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FAYETTE COUNTY LEGISLATIVE BODY

JUNE 22, 2010

**BE IT REMEMBERED** that the Fayette County Legislative Body met in regular session at the Bill G. Kelley Criminal Justice Complex in Somerville, Tennessee, on the 22<sup>nd</sup> day of June, 2010. Present and presiding was Chairman Rhea Taylor. Also present were the following: Sue W. Culver, County Clerk; James R. "Bobby" Riles, Sheriff; and the following County Commissioners: Ed Allen, Jo Ann Allen, Steve Anderson, Charles Brewer, Joe B. Burnette, Jr.; Larry Cook; Odis Cox; Lee "Sissy" Dowdle, Ron Gant, Willie German, Ronald Harris, Tom Karcher, Bill Kelley, David Lillard, Sylvester Logan, George McCloud; Claude Oglesby, Debbie Perkins, and Myles Wilson.

A quorum was met with all Commissioners present.

The floor was opened to the public for comments on non-agenda items. Gary Bullwinkle of 5560 Yum Yum Road addressed the Board regarding an e-mail that was forwarded to School Board members. Mr. Bullwinkle stated that the "Plan Three" controversy instituting a county wide busing decree was not accepted by the Judge in the federal lawsuit against Fayette County Schools, "the good news is we are back to square one and we're not doing the busing proposed in plan three." This e-mail was found to be disturbing by Mr. Bullwinkle on several levels. First of all the recipients, who were School Board members, but not ALL School Board members received the e-mail from a county paid consultant who was qualified to do the work she was hired to do on the Edulog software, but somehow got put in a primary role in a 45 year old desegregation case against the county. He continued by encouraging all interested parties to work together for the good of the students in the county, by building on our successes to get the school system where it should be.

The next item on the agenda was approval of the minutes from the May 27, 2010 meeting. Commissioner Wilson moved that the minutes be approved as presented. Commissioner Brewer seconded the motion which passed unanimously.

Commissioner Logan moved that the following be approved as notaries public: Marilyn S. Birmingham, Sue W. Culver, Alice Faye Hammers, Verlita Harris, Wade Harris, Cynthia Hubbard, James F. Lofties, Hannah Myers, Danielle Renee Redfearn, Paula J. Rodriguez, Lisa Teague, Betty C. Whitaker, and Julia Yager. The motion was seconded by Commissioner Dowdle and approved unanimously.

Chairman Taylor reminded Commissioners that financial reports for the Public Works Department and Fayette County were sent out in their packets, and for questions on these reports Commissioners should contact the appropriate official.

The next item on the agenda was the County Mayor's report. Chairman Taylor stated that the information he had been given regarding the budget having to be

completed by June 30<sup>th</sup> has been reversed, and that the Committees will now go through the normal budget procedure and the tax rate will then be set.

No reports were given for the Sheriff's Department, Juvenile Court or the Planning and Development Office.

Dr. Cedrick Gray, the new superintendent of Schools introduced himself to the Board, and spoke briefly of his goals for the Fayette County School System.

Jim Smith of the Public Works Department stated that his department is making progress toward rebuilding after the flood damage. Two of four bridges are now complete, and the other two are being worked on.

Trustee Barbra Parker stated that final notices for personal property taxes were sent out June 1, and those that remain delinquent will be turned over to Chancery Court for collection July 1.

Commissioner Wilson reported for the Development Committee. Hank Franck of the Public Works Board presented the Public Works Budget at the committee meeting on June 7, 2010. The budget adheres to the mandated Five-Year Average of local funding. He also requested that Public Works be allowed to use \$350,000 of their fund balance to go toward paving. The committee approved both the budget and the funds request and forwarded the matter to the Budget Committee.

Commissioner Wilson stated that Mayor Taylor addressed the Committee and went over the state's new interpretation for passing a budget for the Fiscal year 2010-2011.

Commissioner German reported for the Health and Welfare Committee, stating that the committee met on June 7, 2010. He moved that the following resolution authorizing submission of an application for a litter and trash collecting grant from the Tennessee Department of Transportation be approved. The motion was seconded by Commissioner Lillard and passed unanimously by the Board.

WHEREAS, the County of Fayette intends to apply for the aforementioned grant, from the Tennessee Department of Transportation; and

WHEREAS, the contract for the grant will impose certain legal obligations upon the County of Fayette.

NOW, THEREFORE, BE IT RESOLVED, by the County Legislative Body and/or the Board of County Commissioners of Fayette County, Tennessee, in regular session assembled on this 22nd day of June, 2010, in the Bill G. Kelley Criminal Justice Complex in Somerville, Tennessee.

1. That Rhea Taylor is authorized to apply on behalf of Fayette County, for a litter and trash collecting grant from the Tennessee Department of Transportation.
2. That should said application be approved by the Tennessee Department of Transportation, then Rhea Taylor is authorized to execute contracts or other necessary documents, which may be required to signify acceptance of the litter and trash collecting grant by Fayette County.

Commissioner German also stated that Mayor Taylor presented a resolution that changes our Personnel Policy to agree with the Federal and State grant requirements for a Drug-Free Policy, by requiring that any work related conviction for drug use be reported to the necessary Federal or State agency over the grant. Commissioner German moved that this resolution be adopted. Commissioner McCloud seconded the motion which also passed unanimously.

RESOLUTION TO MODIFY EMPLOYEE DRUG POLICY  
FOR STATE AND FEDERAL GRANTS

**WHEREAS**, Fayette County applies for and uses grants from the State of Tennessee and Federal government; and

**WHEREAS**, The State of Tennessee and the Federal government requires that each employee operating under a state grant be given a current copy of the Fayette County Drug Policy and that the employee sign for the acceptance of the policy; and

**WHEREAS**, Fayette County must notify the appropriate government agency, whether the State of Tennessee or the Federal Government, within ten (10) calendar days of a notification from an employee employed by a government grant that they have incurred a conviction of a criminal drug statute ; and

**WHEREAS**, Fayette County wants to reflect this in its Personnel Policy;

**NOW, THEREFORE, BE IT RESOLVED** by the County Commission of Fayette County that

The following shall be added to the end of the Fayette County Personnel Policy, "Alcohol and Drugs" section:

As a condition of employment under a State or Federal Grant Contract, each employee engaged in the performance of the Grant Contract will be given a copy of the Fayette County Drug-Free Workplace Policy. Employees will notify Fayette County in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five (5) calendar days after such conviction; and

Fayette County will notify the appropriate government agency, whether State or Federal, in writing, within ten (10) calendar days after receiving notice from an employee of such conviction. Employers (supervisors, directors, and elected officials) of convicted employees must provide notice, including position title, to every State or Federal grant officer or other designee on whose grant activity the convicted employee was working, unless the State or Federal granting agency has designated a central point for the receipt of such notice. Notice shall include the identification number(s) of each affected grant.

Adopted this 22<sup>nd</sup> day of June, 2010.

Commissioner German stated that Mayor Taylor then went over the State's new interpretation for passing a budget for the next fiscal year with the committee.

The Personnel and the Criminal Justice/Public Safety Committees did not meet.

Commissioner Oglesby reported for the Education Committee, which met on June 8, 2010. Several budget amendments were presented to the committee for approval by Interim Superintendent Louise Holloway. These amendments were approved and forwarded to the Budget Committee, along with a draft amendment for legal services, which was passed contingent upon School Board approval. The Library Budget was reviewed and approved to forward to the Budget Committee.

Commissioner Oglesby stated that Dana Pittman presented a bill for the services she has done on behalf of the schools for \$9864.95, which exceeds the amount originally allocated. The committee approved the bill and forwarded the matter to the Budget Committee for approval.

Commissioner Oglesby also stated that a motion to purchase a software module for the Edulog bus transportation system for approximately \$1500 was also approved and forwarded to Budget.

The committee was also addressed by Mayor Taylor with an overview of a joint effort to locate a college here. Chairman Taylor stated that Mr. Oglesby, Mr. Harris, and Mr. Karcher from the County Commission on the informal committee to work on this project.

Commissioner Logan asked that the floor be yielded to Dana Pittman for an itemization of the bill for her work on behalf of the schools for \$9864.95. After she addressed these items, Commissioner Dowdle asked why the e-mail she sent to School Board Members was not sent to all School Board members and not just to the white members of the School Board. Ms. Pittman stated that when she was informed that "Plan 3" was not going to be implemented this year, but the consent order from 2008 would have to be complied with, I went back and looked at what some of the options would be. Then I gave the School Board a report of these options. Commissioner Logan asked why this e-mail was sent only to the white Board members. Ms. Pittman stated that there were two African American Board members who do not have e-mail addresses, Ms. Shaw, and Mrs. Shelton. I asked for Ms. Burnett's e-mail address over a year ago, and I'm still waiting to hear from her. Ms. Wilkerson was in my e-mail addresses, but when I sent her an e-mail regarding a subject she objected to she sent me back a rude response, and I deleted her address from my address book. Ms. Pittman was asked to send correspondence to the Director of Schools for distribution to School Board Members.

