

## FAYETTE COUNTY LEGISLATIVE BODY

November 27, 2013

**BE IT REMEMBERED** that the Fayette County Legislative Body met in regular session at the Bill G. Kelley Criminal Justice Complex in Somerville, Tennessee, on the 26<sup>th</sup> day of November, 2013. 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, Anderson, Brewer, Cox, Dacus, Dowdle, Howard, Kelley, Leggett, Lillard, Logan, Oglesby, Reeves, Seals, Watkins, and Wilson.

Commissioners Judy Karcher and Willie German, Jr. were absent. A quorum was declared with seventeen Commissioners present.

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

Commissioner Wilson moved to approve the minutes from October 22, 2013. The motion was seconded by Commissioner Logan and passed unanimously.

Commissioner Seals moved to approve the following as notaries public: Joseph W. Archer, Kassandra Marion Bernskoetter, Abigail D. Givhan, Jacqueline Ebel Hickey, Angela Fay Higgs, Annie M. Howard, Beverly N. Johnson, Antoine Logan, Joann Miles, Ida Mae Patrick, Becky Saveley Pitts, Tricia A. Porter, Terri L. Richmond, Katia P. Vasser, and Leslie F. Wilson. The motion was seconded by Commissioner Oglesby and passed unanimously.

Chairman Rhea Taylor reported for the County Mayor’s Office stating that the County has received a new bond rating. The rating was AAA with a negative outlook, and now it is AAA rated with no qualifications. Chairman Taylor introduced a new program called “REDI”, which stands for Regional Economic Development Initiative and encourages students in the county to continue with their education after graduation from high school. He is going to present the program at the next Board of Education meeting and hopes they will adopt it. He then mentioned that the last leg of Interstate 385 is now open, and will bring economic development to that end of the County.

There were no reports from the Sheriff’s Department, Board of Education, Juvenile Court, Board of Public Works, or the Trustees Office. John Pitner, Director of Planning and Development addressed the Board, stating that Memphis Metropolitan Planning Organization has invited Oakland and Rossville to join that organization. Also there is legislation pending to change the definition of a subdivision as a division of property from 5 acres to 25 acres, which he sees as a burden to land division and can snowball into a larger problem. Also the legislation includes a provision to empower

developers to develop subdivisions without proper roads to access the subdivision, which is the same problem incurred with the Big Bell Subdivision a couple of years ago.

There were no reports from the Development Committee, Health and Welfare Committee, Personnel Committee, Education Committee or Criminal Justice/ Public Safety Committee, none of which met this month.

Commissioner Wilson reported for the Budget Committee which met on November 12, 2013. He introduced the following "Resolution Authorizing The Sale and Providing The Details Of Not To Exceed \$2.300,000 General Obligation Bonds, Series 2013, Of Fayette County, Tennessee, And Providing For The Levy Of Ad Valorem Taxes In Connection Therewith" for approval. Commissioner Wilson moved that the Resolution be approved. The motion was seconded by Commissioner Lillard, and passed unanimously on a roll call vote.

10.3.6.2

Resolution #2013-11-\_\_\_\_  
(New Money Resolution)

RESOLUTION AUTHORIZING THE SALE AND PROVIDING THE DETAILS OF  
NOT-TO-EXCEED \$2,300,000 GENERAL OBLIGATION BONDS,  
SERIES 2013, OF FAYETTE COUNTY, TENNESSEE,  
AND PROVIDING FOR THE LEVY OF AD VALOREM  
TAXES IN CONNECTION THEREWITH

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 \$2,300,000 General Obligation Bonds, Series 2013 (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 "2011 Initial Resolution") regarding the proposed issuance of bonds to finance 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

WHEREAS, the 2011 Initial Resolution, together with the notice required by Section 9-21-206, Tennessee Code Annotated, as amended, was published as required by law and no petition protesting the issuance of the Bonds was filed with the County Clerk within the time required by Section 9-21-206, Tennessee Code Annotated; and

WHEREAS, the Board later issued its \$4,575,000 General Obligation Bonds, Series 2012, based upon the 2011 Initial Resolution, leaving \$8,425,000 from the 2011 Initial Resolution which has not yet been issued.

