Memphis City Council
Summary Sheet

Resolution for Authorizing Bonds

- This resolution will authorize the issuance of Sanitary Sewerage Bonds, Series 2010, not to exceed $16 million Five Hundred Thousand Dollars ($16,500,000) principal amount of the Sanitary Sewerage System Revenue Bonds, Series 2010, of the City of Memphis Tennessee for the purpose financing improvements, additions and extensions to the City's Sanitary Sewerage System.

- The initiating party is the Division of Finance.

- This Resolution does not change any existing Ordinance or Resolution.

- The resolution does not require new contracts, or amend an existing contract.

A SERIES RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED SIXTEEN MILLION FIVE HUNDRED THOUSAND DOLLARS ($16,500,000) PRINCIPAL AMOUNT OF SANITARY SEWERAGE SYSTEM REVENUE BONDS, SERIES 2010, OF THE CITY OF MEMPHIS, TENNESSEE, FOR THE PURPOSE OF FINANCING IMPROVEMENTS, ADDITIONS AND EXTENSIONS TO THE CITY'S SANITARY SEWERAGE SYSTEM; PROVIDING FOR CERTAIN DETAILS OF SAID BONDS; PROVIDING FOR THE POSSIBLE ISSUANCE OF ALL OR A PORTION OF SUCH BONDS AS BUILD AMERICA BONDS; APPOINTING THE PAYING AGENT AND REGISTRAR; AUTHORIZING THE PREPARATION AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND OFFICIAL STATEMENT RELATING TO SAID BONDS; AUTHORIZING NEGOTIATION WITH MORGAN KEEGAN & COMPANY, INC., AND OTHERS FOR THE PURCHASE OF SAID BONDS; AUTHORIZING A BOND PURCHASE AGREEMENT; AND AUTHORIZING AND RATIFYING CERTAIN OTHER ACTS IN CONNECTION WITH THE SALE AND ISSUANCE OF SAID BONDS.

WHEREAS, the Council of the City of Memphis, Tennessee (the "City"), adopted on February 24, 1981 a resolution authorizing and providing for the issuance of revenue bonds of the City for the purposes of the Sanitary Sewerage System (the "System") of the City, as amended by resolutions adopted by the City on December 17, 1985, April 11, 2000, and June 1, 2004 (together, the "Bond Resolution");

WHEREAS, the Council of the City has adopted an initial resolution (the "2010 Resolution") determining to issue not to exceed $16,500,000 principal amount of Sanitary Sewerage System Revenue Bonds of the City;

WHEREAS, no bonds have been issued pursuant to the 2010 Resolution; and

WHEREAS, it is deemed advisable to issue a series of bonds pursuant to the Bond Resolution and the 2010 Resolution to finance improvements, additions and extensions to the System;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MEMPHIS, TENNESSEE, AS FOLLOWS:

SECTION 1. Definitions. (a) Unless the context shall clearly indicate some other meaning, all words and terms used in this Series Resolution which are defined in the Bond Resolution (the Bond Resolution as from time to time amended or supplemented by Series Resolutions being defined in the Bond Resolution as the "Resolution") shall for all purposes of this Series Resolution, and for all purposes of any certificate, opinion, instrument or other document therein or herein mentioned, have the respective meanings given to them in the Bond Resolution.

(b) Unless the context shall clearly indicate some other meaning, the following terms shall, for all purposes of the Bond Resolution and of any Series Resolution (including for all purposes, this Series Resolution) and for all purposes of any certificate, opinion, instrument or other document therein or herein mentioned, have the following meanings, with the following definition to be equally applicable to both the singular and plural forms of such terms and vice versa:

"Code" means the Internal Revenue Code of 1986, as amended.

"Paying Agent" shall mean The Bank of New York Mellon Trust Company, National Association, or its successor by acquisition of corporate trust department or otherwise.

"Registrar" shall mean The Bank of New York Mellon Trust Company, National Association, or its successor by acquisition of corporate trust department or otherwise.

"Series 2010 Bonds" shall mean the Bonds issued pursuant to Section 2 hereof at any time Outstanding.

