

## FAYETTE COUNTY LEGISLATIVE BODY

FEBRUARY 25, 2014

**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 25<sup>th</sup> day of February, 2014. Present and presiding was Chairman Rhea Taylor. Also present were the following: Sue W. Culver, County Clerk, James R. "Bobby" Riles, Sheriff; and the following County Commissioners: Ed Allen, Joann Allen, Steve Anderson, Charles Brewer, Odis Cox, Charles "Chuck" Dacus, Lee "Sissy" Dowdle, Willie German, Jr., Reggie Howard, Bill Kelley, Terry Leggett, David Lillard, Sylvester Logan, Claude Oglesby, Steve Reeves, Ray Seals, Larry Watkins, and Myles Wilson.

Commissioner Judy Karcher was absent. A quorum was declared with 18 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 Reeves moved that the minutes from January 28, 2014 be approved. The motion was seconded by Commissioner Watkins and passed unanimously.

Commissioner Logan moved that the following be elected notaries public: Lisa Birmingham, Rebecca N. Coradini, Dana P. Gossett; Sharon Hobson, Andrew S. Johnston, Central D. Laird, Tammy G. Lewis, Joyce J. Murphy, Lolly A. Pierson, Novalyn S. Pulliam, Jose Renzo Rojas, Judy H. Sides, John F. Smith, and Ann L. Williams. The motion was seconded by Commissioner Seals and passed unanimously.

Chairman Taylor announced that financial reports are in the Commissioners packets, and if there are any questions, please contact the appropriate officials.

Chairman Taylor reported for the County Mayor's Office, stating that there are a couple of new businesses that may locate in this county. Right now they are looking in the Rossville area, but they have also expressed interest in Marshall County, Mississippi, and Shelby County. We are hoping they will choose to locate in the Rossville area, but it will be a little while before we know the outcome.

No reports were given for the Fayette County Sheriff's Department, Board of Education, Juvenile Court, Board of Public Works, the Trustee's Office, or the Office of Planning and Development.

Commissioner Wilson reported for the Development Commitment which met on February 10, 2014. The Committee discussed an old road bed in the Odis Hicks Subdivision off Meadows and Forest Drive in Civil District 8. Both the Public Works Board and the Planning Commission have approved the transfer. Billy Reeves, the

adjoining landowner has asked that the property be deeded to him so that he can clean it up. Commissioner Wilson moved that the property be deeded to Mr. Reeves, provided he pays all the costs of the transfer. The motion was seconded by Commissioner Watkins and passed unanimously.



Description of an old road (not open) being the Fayette County, Tennessee property, as shown along the south side of Odis Hicks Subdivision, Section B, in Plat Book 2, page 156 in the Fayette County Register's Office and being located in the 8<sup>th</sup> Civil District of Fayette County, Tennessee.

Beginning at a found iron rod in the east line of Meadow Road, being the southwest corner of Lot 115, Odis Hicks Subdivision, Section B; Thence South 86°11'30" East, along the south line of said Lot 115, a distance of 373.40 feet to a found iron rod at the southeast corner of said Lot 115 and being in the west line of the Reeves Property recorded in Book 100, page 179; Thence South 04°28'29" West, along said west line, a distance of 49.21 feet to a point in the north line of Lot 81, Northwood Estates Subdivision, Phase 2 recorded in Plat Book 8, page 68; Thence North 84°52'52" West, along the north line of Lots 81 & 82 of said Northwood Estates Subdivision, Phase 2 and the north line of Northwood Estates Subdivision, Phase 3 recorded in Plat Book 8, page 108, a distance of 372.94 feet to a point in the east line of said Meadow Road; Thence North 03°49'28" East, along said east line, a distance of 40.68 feet to the Point of Beginning and containing 0.39 acres, more or less.

The Committee also discussed a resolution establishing two Higher Education committees. This will be a joint resolution with the Town of Somerville to move forward with bringing University of Tennessee at Martin to Fayette County to provide classes. The first committee is a named executive committee to work with UT Martin to handle

any collected funds. The second committee is sub-committee to advise the executive committee on academic, facilities, and promotional matters. The Committee moved for approval, and forwarded the matter to the Education Committee.

Commissioner Leggett reported for the Public Health and Welfare Committee which met on February 11, 2014. The Committee listened to reports from Mr. Sam McKnight, Fayette County Ambulance Director. Mr. McKnight gave the monthly run report and reviewed the financial reports with the Committee. He reported that the transition to AMB billing Company is progressing. The new billing company, (AMB) went over the billing process and where they predict we should be. The software available can give up to the minute information on where we are and how much has been collected. The company stated that they can process all of the previous bills with the former company and give us a thorough review and quicker payout of them. The fee would be 20 percent of the funds collected. The committee asked for a sample contract and decided to investigate to see if the contract would need to be bid out. The Committee approved a budget amendment for the Ambulance Service and forwarded it to the Budget Committee.

Commissioner Lillard reported for the Education Committee which met February 11, 2014, stating that Mayor Taylor had presented the Committee with a resolution establishing two Higher Education Committees. The resolution is a joint resolution with the City of Somerville to move forward with bringing University of Tennessee at Martin to Fayette County to provide classes, to be held at the Career Center. Commissioner Lillard moved to approve the Resolution. The motion was seconded by Commissioner Dowdle and passed unanimously as follows:

10.3.4.2

**RESOLUTION # 2014-001**

**A JOINT RESOLUTION FOR THE FAYETTE COUNTY HIGHER EDUCATION CENTER**

**WHEREAS;** the Fayette County Commission and Somerville Board of Mayor and Aldermen are committed to serving its populace by ensuring the presence of superior educational opportunities for its citizens; and

**WHEREAS;** the cities and towns of Fayette County have all expressed support for enhanced educational opportunities for all our students and citizens; and

**WHEREAS;** there currently are no post-secondary educational institutions operating within the bounds of Fayette County; and

**WHEREAS;** the University of Tennessee at Martin has exhibited a Standard of Excellence unequaled among post-secondary institutions in the Mid-South; and

