

FAYETTE COUNTY LEGISLATIVE BODY
JULY 26, 2011

BE IT REMEMBERED that the Fayette County Legislative Body met in regular session at the Bill G. Kelley Justice Complex in Somerville, Tennessee, on the 26th day of July, 2011. 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, Joann Allen, Steve Anderson, Charles Brewer, Odis Cox, Lee "Sissy" Dowdle, Willie German, Ronald Harris, Reggie Howard, Judy Karcher, Bill Kelley, Terry Leggett, David Lillard, Sylvester Logan, Claude Oglesby, Steve Reeves, Ray Seals, Myles Wilson, and Larry Watkins.

A quorum was declared with nineteen Commissioners present.

The floor was opened for comments on non-agenda items. With no one coming forth, the floor was closed.

Commissioner Wilson moved that the minutes from the June 28, 2011 meeting be approved. The motion was seconded by Commissioner Lillard and passed unanimously.

John Pitner, director of Planning and Development addressed a rezoning request from Charles Robertson, who bought a store which had been foreclosed on by the bank. After some time, the property which had been zoned B-2 for neighborhood business, had been rezoned to R-1, rural residential. Mr. Robertson requested that the property be rezoned to B-2 for the purpose of opening a neighborhood store. The floor was opened for a public hearing in the matter, but with no one coming forth either "for" or "against" the rezoning, the public hearing was closed. Commissioner Watkins moved that the rezoning be approved (resolution to follow) and Commissioner Joann Allen seconded the motion, which passed unanimously.

WHEREAS, pursuant to Tennessee Code Annotated Sections 13-7-101 and 13-7-102 the Fayette County Board of Commissioners has adopted a Zoning Resolution and Zoning Map for Fayette County; and

WHEREAS, pursuant to Tennessee Code Annotated Sections 13-7-105 the Fayette County Board of Commissioners is empowered to amend the number, shape, boundary, area or any regulation of or within any district or districts or any other provision of the zoning resolution following submission of the amendment to the regional planning commission for its approval, disapproval or suggestions and following a public hearing at least fifteen (15) days notice of the time and place of which is given by one (1) publication in a newspaper of general circulation in the county; and

WHEREAS, pursuant to Article IV of the Fayette County Zoning Resolution a public hearing was held on the proposed Amendment by the Fayette County Regional Planning Commission on July 5, 2011, the time and place of which was published with at least five (5) days advance notice in the Fayette Falcon newspaper of general circulation in Fayette County; and

WHEREAS, pursuant to Tennessee Code Annotated Section 13-7-105 and Article IV of the Fayette County Zoning Resolution a public hearing was held on the proposed Amendment by the Fayette County Board of Commissioners on July 26, 2011, the time and place of which was published with at least fifteen (15) days advance notice in the Fayette Falcon newspaper of general circulation in Fayette County;

NOW, THEREFORE, BE IT RESOLVED BY THE FAYETTE COUNTY BOARD OF COMMISSIONERS, IN REGULAR SESSION ASSEMBLED THIS 26th DAY OF JULY, 2011:

SECTION 1. That the following described tract of land of 2.31 acres owned by Charles A. Robertson (Deed Book 809, Page 57, in the Office of the Fayette County Register) at the southeast corner of Jernigan Drive and Pittman Road identified as Parcel 12.03 on Tax Map 113 be rezoned from **R-1 RURAL RESIDENTIAL TO B-2 NEIGHBORHOOD BUSINESS**:

Beginning at an iron in the west boundary line of Willie B. Johnson (Deed Book 258, Page 416), this point being North 00 degrees 25 minutes West 120.2 feet from a southwest corner of the tract herein described; thence North 89 degrees 33 minutes West, passing an iron at 327.7 feet, in all 352.7 feet to the center of Pittman Road, the northwest corner of Parcel 6; thence with the center of said road to the junction with Jernigan Drive the following courses: North 18 degrees 32 minutes East 170.9 feet and North 12 degrees 46 minutes East 208.0 feet to a point in the north boundary line of the B.L. Davis original Tract 1 for 128.0 acres (Deed Book 4, Page 184); thence North 89 degrees 35 minutes East 219.4 feet to a point in Jernigan Drive; thence South 00 degrees 35 minutes East 278.0 feet to an iron stake, a southwest corner of said Johnson; thence North 87 degrees 10 minutes East 30.0 feet to an iron; thence South 00 degrees 25 minutes East 92.8 feet to the point of beginning and containing 2.31 acres.

BE IT FURTHER RESOLVED, that this Amendment shall become effective immediately upon its passage, THE PUBLIC WELFARE REQUIRING IT.

Commissioner Logan moved that the following be approved as notaries public: Connie P. Ferge, Raymond Garcia, III, Esther S. Gurkin, Linda L. Jones, Cynthia Operle Lacy, Dinah S. Moore, Buffy L. Porch, Mary Pat Proctor, Carolyn G. Rhea, Peter D. Sarfas, Doug Simpson, Susan A. Simpson, Lynn B. Sparks, Glenda A. Ward, David Mack Wilbanks, and Jennifer L. Wilson. The motion was seconded by Commissioner Oglesby and passed unanimously.

There were no reports from the County Mayor's Office, Sheriff's Department, Board of Education, Juvenile Court, Board of Public Works, Trustee, or Planning and Development.

Commissioner Wilson reported for the Development Committee which met on July 11, 2011. The Committee discussed the rezoning already approved on this

meeting's agenda. The Committee then discussed the following Resolution To Become A Participating Member of the Tennessee Haywood County Megasite Project which Commissioner Wilson moved to approve. The motion was seconded by Commissioner Dowdle and passed unanimously.

WHEREAS, A Megasite has been formed on a 1700 acre tract of land in southern Haywood County off of State Hwy 222 in accordance with TCA 64-6-101 et al; and

WHEREAS, The designation of Megasite allows the site to be marketed for all types of manufacturing; and

WHEREAS, The approximate 1700 acres in the Megasite reside close to the Fayette County line and will heavily influence the development along Interstate 40 ; and

WHEREAS, the Megasite project can bring in hundreds of jobs over a period of time that are sorely needed in today's economic environment; and

WHEREAS, Fayette County wants its views and interests expressed for the betterment of Fayette County and the region; and

WHEREAS, Fayette County want to be a participating municipality and should be eligible for Board Membership, wants to work with the Megasite Authority for planning purposes, be initially involved in the required economic impact study;

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

1. Fayette County considers itself a participating municipality;
2. Fayette County desires to be on the board formed for the administration of the Megasite
3. Any and all commitments asked of Fayette County by the Megasite Authority must be ratified by the Fayette County Commission

Adopted this 26th day of July, 2011.

Commissioner German, in reporting for the Health and Welfare Committee, moved to set the minimum weight fee for bagged garbage at 95 pounds to match the bag fee. The motion was seconded by Commissioner Brewer and passed unanimously.

Commissioner German stated that the committee had also decided that the Solid Waste Tire Grant would not be applied for since the county will receive full compensation without the grant.

Also discussed were ambulance fees. Commissioner German made a motion to move forward with charging all emergency ambulance calls to the party making the request except for "good Samaritan" calls. The motion was seconded by Commissioner Dowdle and passed unanimously.

The Personnel Committee did not meet.

Commissioner Lillard stated that the Education Committee met on July 12, 2011. The decision was made to consider other locations for the higher education campus site. Commissioner Lillard moved that the following resolution be approved. The motion was seconded by Commissioner Ed Allen and passed unanimously.

HIGHER EDUCATION RESOLUTION

Fayette County, and any other local partners willing to help with the financing of the Higher Educational Campus, will review sites for a Higher Educational Campus that are conducive to the offering of full educational programs by Southwest Tennessee Community College, and other participating educational institutions. Each site will be reviewed on the totality of the project, which includes minimally a funding budget, economic benefit, proximity to population, etc. The sites will conform to needs as required by the educational institutions. Since fund raising and grants may be an integral portion of the funding for the facility, time is of the essence in locating qualified sites.

Commissioner Anderson moved to approve the Resolution to adopt the Fayette County Hazard Mitigation Plan. The motion was seconded by Commissioner Kelley and passed unanimously as follows:

Whereas, the County of Fayette recognizes the threat that natural hazards pose to people and property; and

Whereas, undertaking hazard mitigation actions before disasters occur will reduce the potential for harm to people and property and save taxpayer dollars; and

Whereas, an adopted hazard mitigation plan is required as a condition of future grant funding for mitigation projects; and

Whereas, the County of Fayette participated jointly in the planning process with the other local units of government within the County to prepare the Hazard Mitigation Plan;

Now, there, be it resolved, that the County Commission and Mayor, hereby adopts the Fayette County Hazard Mitigation Plan as an official plan; and

Be it further resolved, that the Fayette County Emergency Management Agency will submit on behalf of the participating municipalities the adopted Hazard Mitigation Plan to the Federal Emergency Management Agency Officials for final review and approval.

Commissioner Harris reported for the Budget Committee, stating that the Committee met on July 12, 2011 and again on July 19, 2011. On July 12 Mr. Pitner of Planning and Development reported on the GIS system, where they had come from and where they wanted to go, and also reviewed the different duties of employees. The Mayor also adjusted county budgets to reflect actual expenses, and the Department Heads had not seen the adjustments. These changes will be reviewed in the August Budget meeting.

On July 19, the Committee was addressed by the Moscow Food Pantry, the Fayette County Literacy Council, and the Fayette County Chamber of Commerce, regarding the non-profit contributions for the next budget year. The Committee also reviewed budget requests from the different departments.

Commissioner Harris moved that the Commission accept the following Resolution of the Fayette County Board of Education Request for Funding for the Construction of a New Elementary School. The motion was seconded by Commissioner Oglesby and passed unanimously as follows:

WHEREAS, the Fayette County Board of Education ("Board") at a special called meeting held on June 9, 2011, approved by a vote of 7 – 2 the mediation agreement entered into between the designated representatives for the Board and the Fayette County Commission ("Commission") dated May 24, 2011, and:

WHEREAS, said Mediation Agreement provides that the Commission shall, upon formal request from the Board, seek the issuance of bonds sufficient to fund construction of a new elementary school in an amount not to exceed \$10.5 million, and:

WHEREAS, after further public deliberation the Board now resolves to make a formal request of the Commission for funding of the new elementary school pursuant to the terms set forth in the Mediation Agreement.

NOW THEREFORE, BE IT RESOLVED that the Board hereby requests that the Commission approve, acquire and appropriate funding for the construction by the Board of a new elementary school with a present capacity of 600 students and an expandable core of 800 students to be constructed on the Board's north campus property in Somerville, Tennessee. Said funding shall be subject to the following terms and conditions:

1. The Commission shall acquire and appropriate funds in an amount not to exceed \$10.5 million for the construction of said school.
2. The Commission shall be responsible and obligated to service the debt on \$8 million of the total construction funds borrowed.
3. The Board shall assist in the service of any portion of the total construction debt which exceeds \$8 million, provided however, the annual payment to be made by the Board toward its portion of the debt service shall never exceed \$171,000.00, nor shall said annual payment obligation exceed more than 25 years from the original closing date of the bond/construction funding.
4. In the event the total construction cost of the new school is less than \$10.5 million, the Board shall be obligated to pay that portion of the total construction debt service between \$8 million and the total cost of construction; the Board's annual payment obligation on this amount will be based upon the original terms of bond financing in order to fully amortize the construction debt over 25 years.
5. The Board shall take all steps necessary including, if possible, inserting language within a Court Order in the case styled *McFerrer, et al v. County Board of Education of Fayette County, Tennessee, et al.*, requiring the Fayette County Trustee to annually deduct from funds received by the Trustee which would otherwise be directed to the Board, the appropriate portion of the construction debt service for which the Board is obligated and to thereafter remit said funds to the Commission for deposit into a capital projects fund account.
6. The Board shall by Quitclaim Deed convey to Fayette County approximately 15 acres from the north campus property located in the southeast portion of said property where the County's Public Works Department is currently operated, provided however, that said property may be utilized by the Commission at its discretion.
7. That all other terms of the Mediated Agreement which were approved by the Board at a special called meeting on June 9, 2011, are hereby confirmed.

APPROVED AND ADOPTED this 14 day of July, 2011.