"Series 2010 Build America Bonds" shall mean any Series 2010 Bonds which the City elects pursuant to Section 2(b) hereof to treat as "Build America Bonds" within the meaning of Section 54AA(d) of the Code that are "qualified bonds" within the meaning of Section 54AA(g) of the Code.

"Series 2010 Recovery Zone Economic Development Bonds" shall mean any Series 2010 Build America Bonds which the City elects pursuant to Section 2(b) hereof to treat as "Recovery Zone Economic Development Bonds" within the meaning of Section 1400U-2(b)(1)(B) of the Code that are "qualified bonds" within the meaning of Section 54AA(g) of the Code.

(c) Unless or except as the context shall clearly indicate otherwise or may otherwise require in this Series Resolution: (i) all references to a particular Article, section and or subdivision of the Bond Resolution or this Series Resolution, as the case may be, are to the corresponding Article, section or subdivision of the Bond Resolution only, or this Series Resolution only, as the case may be; (ii) the terms "herein", "hereunder", "hereby", "hereto", "hereof", and any similar terms refer to this Series Resolution as a whole and not to any particular section or subdivision hereof; (iii) the terms "therein", "thereunder", "thereby", "thereto", "thereof", and any similar terms, refer to the Bond Resolution and to the Bond Resolution as a whole and not to any particular Article, section or subdivision thereof; and (iv) the term "heretofore" means before the time of effectiveness of this Series Resolution and the term "hereafter" means after the time of effectiveness of this Series Resolution.

SECTION 2. Authorization and Details of Series 2010 Bonds. (a) *Authorization of Series 2010 Bonds.* There is hereby authorized to be issued and shall be issued under and secured by the Bond Resolution a series of Bonds to be designated "Sanitary Sewerage System Revenue Bonds, Series 2010", with such other or further series designation, as determined by the Director of Finance and Administration (herein referred to as the "Series 2010

Bonds") in the total principal amount of not to exceed Sixteen Million Five Hundred Thousand Dollars ($16,500,000) for the purpose of financing improvements, additions and extensions to the System.

(b) *Series 2010 Build America Bonds; Recovery Zone Economic Development Bonds.* The Director of Finance and Administration may determine that any Series 2010 Bonds the interest on which is included in gross income for Federal income tax purposes shall be issued as "Build America Bonds" (the "Series 2010 Build America Bonds") within the meaning of Section 54AA(d) of the Internal Revenue Code of 1986, as amended (the "Code"), that are "qualified bonds" within the meaning of Section 54AA(g) of the Code, and on behalf of the City may make elections to treat the Build America Bonds as such and covenants, agreements or acknowledgements deemed appropriate relating to the status of such Build America Bonds under the Code and related matters.

The Director of Finance and Administration may determine that any Series 2010 Build America Bonds shall be issued as "Recovery Zone Economic Development Bonds" (the "Series 2010 Recovery Zone Economic Development Bonds") within the meaning of Section 1400U-2 of the Code, and on behalf of the City may make elections to treat the Recovery Zone Economic Development Bonds as such and covenants, agreements or acknowledgements deemed appropriate relating to the status of such Recovery Zone Economic Development Bonds under the Code and related matters.

The Director of Finance and Administration and other officers and employees of the City are authorized to make any additional elections, make such filings (including filings to obtain the cash payments referred to in the next paragraph), execute such documents and take such other actions as may be necessary or desirable in connection with the Series 2010 Build America Bonds (including Series 2010 Recovery Zone Economic Development Bonds).

Any cash payments received by the City from the United States Treasury with respect to the Series 2010 Build America Bonds (including the Series 2010 Recovery Zone Economic Development Bonds) shall be deposited in the Revenue Fund and constitute and be treated as Revenues, anything in the Bond Resolution to the contrary notwithstanding. Subject to all other provisions of the Bond Resolution, such cash payments received shall be used to pay principal and redemption price, if any, of and interest on Series 2010 Build America Bonds as and when due and payable (or, with respect to principal, redemption price, if any, or interest due and payable on any date if such cash payments are received after such due date, to reimburse the City for the payment of such interest from other moneys). The City hereby finds and determines that the foregoing provisions of this paragraph are necessary or desirable to add to the Bond Resolution additional covenants and agreements of the City for the purpose of further securing the payment of Bonds and are not contrary to or inconsistent with the covenants and agreements of the City contained in the Bond Resolution, and as such are permitted by Section 8.1(2) of the Bond Resolution.