**WHEREAS;** the University of Tennessee at Martin has established successful post-secondary institutions in Jackson, Ripley, Selmer, and Parsons, Tennessee; and

**WHEREAS;** the University of Tennessee at Martin has expressed a desire to become the lead institution for a higher education consortium in Fayette County which would include the University of Tennessee at Martin along with a community college component and a post-secondary technical facility;

**THEREFORE, BE IT RESOLVED that:**

The Fayette County Commission and Somerville Board of Mayor and Aldermen request that the University of Tennessee at Martin become the lead institution in said consortium, which will be named the Fayette County Higher Education Center (hereafter "FCHEC"); and

That we endorse the request for a Site Code establishing the University of Tennessee at Martin as the lead institution with a physical address of Fayette County Career Center, 121 West Court Square, Somerville, TN 38068 until such time that a permanent facility can be completed in Fayette County; and

The University of Tennessee at Martin will be encouraged to begin offering classes at the above address for the 2014 Fall Semester; and

A Fayette County Higher Education Executive Committee will be established, which will consist of the Fayette County Mayor, the Somerville Mayor, County Commissioner Steve Reeves, Richard Rucker, Marlin Mosby, and Joe Rimstidt; and will be imbued the authority to act for the benefit of the FCHEC; and whose primary purpose will be to coordinate activities with UT Martin concerning:

1. Fundraising
2. Disposition and use of raised funds by UT Martin
3. Academic programs offered
4. Public information and involvement ; and

A Fayette County Higher Education Advisory Board will be established, which will be a sub-committee of the Fayette County Higher Education Executive Committee and will provide, when called upon, input and advice on proposed financing, fundraising, and academic programs. The committee shall consist of a representative from:

1. each of the eight (8) Fayette County Districts, to be chosen by the Commissioners in that district
2. each mayor of the nine (9) incorporated municipalities
3. the Fayette County School System
4. each Chamber of Commerce
5. each private high school based in Fayette County
6. additional members appointed by the Executive Committee; and

**The Fayette County Commission and the Somerville Board of Mayor and Alderman jointly enter into this resolution for the expressed purpose of seeing post-secondary education of the highest caliber offered to our citizens.**

\_\_\_\_\_  
Mayor Robert D. Turner

\_\_\_\_\_  
ATTEST: Vice-Mayor Ronnie Neill

The Personnel Committee did not meet.

Commissioner Anderson reported for the Criminal Justice/Public Safety Committee which met on February 11, 2014, stating that the Committee met with Fire Chief Jerry Ray and discussed replacing three of the County's fire tankers at a cost of

approximately \$187,000 each for a total of \$561,000. Chief Ray also reported that the new DSPA emergency canisters for fire fighting have been used successfully. An ISO review for insurance purposes has been done, and the results should be back toward the end of March. It is believed that the rate will be lower. The Committee also reviewed a Budget Amendment correcting a line item for the sheriff's cars that were authorized for purchase which was approved and forwarded to the Budget Committee.

Commissioner German reported for the Budget Committee which met on February 11, 2014. Commissioner German moved to approve the following amendments to the General Fund. The motion was seconded by Commissioner Oglesby and passed unanimously by the Board.

**RESOLUTION**

BE IT RESOLVED, by the County Legislative Body and/or the Board of County Commissioners of Fayette County, Tennessee, in regular sessions on this 25<sup>th</sup> day of February, 2014, it being the fourth Tuesday of the month and the regular monthly meeting of the County Legislative Body in the Criminal Justice Center in Somerville, Tennessee.

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

**COUNTY GENERAL FUND  
BUDGET AMENDMENT  
F/Y 13/14  
February, 2014**

<u>Adjustment to Revenue Accounts:</u>	<b>INCREASE</b>	<b>DECREASE</b>
46190 Other General Government Grants		<u>\$ 64,946.00</u>
<b>TOTAL INCREASE/DECREASE TO EXPENDITURE ACCOUNTS:</b>		<b>\$ 64,946.00</b>
<u>Adjustment to Expenditure Accounts:</u>	<b>INCREASE</b>	<b>DECREASE</b>
51500 Election Commission		
709 Data Processing Equipment	<u>\$ 64,946.00</u>	
Subtotal-54110	<b>\$ 64,946.00</b>	
<b>TOTAL INCREASE/DECREASE TO EXPENDITURE ACCOUNTS:</b>	<b>\$ 64,946.00</b>	
<b>Prior Estimated Expenditures</b>		<b>\$ 2,609,611.50</b>
<b>Total Estimated Expenditures this Amendment</b>		<b>\$ 2,674,557.50</b>
<b>Projected Fund Balance before Amendment</b>		<b>\$ 2,668,216.50</b>
<b>Change in Fund Balance this Amendment</b>		<b>\$ 00.00</b>
<b>Estimated Ending Fund Balance as of June 30, 2014</b>		<b>\$ 2,668,216.50</b>

10.3.6.2

### RESOLUTION

BE IT RESOLVED, by the County Legislative Body and/or the Board of County Commissioners of Fayette County, Tennessee, in regular session on this 25<sup>th</sup> day of February, 2014, it being the fourth Tuesday of the month and the regular monthly meeting of the County Legislative Body in the Criminal Justice Center in Somerville, Tennessee.