CHAIRMAN ROBERT REDDITT

Commissioner Harris also moved that the wheel tax increase of \$20 per vehicle be approved for the second reading. Commissioner Brewer seconded the motion, and a roll call vote was taken with the following results:

Voting "YES" were the following Commissioners: Ed Allen, Joann Allen, Anderson, Brewer, Cox, Dowdle, German, Harris, Howard, Karcher, Kelley, Leggett, Lillard, Oglesby, Reeves, Seals, and Watkins (17)

Voting "NO" Commissioners Logan and Wilson (2)

Commissioner Reeves moved that the following Resolution # 2011-07- (Refunding Resolution) be approved as follows. The motion was seconded by Commissioner Leggett and passed unanimously on a roll call vote.

WHEREAS, the Board of County Commissioners (the "Board") of Fayette County, Tennessee (the "Issuer") has determined that it is necessary and in the best interests of the Issuer to refund certain outstanding obligations of the Issuer in order to restructure the debt service on such obligations and reduce the annual debt service on the currently outstanding indebtedness; and

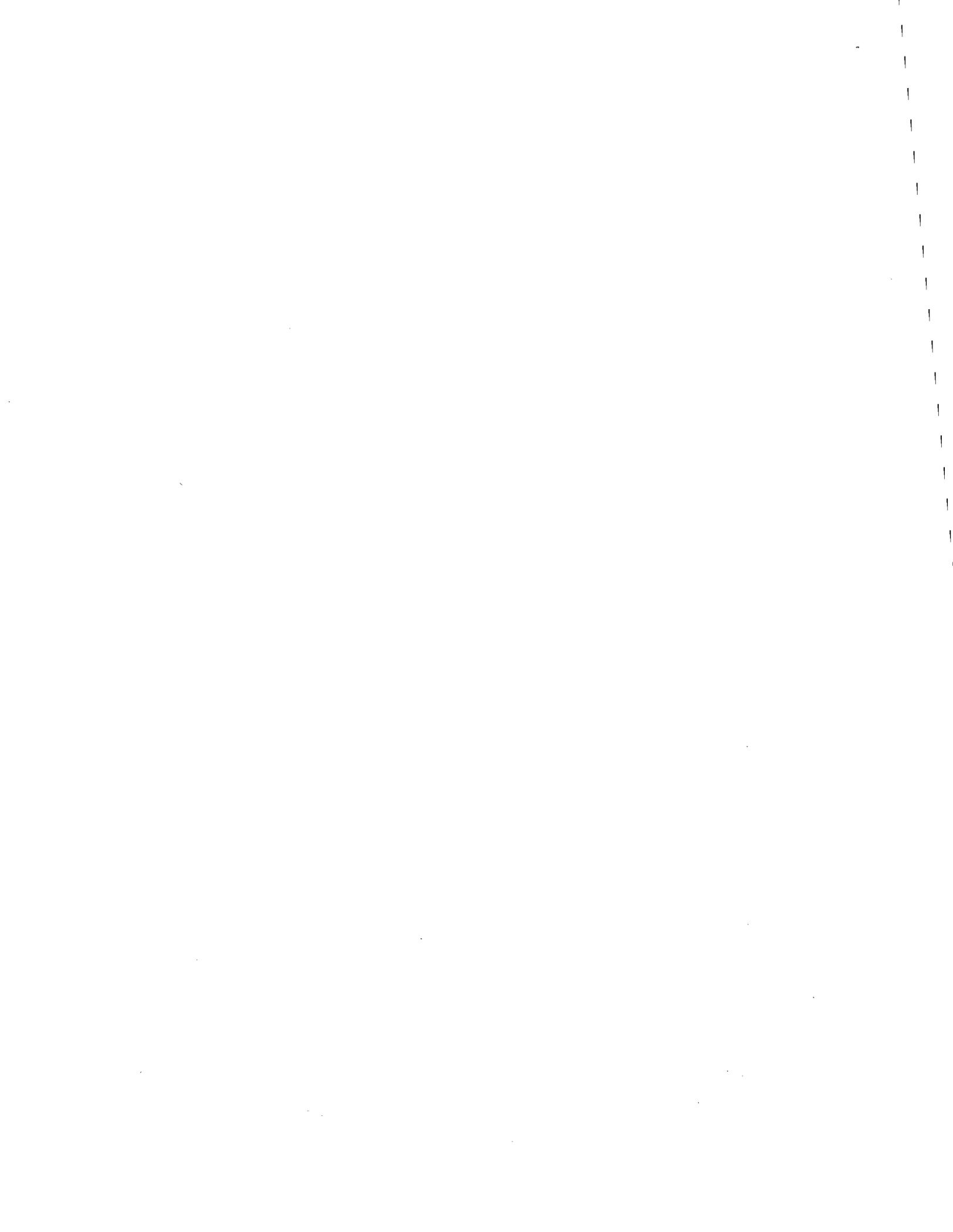
WHEREAS, the Board, after due deliberation, has determined that it is appropriate to issue its not-to-exceed \$9,650,000 General Obligation Refunding Bonds, Series 2011 (the "Bonds"), pursuant to authority of Sections 9-21-101 et seq. of the Tennessee Code Annotated, as amended, and other applicable provisions of law for such purposes; and

WHEREAS, a portion of the proceeds of the Bonds will be used to refund and/or retire all or a portion of the following outstanding obligations of the Issuer (the "Refunded Obligations"):

School Refunding Bonds, Series 2001, dated December 1, 2001, maturing February 1, 2012 through February 1, 2018, inclusive; and

School Refunding Bonds, Series 2002, dated January 2, 2002, maturing February 1, 2019 through February 1, 2020 inclusive.

WHEREAS, the plan of refunding of the Refunded Obligations has been submitted to the Tennessee Comptroller of the Treasury, Office of State and Local Finance, as required by



applicable provisions of law.

the Issuer shall borrow the amount of not-to-exceed \$9,650,000 and General Obligation Refunding Bonds, Series 2011, of the Issuer in the principal amount borrowed shall be issued pursuant to Sections 9-21-101 et seq. of the Tennessee Code Annotated, as amended, and other

School Refunding Bonds, Series 2001, dated December 1, 2001, maturing February 1, 2012 through February 1, 2018, inclusive; and School Refunding Bonds, Series 2002, dated January 2, 2002, maturing February 1, 2019 through February 1, 2020 inclusive

other obligations of the Issuer, as follows:

SECTION 1. In order to refund all or a portion of certain outstanding bonds, notes and

Fayette County, Tennessee, as follows:

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners of

the Bonds to the ultimate purchaser.

principal amount, interest rates and certain other terms of the Bonds and to finalize the sale of

WHEREAS, it is also appropriate to authorize the Mayor to determine the exact

accept the best bid for the Bonds, and to sell the Bonds to the best bidder at the public sale; and

WHEREAS, it is appropriate for the Mayor to conduct the public sale of the Bonds, to

the pledge of revenues hereio at this time; and

WHEREAS, it is appropriate for this Board to provide certain details of the Bonds and

Notice of Sale and take other actions with respect to the Bonds proposed to be issued; and

WHEREAS, prior to the issuance and sale of the Bonds, the Issuer must publish a

thereof to the Issuer and submitted its report thereon to the Issuer; and

Section 9-21-903, Tennessee Code Annotated, as amended, and it has acknowledged receipt

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

(a) "Bond Fund" shall mean the fund used to pay principal and interest on the Bonds as they become due;

(b) "Bonds" shall mean the General Obligation Refunding Bonds, Series 2011 of the Issuer in an aggregate principal amount of not-to-exceed \$9,650,000 authorized to be issued by this resolution;

(c) "Bond Registrar" shall mean the registration and paying agent for the Bonds appointed by the Issuer pursuant to Section 10, or any successor as from time to time designated by the Governing Body.

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

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

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

School Refunding Bonds, Series 2001, dated December 1, 2001, maturing

balance of the Issuer's:

(p) "Refunded Obligations" shall mean all or a portion of the unpaid and outstanding

purchased and/or held;

which are permitted investments under Tennessee law for the purposes for which they are to be

government or obligations of any agency or instrumentality of the United States of America

or obligations the principal of and interest on which are guaranteed by, the United States

(o) "Obligations of the United States of America" shall mean direct obligations of,

Issuer from time to time.

(n) "Mayor" or "County Mayor" shall mean the duly elected County Mayor of the

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

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

year and ending on the last day of June of the following year;

(k) "Fiscal Year" shall mean the twelve-month period beginning on July 1 of each

Tennessee;

(j) "Financial Advisor" shall mean Morgan Keegan & Company Inc., Knoxville,

escrow agent appointed by the County Mayor, or its successor;

(i) "Escrow Agent" shall mean Regions Bank, Nashville, Tennessee, or another

companies and clearing corporations that have access to the DTC System;

(h) "DTC Participant(s)" means securities brokers and dealers, banks, trust

organized under the laws of the State of New York, and its successors and assigns;

(g) "DTC" means the Depository Trust Company, a limited purpose company

February 1, 2012 through February 1, 2018, inclusive; and

School Refunding Bonds, Series 2002, dated January 2, 2002, maturing February 1, 2019 through February 1, 2020 inclusive

currently outstanding in the estimated principal amount of \$9,390,000.00, to be refunded pursuant to this resolution;

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

(a) The issuance of the Bonds is necessary and in the best interests of the citizens of the Issuer;

(b) The refunding of the Refunded Obligations as set forth herein through the issuance of the Bonds, will restructure the payment of principal of and interest on the Refunded Obligations and will reduce the annual debt service on the Refunded Obligations.

(c) The Issuer will be able to amortize the Bonds, together with all other bonds, notes and other financial obligations now outstanding and all additional obligations proposed to be issued by the Issuer; and

(d) The proposed bond sale being authorized by this resolution is feasible and in the best interests of the Issuer.

SECTION 4. The Mayor is hereby authorized and directed to determine the principal amount of the Bonds not to exceed the principal amount specified in Section 1 to be actually issued (which may be in one or more emissions) and to effect adjustments in the maturity schedule and optional redemption dates set forth herein as authorized in Section 7. The determinations made by the Mayor, as described above, and the finalization of the details of the

Bonds and sale of the Bonds by the Mayor shall be binding on the Issuer and no further action by the Governing Body with respect thereto shall be required. The Mayor shall cause, if advantageous to the Issuer, all or a portion of the Bonds to be insured by one or more bond insurance policies issued by one or more nationally recognized bond insurance companies so long as it is demonstrated to the Mayor's satisfaction either (i) that such insurance is necessary to sell the Bonds, or the portion thereof to be insured, or (ii) the present value of the projected savings in interest costs to the Issuer as a result of obtaining such bond insurance exceeds the premium cost to the Issuer for such bond insurance.

The Mayor is authorized to sell the Bonds at a public sale at a price of not less than 98.0% of the par value of the Bonds actually issued, plus accrued interest.

The Mayor is hereby authorized and directed to publish a Notice of Sale for the Bonds and, if appropriate, for any other bonds of the Issuer which are being competitively sold at the same time, in either a financial newspaper having national circulation, or via an electronic communication system that is generally available to the financial community, and the date of publication shall be selected by the Mayor as he may deem appropriate for the purpose of conducting the sale of the Bonds at public sale at the earliest possible date after complying with the requirements of Tennessee Code Annotated, Section 9-21-203 that the Bonds must be advertised for sale for not less than 5 days prior to the sale of the Bonds. If the principal amount of bonds to be sold is not greater than \$5,000,000, then the notice of sale may be published as set forth above or in a newspaper having general circulation in the Issuer. The Notice of Sale shall be in such form, meeting the requirements of Tennessee Code Annotated Section 9-21-202, as shall be approved by the Mayor and the Financial Advisor. The Bonds

shall be sold by physical delivery of bids or by electronic bidding means of an internet bidding service as shall be determined by the Mayor, in consultation with the Financial Advisor. The Mayor is hereby authorized to enter into a contract for financial advisory services with the Financial Advisor in connection with the sale of the Bonds and the Financial Advisor is hereby authorized to submit a bid either alone or with other bidders at such public sale.

SECTION 5. The Mayor and County Clerk, working with the Financial Advisor, are hereby authorized and directed to provide for the preparation and distribution, electronic or otherwise, of a Preliminary Official Statement describing the Bonds and any other bonds or notes which in the discretion of the Mayor are sold at the same time as the Bonds. After the Bonds have been sold, the Mayor and the County Clerk shall make such completions, omissions, insertions and changes in the Preliminary Official Statement not inconsistent with this resolution as are necessary or desirable to complete it as a final Official Statement for purposes of Rule 15c2-12(e)(3) of the Securities and Exchange Commission. The Mayor and County Clerk shall arrange for the delivery of a reasonable number of copies of the Official Statement within seven business days after the Bonds have been sold to the successful bidder, to each potential investor requesting a copy of the Official Statement and to each person to whom such bidder and members of its bidding group initially sell the Bonds.