Commissioner Wilson then asked if Ms. Pittman is through with her portion of the Edulog Software research or if further costs would be incurred, and if she was paid by the hour. Chairman Taylor stated that she is paid hourly, and that there will be more costs related to the software.

A great deal of discussion followed regarding busing for the coming year.

Commissioner Dowdle then moved that the library budget be forwarded to the Budget Committee for review. Commissioner Oglesby seconded the motion, which passed unanimously.

Commissioner Harris reported for the Budget Committee. Commissioner Harris moved that the following amendments be approved for the County General fund. The motion was seconded by Commissioner Kelley, and passed unanimously as follows:

**RESOLUTION**

BE IT RESOLVED, by the County Legislative Body and/or the Board of County Commissioners of Fayette County, Tennessee, in regular sessions on this 22<sup>nd</sup> day of June, 2010, it being the fourth Tuesday of the month and the regular monthly meeting of the County Legislative Body in the Courthouse in Somerville, Tennessee.

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

**COUNTY GENERAL FUND  
BUDGET AMENDMENT  
F/Y 09/10  
June, 2010**

<u>Adjustment to Expenditure Accounts:</u>	<b>INCREASE</b>	<b>DECREASE</b>
<u>51100 County Commission</u>		
308 Consultant Fees	<u>\$6,839.95</u>	
Subtotal-51100	<b>\$6,839.95</b>	
<b>TOTAL INCREASE/DECREASE TO EXPENDITURE ACCOUNTS:</b>	<b>\$6,839.95</b>	
<b>Change in Fund Balance this Amendment</b>	<b>\$</b>	<b>6,839.95</b>

<u>51400 County Attorney</u>		
199	Other Per Diem & Fees	\$ 26,000.00
201	Social Security	800.00
212	Employer Medicare	<u>590.00</u>
	<b>Subtotal-51400</b>	<b>\$ 27,390.00</b>
 <u>51600 Register of Deeds</u>		
355	Travel	\$ 7.00
435	Office Supplies	<u>7.00</u>
	<b>Subtotal-51600</b>	<b>\$ 7.00</b>
 <u>51800 County Buildings</u>		
335	Main. & Repair-Buildings	<u>\$ 9,000.00</u>
	<b>Subtotal-51800</b>	<b>\$ 9,000.00</b>
 <u>51810 Other Facilities</u>		
335	Main. & Repair-Buildings	\$ 3,000.00
415	Electricity	800.00
442	Propane Gas	<u>1,200.00</u>
	<b>Subtotal-51810</b>	<b>\$ 5,000.00</b>
 <u>51900 Other General Administration</u>		
320	Dues & Memberships	<u>\$ 1,700.00</u>
	<b>Subtotal-51900</b>	<b>\$ 1,700.00</b>
 <u>52100 Accounting &amp; Budgeting</u>		
719	Office Equipment	<u>\$ 522.00</u>
	<b>Subtotal-52100</b>	<b>\$ 522.00</b>
 <u>52300 Property Assessor</u>		
106	Deputy (ies)	\$ 80.00
108	Investigator	\$ 80.00
348	Postal Charges	834.00
425	Gasoline	1,500.00
435	Office Supplies	437.00
499	Other Supplies	570.00
711	Furniture & Fixtures	<u>75.00</u>
	<b>Subtotal-52300</b>	<b>\$ 2,984.00</b>

<u>52310 Reappraisal Program</u>		
425 Gasoline		\$ 1,500.00
435 Office Supplies		322.00
499 Other Supplies		<u>570.00</u>
<b>Subtotal-52310</b>		<b>\$ 2,392.00</b>
 <u>52500 County Clerk's Office</u>		
435 Office Supplies		\$ 400.00
719 Office Equipment	\$ 400.00	<u>          </u>
<b>Subtotal-52500</b>	<b>\$ 400.00</b>	<b>\$ 400.00</b>
 <u>53100 Circuit Court</u>		
194 Jury & Witness Fees	\$23,346.00	
307 Communication	165.00	
349 Printing, Stationery and Forms	350.00	
354 Transportation Other Than Students		\$ 1,615.00
435 Office Supplies	<u>100.00</u>	<u>          </u>
<b>Subtotal-53100</b>	<b>\$23,961.00</b>	<b>\$ 1,615.00</b>
 <u>53300 General Sessions Court</u>		
307 Communication	\$ 758.00	
349 Printing, Stationery & Forms	1,000.00	
435 Office Supplies	<u>127.00</u>	
<b>Subtotal-53300</b>	<b>\$ 1,885.00</b>	
 <u>53310 General Sessions Judge</u>		
307 Communication	\$ 230.00	
432 Library Books/Media	<u>          </u>	\$ 230.00
<b>Subtotal-53310</b>	<b>\$ 230.00</b>	<b>\$ 230.00</b>
 <u>53320 General Sessions Court Clerk</u>		
307 Communication	\$ 300.00	
317 Data Processing Services	59.00	
349 Printing, Stationery & Forms	107.00	
355 Travel	<u>          </u>	\$ 456.00
<b>Subtotal-53320</b>	<b>\$ 466.00</b>	<b>\$ 456.00</b>

<u>53330 Drug Court</u>		
204	State Retirement	\$ 105.00
205	Employee Insurance	<u>\$ 105.00</u>
	<b>Subtotal-53330</b>	<b>\$ 105.00</b>
<u>53400 Chancery Court</u>		
349	Printing, Stationery & Forms	\$ 115.00
355	Travel	<u>\$ 115.00</u>
	<b>Subtotal-53400</b>	<b>\$ 115.00</b>
<u>54110 Sheriff's Department</u>		
140	Salary Supplements	\$ 566.00
169	Part Time Personnel	6,500.00
196	In Service Training	4,600.00
205	Employee & Dep. Insurance	\$24,131.00
307	Communication	2,777.00
335	Main. & Repair-Buildings	1,200.00
338	Main. & Repair-Vehicles	12,500.00
340	Medical & Dental Services	3,000.00
349	Printing, Stationery	2,000.00
425	Gasoline	24,000.00
435	Office Supplies	4,800.00
499	Other Supplies & Materials	5,000.00
506	Liability Insurance	630.00
515	Liability Claims	3,000.00
708	Communication Equipment	16,000.00
709	Data Processing Equipment	900.00
718	Motor Vehicles	<u>29.00</u>
	<b>Subtotal-54110</b>	<b>\$ 45,437.00</b>
<u>54150 Drug Enforcement</u>		
105	Supervisor/Director	\$ 250.00
108	Investigator	\$21,000.00
140	Salary Supplements	672.00
187	Overtime Pay	5,000.00
201	Social Security	635.00
204	State Retirement	1,600.00
205	Employee Insurance	<u>4,100.00</u>
	<b>Subtotal-54150</b>	<b>\$ 885.00</b>

<u>54210 Jail</u>		
160	Guards	\$13,700.00
169	Part Time Personnel	140.00
196	In Service Training	\$ 4,200.00
205	Employee & Dep. Insurance	53,440.00
335	Main. & Repair-Buildings	41,000.00
340	Medical & Dental Services	50,000.00
352	Royalties	5,700.00
355	Travel	4,000.00
410	Custodial Supplies	1,500.00
412	Diesel	1,500.00
435	Office Supplies	1,500.00
441	Prisoner Clothing	4,000.00
452	Utilities	45,000.00
499	Other Supplies	1,000.00
506	Liability Insurance	1,100.00
711	Furniture & Fixtures	500.00
716	Law Enforcement Equipment	2,400.00
790	Other Equipment	<u>2,000.00</u>
	<b>Subtotal-54210</b>	<b>\$117,880.00</b> <b>\$114,800.00</b>
<u>54220 Workhouse</u>		
340	Medical and Dental Services	\$ 1,000.00
422	Food Supplies	<u>2,500.00</u>
	<b>Subtotal-54220</b>	<b>\$ 3,500.00</b>
<u>54310 Fire Prevention</u>		
105	Supervisor	\$ 517.13
338	Main. & Repair-Vehicles	5,000.00
707	Building Improvements	<u>\$ 5,000.00</u>
	<b>Subtotal-54310</b>	<b>\$ 5,517.13</b> <b>\$ 5,000.00</b>
<u>54410 Civil Defense</u>		
105	Supervisor	\$ 695.25
106	Deputy Director	339.30
307	Communication	500.00
425	Gasoline	500.00
452	Utilities	<u>\$ 1,000.00</u>
	<b>Subtotal-54410</b>	<b>\$2,034.55</b> <b>\$ 1,000.00</b>