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

**COUNTY GENERAL FUND  
BUDGET AMENDMENT  
F/Y 13-14  
February, 2014**

<u>Adjustment to Revenue Accounts:</u>	INCREASE	DECREASE
46190 Other General Government Grants		<u>\$ 1,539.61</u>
<b>TOTAL INCREASE/DECREASE TO REVENUE ACCOUNTS:</b>		<b>\$ 1,539.61</b>
<u>Adjustment to Expenditure Accounts:</u>	INCREASE	DECREASE
<u>51500 Election Commission</u>	<u>\$ 1,539.61</u>	
<b>Subtotal-51500</b>	<b>\$ 1,539.61</b>	
<u>54110 Sheriff</u>		
718 Motor Vehicles	<u>\$138,967.50</u>	
<b>Subtotal-54110</b>	<b>\$138,967.50</b>	
<u>55130 Ambulance</u>		
718 Motor Vehicles	<u>\$119,915.00</u>	
<b>Subtotal-55130</b>	<b>\$119,915.00</b>	

February, 2014	-2-	Fund 101
<u>57100 Agriculture Extension</u>		
309 Contracts with Government Agencies	\$ 207.85	
355 Travel		<u>\$ 207.85</u>
<b>Subtotal-53310</b>	<b>\$ 207.85</b>	<b>\$ 207.85</b>
<b>TOTAL INCREASE/DECREASE TO EXPENDITURE ACCOUNTS:</b>	<b>\$260,628.96</b>	<b>\$ 207.85</b>

<b>Prior Estimated Expenditures</b>	<b>\$2,350,729.00</b>
<b>Total Estimated Expenditures this Amendment</b>	<b>\$2,609,611.50</b>
<b>Projected Fund Balance before Amendment</b>	<b>\$2,927,101.00</b>
<b>Change in Fund Balance this Amendment</b>	<b>\$ 258,882.50</b>
<b>Estimated Fund Balance as of June 30, 2014</b>	<b>\$2,668,216.50</b>

Commissioner German moved to approve the following Refunding Resolution number 2014-0201 to refinance up to \$4,325,000 in outstanding obligations for the County. The motion was seconded by Commissioner Brewer and passed on the following Roll Call Vote:

Voting "YES": Commissioners Ed Allen, Joann Allen, Anderson, Brewer, Cox, Dacus, Dowdle, German, Howard, Kelley, Leggett, Lillard, Logan, Oglesby, Reeves, Seals, Watkins, and Wilson. (18)

Voting "NO": None

Absent and not voting: Commissioner Karcher

10.3.6.3

Resolution # 2014-02-01  
(Refunding Resolution)

BE IT REMEMBERED that the Board of County Commissioners of Fayette County, Tennessee, met in regular session at 7:00 o'clock p.m. on the 25th day of February, 2014, at its regular meeting place at the Bill Kelley Criminal Justice Complex in the Town of Somerville, Tennessee. Present were Rhea Taylor, County Mayor, and the following named Commissioners:

Present:

Absent:

Mayor Taylor, presiding, noted that a quorum was present. Commissioner \_\_\_\_\_ moved for the adoption of the following resolution, which motion was seconded by Commissioner \_\_\_\_\_, and after due discussion, was put to a roll call vote, the result of which was as followed:

Commissioners voting "Aye":

Commissioners voting "No":

Commissioners not voting:

**RESOLUTION AUTHORIZING THE SALE AND PROVIDING THE DETAILS OF  
NOT-TO-EXCEED \$4,325,000 GENERAL OBLIGATION REFUNDING BONDS,  
SERIES 2014, 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 refund certain outstanding obligations of the Issuer in order to restructure the debt service on such obligations and reduce the annual debt service on the currently outstanding indebtedness; and

WHEREAS, the Board, after due deliberation, has determined that it is appropriate to issue its not-to-exceed \$4,325,000 General Obligation Refunding Bonds, Series 2014 (the "Bonds"), pursuant to authority of Sections 9-21-101 et seq. of the Tennessee Code Annotated, as amended, and other applicable provisions of law for such purposes; and

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

- (1) General Obligation Public Improvement Bonds, Series 2006, dated as of November 28, 2006, maturing April 1, 2015 through April 1, 2029, inclusive; and
- (2) USDA General Obligation Bond, Series 2008B (Airport), dated September 16, 2008, maturing September 16, 2014 through September 16, 2046, inclusive.

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

Section 9-21-903, Tennessee Code Annotated, as amended, and it has acknowledged receipt thereof to the Issuer and submitted its report thereon to the Issuer which report is attached to this Resolution as Exhibit A; and

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

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

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

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

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

SECTION 1. In order to refund all or a portion of the Refunded Obligations, the Issuer shall borrow the amount of not-to-exceed \$4,325,000 and General Obligation Refunding Bonds, Series 2014, 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 Refunding Bonds, Series 2014 of the Issuer in an aggregate principal amount of not-to-exceed \$4,325,000 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) "Debt Management Policy" shall mean the Debt Management Policy adopted by the Governing Body on October 25, 2011;

(g) "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;

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(h) "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;

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

(j) "Escrow Agent" shall mean Regions Bank, Nashville, Tennessee, or another escrow agent appointed by the County Mayor, or its successor;

(k) "Financial Advisor" shall mean Cumberland Securities Company, Inc., Knoxville, Tennessee.

(l) "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;

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

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

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

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

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

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

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

(d) The issuance of the Bonds will be in compliance with the Issuer's Debt Management Policy.

SECTION 4. The Mayor is hereby authorized and directed to determine the principal amount of the Bonds not to exceed the principal amount specified in Section 1 to be actually issued (which may be in one or more emissions) and to effect adjustments in the maturity schedule and optional redemption dates set forth herein as authorized in Section 7. The determinations made by the Mayor, as described above, and the finalization of the details of the Bonds and sale of the Bonds by the Mayor shall be binding on the Issuer and no further action by the Governing Body with respect thereto shall be required. The Mayor shall cause, if advantageous to the Issuer, all or a portion of the Bonds to be insured by one or more bond insurance policies issued by one or more nationally recognized bond insurance companies so long as it is demonstrated to the Mayor's satisfaction either (i) that such insurance is necessary to sell the Bonds, or the portion thereof to be insured, or (ii) the present value of the projected savings in interest costs to the Issuer as a result of obtaining such bond insurance exceeds the premium cost to the Issuer for such bond insurance.