The Mayor is authorized, on behalf of the Issuer, to deem the Preliminary Official Statement and the Official Statement in final form, each to be final as of its date within the meaning of Rule 15c2-12(b)(1), except for the omission in the Preliminary Official Statement of certain pricing and other information allowed to be omitted pursuant to such Rule 15c2-12(b)(1). The distribution of the Preliminary Official Statement and the Official Statement in

YEAR	AMOUNT
2012	\$ 435,000
2013	\$ 325,000
2014	\$ 320,000
2015	\$ 300,000
2016	\$ 340,000
2017	\$ 490,000
2018	\$ 515,000

2011, shall mature May 1, in the years and in the estimated amounts as follows:

SECTION 7. The Bonds shall bear interest, not exceeding 5.50%, as designated by the Mayor, payable semiannually on April 1 and October 1 of each year commencing October 1,

definitive Bonds authenticated and delivered hereunder.

exchanged for definitive Bonds, the temporary Bonds shall be entitled to the same benefits as issued in temporary form exchangeable for definitive Bonds when ready for delivery. Until their date of issuance, shall be numbered from R-1 upward, shall be issued in fully registered, book-entry only form, without coupons in the denomination of \$5,000 (or integral multiples thereof), and shall be subject to prior redemption as set forth below. Bonds may be initially

SECTION 6. Subject to the adjustments permitted pursuant to Section 7, the Bonds shall be designated "General Obligation Refunding Bonds, Series 2011," shall be dated as of

other information.

the Issuer except for the omission in the Preliminary Official Statement of such pricing and final form shall be conclusive evidence that each has been deemed in final form as of its date by

2019	\$ 535,000
2020	\$ 560,000
2021	\$ 450,000
2022	\$ 460,000
2023	\$ 485,000
2024	\$ 500,000
2025	\$ 525,000
2026	\$ 550,000
2027	\$ 575,000
2028	\$ 600,000
2029	\$ 625,000
2030	<u>\$ 1,060,000</u>
Total	\$ 9,650,000

The Mayor is authorized to increase or decrease the amount of each maturity, to change the dated date of the Bonds to a date other than their date of issuance, to sell the Bonds in one or more emissions, to change the Series designation of the Bonds, to adjust the principal and interest payment dates of the Bonds, to change or extend the maturity dates of the Bonds, and to change the optional redemption dates and provide for a premium not to exceed two percent (2%) of the par amount to be redeemed, to combine the issuance of the Bonds with the issuance of bonds pursuant to other authorizing resolutions of the Issuer and to make appropriate changes in the name of the Bonds and other adjustments to recognize such combined issuance, such

Depository, the Bonds to be redeemed shall be determined by DTC, or such successor (e) if the Bonds are being held under a Book-Entry System by DTC, or a successor

shall be selected as follows:

single maturity shall be called for redemption, the Bonds within the maturity to be redeemed shall be selected by the Governing Body in its discretion. If less than all of the Bonds within a If less than all the Bonds shall be called for redemption, the maturities to be redeemed

redemption date.

April 1, 2019 and at any time thereafter at a redemption price of par plus interest accrued to the redemption. Bonds maturing April 1, 2020 and thereafter shall be subject to redemption on Bonds maturing April 1, 2019 through April 1, 2019 shall mature without option of prior SECTION 8. Subject to the adjustments permitted pursuant to Section 7 hereof, the

maturity shall be selected in the manner described in Section 8.

interest thereon to the date of redemption. The term bonds to be redeemed within a single maturity amounts may be adjusted pursuant to this Section 7, at a price of par plus accrued maturity amounts established pursuant to this Section 7 for each redemption date, as such corresponding to the maturity dates set forth herein, in aggregate principal amounts equal to the or all the Bonds are sold as term bonds, the Issuer shall redeem term bonds on redemption dates corresponding to the maturities set forth herein or as determined by the Mayor. In the event any or any maturities thereof, as term bonds with mandatory redemption requirements exceed the principal amount set forth in Section 1. The Mayor is authorized to sell the Bonds, Issuer, provided that the aggregate amount of Bonds issued pursuant to this resolution shall not adjustments to be made as the Mayor in his sole discretion shall deem most advantageous to the

Depository, by lot or such other manner as DTC, or such successor Depository, shall determine;
or

(b) if the Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Bonds within the maturity to be redeemed shall be selected by the Bond Registrar by lot or such other random manner as the Bond Registrar in its discretion shall determine.

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

be waived of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.

Notice of call for redemption, whether optional or mandatory, shall be given by the Bond Registrar on behalf of the Issuer not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Bond Registrar as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for redemption of any of the Bonds for which proper notice was given. As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Bond Registrar to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the Issuer nor the Bond Registrar shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant or Beneficial Owner will not affect the validity of such redemption. The Bond Registrar shall mail said notices as and when directed by the Issuer pursuant to written instructions from an authorized representative of the Issuer (other than for a mandatory sinking fund redemption, notices of which shall be given on the dates provided herein) given at least forty-five (45) days prior to the redemption date (unless a shorter notice period shall be satisfactory to the Bond Registrar). From and after the redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Bond Registrar for the payment thereof and if notice has been duly provided as set forth herein.

SECTION 9. The Issuer hereby appoints Regions Bank, Nashville, Tennessee as the initial paying agent and bond registrar (the "Bond Registrar") with respect to the Bonds and authorizes and directs the Bond Registrar to maintain Bond registration records with respect to the Bonds, to authenticate and deliver the Bonds as provided herein, either at original issuance or upon transfer, to effect transfers of the Bonds, and to make all payments of principal and interest with respect to the Bonds as provided herein, and to cancel and destroy Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange, transfer or cancellation and to furnish the Issuer with a certificate of destruction. The Bond Registrar shall maintain registration books for the registration and registration of transfer of the Bonds, which books shall be kept in a manner that complies with the requirements of Section 149 of the Internal Revenue Code of 1986, as amended, and Regulations thereunder (or under corresponding provisions of prior law, if applicable) for recordkeeping relating to "registration-required bonds" and in accordance with the Tennessee Public Obligations Registration Act (T.C.A. §9-19-101 et seq., as amended).

SECTION 10. The Bonds shall be payable, both principal and interest, in lawful money of the United States of America at designated corporate trust office of the Bond Registrar. The Bond Registrar shall make all interest payments with respect to the Bonds on each interest payment date directly to the registered owners as shown on the Bond registration records maintained by the Bond Registrar as of the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by depositing such payment in the United States mail, postage prepaid, addressed to such owners at such owners' addresses shown on said Bond registration records, without, except for final payment, the

The Bonds are transferable only by presentation to the Bond Registrar by the registered owner, or his legal representative duly authorized in writing, of the registered Bond(s) to be transferred with the form of assignment on the reverse side thereof (or attached thereto) completed in full and signed with the name of the registered owner as it appears upon the face of the Bond(s) accompanied by appropriate documentation necessary to prove the legal capacity of any legal representative of the registered owner. Upon receipt of the Bond(s) in such form and with such documentation, if any, the Bond Registrar shall issue a new Bond or Bonds to the assignee(s) in such authorized denominations, as requested by the registered owner requesting transfer. No charge shall be made to any registered owner for the privilege of transferring any Bond, provided that any transfer tax relating to such transaction shall be paid by the owner requesting transfer. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the issuer nor the Bond

to the Bond Registrar prior to the record date.

with the Bond Registrar and written notice of any such election and designated account is given continental United States or deposited to a designated account if such account is maintained payment of interest on such Bonds shall be paid by wire transfer to a bank within the requested by the Owner of at least \$1,000,000 in aggregate principal amount of the Bonds, the event the Bonds are no longer registered in the name of DTC, or a successor Depository, if surrender of such Bonds to the Bond Registrar as the same shall become due and payable. In Payment of principal of and premium, if any, on the Bonds shall be made upon presentation and obligations of the issuer in respect of such Bonds to the extent of the payments so made. presentation or surrender of such registered Bonds, and all such payments shall discharge the

Registrar shall be affected by any notice to the contrary, including, but not limited to, any previous transfer request not accompanied by acceptable documentation.

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

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

such new Bond an amount sufficient to reimburse the Issuer for the expense incurred by it in the issue thereof;

Any interest on any Bond that is payable but is not punctually paid or duly provided for on any interest payment date (hereinafter "Defaulted Interest") shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such Defaulted Interest shall be paid by the Issuer to the persons in whose names the Bonds are registered at the close of business on a date (the "Special Record Date") for the payment of such Defaulted Interest, which shall be fixed in the following manner: the Issuer shall notify the Bond Registrar in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment, and at the same time the Issuer shall deposit with the Bond Registrar an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Bond Registrar for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this Section provided. Thereupon, not less than ten (10) days after the receipt by the Bond Registrar of the notice of the proposed payment, the Bond Registrar shall fix a Special Record Date for the payment of such Defaulted Interest which Date shall be not more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment to the registered owners. The Bond Registrar shall promptly notify the Issuer of such Special Record Date and, in the name and at the expense of the Issuer, not less than ten (10) days prior to such Special Record Date, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each registered owner at the address thereof

as it appears in the Bond registration records maintained by the Bond Registrar as of the date of such notice. Nothing contained in this Section or in the Bonds shall impair any statutory or other rights in law or in equity of any registered owner arising as a result of the failure of the Issuer to punctually pay or duly provide for the payment of principal of, premium, if any, and interest on the Bonds when due.

The Bond Registrar shall not be required to transfer or exchange any Bond during the period commencing on a Regular or Special Record Date and ending on the corresponding interest payment date of such Bond, nor to transfer or exchange any Bond after the publication of notice calling such Bond for redemption has been made, nor to transfer or exchange any Bond during the period following the receipt of instructions from the Issuer to call such Bond for redemption; provided, the Bond Registrar, at its option, may make transfers after any of said dates. No charge shall be made to any registered owner for the privilege of transferring any Bond, provided that any transfer tax relating to such transaction shall be paid by the registered owner requesting transfer. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the Issuer nor the Bond Registrar shall be affected by any notice to the contrary whether or not any payments due on the Bonds shall be overdue. The Bonds, upon surrender to the Bond Registrar, may, at the option of the registered owner, be exchanged for an equal aggregate principal amount of the Bonds of the same maturity in any authorized denomination or denominations.

Except as otherwise provided in this resolution, the Bonds shall be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Bonds. References in this Section to a Bond or the Bonds shall be construed to mean the Bond or the

Bonds, so long as DTC is the only owner of the Bonds, shall be paid by the Bond Registrar. Payments of principal, interest, and redemption premium, if any, with respect to the

CONSENTING TO, CERTAIN ACTIONS UNDER THIS RESOLUTION.

OR DIRECTING THE BOND REGISTRAR TO TAKE OR NOT TO TAKE, OR AND INTEREST ON THE BONDS, RECEIPT OF NOTICES, VOTING AND REQUESTING RESOLUTION, INCLUDING RECEIPT OF ALL PRINCIPAL OF, PREMIUM, IF ANY, & CO., AS THE ONLY HOLDER OF THE BONDS FOR ALL PURPOSES UNDER THIS REGISTERED OWNER OF THE BONDS, THE BOND REGISTRAR SHALL TREAT CEDE OF Beneficial Owners. SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE accomplished by book entries made by DTC and, in turn, by DTC Participants acting on behalf Beneficial Owner purchased its Bonds. Transfers of ownership interests in the Bonds shall be Beneficial Owner shall be recorded through the records of the DTC Participant from which such the Bonds representing their beneficial ownership interests. The ownership interests of each are hereinafter referred to as the "Beneficial Owners." The Beneficial Owners shall not receive purchased by or through DTC Participants. The holders of these beneficial ownership interests DTC Participant's interest in the Bonds. Beneficial ownership interests in the Bonds may be Each DTC Participant shall be credited in the records of DTC with the amount of such established by DTC.

effected on the records of DTC and the DTC Participants pursuant to rules and procedures ownership of the Bonds in authorized denominations, with transfers of beneficial ownership to DTC and immobilized in its custody. A Book-Entry System shall be employed, evidencing Bonds that are held under the Book-Entry System. One Bond for each maturity shall be issued

directly to DTC or its nominee, Cede & Co. as provided in the Letter of Representation relating to the Bonds from the Issuer and the Bond Registrar to DTC (the "Letter of Representation"). DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners. The Issuer and the Bond Registrar shall not be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants.

