

## RESOLUTION

**RESOLUTION OF THE COUNCIL OF THE CITY OF MEMPHIS, TENNESSEE, AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF NOT TO EXCEED ONE HUNDRED AND FIFTY MILLION DOLLARS (\$150,000,000) PRINCIPAL AMOUNT OF CITY OF MEMPHIS, TENNESSEE, BOND ANTICIPATION NOTES FOR THE PURPOSE OF FINANCING VARIOUS PUBLIC WORKS PROJECTS OF THE CITY AND/OR REFUNDING CERTAIN OUTSTANDING COMMERCIAL PAPER AND/OR BANK NOTES OF THE CITY ISSUED FOR SUCH PURPOSE; PRESCRIBING THE FORM AND CERTAIN DETAILS OF SUCH NOTES; AUTHORIZING AND PROVIDING FOR THE SALE OF SUCH NOTES; APPROVING THE FORM OF PURCHASE AGREEMENT FOR SUCH NOTES AND APPROVING THE PREPARATION AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT RELATING TO SUCH NOTES AND APPROVING THE FORM THEREOF; AUTHORIZING AND APPROVING AN OFFICIAL STATEMENT IN CONNECTION WITH THE ISSUANCE OF SUCH NOTES; AND AUTHORIZING CERTAIN OTHER MATTERS WITH RESPECT TO THE ISSUANCE OF SUCH NOTES**

BE IT RESOLVED by the Council of the City of Memphis, Tennessee, as follows:

SECTION 1. Findings and Determinations. (a) The Council of the City of Memphis, Tennessee (the "Council"), on March 4, 2008, and March 3, 2009, adopted Initial Resolutions (the "Initial Resolutions") authorizing the issuance of general obligation bonds of the City of Memphis, Tennessee (the "City"), in each case in the maximum principal amount of One Hundred Fifty Million Dollars (\$150,000,000) (the "Bonds") for the purpose of financing various public works projects of the City.

(b) Commercial Paper of the City (the "Commercial Paper") has been issued under and pursuant to such Initial Resolutions and the Commercial Paper Resolution adopted by the Council on March 20, 2001, of which Commercial Paper in the principal amount of One Hundred Fifty Million Dollars (\$150,000,000) currently is outstanding. Following the issuance of such Commercial Paper, and certain Bonds previously issued, there remains unobligated under the Initial Resolutions not less than approximately \$32,631,000 principal amount under the Initial Resolution adopted March 4, 2008.

(c) The City deems it to be in its best interests to refund the principal of all of such outstanding Commercial Paper to the extent not refunded by Bonds or other Bond anticipation notes of the City, or to pay or prepay all of the principal amount outstanding under

Bank Notes (the "Bank Notes") issued under and pursuant to the Line of Credit Agreement dated as of April 1, 2001, as amended, between the City and Westdeutsche Landesbank Girozentrale acting through its New York Branch, evidencing the City's repayment obligations for borrowings under such Agreement to pay the principal of Commercial Paper to the extent not paid or prepaid by Bonds or other Bond anticipation notes of the City, or any combination of the foregoing, and in part to issue Bond anticipation notes for such purposes.

(d) The City also deems it to be in its best interests to issue Bond anticipation notes to finance various public works projects of the City, to be issued pursuant to the Initial Resolutions adopted March 4, 2008, to the extent of the unobligated balance referred to in subsection (b) above, and March 3, 2008.

SECTION 2. Authorization and Purpose of Notes. (a) In anticipation of the issuance and sale of unissued Bonds, there is hereby authorized to be issued Bond anticipation notes of the City (the "Notes") in an aggregate principal amount not to exceed One Hundred Fifty Million Dollars (\$150,000,000).

(b) The Notes shall be issued (i) to finance various public works of the City, (ii) to provide for the refunding and payment or prepayment of the principal of all outstanding Commercial Paper and Bank Notes to the extent not refunded, paid or prepaid by Bonds or other Bond anticipation notes of the City and (iii) to provide for the payment of costs of issuance of the Notes. Interest on such Commercial Paper and Bank Notes due prior to and upon payment or prepayment of the principal thereof shall be paid from other available moneys of the City. Following such payment or prepayment of principal and interest, such Commercial Paper and Bank Notes shall be retired and shall not be reissued.