WHEREAS, on August 27, 2013 the Board adopted a resolution entitled "INITIAL RESOLUTION DETERMINING TO ISSUE NOT TO EXCEED \$4,000,000 GENERAL OBLIGATION BONDS OF FAYETTE COUNTY, TENNESSEE" (the "2013 Initial Resolution") regarding the proposed issuance of bonds to finance the Project; and

WHEREAS, the 2013 Initial Resolution, together with the notice required by Section 9-21-206, Tennessee Code Annotated, as amended, was published on September 4, 2013, as required by law, and no petition protesting the issuance of the bonds described in the Initial Resolution was filed within twenty (20) days after said publication, pursuant to the requirements of Section 9-21-207, Tennessee Code Annotated, as amended; and

WHEREAS, the Board previously authorized the issuance of not-to-exceed \$10,675,000 of its General Obligation Bonds by resolution adopted July 26, 2011 (the "2011 Detailed Resolution") for purposes of financing capital expenditures relating to public works projects, including, but not limited to, the acquisition, construction and equipping of schools, and thereafter, issued general obligation bonds which utilized \$4,030,000 of the amount authorized

by the 2011 Detailed Resolution, leaving \$6,645,000 in principal which may still be issued therefrom; and

WHEREAS, the Board desires to finance the Project by authorizing an additional \$2,300,000 in debt in order to issue a single issue of bonds in conjunction with the \$6,645,000 previously authorized by the 2011 Detailed Resolution, for a total issuance of bonds not-to-exceed \$8,945,000.

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 an amount of not-to-exceed \$2,300,000, and General Obligation Bonds, Series 2013, 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 2013 of the Issuer in an aggregate principal amount of not-to-exceed \$2,300,000 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 Cumberland Securities 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) "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 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 optional redemption dates set forth herein as authorized in Section 7 and to determine the maturity schedule. 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 determinations and adjustments permitted pursuant to Section 7, the Bonds shall be designated "General Obligation Bonds, Series 2013," 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, 2014, shall mature on April, in the years and in the estimated amounts as determine by the Mayor. The Mayor is authorized to determine the amount of each maturity, 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 determinations to recognize such combined issuance, such determinations 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 and aggregate principal amounts equal to the maturity amounts determined by the Mayor pursuant to this Section 7 for each redemption date, 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, 2015 through April 1, 2021 shall mature without option of prior redemption. Bonds maturing April 1, 2022 and thereafter shall be subject to redemption on April 1, 2021 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 2013

Interest Rate:            Maturity Date:            Date of Bond:            CUSIP No.:

April 1, 2015            \_\_\_\_\_, 2013

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, 2014, 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

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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, 2015 through April 1, 2021 shall mature without option of prior redemption. Bonds of the issue of which this Bond is one maturing April 1, 2022 and thereafter shall be subject to redemption at the option of the Issuer, in whole or in part on April 1, 2021 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 \$8,945,000, 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 resolutions duly adopted by the Board of County Commissioners of the Issuer on July 26, 2011, and November 26, 2013 (collectively, the "Resolution"). 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.

A portion of the Bond shall be additionally payable from, but not secured by, a pledge of funds of the Fayette County School District, including but not limited to its Basic Education Program funds, as approved by and detailed in the September 23, 2013 resolution of the Fayette County Board of Education, and the August 21, 2012, and July 12, 2013 consent orders of the U.S. District Court of the Western District of Tennessee, as modified on November 7, 2013.

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.

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

IN WITNESS WHEREOF, Fayette County, Tennessee, through its Board of County Commissioners, has caused this 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 \_\_\_\_\_, 2013.

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: \_\_\_\_\_

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Authorized Officer

(Form of Assignment)

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

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

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

Signature Guaranteed:

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

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

SECTION 12. 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.