In the event that (1) DTC determines not to continue to act as securities depository for the Bonds or (2) the Issuer determines that the continuation of the Book-Entry System of evidence and transfer of ownership of the Bonds would adversely affect their interests or the interests of the Beneficial Owners of the Bonds, or (3) the Beneficial Owners of all Bonds shall request that such Bonds no longer be held under The Book-Entry System and shall agree to hold the Bonds for investment and not to reoffer the Bonds, the Issuer shall discontinue the Book-Entry System with DTC. If the Issuer fails to identify another qualified securities depository to replace DTC, the Issuer shall cause the Bond Registrar to authenticate and deliver replacement Bonds in the form of fully registered Bonds to each Beneficial Owner.

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

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

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

NOMINEE, CEDE & CO., AS OWNER.

BONDS; OR (v) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC, OR ITS RECEIVE PAYMENTS IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE GIVEN TO BENEFICIAL OWNERS, (v) THE SELECTION OF BENEFICIAL OWNERS TO PARTICIPANT OF ANY NOTICE DUE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED UNDER THE TERMS OF THIS RESOLUTION TO BE BONDS; (w) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY DTC

(Form of Bond)

REGISTERED

REGISTERED

Number R-

\$ _____

UNITED STATES OF AMERICA
STATE OF TENNESSEE

COUNTY OF FAYETTE

GENERAL OBLIGATION REFUNDING BOND,
SERIES 2011

Interest Rate:

Maturity Date:

Date of Bond:

CUSIP No.:

_____, 2011

Registered Owner: CEDE & CO.

Principal Amount:

KNOW ALL MEN BY THESE PRESENTS: That the County of Fayette in the State of Tennessee (the "Issuer"), for value received hereby promises to pay to the registered owner hereof, hereinabove named, or registered assigns, in the manner hereinafter provided, the principal amount hereinabove set forth on the maturity date hereinabove set forth (or upon earlier redemption as set forth herein), and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on said principal amount at the annual rate of interest hereinabove set forth from the date hereof until said maturity date or redemption date, said interest being payable on October 1, 2011, and semi-annually thereafter on the first day of April and October in each year until this Bond matures or is redeemed. Both principal hereof and interest hereon are payable in lawful money of the United States of America by check or draft at

the corporate trust office of Regions Bank, Nashville, Tennessee, as bond registrar and paying agent (the "Bond Registrar"). The Bond Registrar shall make all interest payments with respect to this Bond on each interest payment date directly to the registered owner hereof shown on the Bond registration records maintained by the Bond Registrar as of the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by check or draft mailed to such owner at such owner's address shown on said bond registration records, without, except for final payment, the presentation or surrender of this Bond, and all such payments shall discharge the obligations of the Issuer to the extent of the payments so made. Any such interest not so punctually paid or duly provided for on any interest payment date shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such defaulted interest shall be payable to the person in whose name this Bond is registered at the close of business on the date (the "Special Record Date") for payment of such defaulted interest to be fixed by the Bond Registrar, notice of which shall be given to the owners of the Bonds of the issue of which this Bond is one not less than ten (10) days prior to such Special Record Date. Payment of principal of [and premium, if any,] on this Bond shall be made when due upon presentation and surrender of this Bond to the Bond Registrar.

Except as otherwise provided herein or in the Resolution, as hereinafter defined, this Bond shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds of the series of which this Bond is one. One Bond for each maturity of the Bonds shall be issued to DTC and immobilized in its custody. A book-entry system shall be employed,

evidencing ownership of the Bonds in \$5,000 denominations, or multiples thereof, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants, as defined in the Resolution, pursuant to rules and procedures established by DTC. So long as Cede & Co., as nominee for DTC, is the registered owner of the Bonds, the Issuer and the Bond Registrar shall treat Cede & Co., as the only owner of the Bonds for all purposes under the Resolution, including receipt of all principal, premium, if any, and interest on the Bonds, receipt of notices, voting and requesting or taking or not taking, or consenting to, certain actions hereunder. Payments of principal, maturity amounts, interest, and redemption premium, if any, with respect to the Bonds, so long as DTC is the only owner of the Bonds, shall be paid directly to DTC or its nominee, Cede & Co. DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners, as defined in the Resolution. Neither the Issuer nor the Bond Registrar shall be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants. In the event that (1) DTC determines not to continue to act as securities depository for the Bonds or (2) the Issuer determines that the continuation of the book-entry system of evidence and transfer of ownership of the Bonds would adversely affect its interests or the interests of the Beneficial Owners of the Bonds, the Issuer may discontinue the book-entry system with DTC. If the Issuer fails to identify another qualified securities depository to replace DTC, the Issuer shall cause the Bond Registrar to authenticate and deliver replacement Bonds in the form of fully registered Bonds to each Beneficial Owner. Neither the Issuer nor the Bond Registrar shall have any responsibility or obligations to any DTC Participant or any Beneficial Owner with respect to (i) the Bonds; (ii)

[The Issuer shall redeem Bonds maturing April 1, _____ on the redemption dates set forth below opposite the maturity dates, in aggregate principal amounts equal to the respective dollar amounts set forth below opposite the respective redemption dates at a price of par plus accrued interest thereon to the date of redemption. DTC, as securities depository for the series of Bonds of which this Bond is one, or such Person as shall then be serving as the securities depository for the Bonds, shall determine the interest of each Participant in the Bonds to be redeemed using its procedures generally in use at that time. If DTC, or another securities depository is no longer serving as securities depository for the Bonds, the Bonds to be redeemed

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

Interest accrued to the redemption date.

Bonds of the issue of which this Bond is one maturing April 1, 2012 through April 1, 2019 shall mature without option of prior redemption. Bonds of the issue of which this Bond is one maturing April 1, 2020 and thereafter shall be subject to redemption at the option of the Issuer, in whole or in part on April 1, 2019 and at any time thereafter at a price of par plus

as owner.

the Bonds; or (vi) any consent given or other action taken by DTC, or its nominee, Cede & Co., the selection of Beneficial Owners to receive payments in the event of any partial redemption of required or permitted under the terms of the Resolution to be given to Beneficial Owners, (v) delivery by DTC or any DTC Participant of any notice due to any Beneficial Owner that is principal or maturity amounts of and interest on the Bonds; (iv) the delivery or timeliness of DTC or any DTC Participant of any amount due to any Beneficial Owner in respect of the the accuracy of any records maintained by DTC or any DTC Participant; (iii) the payment by

within a maturity shall be selected by the Bond Registrar by lot or such other random manner as the Bond Registrar in its discretion shall select. The dates of redemption and principal amount of Bonds to be redeemed on said dates are as follows:

<u>Stated</u> <u>Maturity</u>	<u>Redemption</u> <u>Date</u>	<u>Principal Amount</u> <u>of Bonds</u> <u>Redeemed</u>
----------------------------------	----------------------------------	---

*Final Maturity

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

This Bond is transferable by the registered owner hereof in person or by such owner's legal representative duly authorized in writing at the designated corporate trust office of the Bond Registrar set forth on the front side hereof, but only in the manner, subject to limitations and upon payment of the charges provided in the Resolution, as hereafter defined, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds of authorized

and if notice has been duly provided as set forth in the Resolution, as hereafter defined.]
bear interest if funds are available at the office of the Bond Registrar for the payment thereof redemption. From and after any redemption date, all Bonds called for redemption shall cease to Depository, to provide notice to any DTC Participant will not affect the validity of such of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor provided, and neither the Issuer nor the Bond Registrar shall be responsible for mailing notices DTC, or such successor Depository, as the registered owner of the Bonds, as and when above registered owner of the Bonds, all redemption notices shall be mailed by the Bond Registrar to Bonds for which proper notice was given. As long as DTC, or a successor Depository, is the notice so mailed shall affect the sufficiency of the proceedings for the redemption of any of the as of the date of the notice; but neither failure to mail such notice nor any defect in any such postage prepaid, at the addresses shown on the Bond registration records of the Bond Registrar appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, (20) not more than sixty (60) days prior to the date fixed for redemption by sending an Notice of call for redemption shall be given by the Bond Registrar not less than twenty

be paid on or before the next succeeding payment date.

payment and confirm that funds for the balance of the next succeeding prescribed payment will

denominations of the same maturity and interest rate for the same aggregate principal amount will be issued to the transferee in exchange therefor. The person in whose name this Bond is registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the Issuer nor the Bond Registrar shall be affected by any notice to the contrary whether or not any payments due on the Bond shall be overdue. Bonds, upon surrender to the Bond Registrar, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of the Bonds of the same maturity in authorized denomination or denominations, upon the terms set forth in the Resolution. The Bond Registrar shall not be required to transfer or exchange any Bond during the period commencing on a Regular Record Date or Special Record Date and ending on the corresponding interest payment date of such Bond, nor to transfer or exchange any Bond after the notice calling such Bond for redemption has been made, nor during a period following the receipt of instructions from the Issuer to call such Bond for redemption.

This Bond is one of a series of Bonds, all of like tenor and effect, except as to date, number, rate of interest and principal amount, in an aggregate principal amount of \$ _____ issued for the purpose of refunding all or a portion of certain outstanding bonds, notes and other obligations of the Issuer, as follows:

School Refunding Bonds, Series 2001, dated December 1, 2001, maturing February 1, 2012 through February 1, 2018, inclusive; and

School Refunding Bonds, Series 2002, dated January 2, 2002, maturing February 1, 2019 through February 1, 2020 inclusive

and is issued under and pursuant to and in full compliance with the Constitution and statutes of the State of Tennessee, including Tennessee Code Annotated Section 9-21-101 et seq., pursuant

to a resolution (the "Resolution") duly adopted by the Board of County Commissioners of the Issuer on July 26, 2011. Both the principal of and interest on this Bond are payable from taxes to be levied upon all taxable property in said Issuer without limitation as to rate or amount. For the prompt payment of both principal and interest on this Bond, the full faith, credit and resources of the Issuer are hereby irrevocably pledged. Reference is made to the Resolution for a more complete statement of the revenues from which and the conditions under which this Bond is payable and the general covenants and provisions pursuant to which this Bond is issued.

It is hereby certified, recited and declared that all acts, conditions and things required to happen, exist and be performed precedent to and in the issuance of this Bond, in order to make the same a legal, valid and binding obligation of Fayette County, Tennessee, have happened, do exist and have been performed in regular and due time, form and manner as required by law; that due provision has been made for the levy and collection of a direct annual tax, as from time to time may be found necessary, upon all taxable property within Fayette County sufficient to pay the principal and interest hereon as the same become due and payable; and that this Bond and the issue of which it forms a part, together with all other indebtedness of Fayette County, Tennessee, do not exceed any applicable Constitutional or statutory debt limit.

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

If applicable, the following provision shall be added:

IN WITNESS WHEREOF, Fayette County, Tennessee, through its Board of County Commissioners, has caused this Bond to be signed by its County Mayor by his manual or

facsimile signature and countersigned by the manual or facsimile signature of its County Clerk under the impressed or imprinted seal (or a facsimile thereof) of the Issuer all as of the ___ day of _____, 2011.

COUNTERSIGNED:

FAYETTE COUNTY, TENNESSEE

(SEAL)

County Clerk

County Mayor

Transferable and payable at the corporate trust office of Regions Bank, Nashville, Tennessee

Date of Registration:

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

Regions Bank, as Bond Registrar

By: _____

Authorized Officer

SECTION 12. Both the principal of an interest on the Bonds are payable from taxes to be levied on all taxable property in said Issuer without limitation as to rate and amount. For the prompt payment of such principal and interest, the full faith, credit and resources of Fayette County, Tennessee are hereby irrevocably pledged, and in order to provide for the payment of the Bonds and the interest thereon, there shall be and there is hereby directed to be levied and collected, at the same time and in the same manner as other taxes of Fayette County, Tennessee are levied and collected, a direct 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

acceptable to the Bond Registrar.

a member firm of a Medallion Program

Notice: Signatures(s) must be guaranteed by

enlargement or any change whatsoever.

every particular, without alteration or

appears on the face of the within bond in

the name of the registered owner as it

Notice: The signature must correspond with

Signature Guaranteed:

Registered Owner

Dated: _____

same on the books kept for registration thereof, with full power of substitution in the premises.