SECTION 3. Certain Details of Notes. The Notes, or such portion thereof as shall be determined by the Director of Finance and Administration, shall be sold at one time or from time to time on a date or dates to be selected by the Director of Finance and Administration. The Notes shall be dated as of a date, shall be issued in the denomination of \$5,000 each or any integral multiple thereof, shall mature on the date or dates not to exceed thirteen (13) months from their dated date, and shall bear interest payable periodically until maturity and/or at maturity and at the rate or rates per annum, not to exceed 4.50% per annum, all as to be determined by the Director of Finance and Administration. The Notes may be issued as notes the interest on which is excluded from gross income for Federal income tax purposes ("Tax-Exempt Notes"), or as notes the interest on which is included in gross income for Federal income tax purposes ("Taxable Notes"), including, without limitation, notes as described in the American Recovery and Reinvestment Act of 2009, or in part as Tax-Exempt Notes and in part as Taxable Notes.

The Notes shall be issued only in fully registered form without coupons. One Note representing each maturity will be issued to and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), as registered owner of the Notes and the Notes shall be immobilized in the custody of DTC. DTC will act as securities depository for the Notes. Purchasers will not receive physical delivery of certificates representing their interest in the Notes purchased except as provided by Section 4 hereof.

Unless the City and the Registrar and Paying Agent named below agree otherwise, so long as DTC or its nominee is the registered owner of the Notes as Securities Depository, payments of principal, premium, if any, and interest payments on the Notes will be made by the City through the Paying Agent and Registrar named below, by wire transfer to DTC or its nominee, Cede & Co., as registered owner of the Notes, which will in turn remit such payments to the DTC participants for subsequent disbursement to the beneficial owners of the Notes. Transfer of principal, premium, if any, and interest payments to DTC participants will be the responsibility of DTC. Transfers of such payments to beneficial owners of the Notes by DTC participants will be the responsibility of such participants and other nominees of such beneficial owners. Transfers of ownership interests in the Notes will be accomplished by book entries made by DTC and, in turn, by the DTC participants who act on behalf of the indirect participants of DTC and the beneficial owners of the Notes.

The City will not be responsible or liable for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC, its participants or persons acting through such participants or for transmitting payments to, communicating with, notifying, or otherwise dealing with any beneficial owner of the Notes.

The Bank of New York Trust Company, N.A., is hereby appointed as Paying Agent and Registrar for the Notes (the "Paying Agent and Registrar").

SECTION 4. Procedure in the Event of Revision of Book-Entry Transfer System - Replacement Notes. The City shall issue Note certificates (the "Replacement Notes") directly to the beneficial owners of the Notes other than DTC, or its nominee, but only in the event that:

(a) DTC determines to discontinue providing its services with respect to the Notes at any time by giving notice to the City and discharging its responsibilities; or

(b) the City discontinues use of DTC (or substitute depository or its successor) at any time upon determination by the City that the use of DTC (or substitute depository or its successor) is no longer in the best interests of the City and the beneficial owners of the Notes, subject to applicable procedures of DTC. The City and the Paying Agent and Registrar shall be fully protected in relying upon information provided by DTC, DTC participants or other nominees of beneficial owners, or beneficial owners with respect to the names, addresses and amounts owned by the beneficial owners and other information supplied by them for the purpose of delivering Replacement Notes.

Upon occurrence of the events described in either (a) or (b) above, the City shall attempt to locate another qualified securities depository. If the City fails to locate another qualified securities depository to replace DTC, the City shall execute and deliver Replacement Notes in substantially the form set forth in Section 11 hereof. Such Replacement Notes shall bear thereon a certificate of authentication in the form set forth in Section 11 hereof executed manually by an authorized officer of the Paying Agent and Registrar as registration agent for the City. Only such Notes as shall bear thereon such certificate of authentication shall be entitled to any right or benefit under this resolution and no Note shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by an authorized officer of

the Paying Agent and Registrar. Any such certificate of the Paying Agent and Registrar upon any Note executed on behalf of the City shall be conclusive evidence that the Note so authenticated has been duly authenticated and delivered under this resolution and that the registered owner of such Note is entitled to the benefits and security of this resolution.