<u>54420</u>	<u>Rescue Squad</u>		
499	Other Supplies & Materials		\$ 7,500.00
718	Motor Vehicles		<u>15,000.00</u>
	<b>Subtotal-54420</b>		<b>\$22,500.00</b>
<u>54610</u>	<u>County Coroner</u>		
309	Contracts with Government Agencies	\$ 8,700.00	
	<b>Subtotal-54610</b>	<b>\$ 8,700.00</b>	
<u>54900</u>	<u>Other Public Safety</u>		
187	Overtime Pay		\$ 5,836.00
205	Employee Insurance	\$ 512.00	
338	Main. & Repair-Vehicles		2,000.00
417	Equipment Parts-Light		24,400.00
451	Uniforms	50.00	
499	Other Supplies & Materials		562.00
717	Main. Equipment		<u>6,000.00</u>
	<b>Subtotal-54900</b>	<b>\$ 562.00</b>	<b>\$38,798.00</b>
<u>55110</u>	<u>Local Health Center</u>		
328	Janitorial Services		\$ 5,000.00
335	Main. & Repair -Buildings	\$ 4,500.00	
355	Travel	1,000.00	
452	Utilities		<u>500.00</u>
	<b>Subtotal-55110</b>	<b>\$ 5,500.00</b>	<b>\$ 5,500.00</b>
<u>55120</u>	<u>Rabies and Animal Control</u>		
307	Communication		\$ 600.00
335	Main. & Repair-Building		750.00
338	Main. & Repair-Vehicles		700.00
425	Gasoline		1,500.00
452	Utilities		<u>700.00</u>
	<b>Subtotal-55120</b>		<b>\$ 4,250.00</b>
<u>55130</u>	<u>Ambulance Services</u>		
164	Attendants	\$55,000.00	
169	Part Time Personnel	10,500.00	
187	Overtime Pay	55,607.00	
201	Social Security	1,500.00	
212	Employer Medicare	350.00	
307	Communication	964.00	

318	Debt Collection Services	21,226.00	
333	Licenses	1,450.00	
338	Main. & Repair-Vehicles	1,050.00	
351	Rentals	57.00	
425	Gasoline	150.00	
711	Furniture & Fixtures		\$ 150.00
	<b>Subtotal-55130</b>	<b>\$147,854.00</b>	<b>\$ 150.00</b>
<u>55160 Dental Health Program</u>			
186	Longevity Pay	\$ 200.00	
413	Drugs & Medical Supplies	750.00	
499	Other Supplies		\$ 950.00
	<b>Subtotal-55160</b>	<b>\$ 950.00</b>	<b>\$ 950.00</b>
<u>55720 Sanitation Education</u>			
338	Main. & Repair-Vehicles		\$ 2,000.00
443	Road Signs		1,000.00
499	Other Supplies & Materials		1,000.00
599	Other Charges	\$ 4,000.00	
	<b>Subtotal-55720</b>	<b>\$ 4,000.00</b>	<b>\$ 4,000.00</b>
<u>56500 Libraries</u>			
169	Part Time Personnel	\$ 650.00	
205	Employee Insurance	653.00	
432	Library Books		\$ 1,803.00
435	Utilities	500.00	
	<b>Subtotal-56500</b>	<b>\$ 1,803.00</b>	<b>\$ 1,803.00</b>
<u>57100 Ag. Extension Service</u>			
309	Contracts with Government Agencies		\$ 1,470.00
355	Travel	\$ 1,000.00	
399	Other Contracted Services	70.00	
452	Utilities	400.00	
	<b>Subtotal-57100</b>	<b>\$ 1,470.00</b>	<b>\$ 1,470.00</b>
<u>57500 Soil Conservation</u>			
355	Travel	\$ 186.00	
435	Office Supplies		\$ 186.00
	<b>Subtotal-57500</b>	<b>\$ 186.00</b>	<b>\$ 186.00</b>

<u>58120 Industrial Development</u>		
191	Board & Committee Fees	\$ 1,000.00
452	Utilities	<u>\$ 1,000.00</u>
	<b>Subtotal-58120</b>	<b>\$ 1,000.00</b>
<u>58220 Airport</u>		
168	Temporary Personnel	\$ 3,000.00
307	Communication	1,200.00
335	Main. & Repair-Buildings	1,700.00
425	Gasoline	42,500.00
452	Utilities	<u>4,000.00</u>
	<b>Subtotal-58220</b>	<b>\$52,400.00</b>
<u>58400 Other Charges</u>		
501	Boiler Insurance	\$ 726.00
506	Liability Insurance	7,800.00
510	Trustee's Commission	\$ 12,000.00
540	Tax Relief Program	<u>5,419.00</u>
	<b>Subtotal-58400</b>	<b>\$ 17,419.00</b>
<u>58600 Employee Benefits</u>		
184	Educational Incentive-Officials	\$ 1,500.00
185	Educational Incentive-Other	3,000.00
186	Longevity Pay	1,300.00
201	Social Security	\$41,000.00
204	State Retirement	20,000.00
205	Employee Insurance	11,000.00
210	Unemployment Compensation	6,600.00
212	Employer Medicare	1,900.00
513	Workman's Comp Insurance	<u>24,209.00</u>
	<b>Subtotal-58600</b>	<b>\$49,500.00</b>
<u>58900 Miscellaneous</u>		
509	Refunds	<u>\$ 7,000.00</u>
	<b>Subtotal-58900</b>	<b>\$ 7,000.00</b>
<b>TOTAL INCREASE/DECREASE TO EXPENDITURE ACCOUNTS:</b>		<b>\$537,322.18</b>
		<b>\$435,620.50</b>

Prior Estimated Expenditures	\$13,281,624.18
Total Estimated Expenditures this Amendment	\$13,281,624.18
Projected Fund Balance before Amendment	\$ 1,898,666.82
Change in Fund Balance this Amendment	\$ 00.00
Estimated Ending Fund Balance as of June 30, 2010	\$ 1,898,666.82

### RESOLUTION

Be it resolved, by the County Legislative Body and/or the Board of County Commissioners of Fayette County, Tennessee, in regular session on this 22nd day of June, 2010, it being the fourth Tuesday of the month and the regular monthly meeting of the County Legislative Body at the Criminal Justice Center in Somerville, Tennessee.

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

#### COUNTY GENERAL FUND BUDGET AMENDMENT FY 09/10 June, 2010

<u>Adjustment to Reserve Accounts:</u>	INCREASE	DECREASE
34154 Reserved for Litigation Tax-Jail		\$533,717.00
99100-590 Transfers Out/Transfers to Other Funds	\$533,717.00	_____
<b>TOTAL INCREASE/DECREASE TO RESERVE ACCOUNT:</b>	<b>\$533,717.00</b>	<b>\$533,717.00</b>
 <u>Adjustment to Revenue Accounts:</u>		
40266 Litigation Tax-Jail		\$ 48,633.00
99100-590 Transfers Out/Transfers to Other Funds	\$ 48,633.00	_____
<b>TOTAL INCREASE/DECREASE TO REVENUE ACCOUNT:</b>	<b>\$ 48,633.00</b>	<b>\$ 48,633.00</b>

#### COUNTY DEBT SERVICE FUND FUND 151

<u>Adjustment to Expenditure Account:</u>	INCREASE	DECREASE
82110 General Government 601 Principal on Bonds	\$ 582,350.00	
<b>TOTAL INCREASE/DECREASE TO EXPENDITURE ACCOUNT:</b>	<b>\$ 582,350.00</b>	

June, 2010

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Fund #101

<b>Total Increase to Debt Service Balance:</b>	<b>\$ 582,350.00</b>
<b>Debt Service Balance Prior to Amendment:</b>	<b>\$1,456,629.98</b>
<b>Debt Service Balance as of June 30, 2010</b>	<b>\$2,038,979.98</b>

Commissioner Harris moved that the following budget amendment to the Drug Control Fund 122 be approved. The motion was seconded by Commissioner Brewer and passed unanimously.

### RESOLUTION

Be it resolved, by the County Legislative Body and/or the Board of County Commissioners of Fayette County, Tennessee, in regular session on this 22nd day of June, 2010, it being the fourth Tuesday of the month and the regular monthly meeting of the County Legislative Body at the Criminal Justice Center in Somerville, Tennessee.

That the Drug Control Fund #122 Budget Amendment be amended in the following words and figures, to-wit:

**COUNTY DRUG CONTROL FUND  
BUDGET AMENDMENT  
F/Y 09/10  
June, 2010**

<u>Adjustment to Expenditure Accounts:</u>	INCREASE	DECREASE
<u>54150 Drug Enforcement</u>		
307 Communication	\$ 3,900.00	
510 Trustee's Commission	126.00	
790 Other Equipment	<u>                    </u>	<u>\$ 4,026.00</u>
<b>TOTAL INCREASE/DECREASE TO EXPENDITURE ACCOUNT:</b>	<b>\$ 4,026.00</b>	<b>\$ 4,026.00</b>

Commissioner Harris moved that the Adequate Facilities Tax Fund amendment be approved as follows. The motion was seconded by Commissioner Oglesby and passed unanimously by the Board.

### RESOLUTION

Be it resolved, by the County Legislative Body and/or the Board of County Commissioners of Fayette County, Tennessee, in regular session on this 22nd day of June, 2010, it being the fourth Tuesday of the month and the regular monthly meeting of the County Legislative Body at the Criminal Justice Center in Somerville, Tennessee.

