

6.1

FAYETTE COUNTY LEGISLATIVE BODY

OCTOBER 22, 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 22nd day of October, 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, Charles Brewer, Odis Cox, Charles "Chuck" Dacus, Lee "Sissy" Dowdle, Willie German, Jr., Reggie Howard, Judy Karcher, Bill Kelley, Terry Leggett, David Lillard, Sylvester Logan, Claude Oglésby, Steve Reeves, Ray Seals, Larry Watkins, and Myles Wilson.

Commissioner Steve Anderson was absent.

The floor was opened to the public to speak on non-agenda items. Hattie Williams of the Somerville area addressed the Commission regarding the importance of educating children and the County's responsibility to do the right thing where education is concerned. Dana Pittman addressed the Commission and stated that the Mega School grant the School Board had applied for did not come through.

Commissioner Joann Allen pointed out 2 errors in the minutes for September, but moved to approve the minutes with the changes. The motion was seconded by Commissioner Howard, and passed unanimously.

The floor was opened for a public hearing in the matter of establishing a speed limit on Clement Drive in the 11th Civil District of Fayette County. With no one speaking "For" or "Against", the floor was closed.. Commissioner Lillard moved that the speed limit be approved. The motion was seconded by Commissioner Howard and passed unanimously as follows:

NOTICE OF INTENTION TO PROPOSE RESOLUTION

I, David H. Lillard, Sr., duly elected member of the Fayette County Legislative Body, representing the 6th Commissioner District of Fayette County, Tennessee, do hereby give public notice of my intention to propose a Resolution regulating the speed limit to 35 miles per hour on Clement Drive in its entirety (1.16 miles), from its intersection with Hewlett Dr. on the west to its intersection with Good Springs Loop on the east, being located in the 1th Civil District of Fayette County, Tennessee and providing for the enforcement thereof.

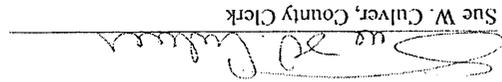


David H. Lillard, Sr. County Commissioner

RESOLUTION

BE IT RESOLVED, by the Board of County Commissioners and/or County Legislative Body of Fayette County, Tennessee, in regular session assembled on this 22nd day of October, 2013, being the fourth Tuesday of said month and the regular monthly meeting date of the October said County Legislative Body, in the Criminal Justice Complex at Somerville, Tennessee, that pursuant to the provisions of Chapter No. 357 of the Private Acts of Tennessee 1967-68, and amendments thereto, it shall be unlawful for any person to operate or drive a motor vehicle in excess of thirty-five (35) miles per hour on Clement Drive in its entirety, a distance of 1.16 miles from its intersection with Hewlett Drive on the west to its intersection with Good Springs Loop on the east being located in the 1th Civil District of Fayette County, Tennessee: and **BE IT FURTHER RESOLVED** that any person violating the provisions of this Resolution shall be guilty of a misdemeanor and punished accordingly.

The above is a copy of a Resolution filed in my office on the 25th day of September, 2013, by Commissioner David H. Lillard, Sr. Said Resolution may be considered at any time within two weeks after the date said Resolution was filed.


Sue W. Culver, County Clerk

Commissioner Seals moved that the following be elected notaries public: Rebecca Brigman, Debora D. Dickerson, Karla M. Feeney, Rosemary Fiers, Susan Taylor Gaugh, Sandra F. Houston, Christina A. Johnson, Cassie Smith, Sonia W. Thomas, and Leigh Willburn, The motion was seconded by Commissioner Logan and passed unanimously.

Commissioner Oglesby moved that John Arnett be appointed to the Zoning Appeals Board. The motion was seconded by Commissioner Brewer and passed unanimously.

Commissioner Lillard moved that Wendell Wainwright be appointed to the Library Board. The motion was seconded by Commissioner Kelley, and approved unanimously.

Chairman Taylor pointed out the financial reports in the Commissioners' packets and stated that any questions should be directed to the appropriate official.

In reporting for the Mayor's Office, Chairman Taylor gave an update on the Wing helicopter that crashed inside the Somerville City Limits early on Tuesday morning. The helicopter was on its way to Bolivar to pick up a child to take to Lebonheur Children's Hospital. Chairman Taylor asked that the families of the three victims on board be remembered in prayer.

