exclusively to pay costs (i) to acquire, construct, renovate and equip school buildings and school facilities, to acquire transportation equipment for schools, and to make other capital improvements and acquisitions for schools; and (ii) the payment of legal, fiscal, and administrative costs incident to the foregoing; and it shall be used for no other purposes. Any Note 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 Notes or may be added to Note proceeds and used for the same purposes. Money in the School Projects 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 the Fire Equipment Fund.

SECTION 15. The Issuer recognizes that the purchasers and holders of the Notes 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 Notes. In this connection, the Issuer agrees that it shall take no action which may render the interest on any of said Notes 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 Notes. It is the reasonable expectation of the

Governing Body of the Issuer that the proceeds of the Notes will not be used in a manner which will cause the Notes 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 Notes 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 any of them, are authorized and directed to make such certifications in this regard in connection with the sale of the Notes as they shall deem appropriate, and such certifications shall constitute representations and certifications of the Issuer.

SECTION 16. To the extent it may do so, the Issuer hereby designates the Notes as "qualified tax-exempt obligations" for purposes of Section 265(b) (3) (B) of the Code and covenants that the Notes 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 Notes, have been or are reasonably expected to be issued by the Issuer, including all subordinate entities of the Issuer, during the calendar year 2008.

SECTION 17. If the Issuer shall pay and discharge the indebtedness evidenced by any of the Notes 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 County Trustee, to pay the principal of and interest on such Notes 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 (as "Agent"), 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 Notes and to pay premium, if any, and interest thereon when due until the maturity or redemption date (provided, if such Notes 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 Issuer shall, also pay or cause to be paid all other sums payable hereunder by the Issuer with respect to such Notes, 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 Noteholders for the payment of principal of and interest and redemption premiums, if any, on such Notes when due; or

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

If the Issuer shall pay and discharge the indebtedness evidenced by any of the Notes 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 County Trustee or Agent 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 Notes; provided, that any cash received from such principal or interest payments on such Obligations of the United States of America deposited with the County Trustee or Agent, (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 Notes 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 Issuer, as received by the County Trustee or Agent.

SECTION 18. The provisions of this Resolution shall constitute a contract between the Issuer and the registered owners of the Notes, and after the issuance of the Notes, 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 Notes 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 Notes.

SECTION 19. 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 Governing Body despite the invalidity of such section, paragraph, clause or provision.

SECTION 20. All orders or resolutions in conflict herewith be and the same are hereby repealed insofar as such conflict exists.

SECTION 21. This resolution shall take effect from and after its approval, the general welfare of Fayette County requiring it.

Passed and approved August 26, 2008.

(SEAL)

County Mayor

ATTEST:

County Clerk

RESOLUTION AUTHORIZING THE SALE BY THE COUNTY MAYOR AND PROVIDING
THE DETAILS OF NOT TO EXCEED \$540,000 GENERAL OBLIGATION CAPITAL
OUTLAY NOTES 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 "Issuer") has determined that it is necessary to acquire fire department equipment and vehicles, garbage collection and solid waste department equipment and vehicles, law enforcement and emergency services equipment and vehicles, and other equipment and vehicles for county use (the "Project"); and

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

WHEREAS, the Issuer proposes to issue not to exceed \$540,000 General Obligation Capital Outlay Notes, Series 2008 (the "Notes") pursuant to authority of Sections 9-21-101 *et seq.* of the Tennessee Code Annotated, as amended, to provide financing for the Project; and

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

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

SECTION 1. In order to provide financing for the acquisition of fire department equipment and vehicles, garbage collection and solid waste department equipment and vehicles, law enforcement and emergency services equipment and vehicles, and other equipment and vehicles for county use (the "Project"), the Issuer shall borrow a sum not exceeding \$540,000, and General Obligation Capital Outlay Notes, Series 2008 of the Issuer in the principal amount borrowed shall be issued pursuant to Sections 9-21-101 *et seq.*, inclusive, of the Tennessee Code Annotated as amended. It is hereby found and determined by the Governing Body that (a) the

Project is necessary and in the best interests of the Citizens of the Issuer, (b) the issuance of the Notes as soon as practicable is in the best interests of the Issuer, and (c) the Issuer will be able to amortize the Notes and all other indebtedness now outstanding and any indebtedness anticipated to be issued by the Issuer.

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

- (a) "Code" shall mean the Internal Revenue Code of 1986, as amended, and all regulations promulgated thereunder;
- (b) "Governing Body" shall mean the Board of County Commissioners of the Issuer;
- (c) "Issuer" shall mean Fayette County, Tennessee;
- (d) "Mayor" or "County Mayor" shall mean the duly elected County Mayor of the Issuer from time to time.
- (e) "Note Registrar" shall mean the County Clerk.
- (f) "Notes" shall mean the General Obligation Capital Outlay Notes, Series 2008, of the Issuer, in an aggregate amount not to exceed the principal amount specified in Section 1, to be dated as of their date of issuance or as otherwise permitted pursuant to Section 8, authorized to be issued by this resolution;
- (j) "Project" shall mean (i) the acquisition of fire department equipment and vehicles, garbage collection and solid waste department equipment and vehicles, law enforcement and emergency services equipment and vehicles, and other equipment and vehicles for county use; and (ii) the payment of legal, fiscal, and administrative costs incident to the foregoing and to the issuance of the Notes.