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

The Mayor is hereby authorized and directed to publish a Notice of Sale for the Bonds and, if appropriate, for any other bonds of the Issuer which are being competitively sold at the same time, in either a financial newspaper having national circulation, or via an electronic

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

SECTION 5. The Mayor and County Clerk, working with the Financial Advisor, are hereby authorized and directed to provide for the preparation and distribution, electronic or otherwise, of a Preliminary Official Statement describing the Bonds and any other bonds or notes which in the discretion of the Mayor are sold at the same time as the Bonds. After the Bonds have been sold, the Mayor and the County Clerk shall make such completions, omissions, insertions and changes in the Preliminary Official Statement not inconsistent with this resolution as are necessary or desirable to complete it as a final Official Statement for purposes of Rule 15c2-12(e)(3) of the Securities and Exchange Commission. The Mayor and

County Clerk shall arrange for the delivery of a reasonable number of copies of the Official Statement within seven business days after the Bonds have been sold to the successful bidder, to each potential investor requesting a copy of the Official Statement and to each person to whom such bidder and members of its bidding group initially sell the Bonds.

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

SECTION 6. Subject to the adjustments permitted pursuant to Section 7, the Bonds shall be designated "General Obligation Refunding Bonds, Series 2014," 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, and shall mature April 1, in the years and in the estimated amounts as follows:

<u>YEAR</u>	<u>AMOUNT</u>
2015	\$ 250,000
2016	\$ 250,000
2017	\$ 255,000
2018	\$ 255,000
2019	\$ 260,000
2020	\$ 265,000
2021	\$ 275,000
2022	\$ 280,000
2023	\$ 290,000
2024	\$ 295,000
2025	\$ 305,000
2026	\$ 320,000
2027	\$ 330,000
2028	\$ 345,000
2029	<u>\$ 350,000</u>
Total	\$ 4,325,000

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

SECTION 8. Subject to the adjustments permitted pursuant to Section 7 hereof, the Bonds maturing April 1, 2015 through April 1, 2020 shall mature without option of prior redemption. Bonds maturing April 1, 2021 and thereafter shall be subject to redemption on

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 \$1,000,000.00 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, teletype 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 REFUNDING BOND,  
SERIES 2014

Interest Rate:	Maturity Date:	Date of Bond:	CUSIP No.:
	April 1, ____	____, 2014	312517____

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

-20-

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 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 or a custodian of DTC. The Bond Registrar is a custodian and agent for DTC and the Bonds will be 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, 2020 shall mature without option of prior redemption. Bonds of the issue of which this Bond is one maturing April 1, 2021 and thereafter shall be subject to redemption at the option of the Issuer, in whole or in part on April 1, 2020, 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>
----------------------------	----------------------------	---

\*Final Maturity

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

the obligation of the Issuer on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Bonds to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced. The Issuer shall on or before the forty-fifth (45th) day next preceding each payment date furnish the Bond Registrar with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this subsection are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.]

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

bear interest if funds are available at the office of the Bond Registrar for the payment thereof and if notice has been duly provided as set forth in the Resolution, as hereafter defined.

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

This Bond is one of a series of Bonds, all of like tenor and effect, except as to date, number, rate of interest and principal amount, in an aggregate principal amount of

\$\_\_\_\_\_ issued for the purpose of refunding all or a portion of certain outstanding bonds, notes and other obligations of the Issuer, as follows:

- (1) General Obligation Public Improvement Bonds, Series 2006, dated as of November 28, 2006, maturing April 1, 2015 through April 1, 2029, inclusive; and
- (2) USDA General Obligation Bond, Series 2008B (Airport), dated September 16, 2008, maturing September 16, 2014 through September 16, 2046, inclusive.

and is issued under and pursuant to and in full compliance with the Constitution and statutes of the State of Tennessee, including Tennessee Code Annotated Section 9-21-101 et seq., pursuant to a resolution (the "Resolution") duly adopted by the Board of County Commissioners of the Issuer on February 25, 2014. Both the principal of and interest on this Bond are payable from taxes to be levied upon all taxable property in said Issuer without limitation as to rate or amount. For the prompt payment of both principal and interest on this Bond, the full faith, credit and resources of the Issuer are hereby irrevocably pledged. Reference is made to the Resolution for a more complete statement of the revenues from which and the conditions under which this Bond is payable and the general covenants and provisions pursuant to which this Bond is issued.

It is hereby certified, recited and declared that all acts, conditions and things required to happen, exist and be performed precedent to and in the issuance of this Bond, in order to make the same a legal, valid and binding obligation of Fayette County, Tennessee, have happened, do exist and have been performed in regular and due time, form and manner as required by law; that due provision has been made for the levy and collection of a direct annual tax, as from time to time may be found necessary, upon all taxable property within Fayette County sufficient to

pay the principal and interest hereon as the same become due and payable; and that this Bond and the issue of which it forms a part, together with all other indebtedness of Fayette County, Tennessee, do not exceed any applicable Constitutional or statutory debt limit.

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

If applicable, the following shall be included:

[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 \_\_\_\_\_, 2014.

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: \_\_\_\_\_, 2014

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

Regions Bank, as Bond Registrar

By: \_\_\_\_\_  
Authorized Officer

(Form of Assignment)

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

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

\_\_\_\_\_

Registered Owner

Signature Guaranteed:

\_\_\_\_\_

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

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

SECTION 12. Both the principal of an interest on the Bonds are payable from taxes to be levied on all taxable property in said Issuer without limitation as to rate and amount. For the prompt payment of such principal and interest, the full faith, credit and resources of Fayette

County, Tennessee are hereby irrevocably pledged, and in order to provide for the payment of the Bonds and the interest thereon, there shall be and there is hereby directed to be levied and collected, at the same time and in the same manner as other taxes of Fayette County, Tennessee are levied and collected, a direct tax upon all taxable property within the boundaries of Fayette County, Tennessee, in such amount as may be found necessary each year to provide for the payment of the principal of the Bonds and the interest thereon, as the same mature and become due.

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

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

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

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

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

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

SECTION 15. If at the time of the issuance of the Bonds, the Refunded Obligations will not be retired or a valid and timely notice of redemption of the Refunded Obligations is not given in accordance with the resolutions governing the Refunded Obligations, then prior to the issuance of the Bonds notice of the Issuer's intention to refund the Refunded Obligations shall be given either (i) by mail to the owners of the Refunded Obligations at their addresses shown on the bond registration records for the Refunded Obligations, or (ii) by publication of an appropriate notice one (1) time each in a financial newspaper published in New York, New York, and having a national circulation and in a newspaper having a general circulation in the Issuer. Such notice shall be in a form that meets the requirements of Section 9-21-912 of the Tennessee Code Annotated, as amended. If the issuance of the Bonds does not occur as provided in such notice, notice thereof shall be given in the same manner. The County Clerk is hereby authorized and directed to publish any such notices as may be required in accordance with this Section 15.