Prior to the execution and delivery of Replacement Notes, the City shall notify the beneficial owners of the Notes by mailing an appropriate notice to DTC. Principal of and interest on the Replacement Notes shall be payable by check or draft mailed to each registered owner of such Replacement Notes at the address of such owner as it appears in the books of registry maintained by the Paying Agent and Registrar. Replacement Notes will be transferable only by presentation and surrender to the Paying Agent and Registrar, together with an assignment duly executed by the registered owner of the Replacement Note or by such owner's representative in form satisfactory to the Paying Agent and Registrar and containing information required by the Paying Agent and Registrar in order to effect such transfer.

The City may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to an exchange or transfer of a Note, and may charge the person requesting such exchange or transfer a sum or sums which shall be paid as a condition precedent to the exercise of the privilege of making such exchange or transfer.

SECTION 5. Redemption. The Notes shall not be subject to redemption prior to maturity.

SECTION 6. Sources of Payment and Security for the Notes. The taxing power of the City as to all taxable property in the City which shall be subject to taxation for the payment of the unissued Bonds is hereby pledged to the punctual payment of the principal of and interest on the Notes. The Notes shall be direct obligations of the City, the payment of which shall be made according to the tenor and effect thereof. Unless the payment of the principal of and interest on the Notes otherwise shall be provided for by or on behalf of the City from proceeds of Bonds, proceeds of other bond anticipation notes of the City or other funds of the City available and authorized for such purpose, the City hereby agrees to levy and provide for the collection of a special tax over and above all other taxes authorized or limited by law to be imposed and levied on all the taxable property of the City to create a sinking fund to retire the Notes with interest as they fall due.

Unless the payment of the principal of the Notes otherwise shall be provided for by or on behalf of the City from proceeds of other bond anticipation notes or other funds of the City available and authorized for such purpose, on or before the respective maturity dates thereof the City shall, to the extent and as permitted by law, provide for the issuance, sale and delivery of Bonds or other obligations of the City in an amount sufficient to provide for the payment of the outstanding principal of the Notes at maturity.

SECTION 7. Payment of Notes; Books of Registry; Exchanges and Transfers of Notes.

(a) Payment of Notes. (i) At any time during which the Notes shall be in fully registered form, the interest on the Notes shall be payable by wire transfer or by check or

draft mailed by the Paying Agent and Registrar to the registered owners of the Notes at their addresses as the same appear on the books of registry as of the fifteenth (15th) day of the month preceding such interest payment date and the principal of and premium, if any, on the Notes shall be payable at the principal office of the Paying Agent and Registrar or any other office of the Paying Agent and Registrar designated for such purpose; provided, however that at any time during which the Notes shall be in book-entry form, the principal of and premium, if any, and interest on the Notes shall be payable in accordance with the provisions of Section 3 hereof.

(ii) The principal of and premium, if any, and interest on the Notes shall be payable in such coin or currency of the United States of America as at the respective dates of payment is legal tender for public and private debts.

(b) Books of Registry; Exchanges and Transfers of Notes. (i) At all times during which any Note remains outstanding and unpaid, the Paying Agent and Registrar shall keep or cause to be kept, at its principal office or any other office of the Paying Agent and Registrar designated for such purpose, books of registry for the registration, exchange and transfer of the Notes. Upon presentation at the principal office of the Paying Agent and Registrar or any other office of the Paying Agent and Registrar designated for such purpose, the Paying Agent and Registrar, under such reasonable regulations as it may prescribe, shall register, exchange, transfer, or cause to be registered, exchanged or transferred, on the books of registry the Notes as herein set forth.

(ii) Any Note may be exchanged for a like aggregate principal amount of such Notes in authorized principal amounts of the same interest rate and maturity.