That the Adequate Facilities/Development Tax Fund #125 Budget Amendment be amended in the following words and figures, to-wit:

**ADEQUATE FACILITIES/DEVELOPMENT TAX FUND  
BUDGET AMENDMENT  
F/Y 09/10  
June, 2010**

<u>Adjustment to Revenue Accounts:</u>	INCREASE	DECREASE
40285 Adequate Facilities/Development Tax		\$255,000.00
99100-590 Transfers Out/Transfers to Other Funds	\$255,000.00	_____
<b>TOTAL INCREASE/DECREASE TO REVENUE ACCOUNT:</b>	<b>\$255,000.00</b>	<b>\$255,000.00</b>

**COUNTY DEBT SERVICE FUND  
FUND 151**

<u>Adjustment to Revenue Account:</u>	INCREASE	DECREASE
82110 General Government		
601 Principal on Bonds	\$ 250,940.27	
82210 General Government		
603 Interest on Bonds	\$ 4,059.73	
<b>TOTAL INCREASE/DECREASE TO REVENUE ACCOUNT:</b>	<b>\$ 255,000.00</b>	

<b>Total Increase to Debt Service Balance:</b>	<b>\$ 255,000.00</b>
<b>Debt Service Balance Prior to Amendment:</b>	<b>\$1,456,629.98</b>
<b>Debt Service Balance as of June 30, 2010</b>	<b>\$1,711,629.98</b>

Commissioner Harris moved that the resolution to amend the Debt Service Fund #151 budget be approved as follows. The motion was seconded by Commission Burnette and passed unanimously.

### RESOLUTION

Be it resolved, by the County Legislative Body and/or the Board of County Commissioners of Fayette County, Tennessee, in regular session on this 22nd day of June, 2010, it being the fourth Tuesday of the month and the regular monthly meeting of the County Legislative Body at the Criminal Justice Center in Somerville, Tennessee.

That the Debt Service Fund #151 Budget Amendment be amended in the following words and figures, to-wit:

**COUNTY DEBT SERVICE FUND  
BUDGET AMENDMENT  
F/Y 09/10  
June, 2010**

<u>Adjustment to Revenue Account:</u>	INCREASE	DECREASE
49800 Transfers In	<u>\$124,402.03</u>	
<b>TOTAL INCREASE/DECREASE TO REVENUE ACCOUNT:</b>	<b>\$124,402.03</b>	
<u>Adjustment to Expenditure Accounts:</u>	INCREASE	DECREASE
<u>82110 General Government</u>		
612 Principal on Other Loans	\$120,388.86	
<u>82210 General Government</u>		
613 Interest on Other Loans	<u>\$ 4,013.17</u>	
<b>TOTAL INCREASE/DECREASE TO EXPENDITURE ACCOUNT:</b>	<b>\$124,402.03</b>	

**FUND 101  
COUNTY GENERAL FUND**

<b>Adjustment to Revenue Account:</b>		
44170 Miscellaneous Refunds		\$91,981.05
<b>Adjustment to Expenditure Account:</b>		
<u>82210 General Government</u>		
604 Interest on Notes		<u>\$32,420.98</u>
<b>TOTAL INCREASE/DECREASE TO EXPENDITURE ACCOUNT/GENERAL FUND</b>		<b>\$124,402.03</b>

## RESOLUTION

Be it resolved, by the County Legislative Body and/or the Board of County Commissioners of Fayette County, Tennessee, in regular session on this 22nd day of June, 2010, it being the fourth Tuesday of the month and the regular monthly meeting of the County Legislative Body at the Criminal Justice Center in Somerville, Tennessee.

That the Debt Service Fund #151 Budget Amendment be amended in the following words and figures, to-wit:

**COUNTY DEBT SERVICE FUND  
BUDGET AMENDMENT  
F/Y 09/10  
June, 2010**

<u>Adjustment to Revenue Account:</u>	INCREASE	DECREASE
40285 Adequate Facilities/Development Tax		<u>\$600,000.00</u>
<b>TOTAL INCREASE/DECREASE TO REVENUE ACCOUNT:</b>		<b>\$600,000.00</b>
<u>Adjustment to Expenditure Accounts:</u>	INCREASE	DECREASE
<u>82110 General Government</u>		
601 Principal on Bonds	<u>\$600,000.00</u>	
<b>TOTAL INCREASE/DECREASE TO EXPENDITURE ACCOUNT:</b>	<b>\$600,000.00</b>	

Commissioner Harris moved that the following amendment to the Other Capital Projects Fund Budget be approved. Commissioner Cook seconded the motion, which passed unanimously.

**RESOLUTION**

BE IT RESOLVED, by the County Legislative Body and/or the Board of County Commissioners of Fayette County, Tennessee, in regular sessions on this 22nd day of June, 2010, it being the fourth Tuesday of the month and the regular monthly meeting of the County Legislative Body in the Courthouse in Somerville, Tennessee.

That the Other Capital Projects Fund #189 Budget Amendment be amended in the following words and figures, to wit:

**OTHER CAPITAL PROJECTS FUND  
BUDGET AMENDMENT  
F/Y 09/10  
June, 2010**

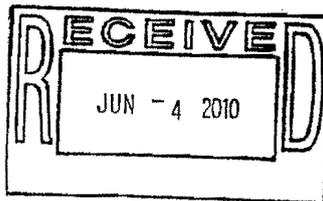
<b>Adjustment to Revenue Accounts:</b>	<b>INCREASE</b>	<b>DECREASE</b>
46980 Other State Grants		\$761,401.09
<b>TOTAL INCREASE/DECREASE TO REVENUE ACCOUNT:</b>		<b>\$761,401.09</b>
<b><u>Adjustment to Expenditure Accounts:</u></b>	<b>INCREASE</b>	<b>DECREASE</b>
<u>91190 Other General Government Projects</u>		
331 Legal Services	\$ 9,571.28	
339 Matching Share	183,334.00	
724 Site Development	568,495.81	
<b>TOTAL INCREASE/DECREASE TO EXPENDITURE ACCOUNT:</b>	<b>\$761,401.09</b>	

Commissioner Harris moved that the following amendments to the Federal Projects Fund 142 be approved. Commissioner Burnette seconded the motion which passed unanimously.

FAYETTE COUNTY BOARD OF EDUCATION  
Federal Projects Fund 142  
Subfund 101 Title I  
June, 2010

		Increase	Decrease
72000	Instruction		
72210 189	Other Salary	\$21,000.00	
72210 201	Social Security	1,315.00	
72210 202	Retirement	1,780.00	
72210 212	Medicare	305.00	
72210 2524	Staff Development		\$24,400.00
	Total:	\$24,400.00	\$24,400.00

Justification: Funds needed to cover costs of summer employees.



## FAYETTE COUNTY BOARD OF EDUCATION

~~GENERAL PURPOSE FUND~~ *FEDERAL PROJECTS*

FUND 142

		Increase	Decrease
72210	Regular Instruction Program Title III		
72210-429	Instructional Supplies	\$4,143.10	
72210-355	Travel		\$4,143.10
	Total:	\$4,143.10	\$4,143.10

## Justification:

This request is to move funds from a line item where it is not needed (travel) to a line item to fund instructional supplies for the ESL Teachers.

## MEMORANDUM

TO: Heather Cocke, Business Office

FROM: Sylvester King, CTE Director

DATE: May 21, 2010

REF.: Amendments for June, 2010 for the Perkins 142 Account

ACCOUNT NUMBER	EXPENDITURE NAME OF ACCOUNT	CURRENT BUDGET	INCREASE	DECREASE	AMENDED BUDGET
71300-163	Educational Assistant	\$15,292.00		\$446.00	\$14,846.00
71300-189	Other Salaries & Wages	\$2,600.00		\$175.00	\$2,425.00
71300-201	Social Security	\$1,110.60		\$39.80	\$1,070.80
71300-204	State Retirement	\$1,482.36		\$50.74	\$1,431.62
71300-212	Employer Medicare	\$260.60		\$10.17	\$250.43
71300-299	Other Fringe Benefits	\$55.00		\$1.55	\$53.45
71300-429	Instructional Supplies	\$7,000.00		\$63.47	\$6,936.53
71300-499	Other Supplies & Materials	\$1,000.00		\$117.07	\$882.93
71300-599	Other Charges	\$2,400.00		\$1,106.18	\$1,293.82
71300-730	Vocational Inst. Equipment	\$41,669.35	\$10,555.91		\$52,225.26
72130-189	Other Supplies & Wages	\$1,250.00		\$1,010.00	\$240.00
72130-201	Social Security	\$77.60		\$62.62	\$14.88
72130-204	State Retirement	\$106.38		\$85.94	\$20.44
72130-212	Employer Medicare	\$18.13		\$14.65	\$3.48
72130-355-S	CTSO Student Travel	\$5,525.00		\$1,029.89	\$4,495.11
72130-355-C	CTSO Teacher Travel	\$5,000.00		\$465.99	\$4,534.01
72130-355-PD	Teacher Prof. Dev. Travel	\$5,100.00		\$2,953.83	\$2,146.17
72130-399	Other Contracted Services	\$9,500.00		\$2,958.01	\$6,541.99
72230-355	CTE Director Travel	\$2,715.08	\$35.00		\$2,750.08
	<b>Total</b>	<b>\$102,162.00</b>	<b>\$10,590.91</b>	<b>\$10,590.91</b>	<b>\$102,162.00</b>

All un-used funds are being transferred to Equipment where needed to purchases equipment. \$35.00 additional was needed in Director Travel to cover all travel expenses for Mr. King.