SECTION 3. The Mayor is hereby authorized and directed to determine the principal amount of the Notes 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 date of maturity and optional redemption provisions set forth herein as authorized in Section 8. The determinations made by the Mayor, as described above, and the finalization of the details of the Notes and sale of the Notes to the purchaser by the Mayor shall be binding on the Issuer and no further action by the Governing Body with respect thereto shall be required.

Prior to the sale of the Notes, the Issuer shall submit a copy of this resolution authorizing the Notes to the State Director of Local Finance for approval together with any additional information required. In its request for approval, the Issuer shall state and demonstrate that the proposed sale is feasible and in the best interests of the Issuer, and that the Issuer should be able to amortize the Notes and all other indebtedness now outstanding and any indebtedness anticipated to be issued.

SECTION 4. The Mayor is hereby authorized and directed to negotiate a sale of the Notes to one or more financial institutions located in the State of Tennessee, as determined by the Mayor.

SECTION 5. The Mayor and County Clerk, working with the Financial Advisor, are hereby authorized and directed to provide appropriate financial information to the proposed note purchasers, provided, however, that no official statement shall be required in connection with the sale of the Notes to one or more banks or financial institutions that execute appropriate investment letters in connection with such purchase.

SECTION 6. The Mayor is hereby authorized and directed to sell General Obligation Capital Outlay Notes, Series 2008, to determine the principal amounts of the Notes not to exceed

the amounts specified in Section 1 to be actually issued (which may be in one or more emissions), to effect adjustments in the maturity schedules and optional redemption provisions set forth herein as authorized in Section 8, and to sell the Notes at not less than ninety-nine percent (99%) of the par value. The determinations of the Mayor, as described above, and the sale of the Notes by the Mayor shall be binding on the Issuer and no further action by the Governing Body with respect thereto shall be required.

After the issuance and sale of the Notes and for each year that any of the Notes are outstanding, the Issuer shall submit its annual budget to the State Director of Local Finance for approval immediately upon the Issuer's adoption of the budget.

SECTION 7. Subject to the adjustments permitted pursuant to Section 6, the Notes shall be designated "General Obligation Capital Outlay Notes, Series 2008," shall be dated as of their date of issuance, shall be numbered from 1 upward and shall be of any denomination, including but not limited to a single note with principal retirement provisions or notes which mature in accordance with a principal retirement schedule.

SECTION 8. The Notes shall bear interest, payable not less than annually, as determined by the Mayor, at the rates per annum approved by the Mayor, not to exceed five and one-half percent (5 ½%) per annum, shall mature or have principal retirement as follows:

On or before June 1, 2009	\$135,000
On or before June 1, 2010	135,000
On or before June 1, 2011	135,000
<u>On or before June 1, 2012</u>	<u>135,000</u>
Total	\$540,000

The Notes shall be subject to option of prior redemption at par at any time, provided that the Mayor may make changes in the maturity date and optional redemption provisions as he deems advantageous to the Issuer.

The term of the Notes will not exceed the reasonably expected economic life of the Project, which is hereby certified by the Governing Body to be at least four (4) years.

SECTION 9. The County Clerk shall be the initial note registrar (the "Note Registrar") with respect to the Notes and shall 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 cancel and destroy Notes which have been paid at maturity or upon earlier redemption or submitted for exchange, transfer or cancellation and to furnish the Issuer with a certificate of destruction. 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 a financial institution designated by the Noteholder in the State of Tennessee. Payment of principal of and premium, if any, and interest on the Notes shall be made upon presentation and surrender of such Notes to the Note Registrar at maturity or upon earlier redemption.

The Notes are transferrable 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. 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 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 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 Issuer 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 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 Issuer (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 Issuer 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 Issuer, 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 Issuer may pay or authorize payment of such Note without surrender thereof. In every case, the applicant shall furnish evidence satisfactory to the Issuer and the Note Registrar of the destruction, theft or loss of such Note, and indemnity satisfactory to the Issuer and the Note Registrar, and the Issuer may charge the applicant for the issue of such new Note an amount sufficient to reimburse the Issuer for the expense incurred by it in the issue thereof.

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 registered 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 Issuer nor the Note Registrar shall be affected by any notice to the contrary whether or not any payments due on the Notes shall be overdue. The Notes, upon surrender to the Note Registrar, may, at the option of the registered owner, be exchanged for an equal aggregate principal amount of the Notes of the same maturity in any authorized denomination or denominations.

SECTION 11. The Notes shall be in substantially the following form with appropriate adjustments:

(Form of Note)

REGISTERED

REGISTERED

Number _____

\$ _____

UNITED STATES OF AMERICA
STATE OF TENNESSEE

FAYETTE COUNTY
GENERAL OBLIGATION CAPITAL OUTLAY NOTE, SERIES 2008

Interest Rate: _____ Maturity Date: _____ Date of Note: _____, 2008

Registered Owner:

Principal Amount:

KNOW ALL MEN BY THESE PRESENTS: That Fayette County in the State of Tennessee (the "Issuer"), 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 _____ and (monthly, quarterly, semiannually, annually) thereafter until this Note matures or is redeemed. The Issuer shall make principal payments on the outstanding principal balance annually in accordance with the following schedule:

Date	Principal Amount
On or before June 1, 2009	\$135,000

On or before June 1, 2010	135,000
On or before June 1, 2011	135,000
<u>On or before June 1, 2012</u>	<u>135,000</u>
Total	\$540,000

This Note represents a straight line of credit in an authorized principal amount not-to-exceed \$540,000. Once the total amount has been advanced, the Issuer is not entitled to further loan advances. Advances under this Note shall be requested in writing by the Mayor and all such requests for advances shall be made on or before _____. The unpaid balance owing on this Note may be evidenced by endorsements on this Note or by the Registered Owner's internal records, including daily computer printouts.