SECTION 16. The Issuer recognizes that the purchasers and holders of the Bonds will have accepted them on, and paid therefor a price that reflects, the understanding that interest thereon is exempt from federal income taxation under laws in force on the date of delivery of the Bonds. In this connection, the Issuer agrees that it shall take no action which may render the interest on any of said Bonds subject to federal income taxation and agrees to take all action as may be necessary to comply with the provisions of the Code and the regulations thereunder in order to maintain or assure the tax-exempt status of the Bonds. It is the reasonable expectation of the Governing Body of the Issuer that the proceeds of the Bonds will not be used in a manner which will cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the

Code, including any lawful regulations promulgated or proposed thereunder (or under corresponding provisions of prior law, if applicable), and to this end the said proceeds of the Bonds and other related funds established for the purposes herein set out, shall be used and spent expeditiously for the purposes described herein. The Governing Body of the Issuer further covenants and represents that in the event it shall be required by Section 148(f) of the Code to pay any investment proceeds of the Bonds to the United States government, it will make such payments as and when required by Section 148(f) and will take such other actions as shall be necessary or permitted to prevent interest on the Bonds from becoming taxable. The Mayor and the County Clerk or any of them, are authorized and directed to make such certifications in this regard and as is otherwise customary or appropriate in connection with the sale of the Bonds as they shall deem appropriate, and such certifications shall constitute the representations and certifications of the Issuer.

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

SECTION 18. If the Issuer shall pay and discharge the indebtedness evidenced by any 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 Bond Registrar, 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 Bond Registrar), 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) and if the Issuer shall also pay or cause to be paid all other sums payable hereunder by the Issuer with respect to such Bonds, or make adequate provision therefor, and by resolution of the Governing Body instruct any such Agent to pay amounts when and as required to the Bond Registrar for further payment to the registered owners for the payment of principal of and interest and redemption premiums, if any, on such Bonds when due; or

(c) By delivering such Bonds to the Bond Registrar for cancellation 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 Bond Registrar 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 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 18, neither the Defeasance Obligations nor moneys deposited with the Bond Registrar 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 Bond Registrar, (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 Bond Registrar 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 Bond Registrar.

**For the purposes of this Section 18, Defeasance Obligations shall mean (i) direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, or any agency thereof, (ii) obligations of any agency or instrumentality of the United States, (iii) 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 February 25, 2014.

(SEAL)

ATTEST:

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

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

EXHIBIT A

REFUNDING LETTER AND REPORT OF THE STATE

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, February 25, 2014, insofar as same pertains to the proceedings in connection with the issuance of not-to-exceed \$4,325,000 General Obligation Refunding Bonds, Series 2014 of Fayette County, Tennessee.

WITNESS my signature and official seal this the \_\_ day of \_\_\_\_\_, 2014.

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

(SEAL)

4833-9143-0423, v. 2

Commissioner German moved that the following Resolution 2014-02 to appropriate money for a new ambulance, new vehicles and new money be approved. The motion was seconded by Commissioner Dowdle and passed on roll call vote as follows:

Voting "YES": Commissioners Ed Allen, Joann Allen, Anderson, Brewer, Cox, Dacus, Dowdle, German, Howard, Kelley, Leggett, Lillard, Logan, Oglesby, Reeves, Seals, Watkins, and Wilson. (18)

Voting "NO": None

10.3.6.4

Resolution # 2014-02-02  
(Ambulance & Vehicles New Money Res.)

BE IT REMEMBERED that the Board of County Commissioners of Fayette County, Tennessee, met in regular session at 7:00 o'clock p.m. on the 25th day of February, 2014, at its regular meeting place at the Bill Kelley Criminal Justice Complex in the Town of Somerville, Tennessee. Present were Rhea Taylor, County Mayor, and the following named Commissioners:

Present:

Absent:

Mayor Taylor, presiding, noted that a quorum was present. Commissioner \_\_\_\_\_ moved for the adoption of the following resolution, which motion was seconded by Commissioner \_\_\_\_\_, and after due discussion, was put to a roll call vote, the result of which was as followed:

Commissioners voting "Aye":

Commissioners voting "No":

Commissioners not voting:

Resolution #2014-02-\_\_\_\_  
(Ambulance & Vehicles New Money Res.)

**RESOLUTION AUTHORIZING THE SALE AND PROVIDING THE DETAILS OF  
NOT-TO-EXCEED \$305,000 GENERAL OBLIGATION BONDS,  
SERIES 2014, 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 and purchase of one or more ambulances and vehicles for the sheriff's department (collectively, the "Project"); and

WHEREAS, the Board, after due deliberation, has determined that it is appropriate to issue its not-to-exceed \$305,000 General Obligation Bonds, Series 2014 (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 November 26, 2013 the Board adopted a resolution entitled "INITIAL RESOLUTION DETERMINING TO ISSUE NOT TO EXCEED \$305,000 GENERAL OBLIGATION BONDS OF FAYETTE COUNTY, TENNESSEE" (the "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 and purchase of one or more ambulances and vehicles for the sheriff's department; and

WHEREAS, the 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, 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 \$305,000, and General Obligation Bonds, Series 2014, 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 2014 of the Issuer in an aggregate principal amount of not-to-exceed \$305,000 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 and purchase of one or more ambulances and vehicles for the sheriff's department.