(iii) Any Note may, in accordance with its terms, be transferred upon the books of registry by the person in whose name it is registered, in person or by his duly authorized agent, upon surrender of such Note to the Paying Agent and Registrar for cancellation, accompanied by a written instrument of transfer duly executed by the registered owner in person or his duly authorized agent, in form satisfactory to the Paying Agent and Registrar.

(iv) All transfers or exchanges pursuant to this Section 7(b) shall be made without expense to the registered owner of such Notes, except as otherwise herein provided, and except that the Paying Agent and Registrar shall require the payment of the registered owner of the Note requesting such transfer or exchange of any tax or other governmental charges required to be paid with respect to such transfer or exchange. All Notes surrendered pursuant to this Section 7(b) shall be canceled.

SECTION 8. CUSIP Identification Numbers. CUSIP identification numbers may be printed on the Notes, but neither the failure to print any such number on any Notes, nor any error or omission with respect thereto, shall constitute cause for failure or refusal by the purchaser of the Notes to accept delivery of and pay for the Notes in accordance with the terms of its proposal to purchase the Notes. No such number shall constitute or be deemed to be a part of any Notes or a part of the contract evidenced thereby and no liability shall attach to the City or any of its officers or agents because of or on account of any such number or any use made thereof.

SECTION 9. Tax Covenant. The City covenants and agrees to comply with the provisions of Sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended, and the applicable Treasury Regulations promulgated thereunder or otherwise applicable thereto, in each case whether prospective or retroactive, that must be satisfied in order that interest on the Notes shall be and continue to be excluded from gross income for federal income tax purposes under said Sections 103 and 141 through 150.

SECTION 10. Execution and Authentication of Notes. The Notes shall be executed on behalf of the City with the manual or facsimile signatures of the Mayor of the City and of the Comptroller of the City, and shall have impressed or imprinted thereon or affixed thereto, by facsimile or otherwise, the official seal of the City. In case any officer of the City whose signature or whose facsimile signature shall appear on the Notes shall cease to be such officer before the delivery of such Notes, such signature or the facsimile signature thereof shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until delivery.

The Notes shall bear thereon a certificate of authentication in the form set forth in Section 11 hereof executed manually by an authorized officer of the Paying Agent and Registrar. No Notes shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by an authorized officer of the Paying Agent and Registrar.

SECTION 11. Form of Notes. The Notes shall be in substantially the form set forth below with such necessary or appropriate variations, omissions and insertions as are incidental to their series, numbers, interest rates and maturities or as are otherwise permitted or required by law or this resolution:

**UNITED STATES OF AMERICA  
STATE OF TENNESSEE  
CITY OF MEMPHIS  
BOND ANTICIPATION NOTE  
SERIES 2009[A]**

**REGISTERED**

**REGISTERED**

No. R- \_\_\_\_\_

\$ \_\_\_\_\_

INTEREST RATE

MATURITY DATE

CUSIP NO.

\_\_\_\_\_, 20\_\_

**REGISTERED OWNER:**

**PRINCIPAL AMOUNT:**

The City of Memphis, Tennessee (hereinafter referred to as the "City"), for value received, hereby promises to pay the Registered Owner named above, or registered assigns, on

the Maturity Date specified above, the Principal Amount specified above, and to pay interest on such Principal Amount [on \_\_\_\_\_, 20\_\_ and] [at maturity] at the Interest Rate per annum specified above, by wire transfer or by check or draft mailed by the Paying Agent and Registrar hereinafter mentioned to the Registered Owner in whose name this Note is registered on the books of registry kept and maintained by the Paying Agent and Registrar as of the close of business on the fifteenth (15th) day of the calendar month preceding the month in which interest is payable to the address of the Registered Owner as it appears on such books of registry.

The principal of and premium, if any, on this Note are payable upon presentation and surrender hereof at the principal office of The Bank of New York Trust Company, N.A. (the "Paying Agent and Registrar") or such other office of the Paying Agent and Registrar as may be designated for such purpose. The principal of and premium, if any, and interest on this Note are payable in such coin or currency of the United States of America as at the respective dates of payment is legal tender for public and private debts.