_____ or its successor as Bond Registrar, to transfer the

number)), the within mentioned Bond and hereby irrevocably constitutes and appoints

_____ (please insert social security number or tax identification

whose address is _____

For value received, the undersigned hereby sells, assigns and transfers unto

(Form of Assignment)

payment of the principal of the Bonds and the interest thereon, as the same mature and become due.

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

SECTION 13. Remedies of Bondholders. Except as herein expressly limited, the registered owners of the Bonds shall have and possess all the rights of action and remedies afforded by the common law, the Constitution and statutes of the State of Tennessee and of the United States of America for the enforcement of payment of such Bonds and the interest thereon and of the pledge of the revenues made hereunder and of the covenants of the Issuer hereunder,

including all the benefits and rights granted by Sections 9-21-101 et seq. of the Tennessee Code Annotated.

SECTION 14. The proceeds of the sale of the Bonds shall be applied by the Issuer as follows:

(2) all accrued interest shall be deposited into the Bond Fund of the Issuer and used to pay interest on the Bonds on the first interest payment date following delivery of the Bonds;

(b) the Issuer shall pay, or cause to be paid, all costs of issuance of the Bonds, including, but not limited to, necessary legal, accounting and fiscal expenses, printing, engraving, advertising and similar expenses, bond insurance premiums, swap termination fees, bond rating fees, Bond Registrar fees, administrative and clerical costs, and other necessary miscellaneous expenses incurred in connection with the authorization, issuance and sale and delivery of the Bonds; and

(c) the balance of the proceeds of the Bonds, which, together with other legally available funds of the Issuer and earnings on said proceeds and funds, will be sufficient to pay principal, accrued interest and redemption premium, as appropriate, on the Refunded Obligations shall be immediately applied for such purpose.

SECTION 15. If at the time of the issuance of the Bonds, the Refunded Obligations will not be retired or a valid and timely notice of redemption of the Refunded Obligations is not given in accordance with the resolutions governing the Refunded Obligations, then prior to the issuance of the Bonds notice of the Issuer's intention to refund the Refunded Obligations shall be given either (i) by mail to the owners of the Refunded Obligations at their addresses shown on

the bond registration records for the Refunded Obligations, or (ii) by publication of an appropriate notice one (1) time each in a financial newspaper published in New York, New York, and having a national circulation and in a newspaper having a general circulation in the Issuer. Such notice shall be in a form that meets the requirements of Section 9-21-912 of the Tennessee Code Annotated, as amended. If the issuance of the Bonds does not occur as provided in such notice, notice thereof shall be given in the same manner. The County Clerk is hereby authorized and directed to publish any such notices as may be required in accordance with this Section 15.

SECTION 16. The Issuer recognizes that the purchasers and holders of the Bonds will have accepted them on, and paid therefor a price that reflects, the understanding that interest thereon is exempt from federal income taxation under laws in force on the date of delivery of the Bonds. In this connection, the Issuer agrees that it shall take no action which may render the interest on any of said Bonds subject to federal income taxation and agrees to take all action as may be necessary to comply with the provisions of the Code and the regulations thereunder in order to maintain or assure the tax-exempt status of the Bonds. It is the reasonable expectation of the Governing Body of the Issuer that the proceeds of the Bonds will not be used in a manner which will cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, including any lawful regulations promulgated or proposed thereunder (or under corresponding provisions of prior law, if applicable), and to this end the said proceeds of the Bonds and other related funds established for the purposes herein set out, shall be used and spent expeditiously for the purposes described herein. The Governing Body of the Issuer further covenants and represents that in the event it shall be required by Section 148(f) of the Code to

pay any investment proceeds of the Bonds to the United States government, it will make such payments as and when required by Section 148(f) and will take such other actions as shall be necessary or permitted to prevent interest on the Bonds from becoming taxable. The Mayor and the County Clerk or any of them, are authorized and directed to make such certifications in this regard and as is otherwise customary or appropriate in connection with the sale of the Bonds as they shall deem appropriate, and such certifications shall constitute the representations and certifications of the Issuer.

SECTION 17. The Issuer hereby authorizes the Mayor to designate the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3)(B) of the Code to the extent the Issuer may legally do so and hereby authorizes the Mayor to make the final determination and designation as to such matters on behalf of the Issuer at the time the Bonds are sold.

SECTION 18. If the Issuer shall pay and discharge the indebtedness evidenced by any of the Bonds in any one or more of the following ways, to wit:

(a) By paying or causing to be paid the principal of and interest on such Bonds as and when the same become due and payable; or

(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 (the "Agent" which Agent may be the Bond Registrar), in trust, on or before the date of maturity or redemption, sufficient money or Obligations of the United States of America, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Bonds and to pay premium, if any, and interest thereon when due until the maturity or redemption date (provided, if such Bonds are to be redeemed prior to maturity thereof, proper

notice of such redemption shall have been given or adequate provision shall have been made for the giving of such notice) and if the Issuer shall also pay or cause to be paid all other sums payable hereunder by the Issuer with respect to such Bonds, or make adequate provision therefor, and by resolution of the Governing Body instruct any such Agent to pay amounts when and as required to the Bond Registrar for further payment to the registered owners for the payment of principal of and interest and redemption premiums, if any, on such Bonds when due; or

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

If the Issuer shall pay and discharge the indebtedness evidenced by any of the Bonds in the manner provided in 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 18, neither the Obligations of the United States of America nor moneys deposited with the 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 Bonds; provided, that any cash received from such principal or interest payments on such Obligations of the United States of America deposited with the Agent, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to the Issuer as received by the Agent and (B) to the extent such cash will be required for

such purpose at a later date, shall, to the extent practicable, be reinvested in Obligations of the United States of America maturing at times and in amounts sufficient to pay when due the principal and premium, if any, and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the Issuer, as received by the Agent.

SECTION 19. Continuing Disclosure. The Issuer hereby covenants and agrees that it will provide annual financial information and material event notices if and as required by Rule 15c2-12 of the Securities Exchange Commission for the Bonds. The Mayor is authorized to execute a continuing disclosure agreement for the benefit of and enforceable by the owners of the Bonds specifying the details of the financial information and material event notices to be provided and the Issuer's obligations relating thereto. Failure of the Issuer to comply with the undertaking herein described and to be detailed in such continuing disclosure agreement, shall not be a default hereunder, but any such failure shall entitle the owner or owners of any of the Bonds to take such actions and to initiate such proceedings as shall be necessary and appropriate to cause the Issuer to comply with its undertaking as set forth herein and in such continuing disclosure agreement, including the remedies of mandamus and specific performance.

SECTION 20. All other actions of officers of the Issuer in conformity with the purposes and intent of this resolution and in furtherance of the issuance and sale of the Bonds are hereby approved and confirmed. The officers of the Issuer are hereby authorized and directed to execute and deliver all certificates and instruments and to take all such further action as may be considered necessary or desirable in connection with the issuance, sale and delivery of the Bonds.

SECTION 21. The provisions of this Resolution shall constitute a contract between the Issuer and the registered owners of the Bonds, and after the issuance of the Bonds, no change, variation or alteration of any kind in the provisions of this Resolution shall be made in any manner until such time as the Bonds and interest due thereon shall have been paid in full except such changes as shall be required or may be appropriate to assure the validity and/or tax exempt status of the Bonds.

SECTION 22. 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 23. All orders or resolutions in conflict herewith be and the same are hereby repealed insofar as such conflict exists.

SECTION 24. This resolution shall take effect from and after its approval, the general welfare of Fayette County requiring it.

Passed and approved July 26, 2011.

(SEAL)

ATTEST:

County Clerk

County Mayor

STATE OF TENNESSEE

COUNTY OF FAYETTE

I, Sue Culver, hereby certify that I am the duly elected and qualified County Clerk of Fayette County, Tennessee, and as such official I further certify that attached hereto is a true and correct copy of excerpts from the minutes of the meeting of the Board of County Commissioners of Fayette County held on Tuesday, July 26, 2011, insofar as same pertains to the proceedings in connection with the issuance of not-to-exceed \$9,650,000 General Obligation Refunding Bonds, Series 2011 of Fayette County, Tennessee.

WITNESS my signature and official seal this the ___th day of July, 2011.

Sue Culver, County Clerk
Fayette County, Tennessee

(SEAL)

Commissioner Harris moved that the following Resolution # 2011-07- Initial Resolution Determining To Issue Not To Exceed \$13,000,000 General Obligation Bonds Of Fayette County, Tennessee, be approved. The motion was seconded by Commissioner Oglesby and passed unanimously on a roll call vote.

INITIAL RESOLUTION DETERMINING TO ISSUE NOT TO EXCEED \$13,000,000
GENERAL OBLIGATION BONDS OF FAYETTE COUNTY, TENNESSEE

WHEREAS, the Board of County Commissioners 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 schools (the "Project"); and

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

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

Section 1. That it is necessary and desirable and in the best interests of the citizens of Fayette County, Tennessee that the Issuer pay costs of the Project and pay legal, fiscal, and administrative costs incident to the issuance and sale of its general obligation bonds to be issued for such purposes.

Section 2. That the Board of County Commissioners of Fayette County, Tennessee hereby determines pursuant to the authority of Sections 9-21-101 et seq. of the Tennessee Code Annotated, as amended, that it shall issue its general obligation bonds for the purposes of paying costs of the Project, and other purposes stated above in an aggregate amount not-to-exceed \$13,000,000, that such bonds will bear interest at a rate or rates not-to-exceed 5.50%, and that such bonds shall be payable, both principal and interest, from ad valorem taxes levied without limitation as to rate or amount upon all taxable property in the Issuer.

Section 3. That the bonds may be issued for any one or more of the purposes stated above and may be issued in one or more emissions either separately or as part of one or more larger bond issues which may include bonds of the Issuer being issued for other purposes and/or under other authorizing resolutions and statutes.

Commissioner Harris moved that Resolution #2011-07- (New Money Resolution) be approved as follows. The motion was seconded by Commissioner Anderson. A roll call vote was had with the following results:

Voting "YES" were Commissioners Ed Allen, Anderson, Brewer, Cox, Dowdle, German, Harris, Howard, Karcher, Kelley, Leggett, Lillard, Logan, Oglesby, Reeves, Seals, Wilson, and Watkins (18)

"PASSING" was Commissioner Joann Allen.

Thereupon the motion passed.

WHEREAS, the Board of County Commissioners (the "Board") of Fayette County, Tennessee (the "Issuer") has determined that it is necessary and in the best interests of the Issuer 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 schools (the "Project"); and

WHEREAS, the Board, after due deliberation, has determined that it is appropriate to issue its not-to-exceed \$10,675,000 General Obligation Bonds, Series 2011 (the "Bonds"), pursuant to authority of Sections 9-21-101 et seq. of the Tennessee Code Annotated, as amended, and other applicable provisions of law for such purposes; and

WHEREAS, the proceeds of the Bonds will be used to pay costs of the Project and to pay the costs of the issuance of the Bonds; and

WHEREAS, on July 26, 2011 the Board adopted a resolution entitled "INITIAL RESOLUTION DETERMINING TO ISSUE NOT TO EXCEED \$13,000,000 GENERAL OBLIGATION BONDS OF FAYETTE COUNTY, TENNESSEE" (the "Initial Resolution") regarding the proposed issuance of bonds to finance the Project; and

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

WHEREAS, the Board desires to authorize the issuance of bonds to finance the Project in the event no petition protesting the issuance of the bonds described in the Initial Resolution is filed pursuant to the requirements of Section 9-21-207, Tennessee Code Annotated, as amended; and

WHEREAS, this bond issuance concerning *McFerren et al. & United States of America v. County Board of Education of Fayette County, Tennessee*, Civil Action No. C-65-136 has been mediated and agreed upon as stated in the mediated agreement, as Attachment 1; and

WHEREAS, prior to the issuance and sale of the Bonds, the Issuer must publish a Notice of Sale and take other actions with respect to the Bonds proposed to be issued; and

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

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

WHEREAS, it is also appropriate to authorize the Mayor to determine the exact principal amount, interest rates and certain other terms of the Bonds and to finalize the sale of the Bonds to the ultimate purchaser.

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

SECTION 1. In order to pay costs of the Project, the Issuer shall borrow the amount of not-to-exceed \$10,675,000 and General Obligation Bonds, Series 2011, of the Issuer in the

principal amount borrowed shall be issued pursuant to Sections 9-21-101 et seq. of the Tennessee Code Annotated, as amended, and other applicable provisions of law.