## MEMORANDUM

TO: Mary Parks, Business Manager

FROM: Sylvester King, CTE Director

DATE: May 3, 2010

REF.: May Amendment

Please make the following amendment for the month of May.

141-71300-399 Contracted Services increase \$67.50

141-72230-499 Other Supplies decrease \$67.50

These are needed in order to cover price increases in our contracted services.

SK/db

Commissioner Harris moved that the County Solid Waste Fund Budget Amendment for Fund 116 be approved. The motion was seconded by Commissioner German and passed unanimously.

### RESOLUTION

BE IT RESOLVED, by the County Legislative Body and/or the Board of County Commissioners of Fayette County, Tennessee, in regular sessions on this 22<sup>nd</sup> day of June, 2010, it being the fourth Tuesday of the month and the regular monthly meeting of the County Legislative Body in the Courthouse in Somerville, Tennessee.

That the Solid Waste Fund #116 Budget Amendment be amended in the following words and figures, to wit:

**COUNTY SOLID WASTE FUND  
BUDGET AMENDMENT  
F/Y 09/10  
June, 2010**

<u>Adjustment to Expenditure Accounts:</u>	INCREASE	DECREASE
<u>55732 Convenience Centers</u>		
314 Contracts with Public Carriers	\$30,000.00	
733 Solid Waste Equipment	_____	<u>\$30,000.00</u>
Subtotal-55732	\$30,000.00	\$30,000.00
<b>TOTAL INCREASE/DECREASE TO EXPENDITURE ACCOUNTS:</b>	<b>\$30,000.00</b>	<b>\$30,000.00</b>
<b>Prior Estimated Expenditures</b>		<b>\$ 1,000,354.00</b>
<b>Total Estimated Expenditures this Amendment</b>		<b>\$ 1,000,354.00</b>
<b>Projected Fund Balance before Amendment</b>		<b>\$ 774,575.00</b>
<b>Change in Fund Balance this Amendment</b>		<b>\$ 00.00</b>
<b>Estimated Ending Fund Balance as of June 30, 2010</b>		<b>\$ 774,575.00</b>

FAYETTE COUNTY BOARD OF EDUCATION  
Central Cafeteria Fund 143  
June, 2010

		Increase	Decrease
73100 355	Travel	\$1,000.00	
73100 399	Other Contracted Services	1,000.00	
73100 422	Other Supplies & Materials	25,000.00	
73100 499	Food Supplies		\$27,000.00
	Total:	\$27,000.00	\$27,000.00

Justification: Transferring funds to cover expenses of the summer feeding program.

Commissioner Harris moved that the County Clerk's computer maintenance fee be approved to be paid before July 31, 2010 in order to receive the discounted price. If the fees are paid prior to July 31, the price will be \$13925.01, if paid after September 30, the price will be \$15649.46. Motion was made by Commissioner Harris, seconded by Commissioner German, and passed unanimously to approve the payment, and for that payment to come out of the general fund.

Commissioner Harris moved that the following Resolution authorizing the sale by the County Mayor and providing the details of not to exceed \$140,000 general obligation capital outlay notes and providing for the levy of ad valorem taxes in connection therewith be approved to fund the building of the Sheriff's shop. The motion was seconded by Commissioner Lillard, and passed unanimously by the Board.

RESOLUTION AUTHORIZING THE SALE BY THE COUNTY MAYOR AND PROVIDING THE DETAILS OF NOT TO EXCEED \$140,000 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 make certain capital expenditures in connection with public works projects as described in Section 9-21-105 of the Tennessee Code Annotated, as amended, including but not limited to the acquisition, construction and equipping of an automotive shop for the Sheriff's department (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 \$140,000 General Obligation Capital Outlay Notes, Series 2010 (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 capital expenditures in connection with public works projects as described in Section 9-21-105 of the Tennessee Code Annotated, as amended, including but not limited to the acquisition, construction and equipping of an automotive shop for the Sheriff's department (the "Project"), the Issuer shall borrow a sum not exceeding \$140,000, and General Obligation Capital Outlay Notes, Series 2010 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 2010, 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) capital expenditures in connection with public works projects as described in Section 9-21-105 of the Tennessee Code Annotated, as amended, including but not limited to the acquisition, construction and equipping of an automotive shop for the Sheriff's department; 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 conduct a sale of the Notes to one or more financial institutions located in the State of Tennessee, as determined by the Mayor, pursuant to the informal bid process described in Section 9-21-609 of The Tennessee Code Annotated, as amended.

SECTION 5. The Mayor is 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 2010, 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 by 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 2010," 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 or in installments of principal and interest which approximate level debt service.

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 not later than twelve (12) years from the date of issuance, and shall be repaid in substantially equal installments of principal and interest, as determined by the Mayor and which are approximately equal to level debt service.

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 twelve (12) 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 2010

Interest Rate: \_\_\_\_\_ Maturity Date: \_\_\_\_\_ Date of Note: \_\_\_\_\_, 2010

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 (which may be 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 principal and interest being payable on \_\_\_\_\_ and (monthly, quarterly, semiannually, annually) thereafter until this Note matures or is redeemed. The Issuer shall make principal and interest payments as follows: \_\_\_\_\_

This Note represents a straight line of credit in an authorized principal amount not-to-exceed \$140,000. 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 June 30, 2011. 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 \$140,000 issued for the purpose of providing funds to finance (i) capital expenditures in connection with public works projects as described in Section 9-21-105 of the Tennessee Code Annotated, as amended, including but not limited to the acquisition, construction and equipping of an automotive shop for the Sheriff's department; 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 June 22, 2010. 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 \_\_\_\_\_, 2010.

COUNTERSIGNED:

FAYETTE COUNTY, TENNESSEE

(SEAL)

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

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

Transferable at the office of  
the Fayette County Clerk

Date of Registration: \_\_\_\_\_, 2010

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, 2010 Capital Projects Fund," (the "Capital Projects Fund") which shall be applied exclusively to pay (i) capital expenditures in connection

with public works projects as described in Section 9-21-105 of the Tennessee Code Annotated, as amended, including but not limited to the acquisition, construction and equipping of an automotive shop for the Sheriff's department; and (ii) 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 Capital Projects 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 \$30,000,000 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 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 2010.

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 June 22, 2010.

(SEAL)

ATTEST:

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

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

Commissioner Harris moved that \$1500 be appropriated from the general fund to cover the cost of the additional module for the Edulog software to allow for more efficient routing of buses. The motion was seconded by Commissioner German, and passed unanimously by the Board.

Commissioner Harris also moved that the \$9864.95 be appropriated to cover the costs of the consulting work done by Ms. Dana Pittman and would also come from the fund balance. The motion was seconded by Commissioner McCloud, and was approved unanimously by the Board.

Commissioner Dowdle asked that the motion to give the Sheriff two additional Deputies sponsored by she and Commissioner Dowdy in February or March of 2007 or 2008, and approved by the Board be reiterated. The Sheriff is short one deputy, and this motion gave approval to fill that position and provided the funds to do so. Commissioner Dowdle moved that these two positions again be approved and entered into the records of the County Commission meeting, bringing the total number of deputies to 34. The motion was seconded by Commissioner Burnette, and passed unanimously.

Commissioner Harris moved that the following "Resolution To Adopt A Continuing Budget for the Fiscal Year Beginning July 1, 2010, And To Authorize The Issuance Of Tax Anticipation Notes For the County of Fayette" be approved. The motion was seconded by Commissioner McCloud and passed unanimously by the Board.

**A RESOLUTION TO ADOPT A CONTINUING BUDGET  
FOR THE FISCAL YEAR BEGINNING JULY 1, 2010,  
AND TO AUTHORIZE THE ISSUANCE OF  
TAX ANTICIPATION NOTES FOR THE COUNTY OF FAYETTE**

WHEREAS, it now appears that the 2010-11 fiscal year budget of Fayette County, Tennessee, will not be approved prior to the start of the 2010 - 11 fiscal year term of the Board of County Commissioners, now;

THEREFORE, BE IT RESOLVED by the Board of Commissioners of Fayette County, Tennessee, that amounts set out in the 2009-10 Appropriation Resolution are hereby continued until a new 2010-11 Appropriation Resolution is adopted, and;

BE IT FURTHER RESOLVED, that the property tax rate of \$1.4781 per each \$100.00 of taxable property for the fiscal year beginning July 1, 2009 shall be the basis for the revenue estimates for the Continuing Resolution, and that a Tax Rate will be set after July 1<sup>st</sup> in accordance with TCA 5-5-123, and;

BE IT FURTHER RESOLVED, that the County Mayor and County Clerk are hereby authorized to borrow money on tax anticipation notes, provided that such notes are first approved by the State Director of Local Finance, to pay for the expenses herein authorized until the taxes and other revenues for the fiscal year 2010-11 have been collected, not exceeding 60% of the appropriations of each individual fund of the continuing budget. The notes evidencing the loans authorized under this section shall be issued under the authority of Title 9, Chapter 21, Tennessee Code Annotated. All said notes shall mature and be paid in full without renewal not later than June 30, 2011.