There were no reports from the Sheriff's Department, Juvenile Court, Board of Public Works, Trustee's Office, or the Office of Planning and Development. Mr. Teague reported that he was not pleased with the way this month's financial report for the schools came out, and that the report would be improved on next month.

Commissioner Wilson stated that he was not present at this month's Development Committee meeting, so Commissioner Howard reported for that Committee, which met on October 7, 2013. The Committee discussed the Zoning Appeals Board nomination of Mr. Arnett, and the speed limit on Clement Drive. The Committee approved both and forwarded them to the full Commission with recommendation for approval.

Commissioner Joann Allen stated the Health and Welfare Committee met October 7, 2013, and discussed the Ambulance Revenue and Expenditures Report for July, August, and September.

Commissioner Oglesby stated that the Personnel Committee did not meet.

The Criminal Justice and Public Safety Committee did not meet.

Commissioner Lillard reported for the Education Committee which met on October 8, 2013. The Committee discussed the nomination of Wendell Wainwright to the Library Board and the Library Report by librarian Laura Winfrey. The Committee moved to approve the nomination of Wendell Wainwright and forward it to the full Commission. The Library requests were held for more specific information.

Commissioner German reported for the Budget Committee which met on October 8, 2013. The Committee discussed a resolution to borrow funds for the school buses that the Commission approved this summer. The resolution is to borrow \$495,000 from local banks which the School Board will be responsible for paying back. Commissioner

German moved that the Resolution be adopted as follows. The motion was seconded by Commissioner Oglesby and passed unanimously.

Resolution # _____

RESOLUTION AUTHORIZING THE SALE BY THE COUNTY MAYOR AND PROVIDING
THE DETAILS OF NOT TO EXCEED \$495,000 SCHOOL BUS CAPITAL OUTLAY NOTES
AND PROVIDING FOR THE LEVY OF AD VALOREM TAXES IN CONNECTION
THEREWITH.

WHEREAS, the Board of County Commissioners (the "Governing Body") of Fayette County, Tennessee (the "Issuer") has determined that it is necessary to make certain capital expenditures in connection with public works projects as described in Section 9-21-105 of the Tennessee Code Annotated, as amended, including but not limited to the purchase of transportation equipment for schools (the "Project"); and

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

WHEREAS, the Issuer proposes to issue not to exceed \$495,000 School Bus Capital Outlay Notes, Series 2013 (the "Notes") pursuant to authority of Sections 9-21-101 *et seq.* of the Tennessee Code Annotated, as amended, to provide financing for the Project; and

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

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

SECTION 1. In order to provide financing for capital expenditures in connection with public works projects as described in Section 9-21-105 of the Tennessee Code Annotated, as amended, including but not limited to the purchase of transportation equipment for schools (the "Project"), the Issuer shall borrow a sum not exceeding \$495,000 School Bus Capital Outlay Notes, Series 2013 of the Issuer in the principal amount borrowed shall be issued pursuant to Sections 9-21-101 *et seq.*, inclusive, of the Tennessee Code Annotated as amended. It is hereby

found and determined by the Governing Body that (a) the Project is necessary and in the best interests of the Citizens of the Issuer, (b) the issuance of the Notes as soon as practicable is feasible and is in the best interests of the Issuer, (c) the Issuer will be able to amortize the Notes and all other indebtedness now outstanding and any indebtedness anticipated to be issued by the Issuer, and (d) the issuance of the Notes will be in compliance with the Issuer's Debt Management Policy.

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

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

(b) "Debt Management Policy" shall mean the Debt Management Policy adopted by the Governing Body on October 25, 2011;

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

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

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

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

(g) "Notes" shall mean the School Bus Capital Outlay Notes, Series 2013, of the Issuer, in an aggregate amount not to exceed the principal amount specified in Section 1, to be dated as of their date of issuance or as otherwise permitted pursuant to Section 8, authorized to be issued by this resolution;

(h) "Project" shall mean (i) capital expenditures in connection with public works projects as described in Section 9-21-105 of the Tennessee Code Annotated, as amended,

including but not limited to the purchase of transportation equipment for schools; and (ii) the payment of legal, fiscal, engineering and administrative costs incident to the foregoing and to the issuance of the Notes.

