

RESOLUTION

RESOLUTION AMENDING RESOLUTIONS AUTHORIZING AND PROVIDING WITH RESPECT TO THE ISSUANCE OF BONDS

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

SECTION 1. Findings and Determinations. (a) This Council on May 11, 2009, adopted a resolution entitled "RESOLUTION OF THE COUNCIL OF THE CITY OF MEMPHIS, TENNESSEE, AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF NOT TO EXCEED EIGHTY MILLION DOLLARS (\$80,000,000) PRINCIPAL AMOUNT OF CITY OF MEMPHIS, TENNESSEE, GENERAL IMPROVEMENT BONDS, SERIES 2010C, FOR THE PURPOSE OF FINANCING VARIOUS PUBLIC WORKS PROJECTS OF THE CITY; MAKING PROVISION FOR THE RAISING ANNUALLY BY SUCH CITY OF A SUM SUFFICIENT TO PAY, AS THE SAME SHALL BECOME DUE, THE PRINCIPAL OF AND PREMIUM, IF ANY, AND INTEREST ON SUCH BONDS; PRESCRIBING THE FORM AND CERTAIN DETAILS OF SUCH BONDS; AUTHORIZING AND PROVIDING FOR THE NEGOTIATED SALE OF SUCH BONDS; APPROVING THE FORM OF PURCHASE AGREEMENT FOR SUCH BONDS; APPROVING THE PREPARATION AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT RELATING TO SUCH BONDS AND APPROVING THE FORM THEREOF; AUTHORIZING AND APPROVING AN OFFICIAL STATEMENT IN CONNECTION WITH THE ISSUANCE OF SUCH BONDS; AND AUTHORIZING CERTAIN OTHER MATTERS WITH RESPECT TO THE ISSUANCE OF SUCH BONDS" (the "Capital Projects Resolution").

(b) This Council on May 25, 2010, adopted a resolution entitled "RESOLUTION OF THE COUNCIL OF THE CITY OF MEMPHIS, TENNESSEE, AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF NOT TO EXCEED ONE HUNDRED SIXTY-EIGHT MILLION DOLLARS (\$168,000,000) PRINCIPAL AMOUNT OF CITY OF MEMPHIS, TENNESSEE, GENERAL IMPROVEMENT BONDS FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING GENERAL IMPROVEMENT BONDS, SERIES 2010D, OF THE CITY; MAKING PROVISION FOR THE RAISING ANNUALLY BY SUCH CITY OF A SUM SUFFICIENT TO PAY, AS THE SAME SHALL BECOME DUE, THE PRINCIPAL OF AND PREMIUM, IF ANY, AND INTEREST ON SUCH BONDS; PRESCRIBING THE FORM AND CERTAIN DETAILS OF SUCH BONDS; AUTHORIZING AND PROVIDING FOR THE NEGOTIATED SALE OF SUCH BONDS; APPROVING THE FORM OF PURCHASE AGREEMENT FOR SUCH BONDS; APPROVING THE PREPARATION AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT RELATING TO SUCH BONDS AND APPROVING THE FORM THEREOF; AUTHORIZING AND APPROVING AN OFFICIAL STATEMENT IN CONNECTION WITH THE ISSUANCE OF SUCH BONDS; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A REFUNDING TRUST AGREEMENT AND APPOINTING THE TRUSTEE THEREUNDER; AND AUTHORIZING CERTAIN OTHER MATTERS WITH RESPECT TO THE ISSUANCE OF SUCH BONDS" (the "Refunding Resolution").

(c) It is necessary and desirable to amend certain provisions of the Capital Projects Resolution and the Refunding Resolution.

SECTION 2. Amendments of Capital Projects Resolution. (a) The caption of the Capital Projects Resolution is hereby amended by deleting "EIGHTY MILLION DOLLARS (\$80,000,000)" and inserting in lieu thereof "EIGHTY-SEVEN MILLION DOLLARS (\$87,000,000)".

(b) Section 2(a) of the Capital Projects Resolution is hereby amended by deleting "Eighty Million Dollars (\$80,000,000)" and inserting in lieu thereof "Eighty-Seven Million Dollars (\$87,000,000)".

(c) Sections 3(a) and 15 of the Capital Projects Resolution are hereby amended by deleting "16 years" and inserting in lieu thereof "26 years"

SECTION 3. Amendments of Refunding Resolution. (a) The caption of the Refunding Resolution is hereby amended by deleting "ONE HUNDRED SIXTY-EIGHT MILLION DOLLARS (\$168,000,000) and inserting in lieu thereof "ONE HUNDRED SEVENTY-FIVE MILLION DOLLARS (\$175,000,000)".