Both principal hereof and interest hereon are payable in lawful money of the United States of America. The Issuer shall make all principal and interest payments with respect to this Note directly to the registered owner hereof shown on the Note registration records maintained by the County Clerk, as Note Registrar (the "Note Registrar"), and at final payment or maturity upon presentation and surrender of this Note, and such payment shall discharge the obligations of the Issuer to the extent of the payments so made.

At the option of the Issuer, this Note may be prepaid and retired by the Issuer at any time with or without notice by paying the principal amount hereof and accrued interest to the date of such payment and without the payment of any premium, and upon such payment the Registered Owner shall surrender this Note for cancellation.

This Note is transferable by the registered owner hereof in person or by such owner's legal representative duly authorized in writing at the office of the Note Registrar, 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 Note. Upon such transfer a new Note or Notes 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 Note is registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the Issuer nor the Note Registrar shall be affected by any notice to the contrary whether or not any payments due on the Note shall be overdue. Notes, upon surrender to the Note Registrar, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of the Notes of the same maturity in authorized denomination or denominations, upon the terms set forth in the Resolution. The Note Registrar shall not be required to transfer or exchange any Note after the notice calling such Note for redemption has been made, nor during a period following the receipt of instructions from the Issuer to call such Note for redemption.

This Note is one of a series of Notes, all of like date, tenor and effect, except as to number, rate of interest and date of maturity, in an aggregate principal amount of \$540,000 issued for the purpose of providing funds to finance (i) the acquisition of fire department equipment and vehicles, garbage collection and solid waste department equipment and vehicles, law enforcement and emergency services equipment and vehicles, and other equipment and vehicles for county use; and (ii) the payment of legal, fiscal, and administrative costs incident to the foregoing and to the issuance of Notes, 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 August 26, 2008. 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 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 may be found necessary each year, upon all taxable property within Fayette County, Tennessee, 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 Note, the full faith and credit of the Issuer are hereby irrevocably pledged and that this Note and the issue of which it forms a part, together with all other indebtedness of the 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, excise and corporate privilege taxes applicable to certain holders.

[This Note is a "qualified tax-exempt obligation" designated by the Issuer 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 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 Issuer all as of the ____ day of _____, 2008.

COUNTERSIGNED:

FAYETTE COUNTY, TENNESSEE

(SEAL)

County Clerk

County Mayor

Transferable at the office of
the Fayette County Clerk

Date of Registration: _____, 2008

This Note is one of the issue of Notes issued pursuant to the Resolution hereinabove described.

Sue Culver
Fayette County Clerk

(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 Note and hereby irrevocably constitutes and appoints the Fayette County Clerk, 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: 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.

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

(No writing in this blank except by the Registrar)

Date of Registration	In Whose Name Registered	Signature of Registrar
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SECTION 12. When the Notes 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 Notes 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 Notes 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 Notes 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 Notes. 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 Notes in any subsequent year to have adequate taxes levied and collected to meet the obligations of the Notes 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 Issuer 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 Issuer to the payment of debt service on the Notes.

SECTION 13. Remedies of Noteholders. Except as herein expressly limited, the registered owners of the Notes 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 Notes and the interest thereon and of the pledge of the revenues made hereunder and of the covenants of the Issuer 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 Notes, accrued interest (if any) shall be deposited to the Note Fund of the Issuer and used to pay interest on the Notes at maturity.

From the remaining proceeds, all costs of issuance and sale of the Notes, including necessary legal, accounting, fiscal, printing, and similar expenses shall be paid or provided for.

The balance of the proceeds from the sale of the Notes shall be deposited with the County Trustee and shall be kept separate and apart from all other funds of the Issuer in a special fund hereby designated as the "Fayette County, Tennessee, 2008 Capital Projects Fund," (the "Capital

Projects Fund") which shall be applied exclusively to pay costs (i) to acquire fire department equipment and vehicles, garbage collection and solid waste department equipment and vehicles, law enforcement and emergency services equipment and vehicles, and other equipment and vehicles for county use; and (ii) the payment of legal, fiscal, and administrative costs incident to the foregoing; and it shall be used for no other purposes. Any Note 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 Notes or may be added to Note proceeds and used for the same purposes. Money in the Capital Projects 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 the Fire Equipment Fund.

SECTION 15. The Issuer recognizes that the purchasers and holders of the Notes 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 Notes. In this connection, the Issuer agrees that it shall take no action which may render the interest on any of said Notes 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 Notes. It is the reasonable expectation of the Governing Body of the Issuer that the proceeds of the Notes will not be used in a manner which will cause the Notes 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 Notes 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 any of them, are authorized and directed to make such certifications in this regard in connection with the sale of the Notes as they shall deem appropriate, and such certifications shall constitute representations and certifications of the Issuer.

SECTION 16. To the extent it may do so, the Issuer hereby designates the Notes as "qualified tax-exempt obligations" for purposes of Section 265(b) (3) (B) of the Code and covenants that the Notes 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 Notes, have been or are reasonably expected to be issued by the Issuer, including all subordinate entities of the Issuer, during the calendar year 2008.