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

(a) "Bond Fund" shall mean the fund used to pay principal and interest on the Bonds as they become due;

(b) "Bonds" shall mean the General Obligation Bonds, Series 2011 of the Issuer in an aggregate principal amount of not-to-exceed \$10,675,000 authorized to be issued by this resolution;

(c) "Bond Registrar" shall mean the registration and paying agent for the Bonds appointed by the Issuer pursuant to Section 10, or any successor as from time to time designated by the Governing Body.

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

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

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

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

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

(i) "Financial Advisor" shall mean Morgan Keegan & Company Inc., Knoxville, Tennessee.

(j) "Fiscal Year" shall mean the twelve-month period beginning on July 1 of each year and ending on the last day of June of the following year;

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

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

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

(n) "Obligations of the United States of America" shall mean direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States government or obligations of any agency or instrumentality of the United States of America which are permitted investments under Tennessee law for the purposes for which they are to be purchased and/or held;

(o) "Project" shall mean 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 schools.

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

(a) The financing of the Project and the issuance of the Bonds is necessary and in the best interests of the citizens of the Issuer;

(b) The Issuer will be able to amortize the Bonds, together with all other bonds, notes and other financial obligations now outstanding and all additional obligations proposed to be issued by the Issuer; and

(c) The proposed bond sale being authorized by this resolution is feasible and in the best interests of the Issuer.

SECTION 4. The Mayor is hereby authorized to proceed with the issuance of bonds once the mediated agreement, "Attachment 1", has been implemented. The Mayor is hereby authorized and directed to determine the principal amount of the Bonds not to exceed the principal amount specified in Section 1 to be actually issued (which may be in one or more emissions) and to effect adjustments in the maturity schedule and optional redemption dates set forth herein as authorized in Section 7. The determinations made by the Mayor, as described above, and the finalization of the details of the Bonds and sale of the Bonds by the Mayor shall be binding on the Issuer and no further action by the Governing Body with respect thereto shall be required. The Mayor shall cause, if advantageous to the Issuer, all or a portion of the Bonds to be insured by one or more bond insurance policies issued by one or more nationally

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

The Mayor is authorized to sell the Bonds either at a public sale at a price of not less than 98.0% of the par value of the Bonds actually issued, plus accrued interest.

The Mayor is hereby authorized and directed to publish a Notice of Sale for the Bonds and, if appropriate, for any other bonds of the Issuer which are being competitively sold at the same time, in either a financial newspaper having national circulation, or via an electronic communication system that is generally available to the financial community, and the date of publication shall be selected by the Mayor as he may deem appropriate for the purpose of conducting the sale of the Bonds at public sale at the earliest possible date after complying with the requirements of Tennessee Code Annotated, Section 9-21-203 that the Bonds must be advertised for sale for not less than 5 days prior to the sale of the Bonds. If the principal amount of bonds to be sold is not greater than \$5,000,000, then the notice of sale may be published as set forth above or in a newspaper having general circulation in the Issuer. The Notice of Sale shall be in such form, meeting the requirements of Tennessee Code Annotated Section 9-21-202, as shall be approved by the Mayor and the Financial Advisor. The Bonds shall be sold by physical delivery of bids or by electronic bidding means of an internet bidding service as shall be determined by the Mayor, in consultation with the Financial Advisor. The Mayor is hereby authorized to enter into a contract for financial advisory services with the

Financial Advisor in connection with the sale of the Bonds and the Financial Advisor is hereby authorized to submit a bid either alone or with other bidders at such public sale.

SECTION 5. The Mayor and County Clerk, working with the Financial Advisor, are hereby authorized and directed to provide for the preparation and distribution, electronic or otherwise, of a Preliminary Official Statement describing the Bonds and any other bonds or notes which in the discretion of the Mayor are sold at the same time as the Bonds. After the Bonds have been sold, the Mayor and the County Clerk shall make such completions, omissions, insertions and changes in the Preliminary Official Statement not inconsistent with this resolution as are necessary or desirable to complete it as a final Official Statement for purposes of Rule 15c2-12(e)(3) of the Securities and Exchange Commission. The Mayor and County Clerk shall arrange for the delivery of a reasonable number of copies of the Official Statement within seven business days after the Bonds have been sold to the successful bidder, to each potential investor requesting a copy of the Official Statement and to each person to whom such bidder and members of its bidding group initially sell the Bonds.

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

SECTION 6. Subject to the adjustments permitted pursuant to Section 7, the Bonds shall be designated "General Obligation Bonds, Series 2011," shall be dated as of their date of issuance, shall be numbered from R-1 upward, shall be issued in fully registered, book-entry only form, without coupons in the denomination of \$5,000 (or integral multiples thereof), and shall be subject to prior redemption as set forth below. Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. Until exchanged for definitive Bonds, the temporary Bonds shall be entitled to the same benefits as definitive Bonds authenticated and delivered hereunder.

SECTION 7. The Bonds shall bear interest, not exceeding 5.50%, as designated by the Mayor, payable semiannually on April 1 and October 1 of each year commencing October 1, 2011, shall mature April 1, in the years and in the estimated amounts as follows:

<u>YEAR</u>	<u>AMOUNT</u>
2012	\$ 100,000
2013	\$ 120,000
2014	\$ 120,000
2015	\$ 120,000
2016	\$ 120,000
2017	\$ 125,000
2018	\$ 125,000
2019	\$ 125,000
2020	\$ 130,000
2021	\$ 135,000

2022	\$ 135,000
2023	\$ 140,000
2024	\$ 140,000
2025	\$ 145,000
2026	\$ 150,000
2027	\$ 155,000
2028	\$ 160,000
2029	\$ 165,000
2030	\$ 170,000
2031	\$1,180,000
2032	\$1,245,000
2033	\$1,305,000
2034	\$1,375,000
2035	\$1,455,000
2036	<u>\$1,535,000</u>
Total	\$10,675,000

The Mayor is authorized to increase or decrease the amount of each maturity, to change the dated date of the Bonds to a date other than their date of issuance, to sell the Bonds in one or more emissions, to change the Series designation of the Bonds, to adjust the principal and interest payment dates of the Bonds, to change or extend the maturity dates of the Bonds, to change the optional redemption dates and provide for a premium not to exceed two percent

(2%) of the par amount to be redeemed, to combine the issuance of the Bonds with the issuance of bonds pursuant to other authorizing resolutions of the Issuer and to make appropriate changes in the name of the Bonds and other adjustments to recognize such combined issuance, such adjustments to be made as the Mayor in his sole discretion shall deem most advantageous to the Issuer, provided that the aggregate amount of Bonds issued pursuant to this resolution shall not exceed the principal amount set forth in Section 1. The Mayor is authorized to sell the Bonds, or any maturities thereof, as term bonds with mandatory redemption requirements corresponding to the maturities set forth herein or as determined by the Mayor. In the event any or all the Bonds are sold as term bonds, the Issuer shall redeem term bonds on redemption dates corresponding to the maturity dates set forth herein, in aggregate principal amounts equal to the maturity amounts established pursuant to this Section 7 for each redemption date, as such maturity amounts may be adjusted pursuant to this Section 7, at a price of par plus accrued interest thereon to the date of redemption. The term bonds to be redeemed within a single maturity shall be selected in the manner described in Section 8.

SECTION 8. Subject to the adjustments permitted pursuant to Section 7 hereof, the Bonds maturing April 1, 2012 through April 1, 2019 shall mature without option of prior redemption. Bonds maturing April 1, 2020 and thereafter shall be subject to redemption on April 1, 2019 and at any time thereafter at a redemption price of par plus interest accrued to the redemption date.

If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be selected by the Governing Body in its discretion. If less than all of the Bonds within a

single maturity shall be called for redemption, the Bonds within the maturity to be redeemed shall be selected as follows:

(a) if the Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

(b) if the Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Bonds within the maturity to be redeemed shall be selected by the Bond Registrar by lot or such other random manner as the Bond Registrar in its discretion shall determine.

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such mandatory redemption date, the Issuer may (i) deliver to the Bond Registrar for cancellation Bonds to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and canceled by the Bond Registrar and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Bond so delivered or previously purchased or redeemed shall be credited by the Bond Registrar at 100% of the principal amount thereof on the obligation of the Issuer on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Bonds to be redeemed by operation of this mandatory sinking fund

provision shall be accordingly reduced. The Issuer shall on or before the forty-fifth (45th) day next preceding each payment date furnish the Bond Registrar with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this paragraph are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.

Notice of call for redemption, whether optional or mandatory, shall be given by the Bond Registrar on behalf of the Issuer not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Bond Registrar as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for redemption of any of the Bonds for which proper notice was given. As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Bond Registrar to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the Issuer nor the Bond Registrar shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant or Beneficial Owner will not affect the validity of such redemption. The Bond Registrar shall mail said notices as and when directed by the Issuer pursuant to written instructions from an authorized representative of the Issuer (other than for a mandatory sinking fund redemption, notices of which shall be given on the dates provided herein) given at least forty-five (45) days prior to the redemption date (unless a shorter notice period shall be satisfactory to the Bond

Registrar). From and after the redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Bond Registrar for the payment thereof and if notice has been duly provided as set forth herein.

SECTION 9. The Issuer hereby appoints Regions Bank, Nashville, Tennessee as the initial paying agent and bond registrar (the "Bond Registrar") with respect to the Bonds and authorizes and directs the Bond Registrar to maintain Bond registration records with respect to the Bonds, to authenticate and deliver the Bonds as provided herein, either at original issuance or upon transfer, to effect transfers of the Bonds, and to make all payments of principal and interest with respect to the Bonds as provided herein, and to cancel and destroy Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange, transfer or cancellation and to furnish the Issuer with a certificate of destruction. The Bond Registrar shall maintain registration books for the registration and registration of transfer of the Bonds, which books shall be kept in a manner that complies with the requirements of Section 149 of the Internal Revenue Code of 1986, as amended, and Regulations thereunder (or under corresponding provisions of prior law, if applicable) for recordkeeping relating to "registration-required bonds" and in accordance with the Tennessee Public Obligations Registration Act (T.C.A. §9-19-101 et seq., as amended).

SECTION 10. The Bonds shall be payable, both principal and interest, in lawful money of the United States of America at designated corporate trust office of the Bond Registrar. The Bond Registrar shall make all interest payments with respect to the Bonds on each interest payment date directly to the registered owners as shown on the Bond registration records maintained by the Bond Registrar as of the close of business on the fifteenth day of the month

next preceding the interest payment date (the "Regular Record Date") by depositing such payment in the United States mail, postage prepaid, addressed to such owners at such owners' addresses shown on said Bond registration records, without, except for final payment, the presentation or surrender of such registered Bonds, and all such payments shall discharge the obligations of the Issuer in respect of such Bonds to the extent of the payments so made. Payment of principal of and premium, if any, on the Bonds shall be made upon presentation and surrender of such Bonds to the Bond Registrar as the same shall become due and payable. In the event the Bonds are no longer registered in the name of DTC, or a successor Depository, if requested by the Owner of at least \$1,000,000 in aggregate principal amount of the Bonds, payment of interest on such Bonds shall be paid by wire transfer to a bank within the continental United States or deposited to a designated account if such account is maintained with the Bond Registrar and written notice of any such election and designated account is given to the Bond Registrar prior to the record date.

The Bonds are transferable only by presentation to the Bond Registrar by the registered owner, or his legal representative duly authorized in writing, of the registered Bond(s) to be transferred with the form of assignment on the reverse side thereof (or attached thereto) completed in full and signed with the name of the registered owner as it appears upon the face of the Bond(s) accompanied by appropriate documentation necessary to prove the legal capacity of any legal representative of the registered owner. Upon receipt of the Bond(s) in such form and with such documentation, if any, the Bond Registrar shall issue a new Bond or Bonds to the assignee(s) in such authorized denominations, as requested by the registered owner requesting transfer. No charge shall be made to any registered owner for the privilege of transferring any

Bond, provided that any transfer tax relating to such transaction shall be paid by the owner requesting transfer. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the Issuer nor the Bond Registrar shall be affected by any notice to the contrary, including, but not limited to, any previous transfer request not accompanied by acceptable documentation.

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

In case any Bond shall become mutilated, or be lost, stolen, or destroyed, the Issuer, in its discretion, shall issue, and the Bond Registrar shall authenticate and deliver a new Bond of like tenor, amount, maturity and date, in exchange and substitution for, and upon the cancellation of, the mutilated Bond, or in lieu of and substitution for such lost, stolen or destroyed Bond, or if any such Bond shall have matured or shall be about to mature, instead of issuing a substituted Bond the Issuer may pay or authorize payment of such Bond without

surrender thereof. In every case, the applicant shall furnish evidence satisfactory to the Issuer and the Bond Registrar of the destruction, theft or loss of such Bond, and indemnity satisfactory to the Issuer and the Bond Registrar, and the Issuer may charge the applicant for the issue of such new Bond an amount sufficient to reimburse the Issuer for the expense incurred by it in the issue thereof.