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, 2010.

Adopted this 22nd day of June, 2010.

Commissioner Harris then moved that the following resolution authorizing the issuance of tax anticipation notes in the amount of \$2,500,000 be approved. The motion was seconded by Commissioner Cook, and approved unanimously.

SUPPLEMENTAL RESOLUTION OF THE GOVERNING BODY OF FAYETTE COUNTY,  
TENNESSEE, AUTHORIZING THE ISSUANCE, SALE, AND PAYMENT OF  
COUNTY GENERAL FUND TAX ANTICIPATION NOTES NOT TO EXCEED  
\$2,500,000

WHEREAS, the Governing Body of Fayette County, Tennessee, (the "Local Government") has determined that it is necessary and desirable to borrow a limited amount of funds to meet appropriations made for the County General Fund (the "Fund") for the current fiscal year, being July 1, 2010, through June 30, 2011, inclusive, (the "Fiscal Year"), in anticipation of the collection of taxes and revenues for the Fund during the Fiscal Year; and

WHEREAS, under the provisions of Part I, IV, and VIII of Title 9, Chapter 21, Tennessee Code Annotated (the "Act"), local governments in Tennessee are authorized to issue and sell interest-bearing tax anticipation notes in amounts not exceeding sixty percent (60%) of the Fund appropriation for the Fiscal Year upon the approval of the State Director of Local Finance; and

WHEREAS, the Governing Body authorized the issuance of tax anticipation notes by resolution entitled "A RESOLUTION MAKING APPROPRIATIONS FOR THE VARIOUS FUNDS, DEPARTMENTS, INSTITUTIONS, OFFICES AND AGENCIES OF FAYETTE COUNTY, TENNESSEE, FOR THE YEAR BEGINNING JULY 1, 2010 AND ENDING JUNE 30, 2011" adopted June 22, 2010 (the "Original Authorizing Resolution"); and

WHEREAS, the Governing Body finds that it is advantageous to the Local Government to further authorize the issuance and sale of tax anticipation notes in order to provide certain additional details relating to such notes and to approve the form of such notes.

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

Section 1. That for the purpose of providing funds to meet certain appropriations for the Fiscal Year, the County Mayor of the Local Government is hereby authorized in accordance with the terms of this Resolution to issue and sell interest-bearing tax anticipation notes in a principal amount not to exceed Two Million Five Hundred Thousand and No/100 Dollars (\$2,500,000.00) (the "Notes") at a private negotiated sale upon approval of the State Director of Local Finance pursuant to the terms, provisions, and conditions permitted by law. The Notes shall be designated "County General Fund Tax Anticipation Notes, Series 2010"; shall be numbered serially from 1 upwards; shall be dated as of the date of issuance; shall be in denomination(s) as agreed upon with the purchaser; shall be sold at not less than par value and accrued interest; and shall bear interest at a rate or rates not to exceed five and one-half percent (5.50%) per annum, and in no event shall exceed the legal limit provided by law, all as shall be determined by the County Mayor.

Section 2. That the sum of the principal amount of the Notes, together with the principal amount or amounts of any prior tax anticipation notes issued during the Fiscal Year for such Fund, does not exceed sixty percent (60%) of the Fund appropriation for the Fiscal Year.

Section 3. That the Notes may be renewed from time to time and money may be borrowed from time to time for the payment of any indebtedness evidenced by the Notes; provided, that the Notes and any renewal notes shall mature and be paid in full without renewal on or before the end of the Fiscal Year. If the Local Government overestimates the amount of taxes and revenue collected for the Fiscal Year and it becomes impossible to retire the Notes and all renewal notes prior to the close of the Fiscal Year, then the Local Government shall apply to the State Director of Local Finance within ten (10) days prior to the close of the Fiscal Year for permission to issue funding bonds to cover the unpaid Notes in the manner provided by Title 9, Chapter 11 of Tennessee Code Annotated or as otherwise provided for in a manner approved by the State Director of Local Finance.

Section 4. That the Notes shall be secured solely by the receipt of taxes and revenues by the Fund during the Fiscal Year.

Section 5. That, the Notes shall be subject to redemption at the option of the Local Government, in whole or in part, at any time, at the principal amount and accrued interest to the date of redemption without a premium.

Section 6. That the Notes shall be executed in the name of the Local Government and bear the manual signature of the County Mayor of the Local Government and the manual signature of the County Clerk with the Local Government seal affixed thereon; and shall be payable as to principal and interest at the office of the County Trustee of the Local Government or the paying agent duly appointed by the Local Government and the County Mayor is hereby authorized to make any such appointment on behalf of the Local Government. Proceeds of the Notes shall be deposited with the County Trustee of the Local Government and shall be paid out for the purpose of meeting Fund appropriations made for the Fiscal Year in anticipation of the collection of revenues and taxes pursuant to this Resolution and as required by law.

Section 7. That the Notes shall be in substantially the form attached hereto and shall recite that that notes are issued pursuant to Title 9, Chapter 21, Tennessee Code Annotated. The Local Government hereby designates the Notes as "qualified tax-exempt obligations" pursuant to Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended. The Notes may be issued as a single note representing a straight line of credit not exceeding maximum authorized principal amount.

Section 8. That the Notes shall be sold only after the receipt of the approval of the State Director of Local Finance for the sale of the Notes.

Section 9. That all actions of the County Mayor, County Clerk and other County officials done or performed in connection with the issuance of tax anticipation notes in reliance upon the Original Authorizing Resolution and this Supplemental Resolution are hereby ratified and approved.

Section 10. That this Supplemental Resolution is supplemental to the Original Authorizing Resolution and all orders or resolutions in conflict with the Original Authorizing

Resolution, as supplemented by this Supplemental Resolution, are hereby repealed insofar as such conflict exists. This Resolution shall become effective immediately upon its passage.

Duly passed and approved this 22<sup>nd</sup> day of June, 2010.

FAYETTE COUNTY, TENNESSEE

By: \_\_\_\_\_  
County Mayor

ATTESTED:

\_\_\_\_\_  
(County Clerk)

R-1

UNITED STATES OF AMERICA  
STATE OF TENNESSEE  
COUNTY OF FAYETTE

\$2,500,000.00

\$2,500,000.00

COUNTY GENERAL FUND TAX ANTICIPATION NOTE, SERIES 2010

<u>DATED</u>	<u>INTEREST RATE</u>	<u>MATURITY DATE</u>
_____, 2010	_____ %	March 15, 2011

The County of Fayette (the "Local Government") of the State of Tennessee hereby acknowledges itself indebted, and for value received hereby promises to pay the registered owner hereof, or its registered assigns, the sum of Two Million Five Hundred Thousand and No/100 Dollars (\$2,500,000.00) or the portion thereof from time to time outstanding (the "Principal Sum") on or before the Maturity Date (specified above) (unless this note shall have been duly called for prior redemption and payment of the redemption price shall have been duly made or provided for), upon presentation and surrender to the Local Government or its agent, and to pay from the date hereon interest on the Principal Sum from time to time outstanding on or before the Maturity Date at the Interest Rate per annum (specified above), by check or draft mailed to the registered owner, at the address shown on the bond registration records of the Local Government. Both principal of and interest on this note are payable at the office of the County Trustee or a paying agent duly appointed by the Local Government in lawful money of the United States of America.

This note represents a straight line of credit in an authorized principal amount of up to \$2,500,000.00. Once the total amount of principal has been advanced, the Local Government is not entitled to further loan advances. Advances under this note shall be requested in writing by the County Mayor. The unpaid balance owing on this note at any time may be evidenced by endorsements on this note or by the registered owner's internal records, including daily computer printouts. This note is secured solely by the receipt of taxes and revenues to be received by the County General Fund (the "Fund") during the current fiscal year of the Local Government, being July 1, 2010 through June 30, 2011, inclusive (the "Fiscal Year").

This note is subject to redemption prior to its stated maturity in whole or in part at any time at the option of the Local Government upon payment of the principal amount of the note together with the interest accrued thereon to the date of redemption without a premium. This note is issued under the authority of Parts I, IV, and VIII of Title 9, Chapter 21, Tennessee Code Annotated, and resolutions duly adopted by the Local Government on June 22, 2010, to provide funds in anticipation of the collection of taxes and revenues for the Fund during the Fiscal Year in an amount not exceeding sixty percent (60%) of the total Fund appropriations for the Fiscal Year and in an aggregate principal amount not to exceed \$2,500,000.00. The Maturity Date specified above shall not exceed the end of the Fiscal Year.

Title 9, Chapter 21, Section 117, Tennessee Code Annotated provides that this note and interest thereon are exempt from taxation by the State of Tennessee or by any county, municipality or taxing district of the State, except for inheritance, transfer and estate taxes and except as otherwise provided under the laws of the State of Tennessee.