SECTION 17. If the Issuer shall pay and discharge the indebtedness evidenced by any of the Notes 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 County Trustee*, to pay the principal of and interest on such Notes 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 (as "Agent"), 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 Notes and to pay premium, if any, and interest thereon when due until the maturity or redemption date (provided, if such Notes 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 Issuer shall, also pay or cause to be paid all other sums payable hereunder by the Issuer with respect to such Notes, 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 Noteholders for the payment of principal of and interest and redemption premiums, if any, on such Notes when due; or

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

If the Issuer shall pay and discharge the indebtedness evidenced by any of the Notes 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 County Trustee or Agent 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 Notes; provided, that any cash received from such principal or interest payments on such Obligations of the United States of

America deposited with the County Trustee or Agent, (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 Notes 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 Issuer, as received by the County Trustee or Agent.

SECTION 18. The provisions of this Resolution shall constitute a contract between the Issuer and the registered owners of the Notes, and after the issuance of the Notes, 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 Notes 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 Notes.

SECTION 19. 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 Governing Body despite the invalidity of such section, paragraph, clause or provision.

SECTION 20. All orders or resolutions in conflict herewith be and the same are hereby repealed insofar as such conflict exists.

SECTION 21. This resolution shall take effect from and after its approval, the general welfare of Fayette County requiring it.

Passed and approved August 26, 2008.

The next item on the agenda was the request of County Clerk Sue Culver to open an office in Oakland, which would require additional revenue in the amount of \$3,311. The City of Oakland agreed to lease office space for \$1.50 per year, build the necessary counters with locking cash drawers, and provide utilities to assist in getting a satellite office in the city. Commissioner Ed Allen moved to approve the funds, and Commissioner Cook seconded the motion. The motion was approved by an 18 to 1 vote, with Commissioner Anderson voting "NO".

The County Clerk also asked that the line item for travel in her proposed budget for the coming year be restored to the original requested amount to allow for employees to attend available training sessions toward certification. Commissioner Wilson moved that this be approved, and Commissioner Anderson seconded the motion. The Board unanimously approved to restore the travel allowance for the County Clerk's Office to \$2000.

Commissioner Oglesby moved that the funds be approved to purchase a check writing software, to eliminate confusion with handwritten checks, and minute software for monthly Commission Meetings for the County Clerk's Office. Commissioner Logan seconded the motion and it was approved unanimously by the Board to appropriate funds to purchase the software.

Commissioner Wilson moved that the line item for maintenance in the County Clerk's office be increased to \$4000 to allow for the purchase of new carpet and wall repair, and this motion was also approved unanimously.

Commissioner Ed Allen yielded the floor to Sue Culver, County Clerk who addressed the need for some sort of pay increase for the two employees who will be staffing the Oakland Office. She stated that the Deputy I position had been eliminated from her office for the last two years, and requested that the \$1500 be put back into her budget to be divided between the two employees who will be staffing the Oakland Office. Commissioner Cook moved that this request be approved, with second from Commissioner Ed Allen. The motion was approved by a vote of 18-1, with Commissioner Anderson voting "NO".

Commissioner Wilson moved that the Trustee's travel pay be increased to \$3000, at her request. The motion was seconded by Commissioner Brewer, and Commissioner Lillard called for a roll call vote, which resulted in 18 Commissioners voting "YES" and Commissioner Lillard voting "NO".

Commissioner German moved that the Trustee's Office Equipment budget allowance be increased to \$3000. Motion was seconded by Commissioner Anderson, and approved with a 18-1 vote, with Commissioner Ed Allen voting "NO".

Commissioner Harris moved that the salary of the County's General Officials be raised to the next level of population (35,000-49,999) in the mandated salary schedule plus an additional 4.89% increase. This will equal \$67,081. The motion was seconded by Commissioner Burnette, and passed by a majority vote.

Commissioner Burnette moved that the County match stipends given by the state for educational certificates earned by County Officials for Certified Public Administrator, and that stipends be given to employees who have earned the Certified Public Administrator title. The motion was seconded by Commissioner Dowdy and approved by the Board 18-1, with Commissioner Ed Allen voting "NO".

Commissioner Burnette moved to approve the 08-09 Budget for the County General Fund, Solid Waste Sanitation Fund, Adequate Facilities/Development Tax Fund, Highway Public Works Fund, General Purpose School Fund, School Federal Projects Fund, Central Cafeteria Fund, and General Debt Service Fund as presented. The motion was seconded by Commissioner Logan, and passed unanimously upon roll call vote.

Commissioner Ed Allen moved that the non-profit contribution to the Oakland Chamber of Commerce be increased by \$5000. Motion was seconded by Commissioner Cook, and a roll call vote was taken as follows:

Voting "YES": Ed Allen, Anderson, Brewer, Cook, Dowdy, Gant, German, and Kelly(8)

Voting "NO": Joann Allen, Burnette, Cox, Dowdle, Harris, Karcher, Lillard, Logan, McCloud, and Oglesby (10)

"PASSING": Wilson (1)

Thereupon, the motion failed.

Commissioner Wilson then moved that the following list of non-profit contributions for the next budget year be approved. Motion was seconded by Commissioner Dowdle, and passed unanimously on a roll call vote.

CHARITABLE ORGANIZATIONS
TENNESSEE, FOR THE YEAR BEGINNING JULY 1ST, 2008,
AND ENDING JUNE 30TH, 2009

WHEREAS, Section 5-9-109, TCA, authorizes the Fayette County Legislative Body to make appropriations to various nonprofit charitable organizations, and,
WHEREAS, the Fayette County Legislative Body recognizes the various nonprofit charitable organizations providing services in Fayette County have great need of funds to carry on their nonprofit charitable work.

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners of Fayette County on this 26th day of August, 2008.