Any interest on any Bond that is payable but is not punctually paid or duly provided for on any interest payment date (hereinafter "Defaulted Interest") shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such Defaulted Interest shall be paid by the Issuer to the persons in whose names the Bonds are registered at the close of business on a date (the "Special Record Date") for the payment of such Defaulted Interest, which shall be fixed in the following manner: the Issuer shall notify the Bond Registrar in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment, and at the same time the Issuer shall deposit with the Bond Registrar an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Bond Registrar for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this Section provided. Thereupon, not less than ten (10) days after the receipt by the Bond Registrar of the notice of the proposed payment, the Bond Registrar shall fix a Special Record Date for the payment of such Defaulted Interest which Date shall be not more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment to the registered owners. The Bond Registrar shall promptly notify the Issuer of such Special Record Date and, in the name and at

the expense of the Issuer, not less than ten (10) days prior to such Special Record Date, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each registered owner at the address thereof as it appears in the Bond registration records maintained by the Bond Registrar as of the date of such notice. Nothing contained in this Section or in the Bonds shall impair any statutory or other rights in law or in equity of any registered owner arising as a result of the failure of the Issuer to punctually pay or duly provide for the payment of principal of, premium, if any, and interest on the Bonds when due.

The Bond Registrar shall not be required to transfer or exchange any Bond during the period commencing on a Regular or Special Record Date and ending on the corresponding interest payment date of such Bond, nor to transfer or exchange any Bond after the publication of notice calling such Bond for redemption has been made, nor to transfer or exchange any Bond during the period following the receipt of instructions from the Issuer to call such Bond for redemption; provided, the Bond Registrar, at its option, may make transfers after any of said dates. No charge shall be made to any registered owner for the privilege of transferring any Bond, provided that any transfer tax relating to such transaction shall be paid by the registered owner requesting transfer. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the Issuer nor the Bond Registrar shall be affected by any notice to the contrary whether or not any payments due on the Bonds shall be overdue. The Bonds, upon surrender to the Bond Registrar, may, at the option of the registered owner, be exchanged for an equal aggregate principal amount of the Bonds of the same maturity in any authorized denomination or denominations.

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

Each DTC Participant shall be credited in the records of DTC with the amount of such DTC Participant's interest in the Bonds. Beneficial ownership interests in the Bonds may be purchased by or through DTC Participants. The holders of these beneficial ownership interests are hereinafter referred to as the "Beneficial Owners." The Beneficial Owners shall not receive the Bonds representing their beneficial ownership interests. The ownership interests of each Beneficial Owner shall be recorded through the records of the DTC Participant from which such Beneficial Owner purchased its Bonds. Transfers of ownership interests in the Bonds shall be accomplished by book entries made by DTC and, in turn, by DTC Participants acting on behalf of Beneficial Owners. SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE REGISTERED OWNER OF THE BONDS, THE BOND REGISTRAR SHALL TREAT CEDE & CO., AS THE ONLY HOLDER OF THE BONDS FOR ALL PURPOSES UNDER THIS RESOLUTION, INCLUDING RECEIPT OF ALL PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS, RECEIPT OF NOTICES, VOTING AND REQUESTING

OR DIRECTING THE BOND REGISTRAR TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THIS RESOLUTION.

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

In the event that (1) DTC determines not to continue to act as securities depository for the Bonds or (2) the Issuer determines that the continuation of the Book-Entry System of evidence and transfer of ownership of the Bonds would adversely affect their interests or the interests of the Beneficial Owners of the Bonds, or (3) the Beneficial Owners of all Bonds shall request that such Bonds no longer be held under The Book-Entry System and shall agree to hold the Bonds for investment and not to reoffer the Bonds, the Issuer shall discontinue the Book-Entry System with DTC. If the Issuer fails to identify another qualified securities depository to replace DTC, the Issuer shall cause the Bond Registrar to authenticate and deliver replacement Bonds in the form of fully registered Bonds to each Beneficial Owner.

THE ISSUER AND THE BOND REGISTRAR SHALL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY DTC PARTICIPANT OR ANY

BENEFICIAL OWNER WITH RESPECT TO (i) THE BONDS; (ii) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (iii) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS; (iv) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY DTC PARTICIPANT OF ANY NOTICE DUE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED UNDER THE TERMS OF THIS RESOLUTION TO BE GIVEN TO BENEFICIAL OWNERS, (v) THE SELECTION OF BENEFICIAL OWNERS TO RECEIVE PAYMENTS IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (vi) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC, OR ITS NOMINEE, CEDE & CO., AS OWNER.

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

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

(Form of Bond)

REGISTERED

REGISTERED

Number R-

\$ _____

UNITED STATES OF AMERICA
STATE OF TENNESSEE

COUNTY OF FAYETTE

GENERAL OBLIGATION BOND,
SERIES 2011

Interest Rate:

Maturity Date:

Date of Bond:

CUSIP No.:

_____, 2011

Registered Owner: CEDE & CO.

Principal Amount:

KNOW ALL MEN BY THESE PRESENTS: That the County of Fayette in the State of Tennessee (the "Issuer"), for value received hereby promises to pay to the registered owner hereof, hereinabove named, or registered assigns, in the manner hereinafter provided, the principal amount hereinabove set forth on the maturity date hereinabove set forth (or upon earlier redemption as set forth herein), and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on said principal amount at the annual rate of interest hereinabove set forth from the date hereof until said maturity date or redemption date, said interest being payable on October 1, 2011, and semi-annually thereafter on the first day of April and October in each year until this Bond matures or is redeemed. Both principal hereof and interest hereon are payable in lawful money of the United States of America by check or draft at

the corporate trust office of Regions Bank, Nashville, Tennessee, as bond registrar and paying agent (the "Bond Registrar"). The Bond Registrar shall make all interest payments with respect to this Bond on each interest payment date directly to the registered owner hereof shown on the Bond registration records maintained by the Bond Registrar as of the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by check or draft mailed to such owner at such owner's address shown on said bond registration records, without, except for final payment, the presentation or surrender of this Bond, and all such payments shall discharge the obligations of the Issuer to the extent of the payments so made. Any such interest not so punctually paid or duly provided for on any interest payment date shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such defaulted interest shall be payable to the person in whose name this Bond is registered at the close of business on the date (the "Special Record Date") for payment of such defaulted interest to be fixed by the Bond Registrar, notice of which shall be given to the owners of the Bonds of the issue of which this Bond is one not less than ten (10) days prior to such Special Record Date. Payment of principal of [and premium, if any,] on this Bond shall be made when due upon presentation and surrender of this Bond to the Bond Registrar.

Except as otherwise provided herein or in the Resolution, as hereinafter defined, this Bond shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds of the series of which this Bond is one. One Bond for each maturity of the Bonds shall be issued to DTC and immobilized in its custody. A book-entry system shall be employed,

evidencing ownership of the Bonds in \$5,000 denominations, or multiples thereof, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants, as defined in the Resolution, pursuant to rules and procedures established by DTC. So long as Cede & Co., as nominee for DTC, is the registered owner of the Bonds, the Issuer and the Bond Registrar shall treat Cede & Co., as the only owner of the Bonds for all purposes under the Resolution, including receipt of all principal, premium, if any, and interest on the Bonds, receipt of notices, voting and requesting or taking or not taking, or consenting to, certain actions hereunder. Payments of principal, maturity amounts, interest, and redemption premium, if any, with respect to the Bonds, so long as DTC is the only owner of the Bonds, shall be paid directly to DTC or its nominee, Cede & Co. DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners, as defined in the Resolution. Neither the Issuer nor the Bond Registrar shall be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants. In the event that (1) DTC determines not to continue to act as securities depository for the Bonds or (2) the Issuer determines that the continuation of the book-entry system of evidence and transfer of ownership of the Bonds would adversely affect its interests or the interests of the Beneficial Owners of the Bonds, the Issuer may discontinue the book-entry system with DTC. If the Issuer fails to identify another qualified securities depository to replace DTC, the Issuer shall cause the Bond Registrar to authenticate and deliver replacement Bonds in the form of fully registered Bonds to each Beneficial Owner. Neither the Issuer nor the Bond Registrar shall have any responsibility or obligations to any DTC Participant or any Beneficial Owner with respect to (i) the Bonds; (ii)

the accuracy of any records maintained by DTC or any DTC Participant; (iii) the payment by DTC or any DTC Participant of any amount due to any Beneficial Owner in respect of the principal or maturity amounts of and interest on the Bonds; (iv) the delivery or timeliness of delivery by DTC or any DTC Participant of any notice due to any Beneficial Owner that is required or permitted under the terms of the Resolution to be given to Beneficial Owners, (v) the selection of Beneficial Owners to receive payments in the event of any partial redemption of the Bonds; or (vi) any consent given or other action taken by DTC, or its nominee, Cede & Co., as owner.

Bonds of the issue of which this Bond is one maturing April 1, 2012 through April 1, 2019 shall mature without option of prior redemption. Bonds of the issue of which this Bond is one maturing April 1, 2020 and thereafter shall be subject to redemption at the option of the Issuer, in whole or in part on April 1, 2019 and at any time thereafter at a price of par plus interest accrued to the redemption date.

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

[The Issuer shall redeem Bonds maturing April 1, _____ on the redemption dates set forth below opposite the maturity dates, in aggregate principal amounts equal to the respective dollar amounts set forth below opposite the respective redemption dates at a price of par plus accrued interest thereon to the date of redemption. DTC, as securities depository for the series of Bonds of which this Bond is one, or such Person as shall then be serving as the securities depository for the Bonds, shall determine the interest of each Participant in the Bonds to be redeemed using its procedures generally in use at that time. If DTC, or another securities depository is no longer serving as securities depository for the Bonds, the Bonds to be redeemed

within a maturity shall be selected by the Bond Registrar by lot or such other random manner as the Bond Registrar in its discretion shall select. The dates of redemption and principal amount of Bonds to be redeemed on said dates are as follows:

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

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

payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.

Notice of call for redemption shall be given by the Bond Registrar not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Bond Registrar as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for the redemption of any of the Bonds for which proper notice was given. As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Bond Registrar to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the Issuer nor the Bond Registrar shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant will not affect the validity of such redemption. From and after any redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Bond Registrar for the payment thereof and if notice has been duly provided as set forth in the Resolution, as hereafter defined.]

This Bond is transferable by the registered owner hereof in person or by such owner's legal representative duly authorized in writing at the designated corporate trust office of the Bond Registrar set forth on the front side hereof, but only in the manner, subject to limitations and upon payment of the charges provided in the Resolution, as hereafter defined, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds of authorized

denominations of the same maturity and interest rate for the same aggregate principal amount will be issued to the transferee in exchange therefor. The person in whose name this Bond is registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the Issuer nor the Bond Registrar shall be affected by any notice to the contrary whether or not any payments due on the Bond shall be overdue. Bonds, upon surrender to the Bond Registrar, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of the Bonds of the same maturity in authorized denomination or denominations, upon the terms set forth in the Resolution. The Bond Registrar shall not be required to transfer or exchange any Bond during the period commencing on a Regular Record Date or Special Record Date and ending on the corresponding interest payment date of such Bond, nor to transfer or exchange any Bond after the notice calling such Bond for redemption has been made, nor during a period following the receipt of instructions from the Issuer to call such Bond for redemption.

This Bond is one of a series of Bonds, all of like tenor and effect, except as to date, number, rate of interest and principal amount, in an aggregate principal amount of \$_____ issued for the purpose of providing funds 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 schools, and is issued under and pursuant to and in full compliance with the Constitution and statutes of the State of Tennessee, including Tennessee Code Annotated Section 9-21-101 et seq., pursuant to a resolution (the "Resolution") duly adopted by the Board of County Commissioners of the Issuer on July 26, 2011. Both the principal of and interest on this Bond are payable from taxes

to be levied upon all taxable property in said Issuer without limitation as to rate or amount. For the prompt payment of both principal and interest on this Bond, the full faith, credit and resources of the Issuer are hereby irrevocably pledged. Reference is made to the Resolution for a more complete statement of the revenues from which and the conditions under which this Bond is payable and the general covenants and provisions pursuant to which this Bond is issued.