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

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this note do exist, have happened and have been performed in due time, form and manner as required by the Constitution and laws of the State of Tennessee, and that the amount of this note, together with all other indebtedness of the Local Government, does not exceed any constitutional or statutory limitation thereon, and that this note is within every constitutional and statutory limitation.

IN WITNESS WHEREOF, the Governing Body of the Local Government has caused this note to be executed in the name of the Local Government by the manual signature of the County Mayor and countersigned and attested by the manual signature of the County Clerk, with the Seal of the Local Government affixed hereto or imprinted hereon, and this note to be dated as of the \_\_\_\_ day of \_\_\_\_, 2010.

FAYETTE COUNTY, TENNESSEE

By: \_\_\_\_\_  
County Mayor

ATTESTED:

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

Commissioner Harris then moved that the following resolution authorizing the issuance of tax anticipation notes in the amount of \$1,200,000 be approved to allow the schools to operate until a new budget is passed. The motion was seconded by Commissioner Lillard, and passed unanimously.

SUPPLEMENTAL RESOLUTION OF THE GOVERNING BODY OF FAYETTE COUNTY,  
TENNESSEE, AUTHORIZING THE ISSUANCE, SALE, AND PAYMENT OF  
GENERAL PURPOSE SCHOOL FUND TAX ANTICIPATION NOTES NOT TO EXCEED  
\$1,200,000

WHEREAS, the Governing Body of Fayette County, Tennessee, (the "Local Government") has determined that it is necessary and desirable to borrow a limited amount of funds to meet appropriations made for the General Purpose School Fund (the "Fund") for the current fiscal year, being July 1, 2010, through June 30, 2011, inclusive, (the "Fiscal Year"), in anticipation of the collection of taxes and revenues for the Fund during the Fiscal Year; and

WHEREAS, under the provisions of Part I, IV, and VIII of Title 9, Chapter 21, Tennessee Code Annotated (the "Act"), local governments in Tennessee are authorized to issue and sell interest-bearing tax anticipation notes in amounts not exceeding sixty percent (60%) of the Fund appropriation for the Fiscal Year upon the approval of the State Director of Local Finance; and

WHEREAS, the Governing Body authorized the issuance of tax anticipation notes by resolution entitled "A RESOLUTION MAKING APPROPRIATIONS FOR THE VARIOUS FUNDS, DEPARTMENTS, INSTITUTIONS, OFFICES AND AGENCIES OF FAYETTE COUNTY, TENNESSEE, FOR THE YEAR BEGINNING JULY 1, 2010 AND ENDING JUNE 30, 2011" adopted June 22, 2010 (the "Original Authorizing Resolution"); and

WHEREAS, the Governing Body finds that it is advantageous to the Local Government to further authorize the issuance and sale of tax anticipation notes in order to provide certain additional details relating to such notes and to approve the form of such notes.

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

Section 1. That for the purpose of providing funds to meet certain appropriations for the Fiscal Year, the County Mayor of the Local Government is hereby authorized in accordance with the terms of this Resolution to issue and sell interest-bearing tax anticipation notes in a principal amount not to exceed One Million Two Hundred Thousand and No/100 Dollars (\$1,200,000.00) (the "Notes") at a private negotiated sale upon approval of the State Director of Local Finance pursuant to the terms, provisions, and conditions permitted by law. The Notes shall be designated "General Purpose School Fund Tax Anticipation Notes, Series 2010"; shall be numbered serially from 1 upwards; shall be dated as of the date of issuance; shall be in denomination(s) as agreed upon with the purchaser; shall be sold at not less than par value and accrued interest; and shall bear interest at a rate or rates not to exceed five and one-half percent (5.50%) per annum, and in no event shall exceed the legal limit provided by law, all as shall be determined by the County Mayor.

Section 2. That the sum of the principal amount of the Notes, together with the principal amount or amounts of any prior tax anticipation notes issued during the Fiscal Year for such Fund, does not exceed sixty percent (60%) of the Fund appropriation for the Fiscal Year.

Section 3. That the Notes may be renewed from time to time and money may be borrowed from time to time for the payment of any indebtedness evidenced by the Notes; provided, that the Notes and any renewal notes shall mature and be paid in full without renewal on or before the end of the Fiscal Year. If the Local Government overestimates the amount of taxes and revenue collected for the Fiscal Year and it becomes impossible to retire the Notes and all renewal notes prior to the close of the Fiscal Year, then the Local Government shall apply to the State Director of Local Finance within ten (10) days prior to the close of the Fiscal Year for permission to issue funding bonds to cover the unpaid Notes in the manner provided by Title 9, Chapter 11 of Tennessee Code Annotated or as otherwise provided for in a manner approved by the State Director of Local Finance.

Section 4. That the Notes shall be secured solely by the receipt of taxes and revenues by the Fund during the Fiscal Year.

Section 5. That, the Notes shall be subject to redemption at the option of the Local Government, in whole or in part, at any time, at the principal amount and accrued interest to the date of redemption without a premium.

Section 6. That the Notes shall be executed in the name of the Local Government and bear the manual signature of the County Mayor of the Local Government and the manual signature of the County Clerk with the Local Government seal affixed thereon; and shall be payable as to principal and interest at the office of the County Trustee of the Local Government or the paying agent duly appointed by the Local Government and the County Mayor is hereby authorized to make any such appointment on behalf of the Local Government. Proceeds of the Notes shall be deposited with the County Trustee of the Local Government and shall be paid out for the purpose of meeting Fund appropriations made for the Fiscal Year in anticipation of the collection of revenues and taxes pursuant to this Resolution and as required by law.

Section 7. That the Notes shall be in substantially the form attached hereto and shall recite that that notes are issued pursuant to Title 9, Chapter 21, Tennessee Code Annotated. The Local Government hereby designates the Notes as "qualified tax-exempt obligations" pursuant to Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended. The Notes may be issued as a single note representing a straight line of credit in the maximum authorized principal amount.

Section 8. That the Notes shall be sold only after the receipt of the approval of the State Director of Local Finance for the sale of the Notes.

Section 9. That all actions of the County Mayor, County Clerk and other County officials done or performed in connection with the issuance of tax anticipation notes in reliance upon the Original Authorizing Resolution and this Supplemental Resolution are hereby ratified and approved.

Section 10. That this Supplemental Resolution is supplemental to the Original Authorizing Resolution and all orders or resolutions in conflict with the Original Authorizing

Resolution, as supplemented by this Supplemental Resolution, are hereby repealed insofar as such conflict exists. This Resolution shall become effective immediately upon its passage.

Duly passed and approved this 22<sup>nd</sup> day of June, 2010.

R-1	UNITED STATES OF AMERICA STATE OF TENNESSEE COUNTY OF FAYETTE	\$1,200,000.00
	\$1,200,000.00 GENERAL PURPOSE SCHOOL FUND TAX ANTICIPATION NOTE, SERIES 2010	

<u>DATED</u>	<u>INTEREST RATE</u>	<u>MATURITY DATE</u>
	%	March 15, 2011

The County of Fayette (the "Local Government") of the State of Tennessee hereby acknowledges itself indebted, and for value received hereby promises to pay the registered owner hereof, or its registered assigns, the sum of One Million Two Hundred Thousand and No/100 Dollars (\$1,200,000.00) or the portion thereof from time to time outstanding (the "Principal Sum") on or before the Maturity Date (specified above) (unless this note shall have been duly called for prior redemption and payment of the redemption price shall have been duly made or provided for), upon presentation and surrender to the Local Government or its agent, and to pay from the date hereon interest on the Principal Sum from time to time outstanding on or before the Maturity Date at the Interest Rate per annum (specified above), by check or draft mailed to the registered owner, at the address shown on the bond registration records of the Local Government. Both principal of and interest on this note are payable at the office of the County Trustee or a paying agent duly appointed by the Local Government in lawful money of the United States of America.

This note represents a straight line of credit in an authorized principal amount of up to \$1,200,000.00. Once the total amount of principal has been advanced, the Local Government is not entitled to further loan advances. Advances under this note shall be requested in writing by the County Mayor. The unpaid balance owing on this note at any time may be evidenced by endorsements on this note or by the registered owner's internal records, including daily computer printouts. This note is secured solely by the receipt of taxes and revenues to be received by the General Purpose School Fund (the "Fund") during the current fiscal year of the Local Government, being July 1, 2010 through June 30, 2011, inclusive (the "Fiscal Year").

This note is subject to redemption prior to its stated maturity in whole or in part at any time at the option of the Local Government upon payment of the principal amount of the note together with the interest accrued thereon to the date of redemption without a premium. This note is issued under the authority of Parts I, IV, and VIII of Title 9, Chapter 21, Tennessee Code Annotated, and a resolution duly adopted by the Local Government on June 22, 2010, to provide funds in anticipation of the collection of taxes and revenues for the Fund during the Fiscal Year in an amount not exceeding sixty percent (60%) of the total Fund appropriations for the Fiscal Year and in an aggregate principal amount not to exceed \$1,200,000.00. The Maturity Date specified above shall not exceed the end of the Fiscal Year.