SECTION 3. The Mayor is hereby authorized and directed to determine the principal amount of the Notes not to exceed the principal amount specified in Section 1 to be actually issued (which may be in one or more emissions) and to effect adjustments in the date of maturity and optional redemption provisions set forth herein as authorized in Section 8. The determinations made by the Mayor, as described above, and the finalization of the details of the Notes and sale of the Notes to the purchaser by the Mayor shall be binding on the Issuer and no further action by the Governing Body with respect thereto shall be required.

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

SECTION 4. The Mayor is hereby authorized and directed to contact at least three (3) financial institutions located in the State of Tennessee, as determined by the Mayor, and ask them to provide a rate or rates of interest for the term or terms of the Notes, and the Mayor is further authorized and directed to finalize a sale of the Notes to the financial institution that he believes in his discretion has provided the most favorable proposal as to such rate or rates.

SECTION 5. The Mayor is hereby authorized and directed to provide appropriate financial information to the proposed note purchasers, provided, however, that no official

statement shall be required in connection with the sale of the Notes to one or more banks or financial institutions that execute appropriate investment letters in connection with such purchase.

SECTION 6. The Mayor is hereby authorized and directed to sell School Bus Capital Outlay Notes, Series 2013, to determine the principal amounts of the Notes not to exceed the amounts specified in Section 1 to be actually issued (which may be in one or more emissions), to effect adjustments in the maturity schedules and optional redemption provisions set forth herein as authorized in Section 8, and to sell the Notes at not less than ninety-nine percent (99%) of the par value. The determinations by the Mayor, as described above, and the sale of the Notes by the Mayor shall be binding on the Issuer and no further action by the Governing Body with respect thereto shall be required.

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

SECTION 7. Subject to the adjustments permitted pursuant to Section 6, the Notes shall be designated "School Bus Capital Outlay Notes, Series 2013," shall be dated as of their date of issuance, shall be numbered from 1 upward and shall be of any denomination, including but not limited to a single note with principal retirement provisions or notes which mature in accordance with the following principal retirement schedule or as otherwise determined by the Mayor:

Year	Principal Amount
December 1, 2014	55,000.00
December 1, 2015	55,000.00
December 1, 2016	60,000.00
December 1, 2017	60,000.00
December 1, 2018	65,000.00
December 1, 2019	65,000.00

December 1, 2020	65,000.00
December 1, 2021	<u>70,000.00</u>
TOTAL:	\$495,000.00

SECTION 8. The Notes shall bear interest, payable not less than annually, as determined by the Mayor, at the rates per annum approved by the Mayor, not to exceed five percent (5.0%) per annum, shall mature not later than nine (9) years from the date of issuance, and shall be repaid in substantially equal installments of principal, as determined by the Mayor.

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

The term of the Notes will not exceed the reasonably expected economic life of the Project, which is hereby certified by the Governing Body to be at least nine (9) years.

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

SECTION 10. The Notes shall be payable, both principal and interest, in lawful money of the United States of America at a financial institution designated by the Notcholder in the State of Tennessee. Payment of principal of and premium, if any, and interest on the Notes shall be made upon presentation and surrender of such Notes to the Note Registrar at maturity or upon earlier redemption.

The Notes are transferrable only by presentation to the Note Registrar by the registered owner, or his legal representative duly authorized in writing, of the registered Note(s) to be transferred with the form of assignment on the reverse side thereof (or attached thereto) completed in full and signed with the name of the registered owner as it appears upon the face of the Note(s) accompanied by appropriate documentation necessary to prove the legal capacity of any legal representative of the registered owner. Upon receipt of the Note(s) in such form and with such documentation, if any, the Note Registrar shall issue a new Note or Notes to the assignee(s) in such authorized denominations, as requested by the registered owner requesting transfer. No charge shall be made to any registered owner for the privilege of transferring any Note, provided that any transfer tax relating to such transaction shall be paid by the owner requesting transfer. The person in whose name any Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the Issuer nor the Note Registrar shall be affected by any notice to the contrary, including, but not limited to, any previous transfer request not accompanied by acceptable documentation.