A portion of the Bonds, and any other bonds issued for the same purposes and combined with the issuance of the Bonds, shall be additionally payable from, but not secured by a pledge of funds of the Fayette County School District, including but not limited to its Basic Education Program funds, as approved by and detailed in the September 23, 2013 resolution of the Fayette County Board of Education, and the August 21, 2012, and July 12, 2013 consent orders of the U.S. District Court of the Western District of Tennessee, as modified on November 7, 2013.

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 2013 School Project Fund," (the "School Project Fund") which shall be applied exclusively to pay costs (i) certain capital

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 2013 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. Discharge and Satisfaction of Bonds. If the Issuer shall pay and discharge the indebtedness evidenced by any series of the Bonds in any one or more of the following ways:

(a) By paying or causing to be paid, by deposit of sufficient funds as and when required with the Registration Agent, the principal of and interest on such Bonds as and when the same become due and payable;

(b) By depositing or causing to be deposited with any trust company or financial institution whose deposits are insured by the Federal Deposit Insurance Corporation or similar

federal agency and which has trust powers (an "Agent"; which Agent may be the Registration Agent) in trust or escrow, on or before the date of maturity or redemption, sufficient money or Defeasance Obligations, as hereafter defined, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Bonds and to pay 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); or

(c) By delivering such Bonds to the Registration Agent for cancellation by it; 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 Escrow Agent to pay amounts when and as required to the Registration Agent for the payment of principal of and interest on such Bonds when due, 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 holders 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 either clause (a) or clause (b) above, then the registered owners thereof shall thereafter be entitled only to payment out of the money or Defeasance Obligations deposited as aforesaid.

Except as otherwise provided in this Section, neither Defeasance Obligations nor moneys deposited with the Registration Agent pursuant to this Section nor principal or interest payments on any such Defeasance Obligations shall be withdrawn or used for any purpose other than, and

shall be held in trust for, the payment of the principal and interest on said Bonds; provided that any cash received from such principal or interest payments on such Defeasance Obligations deposited with the Registration 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 Registration 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 Defeasance Obligations maturing at times and in amounts sufficient to pay when due the principal 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 Registration Agent. For the purposes of this Section, Defeasance Obligations shall mean direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, or any agency thereof, obligations of any agency or instrumentality of the United States or any other obligations at the time of the purchase thereof that are permitted investments under Tennessee Law for the purposes described in this Section, which bonds or other obligations shall not be subject to redemption prior to their maturity other than at the option of the registered owner thereof.

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 November 26, 2013.

(SEAL)

ATTEST:

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

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

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Commissioner Wilson moved that the following “Order Granting Motion To Modify Consent Order” be approved. The motion was seconded by Commissioner Oglesby and passed unanimously on a roll call vote.



**RESOLUTION DECLARING OFFICIAL INTENT OF  
REIMBURSEMENT OF CERTAIN CAPITAL EXPENDITURES**

BE IT RESOLVED, by the Board of County Commissioners (the "Board") of Fayette County, Tennessee (the "Issuer"), as follows:

- (a) The Internal Revenue Service has issued Treasury Regulation 1.150-2 (the "Regulation") dealing with the issuance of tax exempt obligations, all or a portion of the proceeds of which are to be used to reimburse a governmental unit for certain expenditures made by such governmental unit prior to the date of issuance of the tax exempt obligations.
- (b) The Regulation generally requires that such governmental unit make a declaration of its official intent to obtain reimbursement for such expenditures out of the proceeds of the subsequently issued tax exempt obligations, that the tax exempt borrowing occur and the reimbursement for previously incurred expenses be made from the proceeds of such tax exempt obligations within 18 months of the payment of such expenditures or, if longer, within 18 months of the date the project is placed in service (but in no event more than three years after the original expenditure is paid).
- (c) The Issuer plans to make capital expenditures, including the purchase of one or more ambulances and vehicles for its sheriff's department (the "Project"), and/or has made such capital expenditures within the past sixty (60) days, and intends to finance all or a portion of such capital expenditures with notes, bonds or other obligations of the Issuer in an amount not expected to exceed a principal amount of \$305,000, the interest of which is intended to be excludable from the gross income of the recipients for federal income tax purposes. The Issuer expects to make such expenditures for costs relating to the Project after the date of this resolution but prior to the issuance of such tax exempt obligations, but may also include any such capital expenditures made within the past sixty (60) days and any other preliminary expenditures permitted by Treasury Regulation 1.150-2.
- (d) This resolution is a declaration of the Issuer's official intent to incur such expenditures in anticipation of reimbursement from the proceeds of tax exempt obligations and is being adopted pursuant to Treasury Regulation 1.150-2.