SECTION 1. That Ninety-nine Thousand Sixty-one Dollars (\$99,061.00) be appropriated to nonprofit organizations in Fayette County as reflected below.

<u>ACCT NO</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
51900-320	Fayette County Chamber of Commerce	\$ 27,604.00
51900-320	Oakland Chamber of Commerce	3,296.00
55190-310	Fayette County Citizens for Progress	2,060.00
55590-316	Fayette Cares	7,725.00
55590-316	MIFA	3,090.00
56300-339	Fayette County Commission on Aging	22,145.00
58500-310	Aging Commission of the Mid-South	2,575.00
58500-310	Delta Human Resource Agency	14,751.00
58500-316	Dewitt Community Coalition	10,815.00
58500-310	Fayette County Animal Rescue	5,000.00

BE IT FURTHER RESOLVED, that all appropriations enumerated in Section 1 above are subject to the following conditions:

1. That the nonprofit organizations to which funds are appropriated shall file with the County Clerk and the disbursing officials a copy of any annual report of its business affairs and transactions and the proposed use of the County's funds in accordance with rules promulgated by the Comptroller of the Treasury, Chapter 0380-2-7. Such annual report shall be prepared and certified by the chief financial officer of such nonprofit organization in accordance with Section 5-9-109 (c), TCA.
2. That said funds must only be used by the named nonprofit charitable organizations in furtherance of their nonprofit purposes benefiting the general welfare of the residents of Fayette County.
3. That it is the expressed interest of the County Commission of Fayette County in providing these funds to the above named charitable organizations to be fully in compliance with Chapter 0390-2-7 of the Rules of the Comptroller of the Treasury, and Section 5-9-109, TCA, and any and all other laws which may apply to county appropriations to nonprofit organizations and so this appropriation is made subject to compliance with any and all these laws and regulations.

BE IT FURTHER RESOLVED, that this Resolution shall take effect from and after its passage and its provisions shall be in force from and after July 1st, 2008. This Resolution shall be spread upon the minutes of the Board of County Commissioners.

Passed this 26th day of August, 2008.

Commissioner Oglesby moved that the tax rate for the next budget year be set at \$1.74, the same as last year. Motion was seconded by Commissioner Dowdy and passed unanimously by the Board on a roll call vote.

Passed and approved August 26, 2008.

The next item on the agenda was the request of County Clerk Sue Culver to open an office in Oakland, which would require additional revenue in the amount of \$3,311. The City of Oakland agreed to lease office space for \$1.50 per year, build the necessary counters with locking cash drawers, and provide utilities to assist in getting a satellite office in the city. Commissioner Ed Allen moved to approve the funds, and Commissioner Cook seconded the motion. The motion was approved by an 18 to 1 vote, with Commissioner Anderson voting "NO".

The County Clerk also asked that the line item for travel in her proposed budget for the coming year be restored to the original requested amount to allow for employees to attend available training sessions toward certification. Commissioner Wilson moved that this be approved, and Commissioner Anderson seconded the motion. The Board unanimously approved to restore the travel allowance for the County Clerk's Office to \$2000.

Commissioner Oglesby moved that the funds be approved to purchase a check writing software, to eliminate confusion with handwritten checks, and minute software for monthly Commission Meetings for the County Clerk's Office. Commissioner Logan seconded the motion and it was approved unanimously by the Board to appropriate funds to purchase the software.

Commissioner Wilson moved that the line item for maintenance in the County Clerk's office be increased to \$4000 to allow for the purchase of new carpet and wall repair, and this motion was also approved unanimously.

Commissioner Ed Allen yielded the floor to Sue Culver, County Clerk who addressed the need for some sort of pay increase for the two employees who will be staffing the Oakland Office. She stated that the Deputy 1 position had been eliminated from her office for the last two years, and requested that the \$1500 be put back into her budget to be divided between the two employees who will be staffing the Oakland Office. Commissioner Cook moved that this request be approved, with second from Commissioner Ed Allen. The motion was approved by a vote of 18-1, with Commissioner Anderson voting "NO".

Commissioner Wilson moved that the Trustee's travel pay be increased to \$3000, at her request. The motion was seconded by Commissioner Brewer, and Commissioner Lillard called for a roll call vote, which resulted in 18 Commissioners voting "YES" and Commissioner Lillard voting "NO".

Commissioner German moved that the Trustee's Office Equipment budget allowance be increased to \$3000. Motion was seconded by Commissioner Anderson, and approved with a 18-1 vote, with Commissioner Ed Allen voting "NO".

Commissioner Burnette moved that the County match stipends given by the state for educational certificates earned by County Officials for Certified Public Administrator, and that stipends be given to employees who have earned the Certified Public Administrator title. The motion was seconded by Commissioner Dowdy and approved by the Board 18-1, with Commissioner Ed Allen voting "NO".

Commissioner Burnette moved to approve the 08-09 Budget for the County General Fund, Solid Waste/Sanitation Fund, Adequate Facilities/Development Tax Fund, Highway/Public Works Fund, General Purpose School Fund, School Federal Projects Fund, Central Cafeteria Fund, and General Debt Service Fund as presented. The motion was seconded by Commissioner Logan, and passed unanimously upon roll call vote.

Commissioner Ed Allen moved that the non-profit contribution to the Oakland Chamber of Commerce be increased by \$5000. Motion was seconded by Commissioner Cook, and a roll call vote was taken as follows:
Voting "YES": Ed Allen, Anderson, Brewer, Cook, Dowdy, Gant, German, and Kelly(8)
Voting "NO": Joann Allen, Burnette, Cox, Dowdle, Harris, Karcher, Lillard, Logan, McCloud, and Oglesby (10)
"PASSING": Wilson (1)

Thereupon, the motion failed.