Title 9, Chapter 21, Section 117, Tennessee Code Annotated provides that this note and interest thereon are exempt from taxation by the State of Tennessee or by any county, municipality or taxing district of the State, except for inheritance, transfer and estate taxes and except as otherwise provided under the laws of the State of Tennessee.

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

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this note do exist, have happened and have been performed in due time, form and manner as required by the Constitution and laws of the State of Tennessee, and that the amount of this note, together with all other indebtedness of the Local Government, does not exceed any constitutional or statutory limitation thereon, and that this note is within every constitutional and statutory limitation.

IN WITNESS WHEREOF, the Governing Body of the Local Government has caused this note to be executed in the name of the Local Government by the manual signature of the County Mayor and countersigned and attested by the manual signature of the County Clerk, with the Seal of the Local Government affixed hereto or imprinted hereon, and this note to be dated as of the \_\_\_ day of \_\_\_\_\_, 2010.

FAYETTE COUNTY, TENNESSEE

By: \_\_\_\_\_  
County Mayor

ATTESTED:

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

Chairman Taylor then presented the bond for Dr. Cedrick Gray, new Director of Schools, for approval. Motion was made by Commissioner Harris, seconded by Commissioner Brewer, and passed unanimously as follows.

STATE OF TENNESSEE  
COUNTY OF Fayette  
OFFICIAL STATUTORY BOND  
FOR  
COUNTY PUBLIC OFFICIALS  
OFFICE OF School Superintendent

COB-7(82)

KNOW ALL MEN BY THESE PRESENTS:

That Dr. Cedrick Gray  
of Memphis (City or Town), County  
of Fayette Tennessee, as Principal, and WESTERN SURETY COMPANY

as Surety, are held and firmly bound unto THE STATE OF TENNESSEE in the full amount of One Hundred Thousand and 00/100 Dollars (\$ 100,000.00) lawful money of the United States of America for the full and prompt payment whereof we bind ourselves, our representatives, successors and assigns, each jointly and severally, firmly and unequivocally by these presents.

WHEREAS, The said Principal was duly \_\_\_\_\_ elected X appointed to the office of School Superintendent of and for Fayette County for the (4) year term beginning on the 3rd day of June, 2010 and ending on the 3rd day of June, 2014.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH:

That if the said Dr. Cedrick Gray, Principal, shall:

faithfully perform the duties of the office of School Superintendent of Fayette County during the term of office or his continuance therein; and

over to his persons authorized by law to receive them, all monies, properties, or things of value that may come into his hands during his term of office or his continuance therein without fraud or delay, and shall faithfully and safely keep all records required of him in his official capacity, and at the expiration of his term, or in case of his resignation or removal from office, shall turn over to his successor all records and property which have come into his hands, then this obligation shall be null and void otherwise to remain in full force and effect.

Witness my hand and seals this 17th day of June, 2010

WITNESS — ATTEST:

J B Bowling

PRINCIPAL Dr. Cedrick Gray  
SURETY

COUNTERSIGNED BY:

Glenda A. Ward  
Tennessee Resident Agent

WESTERN SURETY COMPANY  
by Paul T. Bruflat  
Paul T. Bruflat, Senior Vice President  
(Attach evidence of authority to execute bond)

ACKNOWLEDGMENT OF PRINCIPAL

STATE OF TENNESSEE  
COUNTY OF Fayette

Before me, a Notary Public, of the State and County aforesaid, personally appeared Dr. Cedrick Gray with whom I am personally acquainted and who, upon oath, acknowledged himself to be the individual who executed the foregoing bond, and he acknowledged to me that he executed the same.

WITNESS my hand and seal this 21st day of June, 2010.

My Commission Expires: Sept. 24th, 2011

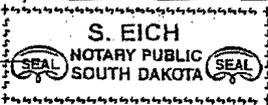
Glenda A. Ward  
Notary Public

ACKNOWLEDGMENT OF SURETY

STATE OF South Dakota

COUNTY OF Minnehaha

Before me, a Notary Public, of the State and County aforesaid, personally appeared Paul T. Bruflat with whom I am personally acquainted and, who, upon oath, acknowledged himself to be the individual who executed the foregoing bond on behalf of WESTERN SURETY COMPANY, the within named Surety, a corporation duly licensed to do business in the State of Tennessee, and that he as such individual being authorized so-to-do, executed the foregoing bond, by signing the name of the corporation by himself as such individual.

WITNESS my hand and seal this 17th day of June, 2010  
My Commission Expires: February 12, 2015  
 S. EICH  
Notary Public

Form Prescribed by the Comptroller of the Treasury, State of Tennessee  
Form Approved by the Attorney General, State of Tennessee

APPROVAL AND CERTIFICATION

SECTION I. (Applicable to all County Officials except Clerks of Chancery and Circuit Courts)  
Bond and Sureties approved by Faulette County Executive MAYOR  
of Faulette County, on this 21st day of June, 2010  
Signed: [Signature]  
County Executive MAYOR

CERTIFICATION:  
I, Sue W Culver, County Clerk of Faulette County,  
hereby certify that the foregoing bond was approved by the Legislative Body of said county, in open session on the \_\_\_\_\_ day of \_\_\_\_\_, and entered upon the minutes thereof.  
Signed: \_\_\_\_\_  
County Clerk

SECTION II. (Applicable only to Clerks of Chancery and Circuit Courts)

CERTIFICATION:  
This is to certify that I have examined the foregoing bond and found the same to be sufficient and in conformity to law, that the sureties on the same are good and worth the penalty thereof and that the same has been entered upon the minutes of said court.  
Signed: \_\_\_\_\_  
Judge of the \_\_\_\_\_ Chancery \_\_\_\_\_ Circuit Court of and for said County on this \_\_\_\_\_ day of \_\_\_\_\_

SECTION III. (Applicable to all County Officials' Bonds)

INDORSEMENT:  
Filed with the Comptroller of the Treasury, State of Tennessee, this \_\_\_\_\_ day of \_\_\_\_\_  
Comptroller of the Treasury

SECTION IV. (Applicable to all County Officials' Bonds)

FOR USE BY REGISTER OF DEEDS

WESTERN SURETY COMPANY  
101 South Phillips Ave.  
Sioux Falls, SD 57104  
605-336-0850

# Western Surety Company

## POWER OF ATTORNEY

### KNOW ALL MEN BY THESE PRESENTS:

That WESTERN SURETY COMPANY, a corporation organized and existing under the laws of the State of South Dakota, and authorized and licensed to do business in the States of Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming, and the United States of America, does hereby make, constitute and appoint

Paul T. Brufat of Sioux Falls  
State of South Dakota, its regularly elected Senior Vice President  
as Attorney-in-Fact, with full power and authority hereby conferred upon him to sign, execute, acknowledge and deliver for and on its behalf as Surety and as its act and deed, the following bond:

One SCHOOL SUPERINTENDENT COUNTY OF FAYETTE

bond with bond number 24779163

for DR. CEDRICK GRAY

as Principal in the penalty amount not to exceed: \$100,000.00

Western Surety Company further certifies that the following is a true and exact copy of Section 7 of the by-laws of Western Surety Company adopted and now in force, to-wit:

Section 7. All bonds, policies, undertakings, Powers of Attorney, or other obligations of the corporation shall be executed in the corporate name of the Company by the President, Secretary, any Assistant Secretary, Treasurer, or any Vice President, or by such other officers as the Board of Directors may authorize. The President, any Vice President, Secretary, any Assistant Secretary, or the Treasurer may appoint Attorneys-in-Fact or agents who shall have authority to issue bonds, policies, or undertakings in the name of the Company. The corporate seal is not necessary for the validity of any bonds, policies, undertakings, Powers of Attorney or other obligations of the corporation. The signature of any such officer and the corporate seal may be printed by facsimile.

In Witness Whereof, the said WESTERN SURETY COMPANY has caused these presents to be executed by its Senior Vice President with the corporate seal affixed this 17th day of June, 2010.

ATTEST

L. Nelson  
L. Nelson, Assistant Secretary

WESTERN SURETY COMPANY

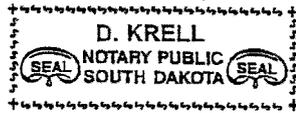
By Paul T. Brufat  
Paul T. Brufat, Senior Vice President



STATE OF SOUTH DAKOTA }  
COUNTY OF MINNEHAHA } ss

On this 17th day of June, 2010, before me, a Notary Public, personally appeared Paul T. Brufat and L. Nelson

who, being by me duly sworn, acknowledged that they signed the above Power of Attorney as Senior Vice President and Assistant Secretary, respectively, of the said WESTERN SURETY COMPANY, and acknowledged said instrument to be the voluntary act and deed of said Corporation.



My Commission Expires November 30, 2012

Form F1875-9-2006

D. Krell  
Notary Public

With no further business before the Board, the meeting was adjourned.

Rhea Taylor, Fayette County Mayor

Sue W. Culver, County Clerk