This Note is one of a duly authorized series of Notes (herein referred to as the "Notes") of the aggregate principal amount of \_\_\_\_\_ million dollars (\$ \_\_\_\_\_) of like date and tenor herewith, except for number, denomination, interest rate, maturity and redemption provisions, and is issued for the purpose of financing public works projects of the City and/or refunding certain outstanding commercial paper and/or paying or prepaying bank notes of the City issued for such purpose, under and pursuant to and in full compliance with the Constitution and statutes of the State of Tennessee, including Title 9, Chapter 21, being the Local Government Public Obligations Act of 1986, and resolutions duly adopted by the Council of the City under such Chapter 21 on March 4, 2008, March 3, 2009, and April 21, 2009.

Subject to the limitations and upon payment of the charges, if any, provided in the proceedings authorizing the Notes, this Note may be exchanged at the principal office of the Paying Agent and Registrar, or such other office of the Paying Agent and Registrar as may be designated for such purpose for a like aggregate principal amount of Notes of other authorized principal amounts and of the issue of which this Note is one. This Note is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at the office of the Registrar but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the proceedings authorizing the Notes of the issue of which this Note is one, and upon the surrender hereof for cancellation. Upon such transfer, a new Note or Notes of authorized denominations and of the same aggregate principal amount of the series of which this Note is one will be issued to the transferee in exchange herefor.

The taxing power of the City as to all taxable property of the City which is subject to taxation for the payment of general obligation bonds of the City is hereby irrevocably pledged to the punctual payment of the principal of and interest on this Note as the same become due. Unless the payment of the principal of and interest on this Note otherwise shall be provided for by or on behalf of the City from proceeds of general obligation bonds, proceeds of other bond anticipation notes of the City or other funds of the City available and authorized for such purpose, the City shall levy and provide for the collection of a special tax over and above all other taxes authorized or limited by law to be imposed and levied on all the taxable property of the City to create a sinking fund to retire the Notes with interest as they fall due.

It is hereby certified, recited and declared that all acts, conditions and things required to have happened, to exist and to have been performed precedent to and in the issuance of this Note and the series of which it is one, do exist, have happened and have been performed in regular and due time, form and manner as required by law, and that this Note and the Notes of the series of which this Note is one do not exceed any constitutional or statutory limitation of indebtedness.

IN WITNESS WHEREOF, the City, by its Council, has caused this Note to be executed by the manual or facsimile signature of its Mayor; the seal of the City or a facsimile thereof to be impressed or imprinted hereon or affixed thereto, attested by the manual or facsimile signature of the Comptroller; and this Note to be dated as of \_\_\_\_\_, 2009.

CITY OF MEMPHIS, TENNESSEE

[SEAL]

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Comptroller

**Certificate of Authentication**

This Note is one of the Notes described in the within mentioned Resolution

The Bank of New York Mellon Trust  
Company, N.A.  
As Paying Agent and Registrar

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

Date of Authentication:

**Assignment**

For value received, \_\_\_\_\_ hereby sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY  
OR OTHER TAX IDENTIFYING NUMBER  
OF ASSIGNEE:

\_\_\_\_\_

\_\_\_\_\_

the within-mentioned Note and hereby irrevocably constitutes and appoints \_\_\_\_\_, attorney, to transfer the same on the books of registry of the City kept at the principal office of the Paying Agent and Registrar with full power of substitution in the premises.

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

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

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

NOTE: The signature to this assignment must correspond with the name as written on the face of the within Note in every particular, without alteration, enlargement or any change whatsoever.

SECTION 12. Sale of Notes. The Notes shall be sold at a negotiated sale on a date to be selected by the Director of Finance and Administration and at a price of not less than ninety-nine percent (99%) of the principal amount of the Notes. The Director of Finance and Administration is hereby authorized to negotiate with Morgan Keegan & Company, Inc., which is hereby approved as the lead managing underwriter for the underwriters of the Notes, with respect to the purchase and sale of the Notes. The Director of Finance and Administration is hereby authorized and directed to execute and deliver to the underwriters a Note Purchase Agreement substantially in the form presented to and filed with the minutes of the meeting at which this Resolution is being adopted, and having such terms as shall be determined by the Director of Finance and Administration in accordance with the terms of this Resolution, together with such changes as shall be approved by such officer, upon the advice of counsel (including the City Attorney and bond counsel), such approval to be conclusively evidenced by the execution thereof.