Passed and approved November 26, 2013.

(SEAL)

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

ATTEST:

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

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, November 26, 2013, insofar as the same pertains to the proceedings in connection with the foregoing *Resolution Declaring Official Intent of Reimbursement of Certain Capital Expenditures*

WITNESS my signature and official seal this the \_\_\_\_ day of November, 2013.

\_\_\_\_\_  
Sue Culver, County Clerk  
Fayette County, Tennessee

(SEAL)

Commissioner Oglesby moved to authorize the Mayor to go ahead and negotiate a price to purchase the police cars and ambulance. The motion was seconded by Commissioner Dowdle and passed unanimously.

Chairman Taylor introduced the following “Report On Debt Obligation” to be entered in the minutes.

10.3.6.4

State Form No. CF-0253 (Rev. 12/11)

REPORT ON DEBT OBLIGATION  
(Pursuant to Tennessee Code Annotated Section 9-21-151)

<b>1. Public Entity:</b> Name <u>Fayette County, TN</u> Address <u>Mayor</u> <u>13095 N. Main Street</u> <u>Somerville, Tennessee 38068</u>	
<b>2. Debt Obligation:</b> <input type="checkbox"/> a. Bond <input checked="" type="checkbox"/> b. COB <input type="checkbox"/> c. DAN <input type="checkbox"/> d. GAN <input type="checkbox"/> e. TRAN <input type="checkbox"/> f. CRAN <input type="checkbox"/> g. Capital Lease <input type="checkbox"/> h. Loan Agreement <small>Note: Enclose a copy of the executed NOTE FORM if applicable.</small>	<b>5. Face Amount of Debt Obligation:</b> <u>\$495,000.00</u> <b>Premium/Discount:</b> _____
<b>3. Security For Debt Obligation:</b> <input checked="" type="checkbox"/> a. General Obligation <input type="checkbox"/> b. General Obligation+Revenue+Tax <input type="checkbox"/> c. Revenue <input type="checkbox"/> d. TIF <input type="checkbox"/> e. Annual Appropriations	<b>6. Type of Sale:</b> <input type="checkbox"/> a. Competitive Public Sale <input checked="" type="checkbox"/> b. Informal Bid <input type="checkbox"/> c. Negotiated Sale <input type="checkbox"/> d. Loan Program
<b>4. Purpose of Issue:</b> <input type="checkbox"/> a. General Government <input checked="" type="checkbox"/> b. Education <u>100.00%</u> <input type="checkbox"/> c. Highways and Streets <input type="checkbox"/> d. Public Safety <input type="checkbox"/> e. Solid Waste Disposal <input type="checkbox"/> f. Industrial Park <input type="checkbox"/> g. Manufacturing Facilities <input type="checkbox"/> h. Health Facilities <input type="checkbox"/> i. Airports <input type="checkbox"/> j. Utilities <input type="checkbox"/> i. Water <input type="checkbox"/> ii. Sewer <input type="checkbox"/> iii. Electric <input type="checkbox"/> iv. Gas <input type="checkbox"/> k. Refunding or Renewal <input type="checkbox"/> l. Other _____ <small>specify:</small>	<b>7. Tax Status:</b> <input type="checkbox"/> a. Tax Exempt <input checked="" type="checkbox"/> b. Tax Exempt - Bank Qualified <input type="checkbox"/> c. Taxable
<b>8. Dated Date:</b> <u>November 18, 2013</u>	<b>9. Issue Date (Closing Date):</b> <u>November 18, 2013</u>
<b>10. Ratings:</b> a. Moody's _____ b. Standard & Poor's _____ c. Fitch _____ d. Unrated _____	<b>11. Interest Cost:</b> <u>2.4744345%</u> <input checked="" type="checkbox"/> a. TIC <input type="checkbox"/> b. NIC <input type="checkbox"/> c. Variable: Index ___ plus ___ bps <input type="checkbox"/> d. Other
<b>12. Recurring Costs:</b> a. Remarketing Agent (bps) _____ b. Liquidity (bps) _____ c. Credit Enhancements (bps) _____	