The Notes shall be signed by the County Mayor with his manual or facsimile signature, shall be attested by the County Clerk by his or her manual or facsimile signature, and shall have imprinted or impressed thereon the official seal of the Issuer (or a facsimile thereof).

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

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

No charge shall be made to any registered owner for the privilege of transferring any Note, provided that any transfer tax relating to such transaction shall be paid by the registered owner requesting transfer. The person in whose name any Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the Issuer nor the Note Registrar shall be affected by any notice to the contrary whether or not any payments due

KNOW ALL MEN BY THESE PRESENTS: That Fayette County in the State of Tennessee (the "Issuer"), for value received hereby promises to pay to the registered owner hereof, hereinabove named, or registered assigns, in the manner hereinafter provided, the principal amount hereinabove set forth on the maturity date hereinabove set forth (or upon earlier redemption as set forth herein), and to pay interest on said principal amount at the annual rate of interest hereinabove set forth from the date hereof until said maturity date or redemption date, said principal and interest being payable on June 1, 2014, and annually thereafter until this Note matures or is redeemed. The Issuer shall make principal payments as follows:

REGISTERED
 Number _____
 REGISTERED
 \$495,000.00
 UNITED STATES OF AMERICA
 STATE OF TENNESSEE
 FAYETTE COUNTY
 SCHOOL BUS CAPITAL OUTLAY NOTE, SERIES 2013
 Interest Rate: _____
 Maturity Date: December 1, _____
 Date of Note: _____, 2013
 Registered Owner: _____
 Principal Amount: _____

(Form of Note)

form with appropriate adjustments:
 SECTION 11. The Notes shall be issued as a single note in substantially the following
 Notes of the same maturity in any authorized denomination or denominations.
 on the Notes shall be overdu. The Notes, upon surrender to the Note Registrar, may, at the
 option of the registered owner, be exchanged for an equal aggregate principal amount of the

<u>Maturity Date</u>	<u>Principal Amt.</u>
December 1, 2014	55,000.00
December 1, 2015	55,000.00
December 1, 2016	60,000.00
December 1, 2017	60,000.00
December 1, 2018	65,000.00
December 1, 2019	65,000.00
December 1, 2020	65,000.00
December 1, 2021	<u>70,000.00</u>
TOTAL	\$495,000.00

This Note represents a straight line of credit in an authorized principal amount not-to-exceed \$495,000. Once the total amount has been advanced, the Issuer is not entitled to further loan advances. Advances under this Note shall be requested in writing by the Mayor and all such requests for advances shall be made on or before March 1, 2014. The unpaid balance owing on this Note may be evidenced by endorsements on this Note or by the Registered Owner's internal records, including daily computer printouts.

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

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

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

This Note is issued for the purpose of providing funds to finance (i) capital expenditures in connection with public works projects as described in Section 9-21-105 of the Tennessee Code Annotated, as amended, including but not limited to the purchase of transportation equipment for schools; and (ii) the payment of legal, fiscal, and administrative costs incident to the foregoing and to the issuance of Notes, and is issued under and pursuant to and in full compliance with the Constitution and statutes of the State of Tennessee, including Tennessee Code Annotated, Sections 9-21-101 *et seq.*, inclusive, and pursuant to a Resolution duly adopted by the Board of County Commissioners of Fayette County, Tennessee, on October 22, 2013. It is hereby

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

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

If applicable, the following shall be included:

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

IN WITNESS WHEREOF, Fayette County, Tennessee, through its Board of County Commissioners, has caused this Note to be signed by its Mayor by his manual or facsimile signature and countersigned by the manual or facsimile signature of its County Clerk under the impressed or imprinted seal (or a facsimile thereof) of the Issuer all as of the ____ day of _____, 2013.

COUNTERSIGNED: (SEAL) FAYETTE COUNTY, TENNESSEE

County Clerk

County Mayor

Transferable at the office of
the Fayette County Clerk

Date of Registration: _____, 2013

This single Note represents the entire issue of Notes issued pursuant to the Resolution

hereinaabove described.