The Director of Finance and Administration is also hereby authorized to distribute to purchasers of and investors in the Notes a Preliminary Official Statement of the City relating to the Notes, substantially in the form presented to and filed with the minutes of the meeting at

which this resolution is adopted, which form is hereby approved, ratified and confirmed. The form of Preliminary Official Statement as published and distributed may include such changes as shall be approved by the Director of Finance and Administration, upon the advice of counsel (including the City Attorney and Bond Counsel) and the City's financial advisors, such approval shall be conclusively evidenced by its publication and distribution, as applicable. The Preliminary Official Statement is in a form which is "deemed final" as of its date within the meaning of SEC Rule 15c(2)-12(b)(1), but is subject to revision, amendment and completion of a final Official Statement as defined in SEC Rule 15c2-12(e)(3). The Director of Finance and Administration is hereby authorized to prepare an Official Statement, in substantially the form of the Preliminary Official Statement as so modified, after the same has been completed by the insertion of the maturities, interest rates, and other details of the Notes and by making such other insertions, changes or corrections as the Director of Finance and Administration, based on the advice of the City's financial advisor and legal counsel (including the City Attorney and Bond Counsel and financial advisors), approves as necessary or appropriate, such approval to be conclusively evidenced by the execution thereof; and the Council hereby authorizes the Official Statement and the information contained therein to be used by the purchasers in connection with the sale of the Notes.

A Continuing Disclosure Certificate substantially in the form presented to and filed with the minutes of the meeting at which this resolution is adopted and to be dated the date of initial delivery of the Notes, is hereby authorized to be executed and delivered by the Director of Finance and Administration. The form of the Continuing Disclosure Certificate as executed and delivered may include such changes as shall be approved by the Director of Finance and Administration, upon the advice of counsel (including the City Attorney and Bond Counsel) and the City's financial advisors, such approval shall be conclusively evidenced by its execution and delivery. The City covenants with the holders from time to time of the Notes that it will, and hereby authorizes the appropriate officers and employees of the City to take all action necessary or appropriate to, comply with and carry out all of the provisions of the Continuing Disclosure Certificate as amended from time to time. Notwithstanding any other provision of this resolution, failure of the City to perform in accordance with the Continuing Disclosure Certificate shall not constitute a default under this resolution and the Continuing Disclosure Certificate may be enforced only as provided therein.

SECTION 13. Application of Proceeds of Sale of the Notes. The proceeds derived from the sale of the Notes shall be applied as follows:

(A) Accrued interest received on the Notes, if any, from their date to the date of delivery of and payment for the Notes shall be applied to the payment of interest on the Notes on the first interest payment date thereof.

(B) The balance shall be used to pay (i) costs of public works projects of the City, (ii) the principal of Commercial Paper to be retired on the date or dates and in the amount or amounts determined by the Director of Finance and Administration, and/or to pay or prepay the Bank Notes to be retired on the date or dates and in the amount or amounts determined by the Director of Finance and Administration, and (iii) costs of issuance of the Notes.

SECTION 14. Economic Lives. The reasonably expected remaining average economic lives of the public works projects originally financed from the proceeds of the Commercial Paper to be retired is in excess of 23 years.

SECTION 15. Further Authorizations. The appropriate officers of the City are hereby authorized to take all such actions and execute such documents (upon advice of the City Attorney and Bond Counsel) as shall be necessary to effect the delivery of and payment for the Notes and as may be reasonably required to carry out, give effect to and consummate the transactions contemplated hereby, including the purchase, if deemed to the City's financial advantage, of a note insurance policy guaranteeing payment of principal of and interest on the Notes and to provide for the payment of the premium cost thereof.

SECTION 16. Effective Date. This resolution shall take effect upon its adoption.