**15. Itemized Description of the Cost of Issuance**

(Round to Nearest Dollar)

		Name of Firm
a. Financial Advisor Fees*	\$0	Cumberland Securities Company, Inc
b. Legal Fees:		
i. Bond Counsel	\$7,100	Glankler Brown, PLLC
ii. Issuer's Counsel		
iii. Trustee's Counsel		
_____		
_____		
c. Paying Agent Fees and Registration Fees		
d. Trustee Fees		
e. Remarketing Agent Fees		
f. Liquidity Fees		
g. Rating Agency Fees		
h. Credit Enhancement Fees		
i. Underwriter's Discount 1.126%		
ii. Take Down		
iii. Management Fee		
iv. Risk Premium		
v. Underwriter's Counsel		
vi. Other Expenses		
j. Printing and Advertising Fees		
k. Issuer Fees		
l. Real Estate Fees		
m. Bank Closing Costs		
n. Other Costs		
<b>Total Costs</b>	<b>\$7,100</b>	

\*If other costs are included, please itemize

Note: Enclose a copy of the DISCLOSURE DOCUMENT/OFFICIAL STATEMENT if applicable.

**16. Description of Continuing Disclosure Obligations**

(Use additional Pages if necessary)

Individual Responsible for Completion: Dissemination Agent - Cumberland Securities  
 Date Annual Disclosure is due: By June 30 of each year

By June 30 of each year, the Annual Report (and audited financial statements if filed separately) and any notices will be filed by the County with the Municipal Securities Rulemaking Board ("MSRB") at www.emma.msrb.com. The County is not required to file a report on the Notes but it required to file on other outstanding bonds.

**17. Description of Compliance with Written Debt Management Policy:**  
 (Use additional pages if necessary)

The County Commission of Fayette County, TN adopted a Debt Mangement Policy on October 25, 2011, and the Policy has been filed with the State in accordance with the requirements of the State of Tennessee regarding the adoption of a formal debt management policy. The Bonds comply with the Debt Management Policy.

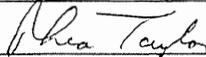
The debt is pre-payable at any time without premium or penalty.

The interest rate is a fixed rate.

The Debt was offered to local banks and negotiated with the bank providing the most favorable proposal.

The County entered into an engagement contract with bond counsel

**18. (If any) Description of Derivative and Compliance with Written Derivative Management Policy:**  
 (Use additional pages if necessary)

<p>19</p> <p><u></u>          Authorized Representative  <u>County Mayor</u>          Title  <u>11/18/13</u>          Date  <u>rtaylor@fayettein.us</u>          Email</p>	<p><u>Joseph K. Ayres</u>          Preparer  <u>President</u>          Title  <u>Cumberland Securities Company, Inc.</u>          Firm  <u>11/18/13</u>          Date  <u>joey.ayres@cumberlandsecurities.com</u>          Email</p>
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20  
 Submitted to the Governing Body on 11/26/13 and presented at its public meeting held on 11/26/13

COPY TO: Director - Office of State and Local Finance, 505 Deaderick Street, Suite 1600,  
 James K. Polk State Office Building, Nashville TN 37243-1402

Commissioner Wilson moved to approve the following “Resolution Authorizing The Submission Of A State Of Tennessee Fasttrack Infrastructure Development Program And Industrial Access Grant Application And Matching Funds”. The motion was seconded by Commissioner Dowdle and passed unanimously.