Sue Culver
Fayette County Clerk

(Form of Assignment)

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

_____ whose address is

| _____ (please insert social security number or tax identification

number)], the within mentioned Note and hereby irrevocably constitutes and appoints the Fayette

County Clerk, as Note Registrar, to transfer the same on the books kept for registration thereof,

with full power of substitution in the premises.

Dated: _____

Registered Owner

Signature Guaranteed:

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

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

(No writing in this blank except by the Registrar)

Date of Registration	In Whose Name Registered	Signature of Registrar

SECTION 12. When the Notes hereby authorized are issued, the same shall be the absolute and general obligations of Fayette County, Tennessee, to the payment of which the full faith, credit and resources of Fayette County, Tennessee, are hereby irrevocably pledged, and in order to provide for the payment of the Notes and the interest thereon, there shall be and there is hereby directed to be levied and collected, at the same time and in the same manner as other taxes of Fayette County, Tennessee, are levied and collected, a direct, continuing annual tax upon all taxable property within the boundaries of Fayette County, Tennessee, in such amount as may be found necessary each year to provide for the payment of the principal of the Notes and the interest thereon, as the same mature and become due.

It shall be the duty of the tax-levying and collecting authorities of Fayette County, Tennessee, in each year while any of the Notes issued hereunder shall remain outstanding and unpaid, without any further direction or authority to levy and collect the taxes herein provided for, and the rate of taxation to be levied in each year shall be sufficient, after making allowance for delinquencies in the payment of taxes and the cost of collection, to provide the sums required in each year for the payment of the principal and the interest on the Notes. Should there be a failure in any year to comply with the requirements of this Section, such failure shall not impair the right of the holders of any of the Notes in any subsequent year to have adequate taxes levied and collected to meet the obligations of the Notes herein authorized to be issued, both as to principal and interest. Principal and interest falling due at any time when there are insufficient funds on hand shall be paid from the current funds of the Issuer and reimbursement therefor shall be made out of the taxes hereby provided to be levied when the same shall have been collected. The tax herein provided may be reduced to the extent of direct appropriations from the general funds of the Issuer to the payment of debt service on the Notes.

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

SECTION 14. From the proceeds of the sale of the Notes, accrued interest (if any) shall be deposited to the Note Fund of the Issuer and used to pay interest on the Notes at maturity.

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

The balance of the proceeds from the sale of the Notes shall be deposited with the County Trustee and shall be kept separate and apart from all other funds of the Issuer in a special fund hereby designated as the "Fayette County, Tennessee, 2013 School Bus Capital Projects Fund," (the "Capital Projects Fund") which shall be applied exclusively to pay (i) capital expenditures in connection with public works projects as described in Section 9-21-105 of the Tennessee Code Annotated, as amended, including but not limited to the purchase of transportation equipment for schools; and (ii) legal, fiscal, and administrative costs incident to the foregoing; and it shall be used for no other purposes. Any Note funds not put to immediate use shall be deposited at interest by the County Trustee until needed. The interest arising therefrom shall be used only towards retiring the Notes or may be added to Note proceeds and used for the same purposes. Money in the Capital Projects Fund shall be secured in the manner prescribed by applicable statutes relative to the securing of public or trust funds, if any, or, in the absence of such a statute, by a pledge of readily marketable securities having at all times a market value of not less than the amount in the Capital Projects Fund.

SECTION 15. The Issuer recognizes that the purchasers and holders of the Notes will have accepted them on, and paid therefor a price that reflects, the understanding that interest thereon is exempt from federal income taxation under laws in force on the date of delivery of the Notes. In this connection, the Issuer agrees that it shall take no action which may render the interest on any of said Notes subject to federal income taxation and agrees to take all action as may be necessary to comply with the provisions of the Code and regulations thereunder in order to maintain or assure the tax exempt status of the Notes. It is the reasonable expectation of the

Governing Body of the Issuer that the proceeds of the Notes will not be used in a manner which will cause the Notes to be "arbitrage bonds" within the meaning of Section 148 of the Code, including any lawful regulations promulgated or proposed thereunder (or under corresponding provisions of prior law, if applicable), and to this end the said proceeds of the Notes and other related funds established for the purposes herein set out, shall be used and spent expeditiously for the purposes described herein. The County Mayor, County Clerk and County Trustee or any of them, are authorized and directed to make such certifications in this regard in connection with the sale of the Notes as they shall deem appropriate, and such certifications shall constitute representations and certifications of the Issuer.