Commissioner Wilson then moved that the following list of non-profit contributions for the next budget year be approved. Motion was seconded by Commissioner Dowdle, and passed unanimously on a roll call vote.

CHARITABLE ORGANIZATIONS OF FAYETTE COUNTY,
TENNESSEE, FOR THE YEAR BEGINNING JULY 1ST, 2008,
AND ENDING JUNE 30TH, 2009

WHEREAS, Section 5-9-109, TCA, authorizes the Fayette County Legislative Body to make appropriations to various nonprofit charitable organizations, and,
WHEREAS, the Fayette County Legislative Body recognizes the various nonprofit charitable organizations providing services in Fayette County have great need of funds to carry on their nonprofit charitable work.

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners of Fayette County on this 26th day of August, 2008.

SECTION 1. That Ninety-nine Thousand Sixty-one Dollars (\$99,061.00) be appropriated to nonprofit organizations in Fayette County as reflected below.

<u>ACCT NO</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
51900-320	Fayette County Chamber of Commerce	\$ 27,604.00
51900-320	Oakland Chamber of Commerce	3,296.00
55190-310	Fayette County Citizens for Progress	2,060.00
55590-316	Fayette Cares	7,725.00
55590-316	MIFA	3,090.00
56300-339	Fayette County Commission on Aging	22,145.00
58500-310	Aging Commission of the Mid-South	2,575.00
58500-310	Delta Human Resource Agency	14,751.00
58500-316	Dewitt Community Coalition	10,815.00
58500-310	Fayette County Animal Rescue	5,000.00

BE IT FURTHER RESOLVED, that all appropriations enumerated in Section 1 above are subject to the following conditions:

1. That the nonprofit organizations to which funds are appropriated shall file with the County Clerk and the disbursing officials a copy of any annual report of its business affairs and transactions and the proposed use of the County's funds in accordance with rules promulgated by the Comptroller of the Treasury, Chapter 0380-2-7. Such annual report shall be prepared and certified by the chief financial officer of such nonprofit organization in accordance with Section 5-9-109 (c), TCA.
2. That said funds must only be used by the named nonprofit charitable organizations in furtherance of their nonprofit purposes benefiting the general welfare of the residents of Fayette County.
3. That it is the expressed interest of the County Commission of Fayette County in providing these funds to the above named charitable organizations to be fully in compliance with Chapter 0390-2-7 of the Rules of the Comptroller of the Treasury, and Section 5-9-109, TCA, and any and all other laws which may apply to county appropriations to nonprofit organizations and so this appropriation is made subject to compliance with any and all these laws and regulations.

BE IT FURTHER RESOLVED, that this Resolution shall take effect from and after its passage and its provisions shall be in force from and after July 1st, 2008. This Resolution shall be spread upon the minutes of the Board of County Commissioners.

Passed this 26th day of August, 2008.

Commissioner Oglesby moved that the tax rate for the next budget year be set at \$1.74, the same as last year. Motion was seconded by Commissioner Dowdy and passed unanimously by the Board on a roll call vote.

**RESOLUTION FIXING THE TAX LEVY IN
FAYETTE COUNTY, TENNESSEE
FOR THE YEAR BEGINNING JULY 1, 2008**

SECTION 1. BE IT RESOLVED by the Board of County Commissioners of Fayette County, Tennessee, assembled in special session on this 26th day of August, 2008, that the combined property tax rate for Fayette County, Tennessee for the year beginning July 1, 2008, shall be \$1.74 on each \$100.00 of taxable property, which is to provide revenue for each of the following funds and otherwise conform to the following levies:

<u>FUND</u>	<u>2007 RATE</u>	<u>2008 RATE</u>
General	\$0.7038	\$0.7884
Highway/Public Works	0.0795	0.0808
General Purpose School	0.8013	0.8008
General Debt Service	<u>0.1554</u>	<u>0.0700</u>
Total	\$1.7400	\$1.7400

SECTION 2. BE IT FURTHER RESOLVED that there is hereby levied a gross receipts tax as provided by law. The proceeds of the gross receipts tax herein levied shall accrue to the General Fund.

SECTION 3. BE IT FURTHER RESOLVED, that all resolutions of the Board of County Commissioners of Fayette County, Tennessee, which are in conflict with this resolution are hereby repealed.

SECTION 4. BE IT FURTHER RESOLVED, that this resolution take effect from and after its passage, the public welfare requiring it. This resolution shall be spread upon the minutes of the Board of County Commissioners.

Passed this 26th day of August, 2008.

Commissioner Wilson moved to approve the overall budget for 08-09. Motion was seconded by Commissioner Harris and approved unanimously on a roll call vote to approve the budget as follows:

**A RESOLUTION MAKING APPROPRIATIONS FOR THE VARIOUS FUNDS,
DEPARTMENTS, INSTITUTIONS, OFFICES AND AGENCIES OF
FAYETTE COUNTY, TENNESSEE, FOR THE
YEAR BEGINNING JULY 1, 2008 AND ENDING JUNE 30, 2009**

SECTION 1. BE IT RESOLVED by the Board of County Commissioners of Fayette County, Tennessee, assembled in regular session on the 26th day of August, 2008, that the amounts hereafter set out are hereby appropriated for the purpose of meeting the expenses of the various funds, departments, institutions, offices and agencies of Fayette County, Tennessee, for the capital outlay, and for meeting the payment of principal and interest on the County's debt maturing during the year beginning July 1, 2008 and ending June 30, 2009, according to the following schedule:

GENERAL FUND

51100	County Commission	\$	67,871
51220	Beer Board		1,500
51300	County Mayor		95,852
51400	County Attorney		49,116
51500	Election Commission (Including Voter Registration)		238,826
51600	Register of Deeds		37,500
51710	Development		283,288
51730	Building		96,648
51800	County Buildings		226,357
51810	Other Facilities		15,000
51900	Other General Administration		85,077
52100	Accounting and Budgeting		180,500
52300	Property Assessor's Office		276,460
52310	Reappraisal Program		35,000
52400	County Trustee's Office		172,999
52500	County Clerk's Office		258,535
53100	Circuit Court		157,963
53300	General Sessions Court		145,279
53310	General Sessions Judge		175,359
53320	Juvenile Court Clerk		64,845
53330	Drug Court		60,000
53400	Chancery Court		184,027
53500	Juvenile Court		58,694
54110	Sheriff's Department		2,199,261
54150	Drug Enforcement		208,536
54210	Jail		2,337,540
54220	Workhouse		30,308
54310	Fire Prevention and Control		725,762
54410	Civil Defense		101,427
54420	Rescue Squad		42,738
54610	County Coroner/Medical Examiner		20,000
54900	Other Public Safety		144,335
55110	Local Health Center		59,927
55120	Rabies and Animal Control		88,323
55130	Ambulance/Emergency Medical Services		1,408,991
55160	Dental Health Program		375,528
55180	Crippled Children Services		2,216
55190	Other Local Health Services		2,060
55390	Appropriation to State		25,761

55520	Aid to Dependent Children	2,750
55590	Other Local Welfare Services	10,815
55720	Sanitation Education/Information	60,133
56300	Senior Citizens Assistance	22,145
56500	Libraries	168,121
57100	Agriculture Extension Service	110,508
57500	Soil Conservation	62,395
58120	Industrial Development	1,639
58220	Airport	149,796
58300	Veteran's Services	7,484
58400	Other Charges	267,423
58500	Contributions to Other Agencies	53,641
58600	Employee Benefits	1,438,363
58900	Miscellaneous	<u>1,000</u>
	Total General Fund	\$ <u>13,095,633</u>

SOLID WASTE/SANITATION FUND

55732	Convenience Centers	\$ 345,500
55754	Landfill Operation and Maintenance	<u>647,769</u>
	Total Solid Waste/Sanitation Fund	\$ <u>993,269</u>

DRUG CONTROL FUND

54150	Drug Enforcement	\$ <u>99,163</u>
	Total Drug Control Fund	\$ <u>99,163</u>

ADEQUATE FACILITIES/DEVELOPMENT TAX FUND

58900	Miscellaneous	\$ 9,500
99100	Transfers Out	<u>800,000</u>
	Total Adequate Facilities	\$ <u>809,500</u>

HIGHWAY/PUBLIC WORKS FUND

61000	Administration	\$ 178,011
62000	Highway and Bridge Maintenance	1,352,376
63100	Operation and Maintenance of Equipment	495,460
65000	Other Charges	216,300
66000	Employee Benefits	609,980
68000	Capital Outlay	1,409,651
82120	Highway & Street Debt Service	68,833
91200	Highway & Street Capital Projects	<u>31,000</u>
	Total Highway/Public Works Fund	\$ <u>4,361,611</u>

GENERAL PURPOSE SCHOOL FUND

71100	Regular Instruction Program	\$	12,221,523
71200	Special Education Program		1,845,942
71300	Vocational Education Program		910,906
71600	Adult Education Program		34,280
72110	Attendance		75,268
72120	Health Services		177,754
72130	Other Student Support		582,697
72210	Regular Instruction Program		980,042
72220	Special Education Program		324,944
72230	Vocational Education Program		479,344
72260	Adult Programs		309,393
72310	Board of Education		469,890
72320	Director of Schools		246,020
72410	Office of the Principal		1,291,972
72510	Fiscal Services		199,881
72610	Operation of Plant		1,756,919
72620	Maintenance of Plant		597,376
72710	Transportation		2,108,607
72810	Central and Other		190,544
73300	Community Services		55,404
73400	Early Childhood Education		797,403
76100	Regular Capital Outlay		149,000
82130	Principal - Education		291,681
82230	Interest - Education		<u>63,165</u>
	Total General Purpose School Fund	\$	<u>26,159,955</u>

SCHOOL FEDERAL PROJECTS FUND

71100	Regular Instruction Program	\$	1,575,051
71200	Special Education Program		640,300
71300	Vocational Education Program		62,060
72130	Other Student Support		56,328
72210	Regular Instruction Program		921,916
72220	Special Education Program		285,133
72230	Vocational Education Program		3,367
72710	Transportation		95,536
99100	Transfers to Other Funds		<u>308,178</u>
	Total School Federal Projects Fund	\$	<u>3,947,869</u>

CENTRAL CAFETERIA FUND

73100	Food Service	\$	2,577,336
99100	Transfers to Other Funds		<u>10,000</u>
	Total Central Cafeteria Fund	\$	<u>2,587,336</u>

GENERAL DEBT SERVICE FUND

82110	General Debt Service	\$	1,295,000
82130	Principal - Education	\$	770,000
82210	Interest - General Government		592,871
82230	Education Debt Service		564,078
82310	General Government		20,000
82330	Other Debt Service-Education		<u>1,000</u>

Total General Debt Service Fund \$ 3,242,949

SECTION 2. BE IT RESOLVED, that there are also hereby appropriated certain portions of the commissions and fees for collecting taxes and licenses and for administering other funds which the trustee, county clerk, circuit court clerk, clerk and master, register and the sheriff and their officially authorized deputies and assistants may be entitled to receive under State laws heretofore or hereafter enacted. Expenditures out of commissions, and/or fees collected by the trustee, county clerk, circuit court clerk, clerk and master, register and the sheriff may be made for such purposes and in such amounts as may be authorized by existing law or by valid order of any court having power to make such appropriations. Any excess commissions and/or fees collected over and above the expenditures duly and conclusively authorized shall be paid over to the trustee and converted into the General Fund as provided by the law.