(b) Section 1 of the Refunding Resolution is hereby amended to read as follows:

"SECTION 1. Authorization and Purpose of Bonds. There is hereby authorized to be issued, sold and delivered one or more series of general obligation bonds of the City, designated "General Improvement Bonds, Series 2010D", each with such other or further series designation, as determined by the Director of Finance and Administration (the "Bonds") in an aggregate principal amount not to exceed One Hundred Seventy-Five Million Dollars (\$175,000,000) for the purpose of refunding in advance of their maturities all or a portion of One Hundred Fifty-Eight Million Eight Hundred Fifteen Thousand Dollars (\$158,815,000) General Improvement Bonds of the City of the respective series, maturities, principal amounts, interest rates and redemption dates, if applicable, as set forth below (the "Refunded Bonds"):

<u>Series</u>	<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Redemption Date</u>
Ref. 1993A	August 1, 2010	\$ 3,545,000	0.00%	
Ref. 1997	August 1, 2010	\$ 1,260,000	5.60%	
Ref. 1998	July 1, 2010	\$ 1,905,000	5.50%	
Ref. 1999	October 1, 2010	\$ 6,445,000	5.25%	
	October 1, 2011	<u>3,045,000</u>	5.25	
		\$ 9,490,000		
Ref. 2001	November 1, 2010	\$ 10,920,000	5.00%	
	November 1, 2011	<u>12,885,000</u>	5.25	
		\$ 23,805,000		
2002	November 1, 2010	\$ 7,190,000	5.50%	
2003	May 1, 2011	\$ 4,485,000	4.00%	
	May 1, 2012	<u>4,660,000</u>	4.00	May 1, 2011
		\$ 9,145,000		
2004	October 1, 2010	\$ 5,200,000	5.00%	
	October 1, 2011	5,465,000	5.00	
	October 1, 2012	<u>5,745,000</u>	5.00	
		\$ 16,410,000		
2007A	April 1, 2025	\$ 8,645,000	5.00%	April 1, 2017
	April 1, 2026	9,080,000	4.75	April 1, 2017
	April 1, 2027	<u>9,510,000</u>	4.75	April 1, 2017
		\$ 27,235,000		
2008	April 1, 2011	\$ 1,845,000	3.25%	
	April 1, 2012	4,145,000	3.25	
	April 1, 2026	7,285,000	4.50	April 1, 2018
	April 1, 2027	7,615,000	4.50	April 1, 2018
	April 1, 2028	<u>7,955,000</u>	4.50	April 1, 2018
		\$ 28,845,000		
2009	April 1, 2012	\$ 1,830,000	4.00%	
	April 1, 2025	5,100,000	5.00	April 1, 2019
	April 1, 2026	5,355,000	5.00	April 1, 2019
	April 1, 2027	5,625,000	5.00	April 1, 2019
	April 1, 2028	5,905,000	4.50	April 1, 2019
	April 1, 2029	<u>6,170,000</u>	4.625	April 1, 2019
		\$ 29,985,000		
		<u>\$ 158,815,000</u>		

(c) Section 2 of the Refunding Resolution is amended by adding after "5.50% per annum" the following: "in the case of Tax-Exempt Bonds (as defined below) and 6.10% per annum in the case of Taxable Bonds (as defined below)", and by adding at the end of said Section 2 the following sentence: "The Bonds may be issued as bonds the interest on which is excluded from gross income for Federal income tax purposes ("Tax-Exempt Bonds"), or as bonds the interest on which is included in gross income for Federal income tax purposes ("Taxable Bonds"), or in part as Tax-Exempt Bonds and in part as Taxable Bonds."