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 2014", 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, 2023 shall mature without option of prior redemption. Bonds maturing April 1, 2023 and thereafter shall be subject to redemption on April 1, 2022 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 2014

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

                                 April 1, 2015      \_\_\_\_\_, 2014

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

-19-

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, 2023 shall mature without option of prior redemption. Bonds of the issue of which this Bond is one maturing April 1, 2023 and thereafter shall be subject to redemption at the option of the Issuer, in whole or in part on April 1, 2022 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 \$305,000, 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 and purchase of one or more ambulances and vehicles for the sheriff's department, and is issued under and pursuant to and in full compliance with the Constitution and statutes of the State of Tennessee, including Tennessee Code Annotated Section 9-21-101 et seq., pursuant to a resolution duly adopted by the Board of County Commissioners of the Issuer on February 25, 2014 (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.

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 \_\_\_\_\_, 2014.

COUNTERSIGNED:

(SEAL)

FAYETTE COUNTY, TENNESSEE

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

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

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

Date of Registration:

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

Regions Bank, as Bond Registrar

By: \_\_\_\_\_  
Authorized Officer

(Form of Assignment)

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

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

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

Signature Guaranteed:  
\_\_\_\_\_

Notice: 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.

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 2014 Capital Projects Fund," (the "Capital Projects Fund") which shall be applied exclusively to pay for (i) the Project; 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 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. 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 February 25, 2014.

(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, February 25, 2014, insofar as same pertains to the proceedings in connection with the issuance of not-to-exceed \$305,000 General Obligation Bonds, Series 2014 of Fayette County, Tennessee.

WITNESS my signature and official seal this the \_\_\_\_ day of \_\_\_\_\_, 2014.

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

(SEAL)



STATE OF TENNESSEE  
COMPTROLLER OF THE TREASURY  
OFFICE OF STATE AND LOCAL FINANCE  
SUITE 1600 JAMES K. POLK STATE OFFICE BUILDING  
505 DEADERICK STREET  
NASHVILLE, TENNESSEE 37243-1402  
PHONE (615) 401-7872  
FAX (615) 741-5986

December 30, 2013

Honorable Rhea Taylor, Mayor  
Fayette County  
P.O. Box 218  
Somerville, TN 37757

Dear Mayor Taylor:

This letter acknowledges receipt on December 26, 2013, of a request to review a plan of refunding (the "Plan") for the issuance of a maximum \$4,325,000 General Obligation Refunding Bonds, Series 2014 (the "Refunding Bonds"), to current refund by competitive sale an estimated:

- \$3,655,000 General Obligation Public Improvement Bonds, Series 2006; and
- \$553,183 USDA Rural Development Bonds, Series 2008 (collectively the "Refunded Bonds").

The refunded principal is \$4,208,183.

Pursuant to the provisions of Tennessee Code Annotated Title 9 Chapter 21, a plan must be submitted to our Office for review prior to the adoption of a resolution by the governing body of a local government authorizing the issuance of refunding bonds. The information presented in the Plan includes the assertions of the County and may not reflect either current market conditions or market conditions at the time of sale.

**FINANCIAL PROFESSIONALS**

The County has reported Cumberland Securities Company, Inc. as its municipal advisor. Municipal advisors have a fiduciary responsibility to the County. Underwriters have no fiduciary responsibility to the County. They represent the interests of their firm and are not required to act in the County's best interest without regard to their own or other interests. The Plan was prepared by the County with the assistance of its municipal advisor.

**COUNTY'S PROPOSED REFUNDING OBJECTIVE**

The Refunding Bonds are being issued for present value debt service savings.

#### COMPLIANCE WITH THE COUNTY'S DEBT MANAGEMENT POLICY

The County provided a copy of its debt management policy. A specific description of how the debt complies with the County's debt policy should be included on the Report on Debt Obligation to be submitted within 45 days of issuance of the debt approved in this letter. If the County amends its policy please submit the amended policy to this office.

#### REPORT OF THE REVIEW OF A PLAN OF REFUNDING

This letter, report, and the Plan are to be placed on the County's website. The same report is to be provided to each member of the County Commission and reviewed at the Public Meeting at which the proposed refunding bond resolution will be presented as required by Tenn. Code Ann. § 9-21-903.

The enclosed report does not constitute approval or disapproval for the proposed plan or a determination that a refunding is advantageous or necessary nor that any of the outstanding obligations should be called for redemption on the first or any subsequent available redemption date or remain outstanding until their respective dates of maturity. This letter and the enclosed report do not address the compliance with federal tax regulations and are not to be relied upon for that purpose. The County should discuss these issues with a bond counsel.

*This report is effective for a period of one hundred and twenty (120) days. If the refunding has not been completed during this time, a supplemental plan of refunding must be submitted to this Office. At that time we will issue a report thereon pursuant to the statutes. In lieu of submitting a supplemental plan, a statement may be submitted to our Office after the 120-day period has elapsed stating that the information contained in the current plan of refunding remains valid. Such statement must be submitted by either the Chief Executive Officer or the Chief Financial Officer of the local government. We will acknowledge receipt of such statement and will issue our letter confirming that this refunding report remains valid for an additional 120-day period. However, with regard to the report currently being issued by this Office, during the initial 120-day period or any subsequent 120-day period no refunding reports will be issued relating to the debt obligations indicated herein as being refunded unless the Chief Executive Officer or the Chief Financial Officer notifies our Office that the plan of refunding which has been submitted is no longer valid.*

*We recognize that the information provided in the plan submitted to our Office is based on preliminary analysis and estimates, and that actual results will be determined by market conditions at the time of sale of the debt obligations. However, if it is determined prior to the issuance of these obligations that the actual results will be significantly different from the information provided in the plan which has been submitted, and the local government determines to proceed with the issue, our Office should subsequently be notified by either the Chief Executive Officer or the Chief Financial Officer of the local government regarding these differences, and that the local government was aware of the differences and determined to proceed with the issuance of the debt obligations. Notification to our Office will be necessary only if there is an increase or decrease of greater than fifteen percent (15%) in any of the following: (1) the principal amount of the debt obligations issued; (2) the costs of issuance; (3) the cumulative savings or loss with regard to any refunding proposal. We consider this notification necessary to insure that this Office and officials of the local government are aware of any significant changes that occur with regard to the issuance of the proposed indebtedness.*

**Report on Debt Obligation**

We are enclosing Form CT-0253, Report on Debt Obligation. Pursuant to Tenn. Code Ann. § 9-21-151, this form is to be completed and filed with the governing body of the County no later than forty-five (45) days after the issuance of this debt, with a copy (including attachments, if any) filed with the Director of the Office of State and Local Finance by mail to the address on this letterhead or by email to [stateandlocalfinance.publicdebtform@cot.tn.gov](mailto:stateandlocalfinance.publicdebtform@cot.tn.gov). No public entity may enter into additional debt if it has failed to file the Report on Debt Obligation. A fillable PDF of the form can be found at <http://www.comptroller.tn.gov/sl/pubdebt.asp>.