BE IT FURTHER RESOLVED, that if any fee officials, as enumerated in Section 8-22-101, Tennessee Code Annotated, operate under provisions of Section 8-22-104, Tennessee Code Annotated, provisions of the preceding paragraph shall not apply to those particular officials.

SECTION 3. BE IT FURTHER RESOLVED, that any amendment to the budget, except for amendments to the budget for funds under supervision of the director of schools, shall be approved as provided in Section 5-9-407, Tennessee Code Annotated. The director of schools must receive approval of the Board of Education for transfers within each major category of the budget, and approval of both the Board of Education and Board of County Commissioners for transfers between major categories as required by law.

One copy of each amendment shall be filed with the County Clerk, one copy with the chairman of the Budget Committee, and one copy with each divisional or departmental head concerned. The reason(s) for each transfer shall be clearly stated; however, this section shall in no case whatsoever be construed as authorizing transfer from one fund to another, but shall apply solely to transfers within a certain fund.

SECTION 4. BE IT FURTHER RESOLVED, that any appropriations made by this resolution, which cover the same purpose for which a specific appropriation is made by statute, is made in lieu of but not in addition to said statutory appropriation. The salary, wages, or remuneration of each officer, employee, or agent of the County shall not be in excess of the amounts authorized by existing law or as set forth in the estimate of expenditures which accompanies the resolution. Provided, however, that appropriations for such salaries, wages, or other remuneration hereby authorized shall in no case be construed as permitting expenditures for an office, agency, institution, division or department of the County in excess of the appropriation made herein for such office, agency, institution, division or department of the County. Such appropriation shall constitute the limit to the expenditures of any office, agency, institution, division or department for the year ending June 30, 2009. The aggregate expenditures for any item of appropriation shall in no instance be more than the amount herein appropriated for such item.

SECTION 5. BE IT FURTHER RESOLVED that any resolution, which may hereafter be presented to the Board of County Commissioners providing for appropriations in addition to those made by this Budget Appropriation Resolution, shall specifically provide sufficient revenue or other funds, actually to be provided during the year in which the expenditure is to be made, to meet such additional

appropriation. Said appropriating resolution shall be submitted to and approved by the State Director of Local Finance after its adoption as provided by Section 9-21-403, TCA.

SECTION 6. BE IT FURTHER RESOLVED, that the county mayor and county clerk are hereby authorized to borrow money on revenue anticipation notes, provided such notes are first approved by the state director of Local Finance, to pay for the expenses herein authorized until the taxes and other revenue for the year 2008-2009 have been collected. The proceeds of loans for each individual fund shall not exceed 60% of the appropriations of each fund and shall be used only to pay the expenses and other requirements of the fund for which the loan is made. The loan shall be paid out of revenue from the fund for which money is borrowed. The notes evidencing the loans authorized under this section shall be issued under the applicable sections of Title 9, Chapter 21, Tennessee Code Annotated. Said notes shall be signed by the county mayor and countersigned by the county clerk and shall mature and be paid in full without renewal no later than June 30, 2009.

SECTION 7. BE IT FURTHER RESOLVED, that the delinquent county property taxes for the year ending 2007 and prior years and the interest and penalty thereon collected during the year ending June 30, 2009, shall be apportioned to the various county funds according to the subdivision of the tax levy for the year 2008. The clerk and master and the trustee are hereby authorized and directed to make such apportionment accordingly.

SECTION 8. BE IT FURTHER RESOLVED, that all unencumbered balances of appropriations remaining at the end of the year shall lapse and be of no further effect at the end of the year at June 30, 2009.

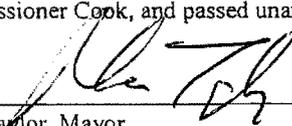
SECTION 9. BE IT FURTHER RESOLVED that any resolution or part of a resolution which has heretofore been passed by the Board of County Commissioners which is in conflict with any provision in this resolution be and the same is hereby repealed.

SECTION 10. BE IT FURTHER RESOLVED, that this resolution shall take effect from and after its passage and its provisions shall be in force from and after July 1, 2008. This resolution shall be spread upon the minutes of the Board of County Commissioners.

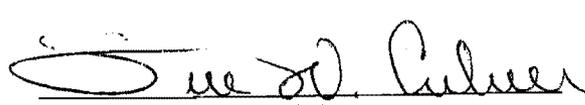
Passed this 26th day of August, 2008.

Commissioner German moved to approve an increase for mileage pay from .42 per mile to .52 per mile as is now being paid by the state. Motion was seconded by Commissioner Dowdle and approved unanimously by the Board.

Motion was then made to adjourn by Commissioner Lillard, seconded by Commissioner Cook, and passed unanimously.



Rhea Taylor, Mayor



Sue W. Culver, County Clerk