(c) *Certain Details of Series 2010 Bonds.* The Series 2010 Bonds shall mature, or the Series 2010 Bonds shall be redeemed from sinking fund payments, on the dates, in the years (not to exceed 30 years from their date), in the amounts, bear interest at the rates (not to

exceed 7.50% per annum in the case of Series 2010 Build America Bonds, including Series 2010 Recovery Zone Economic Development Bonds, and not to exceed 6.00% per annum in the case of other Series 2010 Bonds), and be payable on the dates, all as shall be determined by the Director of Finance and Administration.

The Series 2010 Bonds shall be dated as shall be determined by the Director of Finance and Administration, shall be issuable in the form of fully registered Bonds without coupons in the denomination of $5,000 or any integral multiple of $5,000, and shall be numbered in consecutive numerical order from R-1 upwards in chronological order as issued. The Paying Agent as Registrar shall endorse on the Series 2010 Bonds the date of their authentication. Interest on the Series 2010 Bonds shall be payable from the respective interest payment dates next preceding the date of authentication to which interest shall have been paid, unless such date of authentication is an interest payment date, in which case from such date if interest has been paid to such date; provided, however, that prior to the initial interest payment date such interest shall be payable from the date of the Series 2010 Bonds. Interest on the Series 2010 Bonds shall be payable to the registered owner as of the close of business on a record date as shall be determined by the Director of Finance and Administration.

One Series 2010 Bond representing each maturity initially 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 Series 2010 Bonds and each such Bond shall be immobilized in the custody of DTC or any agent thereof. DTC, including any such agent, will act as securities depository for the Series 2010 Bonds. Individual purchases will be made in book-entry form only, in the principal amount of $5,000 or any integral multiple thereof, and purchasers will not receive physical delivery of certificates representing their interest on the Series 2010 Bonds purchased, all subject to Section 3.

Principal, premium, if any, and interest payments on the Series 2010 Bonds will be made by the Paying Agent by wire transfer to DTC or its nominee, Cede & Co., as registered owner of the Series 2010 Bonds, which will in turn remit such payments to the DTC participants for subsequent disbursal to the beneficial owners of the Series 2010 Bonds. 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 Series 2010 Bonds by DTC participants will be the responsibility of such participants and other nominees of such beneficial owners. Transfers of ownership interests in the Series 2010 Bonds 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 Series 2010 Bonds.

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 Series 2010 Bonds.

SECTION 3. Procedure in the Event of Revision of Book-Entry Transfer System - Replacement Bonds. The City shall issue Bond certificates (the "Replacement Bonds") directly

to the beneficial owners of the Series 2010 Bonds other than DTC, or its nominee, but only in the event that:

(a) DTC determines to discontinue providing its services with respect to the Series 2010 Bonds 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 Series 2010 Bonds, subject to DTC procedures.

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 Bonds in substantially the form set forth in Exhibit A to this Series Resolution.

Prior to the execution and delivery of Replacement Bonds, the City shall notify the beneficial owners of the Series 2010 Bonds by mailing an appropriate notice to DTC. Principal of and interest on the Replacement Bonds shall be payable by check or draft mailed to each owner of such Replacement Bonds at the address of such owner as it appears in the books of registry maintained on behalf of the City by the Paying Agent as Registrar. Replacement Bonds will be transferred only by presentation and surrender to the Paying Agent as Registrar, together with an assignment duly executed by the owner of the Replacement Bond or by his representative in form satisfactory to the Paying Agent as Registrar and containing information required by the Paying Agent as 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 Series 2010 Bond, 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 4. Redemption of Series 2010 Bonds. All or any portion of the Series 2010 Bonds shall be subject to redemption prior to maturity at the option of the City at such times and at such redemption prices, or shall not be subject to redemption prior to maturity at the option of the City, as may be determined by the Director of Finance and Administration. Series 2010 Build America Bonds, including Series 2010 Recovery Zone Economic Development Bonds, redeemable prior to maturity may be redeemed at a fixed price or prices not to exceed 103%, or at make-whole prices, or a combination thereof, and other Series 2010 Bonds may be redeemed at a fixed price or prices not to exceed 103%, all as determined by the Director of Finance and Administration.