Sincerely,



Sandra Thompson  
Director of the Office of State & Local Finance

Cc: Mr. Jim Arnette, Director of Local Government Audit, COT  
Mr. Scott Gibson, Cumberland Securities Company, Inc.  
Mr. Doug Earthman, Glankler and Brown

Enclosures (2): Report of the Director of the Office of State & Local Finance  
Report on Debt Obligation

REPORT OF THE DIRECTOR OF THE OFFICE OF STATE AND LOCAL FINANCE  
 CONCERNING THE PROPOSED ISSUANCE OF  
 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2014  
 FAYETTE COUNTY, TENNESSEE

Fayette County (the "County") submitted a plan of refunding (the "Plan"), as required by Tennessee Code Annotated § 9-21-903 regarding an issuance of maximum \$4,325,000 General Obligation Refunding Bonds, Series 2014 (the "Refunding Bonds"), to current refund by competitive sale an estimated:

- \$3,655,000 General Obligation Public Improvement Bonds, Series 2006; and
- \$553,183 USDA Rural Development Bonds, Series 2008 (collectively the "Refunded Bonds").

The refunded principal is \$4,208,183.

The Plan was prepared with the assistance of the County's municipal advisor, Cumberland Securities Company, Inc. The County provided a copy of its debt management policy.

**COUNTY'S PROPOSED REFUNDING OBJECTIVE**

The County indicated its purpose for the refunding is net present debt service savings.

**REFUNDING ANALYSIS**

- The estimated net present value savings of the refunding is \$345,570 or 8.21% of the refunded principal.
- The savings are generated by reducing the average coupon of the Refunded Bonds from 4.05% to an average coupon of 2.78% for the Refunding Bonds.
- The final maturity of the Refunding Bonds does not extend beyond the final maturity of the Refunded Bonds.
- Estimated cost of issuance of the Refunding Bonds is \$115,482 or \$26.70 per \$1,000 of par amount. See Table 1 for individual costs of issuance.

Table 1  
 Costs of Issuance of Refunding Bonds

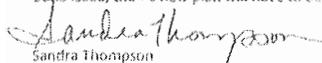
	Amount	Price per \$1,000 bond
Underwriter's Discount	\$ 50,532.58	\$ 11.68 *
Financial Advisor (Cumberland Securities Company)	22,750.00	5.26
Bond Counsel (Hix, Berry & Sims)	15,500.00	3.58
Other Costs	26,700.00	6.17
<b>Total Cost of Issuance</b>	<b>\$ 115,482.58</b>	<b>\$ 26.70</b>

\* Subject to competitive bid

The County has identified Cumberland Securities Company, Inc. as its municipal advisor. Municipal advisors have a fiduciary responsibility to you, the issuer. Underwriters have no fiduciary responsibility to you. They represent the interests of their firm.

This report of the Office of State and Local Finance does not constitute approval or disapproval by the Office for the Plan or a determination that a refunding is advantageous or necessary nor that any of the refunded obligations should be called for redemption on the first or any subsequent available redemption date or remain outstanding until their respective dates of maturity. This report is based on information as presented in the Plan by the County. The assumptions included in the County's Plan may not reflect either current market conditions or market conditions at the time of sale.

If all of the Refunded Bonds are not refunded as a part of the Refunding Bonds, and the County wishes to refund them in a subsequent bond issue, then a new plan will have to be submitted to this Office for review.

  
 Sandra Thompson  
 Director of the Office of State and Local Finance  
 Date: December 30, 2013

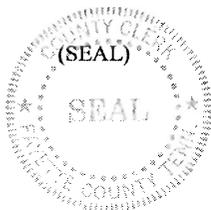
STATE OF TENNESSEE

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, February 25, 2014, insofar as same pertains to the proceedings in connection with the issuance of not-to-exceed \$4,325,000 General Obligation Refunding Bonds, Series 2014 of Fayette County, Tennessee.

WITNESS my signature and official seal this the 25<sup>th</sup> day of February, 2014.

  
Sue Culver, County Clerk  
Fayette County, Tennessee



4833-9143-0423, v. 2

Commissioner German moved to approve the adjustment of the percentage the County is contributing for employees to the Tennessee Consolidated Retirement System. The percentage required has dropped from 8.11 percent to 7.36 percent, and must be approved by the County Commission to be adjusted. The motion was seconded by Commissioner Lillard and passed unanimously.

Commissioner German also reported for the Joint Committee meeting which took place on February 11, 2014. James Teague, Director of Schools, Warner Speakman, the School's Owner's representative for the new elementary school construction and Tom Minor, School Board Attorney, addressed the committee regarding funds needed for the cleanup at the new elementary school and requested approval of their resolution asking for up to \$1.2 million to replace funds within their current contract to add additional funds to complete the payment for the asbestos cleanup and to pay for additional time to finish the construction because of the delay associated with the cleanup. Mr. Speakman reviewed the billing and construction process, and answered questions concerning timing and how the cleanup occurred. He also reviewed environmental documents concerning asbestos cleanup. It was determined that the additional information regarding timing and costs of the requested funds would be discussed prior to the County Commission meeting.