10.3.6.5

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

FAYETTE COUNTY, TENNESSEE

WHEREAS, *Fayette County and the State of Tennessee, Department of Economic and Community Development have worked jointly and diligently towards the recruitment of Project Prisma located within Fayette County limits; and,*

WHEREAS, *an inquiry to expand has been received from the said prospect, provided that adequate infrastructure such as roads, gas, electricity, sewer, water, and telecommunication highway crossings can be installed to accommodate their infrastructure needs, and;*

WHEREAS, *the Prospect will be responsible for providing the local match for the FIDP grant, and other related costs; and,*

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

NOW THEREFORE, *be it resolved by the Fayette County Commission, Meeting in regularly scheduled monthly session on November 26, 2013 at the Bill G. Kelly Justice Center in Somerville, Tennessee, that the County Mayor Rhea Taylor be and is hereby authorized to execute a grant application and other necessary documents related to the filing of a State of Tennessee's, Tennessee Industrial Infrastructure Program grant and Industrial Access Grant, for the use and benefit of the Fayette County, on the industrial project as described herein; and,*

THEREFORE, *Fayette County Mayor Rhea Taylor, be and is hereby designated and appointed as Financial Officer under the terms and pursuant to the Tennessee Code Annotated, as amended, and perform on behalf of Fayette County, Tennessee, those acts and assume such duties as are consistent with the said position.*

READ AND ADOPTED this the 26th day of November, 2013

10.3.6.5

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

FAYETTE COUNTY, TENNESSEE

WHEREAS, *Fayette County and the State of Tennessee, Department of Economic and Community Development have worked jointly and diligently towards the recruitment of Project Prisma located within Fayette County limits; and,*

WHEREAS, *an inquiry to expand has been received from the said prospect, provided that adequate infrastructure such as roads, gas, electricity, sewer, water, and telecommunication highway crossings can be installed to accommodate their infrastructure needs, and,*

WHEREAS, *the Prospect will be responsible for providing the local match for the FIDP grant, and other related costs; and,*

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

NOW THEREFORE, *be it resolved by the Fayette County Commission, Meeting in regularly scheduled monthly session on November 26, 2013 at the Bill G. Kelly Justice Center in Somerville, Tennessee, that the County Mayor Rhea Taylor be and is hereby authorized to execute a grant application and other necessary documents related to the filing of a State of Tennessee's, Tennessee Industrial Infrastructure Program grant and Industrial Access Grant, for the use and benefit of the Fayette County, on the industrial project as described herein; and,*

THEREFORE, *Fayette County Mayor Rhea Taylor, be and is hereby designated and appointed as Financial Officer under the terms and pursuant to the Tennessee Code Annotated, as amended, and perform on behalf of Fayette County, Tennessee, those acts and assume such duties as are consistent with the said position.*

READ AND ADOPTED this the 26th day of November, 2013

\_\_\_\_\_  
Signature

Rhea Taylor, County Mayor  
FAYETTE COUNTY GOVERNMENT

ATTEST: \_\_\_\_\_

Commissioner Anderson moved to approve the following “Resolution To Cancel The December 2013 County Commission Meeting For Fayette County”. The motion was seconded by Commissioner Seals and passed unanimously.

11.

**RESOLUTION TO CANCEL DECEMBER 2013 COUNTY COMMISSION MEETING  
FOR FAYETTE COUNTY**

**WHEREAS**, *Tennessee Code Annotated*, 5-5-104, permits counties, upon a majority vote of their respective county legislative bodies, to enact a resolution stipulating the time, day and place of their county legislative body's regular meeting, and

**WHEREAS**, Fayette County is required to have at least four meetings per year, and has fulfilled the requirement, and

**WHEREAS**, the December Fayette County Commission meeting would occur during the busy holiday season surrounding Christmas and New Year's, and

**WHEREAS**, there being no urgent business of the Fayette County Commission, or business that cannot be resolved by a special called meeting of the Fayette County Commission,

**NOW, THEREFORE, BE IT RESOLVED** by the county legislative body of Fayette County that the December 24, 2013 meeting of the Fayette County Commission is cancelled.

Adopted this 26<sup>th</sup> day of November, 2013.

APPROVED: ATTEST:

\_\_\_\_\_  
County Commission Chairman

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

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

\_\_\_\_\_  
Rhea Taylor, County Mayor

ATTEST:

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Sue Culver, County Clerk