If any Series 2010 Bond (or any portion of the principal amount thereof in installments of $5,000) shall be called for redemption, notice of the redemption thereof, specifying the date, number and maturity of such Series 2010 Bond, the date and place or places fixed for its redemption, the premium, if any, payable upon such redemption, and if less than the

entire principal amount of such Series 2010 Bond is to be redeemed, that such Series 2010 Bond must be surrendered in exchange for the principal amount thereof to be redeemed and a new Series 2010 Bond or Series 2010 Bonds issued equaling in principal amount that portion of the principal amount thereof not to be redeemed, shall be mailed not less than thirty (30) days prior to the date fixed for redemption by first class mail, postage prepaid, to the registered holder of such Series 2010 Bond at such holder's address as it appears on the books of registry kept by the Paying Agent as Registrar for the Series 2010 Bonds as of the close of business on the forty-fifth (45th) day preceding the date fixed for redemption. If notice of the redemption of any Series 2010 Bond shall have been given as aforesaid, and payment of the principal amount of such Series 2010 Bond (or the portion of the principal amount thereof to be redeemed) and of the accrued interest and premium, if any, payable upon such redemption shall have been duly made or provided for, interest on such Series 2010 Bond shall cease to accrue from and after the date so specified for redemption thereof. So long as the Series 2010 Bonds are in book-entry only form, any notice of redemption will be given only to DTC or its nominee, and the City shall not be responsible for providing any beneficial owner of the Series 2010 Bonds with notice of redemption.

SECTION 5. Appointment of Paying Agent and Registrar. The Bank of New York Mellon Trust Company, National Association, Dallas, Texas, is hereby appointed initial Paying Agent and Registrar for the Series 2010 Bonds.

SECTION 6. Execution and Authentication of Series 2010 Bonds; Form of Series 2010 Bonds. The Series 2010 Bonds shall be executed in the name of the City by the manual or facsimile signature of the Mayor of the City and the seal of the City (or a facsimile thereof) shall be affixed thereto or impressed, imprinted, engraved or otherwise reproduced thereon and attested by the manual or facsimile signature of the Comptroller of the City, neither of which signatures shall be required to be manual, or in such other manner as may be required or permitted by law. In case any one or more of the officers who shall have signed or sealed any of the Series 2010 Bonds shall cease to be such officer before the Series 2010 Bonds so signed and sealed shall have been delivered by the City, such Series 2010 Bonds may, nevertheless, be delivered as herein provided, and may be issued as if the persons who signed or sealed such Series 2010 Bonds had not ceased to hold such offices. Any Series 2010 Bond may be signed and sealed on behalf of the City by such persons as at the time of the execution of such Series 2010 Bonds shall be duly authorized or hold the proper office in the City, although at the date borne by the Series 2010 Bonds such persons may not have been so authorized or have held such office.

The Series 2010 Bonds shall be in substantially the form set forth in Exhibit A to this Series Resolution and shall recite that they are issued pursuant to Chapter 21 of Title 9, Tennessee Code Annotated, as amended.

The Series 2010 Bonds shall bear thereon a certificate of authentication in the form set forth in Exhibit A to this Series Resolution executed manually by an authorized officer of the Registrar as registration agent for the City. Only such Series 2010 Bonds as shall bear thereon such certificate of authentication shall be entitled to any right or benefit under the Bond Resolution and this Series Resolution and no Series 2010 Bond shall be valid or obligatory for

any purpose until such certificate of authentication shall have been duly executed by an authorized officer of the Registrar. Any such certificate of the Registrar upon any Bond executed on behalf of the City shall be conclusive evidence that the Series 2010 Bonds so authenticated has been duly authenticated and delivered under the Bond Resolution and this Series Resolution and that the holder of such Series 2010 Bond is entitled to the benefits and security of the Bond Resolution and this Series Resolution.