Commissioner Logan moved to approve the following "Resolution Concerning Requested Funds For School Abatement Costs". The motion was seconded by Commissioner Reeves, but after a great deal of discussion the motion was withdrawn. School Board Member Dana Pittman addressed the Board and asked that if this resolution was not approved for the Commission to consider approving the Budget Amendment that was approved by the School Board in an emergency meeting last Saturday morning. Commissioner Leggett moved to approve the budget amendment presented, as passed by the School Board in their emergency meeting. The motion was seconded by Commissioner Ed Allen and resulted in the following roll call vote:

Voting "YES": Commissioners Ed Allen, Joann Allen, Brewer, Dowdle, German, Howard, Kelley, Leggett, Lillard, Oglesby, Reeves, Seals, Watkins, and Wilson. (14)

Voting "NO": Commissioners Anderson, Cox, Dacus, and Logan (4)  
Therefore motion passed as follows:

**FAYETTE COUNTY BOARD OF EDUCATION  
141 GENERAL PURPOSE AMENDMENT**

Jan-14

ACCOUNT	INSTRUCTION	INCREASE	DECREASE	BALANCE AFTER THIS AMENDMENT
76100	707 Building Improvements		\$ 19,634.00	\$ 106,359.75
76100	799 Other Capital Outlay		\$ 60,000.00	\$0.00
39000	Fund Balance		\$ 400,000.00	\$ 75,629.27
99100	590 Transfer Out	\$ 479,634.00		
<b>Grand Total</b>		<b>\$ 479,634.00</b>	<b>\$ 479,634.00</b>	

Total Increase

REVENUE:

Explanation: Funds needed to pay cost of abestos abatement

Total Beginning Fund Balance:	\$ 475,629.27
Total Ending Fund Balance:	\$ 75,629.27

**FAYETTE COUNTY BOARD OF EDUCATION  
177 CAPITAL PROJECTS**

Jan-14

ACCOUNT	INSTRUCTION	INCREASE	DECREASE	BALANCE AFTER THIS AMENDMENT
91300	724 Site Development		\$ 479,634.00	\$ 2,616,087.00
49800	Transfer In	\$ 479,634.00		
		<b>Grand Total</b>	<b>\$ 479,634.00</b>	<b>\$ 479,634.00</b>

Total Increase

REVENUE:

Explanation: Funds needed to pay cost of abestos abatement

Total Beginning Fund Balance:	0.00
Total Ending Fund Balance:	0.00

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Commissioner German moved to approve the Resolution Concerning Requested funds for School Abatement Costs, but then withdrew it. Commissioner German then moved to approve the budget amendment presented at the Joint Committee meeting on Monday night from the School Board. The motion was seconded by Commissioner Dowdle and a roll call vote was taken with the following results:

Voting "YES": Commissioners Anderson, Brewer, Cox, Dacus, German, and Lillard (6)

Voting "NO": Commissioners Ed Allen, Joann Allen, Howard, Leggett, Logan and Reeves (6)

PASSING: Commissioners Dowdle, Kelley, Oglesby, Seals, Watkins, and Wilson (6)  
Thereupon the motion failed.

RESOLUTION OF THE FAYETTE COUNTY BOARD OF EDUCATION REQUESTING TO MAKE  
WITHDRAWALS FROM FUND BALANCE

WHEREAS, on July 2, 2013, the Fayette County Board of Education (Board), based upon a request from its Construction Manager, Yates Construction Company (Yates), increased the allowance for asbestos abatement in its new school construction budget for Buckley-Carpenter Elementary School (the School) from \$20,000.00 to \$446,332.00, and;

WHEREAS, Yates has now advised, based upon abatement work performed on the School construction site (site) through August 6, 2013, that as much as 17,000 cubic yards of dirt may need to be removed from the site in order to fully abate said site, and;

WHEREAS, this revised estimate of the volume of soil removal may increase the total cost of abatement to as much as \$1.2 million, and;

WHEREAS, Yates has advised that as of August 7, 2013 It has expended the entire sum of \$446,332.00 allocated for asbestos abatement and must have assurances from the Board that additional funds are in place to pay for the costs to fully abate the site, and;

WHEREAS, the Board has been advised by agents with the Tennessee Department of Education that funds held in the Board's fund balance may be withdrawn to pay for costs associated with one time unforeseen circumstances and that the circumstances involving the increased asbestos abatement is an unforeseen circumstance which would allow for such a fund balance withdrawal, and;

WHEREAS, the Board has been advised by Yates that the total construction budget may increase by as much as \$750,000.00 due to the circumstances involving

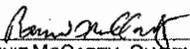
the increased abatement of the site and that failure to continue abatement unabated may compromise the timely completion of the School by August 1, 2014, and;

WHEREAS, that in order for the Board to fund an increase in its construction budget, it will need to request from the County Commission an increase in the present construction funding from \$12.8 million to \$13,550,000.00 and that due to the fact the Board has exhausted all resources to service its portion of the existing construction funding of \$4.8 million, it will be necessary for the County Commission to take responsibility for covering the debt service on the additional \$750,000.00.

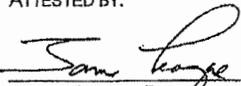
NOW THEREFORE, BE IT RESOLVED that the Board agrees to withdraw up to \$500,000.00 from its current fund balance for the sole purpose of funding the continued asbestos abatement work underway on the Buckley-Carpenter Elementary School construction site.

BE IT FURTHER RESOLVED that the Board requests of the County Commission that it increase the amount of the school construction bond funding by \$750,000.00 from \$12.8 million to \$13,550,000.00 and that the County Commission be responsible for the debt service associated with the increased funding and that funds be immediately replenished by the County Commission to the Board's fund balance from the most recent construction bond issuance.

APPROVED AND ADOPTED this 8<sup>th</sup> day of August, 2013.

  
\_\_\_\_\_  
RONNIE MCCARTY, CHAIRMAN

ATTESTED BY:

  
\_\_\_\_\_  
JAMES TEAGUE, DIRECTOR OF SCHOOLS

With no further business before the Board, Commissioner Reeves moved that the meeting be adjourned. The motion was seconded by Commissioner Wilson and passed by the Board.

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

ATTEST:

\_\_\_\_\_  
Sue Culver, County Clerk