It is hereby certified, recited and declared that all acts, conditions and things required to happen, exist and be performed precedent to and in the issuance of this Bond, in order to make the same a legal, valid and binding obligation of Fayette County, Tennessee, have happened, do exist and have been performed in regular and due time, form and manner as required by law; that due provision has been made for the levy and collection of a direct annual tax, as from time to time may be found necessary, upon all taxable property within Fayette County sufficient to pay the principal and interest hereon as the same become due and payable; and that this Bond and the issue of which it forms a part, together with all other indebtedness of Fayette County, Tennessee, do not exceed any applicable Constitutional or statutory debt limit.

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

IN WITNESS WHEREOF, Fayette County, Tennessee, through its Board of County Commissioners, has caused this Bond to be signed by its County Mayor by his manual or facsimile signature and countersigned by the manual or facsimile signature of its County Clerk under the impressed or imprinted seal (or a facsimile thereof) of the Issuer all as of the ___ day of _____, 2011.

COUNTERSIGNED:

FAYETTE COUNTY, TENNESSEE

(SEAL)

County Clerk

County Mayor

Transferable and payable at the corporate
trust office of Regions Bank, Nashville,
Tennessee

Date of Registration:

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

Regions Bank, as Bond Registrar

By: _____
Authorized Officer

(Form of Assignment)

For value received, the undersigned hereby sells, assigns and transfers unto
_____ whose address is _____
[_____ (please insert social security number or tax identification
number)], the within mentioned Bond and hereby irrevocably constitutes and appoints
_____, or its successor as Bond Registrar, to transfer the
same on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Registered Owner

Signature Guaranteed:

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

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

SECTION 12. Both the principal of an interest on the Bonds are payable from taxes to be levied on all taxable property in said Issuer without limitation as to rate and amount. For the prompt payment of such principal and interest, the full faith, credit and resources of Fayette County, Tennessee are hereby irrevocably pledged, and in order to provide for the payment of the Bonds and the interest thereon, there shall be and there is hereby directed to be levied and collected, at the same time and in the same manner as other taxes of Fayette County, Tennessee are levied and collected, a direct tax upon all taxable property within the boundaries of Fayette County, Tennessee, in such amount as may be found necessary each year to provide for the payment of the principal of the Bonds and the interest thereon, as the same mature and become due.

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

to principal and interest. Principal and interest falling due at any time when there are insufficient funds on hand shall be paid from the current funds of the 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 or other funds, taxes and revenues of the Issuer to the payment of debt service on the Bonds.

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

SECTION 14. The proceeds of the sale of the Bonds shall be applied by the Issuer as follows:

(a) all accrued interest shall be deposited into the Bond Fund of the Issuer and used to pay interest on the Bonds on the first interest payment date following delivery of the Bonds;

(b) the Issuer shall pay, or cause to be paid, all costs of issuance of the Bonds, including, but not limited to, necessary legal, accounting and fiscal expenses, printing, engraving, advertising and similar expenses, bond insurance premiums, swap termination fees, bond rating fees, Bond Registrar fees, administrative and clerical costs, and other necessary

miscellaneous expenses incurred in connection with the authorization, issuance and sale and delivery of the Bonds;

(c) the balance of the proceeds from the sale of the Bonds shall be deposited with the County Trustee and shall be kept separate and apart from all other funds of the Issuer in a special fund hereby designated as the "Fayette County, Tennessee 2011 School Project Fund," (the "School Project Fund") which shall be applied exclusively to pay costs (i) 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 schools; and (ii) the payment of legal, fiscal and administrative costs incident to the foregoing and to the issuance of the Bonds; and it shall be used for no other purposes. Any Bond proceeds not put to immediate use shall be deposited at interest by the County Trustee until needed. The interest arising therefrom shall be used only towards retiring the Bonds or may be added to Bond proceeds and used for the same purposes. Money in the School Project 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. RESERVED

SECTION 16. The Issuer recognizes that the purchasers and holders of the Bonds will have accepted them on, and paid therefor a price that reflects, the understanding that interest thereon is exempt from federal income taxation under laws in force on the date of delivery of the Bonds. In this connection, the Issuer agrees that it shall take no action which may render the

interest on any of said Bonds subject to federal income taxation and agrees to take all action as may be necessary to comply with the provisions of the Code and the regulations thereunder in order to maintain or assure the tax-exempt status of the Bonds. It is the reasonable expectation of the Governing Body of the Issuer that the proceeds of the Bonds will not be used in a manner which will cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, including any lawful regulations promulgated or proposed thereunder (or under corresponding provisions of prior law, if applicable), and to this end the said proceeds of the Bonds and other related funds established for the purposes herein set out, shall be used and spent expeditiously for the purposes described herein. The Governing Body of the Issuer further covenants and represents that in the event it shall be required by Section 148(f) of the Code to pay any investment proceeds of the Bonds to the United States government, it will make such payments as and when required by Section 148(f) and will take such other actions as shall be necessary or permitted to prevent interest on the Bonds from becoming taxable. The Mayor and the County Clerk or any of them, are authorized and directed to make such certifications in this regard and as is otherwise customary or appropriate in connection with the sale of the Bonds as they shall deem appropriate, and such certifications shall constitute the representations and certifications of the Issuer.

SECTION 17. The Issuer hereby authorizes the Mayor to designate the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3)(B) of the Code to the extent the Issuer may legally do so and hereby authorizes the Mayor to make the final determination and designation as to such matters on behalf of the Issuer at the time the Bonds are sold.

SECTION 18. If the Issuer shall pay and discharge the indebtedness evidenced by any of the Bonds in any one or more of the following ways, to wit:

(a) By paying or causing to be paid the principal of and interest on such Bonds as and when the same become due and payable; or

(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 (the "Agent;" which Agent may be the Bond Registrar), in trust, on or before the date of maturity or redemption, sufficient money or Obligations of the United States of America, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Bonds and to pay premium, if any, and interest thereon when due until the maturity or redemption date (provided, if such Bonds are to be redeemed prior to maturity thereof, proper notice of such redemption shall have been given or adequate provision shall have been made for the giving of such notice) and if the Issuer shall also pay or cause to be paid all other sums payable hereunder by the Issuer with respect to such Bonds, or make adequate provision therefor, and by resolution of the Governing Body instruct any such Agent to pay amounts when and as required to the Bond Registrar for further payment to the registered owners for the payment of principal of and interest and redemption premiums, if any, on such Bonds when due; or

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

If the Issuer shall pay and discharge the indebtedness evidenced by any of the Bonds in the manner provided in 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 18, neither the Obligations of the United States of America nor moneys deposited with the 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 Bonds; provided, that any cash received from such principal or interest payments on such Obligations of the United States of America deposited with the Agent, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to the Issuer as received by the Agent and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Obligations of the United States of America maturing at times and in amounts sufficient to pay when due the principal and premium, if any, and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the Issuer, as received by the Agent.

SECTION 19. Continuing Disclosure. The Issuer hereby covenants and agrees that it will provide annual financial information and material event notices if and as required by Rule 15c2-12 of the Securities Exchange Commission for the Bonds. The Mayor is authorized to execute a continuing disclosure agreement for the benefit of and enforceable by the owners of the Bonds specifying the details of the financial information and material event notices to be

provided and the Issuer's obligations relating thereto. Failure of the Issuer to comply with the undertaking herein described and to be detailed in such continuing disclosure agreement, shall not be a default hereunder, but any such failure shall entitle the owner or owners of any of the Bonds to take such actions and to initiate such proceedings as shall be necessary and appropriate to cause the Issuer to comply with its undertaking as set forth herein and in such continuing disclosure agreement, including the remedies of mandamus and specific performance.

SECTION 20. All other actions of officers of the Issuer in conformity with the purposes and intent of this resolution and in furtherance of the issuance and sale of the Bonds are hereby approved and confirmed. The officers of the Issuer are hereby authorized and directed to execute and deliver all certificates and instruments and to take all such further action as may be considered necessary or desirable in connection with the issuance, sale and delivery of the Bonds.

SECTION 21. The provisions of this Resolution shall constitute a contract between the Issuer and the registered owners of the Bonds, and after the issuance of the Bonds, no change, variation or alteration of any kind in the provisions of this Resolution shall be made in any manner until such time as the Bonds and interest due thereon shall have been paid in full except such changes as shall be required or may be appropriate to assure the validity and/or tax exempt status of the Bonds.

SECTION 22. 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 23. All orders or resolutions in conflict herewith be and the same are hereby repealed insofar as such conflict exists.

SECTION 24. This resolution shall take effect from and after its approval, the general welfare of Fayette County requiring it.

ATTACHMENT 1

MEDIATION AGREEMENT

Pursuant to the mediation as conducted by representatives of both the County Commission and the County School Board, represented by counsel, the Honorable Joe Riley, retired judge presiding, the parties have reached an agreement to be submitted to their respective bodies as to a basis to resolve certain issues currently pending in Federal Court to the benefit of the citizens of Fayette County. The representatives believe that the proposals made during mediation and agreed to in principal to serve the interest of all citizens of Fayette County and therefore it is their intent to recommend without modification or amendment the following:

1. That the Fayette County School Board shall retain possession of Jefferson Elementary for the principal purposes of the relocation of the alternative school and for such other purposes as to maximize utilization of that facility.
2. The Fayette County Commission shall upon formal request from the Fayette County School Board seek issuances of a bond so as to fund construction of an elementary school in the amount not to exceed Ten Million Five Hundred (\$10,500,000.00) Dollars. The Fayette County Commission will service the debt on Eight Million (\$8,000,000.00).
3. The Fayette County School Board shall assist in the service of the debt by contributing annually no more than One Hundred Seventy-one Thousand (\$171,000.00) Dollars for a period of twenty-five (25) years. However, This amount will be reduced to the extent the total construction cost is less than Ten million Five Hundred (\$10,500,000.00) Dollars.(-e.g. The County Commission will pay 8 Million Dollars (\$8,000,000.00) but if the construction amount equals Ten Million (\$10,000,000.00) Dollars-The Five Hundred Thousand (\$500,000.00) Dollars in savings will be attributed to the Board of Education). The Board of Education will then only service the debt on Two Million (\$2,000,000.00) Dollars and their annual payment will be adjusted accordingly downward.
4. That Fayette County School Board shall instruct and shall seek to have the Court order that the annual contributions of One Hundred seventy-one Thousand (\$171,000.00) Dollars or lesser sum as defined herein above and hereafter shall be made from funds including but not limited to BEP funds which are otherwise directed to the School Board through the County Trustee.

5. The Fayette County School Board shall instruct their attorney of record to insure that all necessary language is incorporated into a Consent Order to insure that the Court explicitly understands that the County requests and that the Court orders the County Trustee to deduct One Hundred seventy-one Thousand (\$171,000.00) Dollars annually from funds received by the County Trustee which would otherwise be directed to the County School Board.

6. That upon deduction of One Hundred Seventy-One Thousand (\$171,000.00) Dollars annually the County Trustee shall direct said funds to the County Commission to the explicit purpose of payment on the bond debt.

7. The County School Board shall by quitclaim deed or such legal instrument as required by Fayette County or as may be required surrender to the County Commission approximately fifteen (15) acres from the "North Campus" property with said property to be utilized by the County Commission at its discretion; it is anticipated that the fifteen (15) acres will be utilized for the Public Works Department.

8. The School Board to insure that the children of Fayette County are properly served with adequate facilities has requested and secured certain "triggers" which would, if occurring, require the expansion of the new facility. The "trigger" for the expansion for the new elementary school would occur only when the percent utilization of the Central Elementary School and the New School to be built reach the level of occupation of 520 for the new school and 350 for Central Elementary School for at least two consecutive years. If Central Elementary is closed by the School Board, the trigger herein as defined above shall be deemed void and shall not serve to compel expansion of the New School. The parties agree that the trigger is necessary only to require expansion at the new school as would be necessary to accommodate the natural school population expansion in the area being served by the new school without regard to the core size of the construction of the new school, if the trigger is met, the expansion to the new school would only serve to expand the number of classrooms in a number not to exceed additional classrooms to accommodate no more than 200 students. To the extent that this provision is incompatible with any TN law it shall be deemed void and unenforceable regarding the funding rights and duties of the County commission.

Chairman Taylor stated that in the next few weeks there would be appointments to some Boards that now have vacancies.

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

Rhea V. Taylor, County Mayor

Sue W. Culver, County Clerk