SECTION 16. If applicable, the Issuer authorizes the County Mayor to designate the Notes as "qualified tax-exempt obligations" for purposes of Section 265(b) (3) (B) of the Code and, if applicable, to covenant that the Notes do not constitute private activity bonds as defined in Section 141 of the Code, and that not more than \$10,000,000 aggregate principal of obligations the interest on which is excludable (under Section 103(a) of the Code) from gross income for federal income taxes (excluding, however, private activity bonds as defined in Section 141 of the Code and further excluding bonds issued to refund, other than to advance refund, other bonds to the extent the amount of the refunding bonds do not exceed the outstanding amount of the refunded bonds), including the Notes, have been or are reasonably expected to be issued by the Issuer, including all subordinate entities of the Issuer, during the calendar year 2013.

SECTION 17. If the Issuer shall pay and discharge the indebtedness evidenced by any of the Notes in any one or more of the following ways, to wit:

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

(b) By depositing or causing to be deposited with any trust company or bank whose deposits are insured by the Federal Deposit Insurance Corporation and which has trust powers (as "Agent"), in trust, on or before the date of maturity or redemption, sufficient money or Obligations of the United States of America, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Notes and to pay premium, if any, and interest thereon when due until the maturity or redemption date (provided, if such Notes are to be redeemed prior to maturity thereof, proper notice of such redemption shall have been given or adequate provision shall have been made for the giving of such notice) and if the Issuer shall, also pay or cause to be paid all other sums payable hereunder by the Issuer with respect to such Notes, or make adequate provision therefor, and by resolution of the Governing Body instruct any such Agent to pay amounts when and as required to the Noteholders for the payment of principal of and interest and redemption premiums, if any, on such Notes when due; or

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

If the Issuer shall pay and discharge the indebtedness evidenced by any of the Notes in the manner provided in either clause (a) or clause (b) above, then the registered owners thereof shall thereafter be entitled only to payment out of the money or Obligations of the United States of America deposited as aforesaid.

Except as otherwise provided in this Section 17, neither the Obligations of the United States of America nor moneys deposited with the County Trustee or Agent pursuant to this Section nor principal or interest payments on any such Obligations of the United States of America shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal and premium, if any, and interest on said Notes; provided, that any cash received from such principal or interest payments on such Obligations of the United States of America deposited with the County Trustee or Agent, (A) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Obligations of the United States of America maturing at times and in amounts sufficient to pay when due the principal and premiums, if any, and interest to become due on said Notes on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the Issuer, as received by the County Trustee or Agent.

SECTION 18. This Resolution also establishes the official intent of the Issuer to finance costs of the Project by the issuance of the Notes and to reimburse the Issuer for capital expenditures made by the Issuer with respect to the Project from other sources prior to the issuance of the Notes, including any such expenditures made up to sixty (60) days prior to the adoption of this Resolution.

SECTION 19. The provisions of this Resolution shall constitute a contract between the Issuer and the registered owners of the Notes, and after the issuance of the Notes, no change, variation or alteration of any kind in the provisions of this Resolution shall be made in any manner until such time as the Notes and interest due thereon shall have been paid in full except such changes as shall be required to assure the validity and/or tax exempt status of the Notes.

SECTION 20. 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 21. All orders or resolutions in conflict herewith be and the same are hereby repealed insofar as such conflict exists.

SECTION 22. This resolution shall take effect from and after its approval, the general welfare of Fayette County requiring it.

Passed and approved October 22, 2013.

ATTEST:

County Mayor

County Clerk

Commissioner Howard moved to give the Mayor the authority to plan a memorial service for the medical personnel killed in the helicopter crash on Tuesday morning, and if possible to coordinate this service with the memorial in Shelby County on Tuesday. The motion was seconded by Commissioner Leggett and passed unanimously.

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

Rhea Taylor, County Mayor

ATTEST:

Sue W. Culver, County Clerk