(d) The first paragraph of Section 4 of the Refunding Resolution is hereby amended to read as follows: "Any or all of the Bonds (or portions thereof in installments of \$5,000) may first be subject to redemption at the option of the City prior to their stated maturities no later than 10-½ years after the date of delivery thereof and payment therefor, in whole at any time or in part from time to time in such order of maturity as shall be determined by the City (except that if at any time less than all of the Bonds of a given maturity are called for redemption, the particular Bonds or portions thereof shall be selected by lot, in the case of Tax-Exempt Bonds, or by lot or pro rata or a combination thereof, in the case of Taxable Bonds), at a fixed price or prices not to exceed 103%, in the case of Tax-Exempt Bonds, or at a fixed price or prices not to exceed 103% or at make-whole prices or a combination thereof, in the case of Taxable Bonds, in each case together with the interest accrued on the principal amount to be redeemed to the date fixed for the redemption thereof. The Tax-Exempt Bonds or Taxable Bonds also may be made not redeemable prior to maturity in their entirety. The redemption provisions, if any, shall be determined by the Director of Finance and Administration, subject to the foregoing limitations."

(e) Section 8 of the Refunding Resolution is hereby amended by deleting "Bonds" and inserting in lieu thereof "Tax-Exempt Bonds".

(f) The form of Bonds in Section 10 of the Refunding Resolution is hereby amended by adding the following after the fourth paragraph thereof:

"[Make-Whole Optional Redemption. The Bonds shall be subject to redemption prior to their stated maturities, at the option of the City, in whole or in part at any time on or after _____ at the "Make Whole Redemption Price." The Make Whole Redemption Price is equal to the greater of:

[the issue price of the Bonds set forth below (but not less than 100%)] [100%] of the principal amount of the Bonds to be redeemed; or

the sum of the present value of the remaining scheduled payments of principal of and interest on the Bonds to be redeemed to the maturity date of such Bonds, not including any portion of those payments of interest accrued and unpaid as of the date on which the Bonds are to be redeemed, discounted to the date on which the Bonds are to be redeemed on a semi annual basis, assuming a 360 day year containing twelve 30 day months, at the Treasury Rate (defined below) plus ___ basis points (0. __%),

plus in each case accrued interest on the Bonds to be redeemed to the redemption date.

[The issue price of the Bonds of each maturity is _____%]

“Treasury Rate” means, with respect to any redemption date for a particular Bond, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two business days prior to the redemption date, excluding inflation indexed securities, or, if such Statistical Release is no longer published, any publicly available source of similar market data) most nearly equal to the period from the redemption date to the maturity date of the Bonds to be redeemed; provided, however, that if the period from the redemption date to the maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be used.

Extraordinary Optional Redemption. The Bonds shall be subject to extraordinary optional redemption prior to their stated maturities, at the option of the City, upon the occurrence of an Extraordinary Event (defined below), in whole or in part at any time before _____, at the “Extraordinary Make Whole Redemption Price.” The Extraordinary Make Whole Redemption Price is equal to the greater of:

the issue price of the Bonds set forth above in “Make Whole Optional Redemption” (but not less than 100%) of the principal amount of the Bonds to be redeemed; or

the sum of the present value of the remaining scheduled payments of principal of and interest on the Bonds to be redeemed to the maturity date of such Bonds, not including any portion of those payments of interest accrued and unpaid as of the date on which the Bonds are to be redeemed, discounted to the date on which the Bonds are to be redeemed on a semi annual basis, assuming a 360 day year containing twelve 30 day months, at the Treasury Rate (defined in “Make Whole Optional Redemption” above) plus _____ basis points (____%),

plus in each case accrued interest on the Bonds to be redeemed to the redemption date.

An “Extraordinary Event” will have occurred if the City determines that a material adverse change has occurred to Section 54AA or 6431 of the Code (as such Sections were added by Section 1531 of the American Recovery and Reinvestment Act of 2009, pertaining to “Build America Bonds”) or there is a guidance published by the Internal Revenue Service or the United States Treasury with respect to such Sections or any other determination by the Internal Revenue Service or the United States Treasury, which determination is not the result of an act or omission by the City to satisfy the requirements to receive the 35 percent cash subsidy payment from the United States Treasury, pursuant to which the City’s 35 percent cash subsidy payment from the United States Treasury is reduced or eliminated.]

[If fewer than all of the Bonds of like maturity are called for prior redemption, the particular Bonds or portions of Bonds to be redeemed will be selected by the Paying Agent pro rata as nearly as practicable in proportion to the principal amounts of the Bonds owned by each registered owner, subject to the authorized denominations applicable to the Bonds. This will be calculated based on the formula: (principal to be redeemed) x (principal amount owned by

owner) / (principal amount outstanding). In such event, the particular Bonds to be redeemed will be determined by the Paying Agent in such manner as the Paying Agent in its discretion may deem fair and appropriate.]”

SECTION 4. Effective Date. This Resolution shall take effect upon its adoption.