SECTION 7. Application of Proceeds of Sale of the Series 2010 Bonds; Construction Fund; Bond Reserve Account. (a) Proceeds of the sale of the Series 2010 Bonds shall be applied as follows:

(i) Accrued interest received on the Series 2010 Bonds, if any, from their date to the date of delivery of and payment for the Series 2010 Bonds shall be deposited into the Interest Sub-account of the Bond Account in the Revenue Fund to be applied to the payment of interest on the Series 2010 Bonds on the initial interest payment date.

(ii) If the amount required to be credited to the Bond Reserve Account in the Revenue Fund shall not then be on deposit therein, an amount shall be deposited in the Revenue Fund for credit to the Bond Reserve Account therein such that there shall be credited thereto an amount equal to the maximum Debt Service Requirement on the Bonds, including the Series 2010 Bonds.

(iii) An amount, equal to the amounts heretofore expended in anticipation of the issuance of the Series 2010 Bonds, if any, shall be reimbursed to the fund from which such expenditures were made.

(iv) The balance of the proceeds shall be deposited in the Construction Fund created by subsection (b) of this Section to be held by the City and applied to the payment of (A) costs of improvements, additions and extensions to the System and (B) fees and expenses in connection with the sale and issuance of the Series 2010 Bonds.

(b) There is hereby created a special fund of the City to be known as the "Series 2010 Bonds Construction Fund" (the "Construction Fund"), which shall be held in trust and administered by the City.

The Construction Fund shall be drawn upon for the sole purpose of paying (i) costs of improvements, additions and extensions to the System and (ii) fees and expenses in connection with the sale and issuance of the Series 2010 Bonds, including but not limited to the reimbursements authorized by subsection (a)(iii) of this Section to the extent not applied pursuant to said subsection.

Moneys in the Construction Fund not required for immediate disbursement for the purposes for which the Construction Fund is created shall, to the fullest extent practicable and reasonable, be invested and reinvested by the City solely in, and obligations deposited in the Construction Fund shall be, Investment Securities maturing, or subject to redemption at the option of the holder thereof, at or prior to the estimated time for the disbursement of such

moneys. Notwithstanding the foregoing, the City may invest moneys set aside in the Construction Fund in accordance with the provisions of this Section and with the comprehensive investment program of the City.

All income resulting from the investment or reinvestment of the moneys in the Construction Fund shall accrue to and be deposited in the Construction Fund.

All moneys held or set aside by the City in the Construction Fund shall, until otherwise invested or applied as provided in this Section, be deposited by the City in its name, for the account of the Construction Fund, in such banks, trust companies, national banking associations or savings and loan associations as the City shall at any time or from time to time appoint for the purpose, and which are eligible under the laws of the State of Tennessee to receive deposits of state and municipal funds. Such deposits shall at all times be secured in accordance with the laws of the State of Tennessee and the Charter of the City.

(c) All income resulting from the investment or reinvestment of moneys on deposit in the Bond Reserve Account in the Revenue Fund shall accrue to and be deposited in the Revenue Fund.

SECTION 8. Federal Tax Covenant. The City hereby covenants with the registered owners from time to time of the Series 2010 Bonds, other than Series 2010 Build America Bonds, including Series 2010 Recovery Zone Economic Development Bonds that (i) throughout the term of such Series 2010 Bonds and (ii) through the date that the final rebate, if any, must be made to the United States in accordance with Section 148 of the Code it will comply with the provisions of Sections 103 and 141 through 150 of the Code and all regulations proposed and promulgated thereunder that must be satisfied in order that interest on such Series 2010 Bonds shall be and continue to be excluded from gross income for federal income tax purposes under said Section 103.

SECTION 9. CUSIP Identification Numbers. CUSIP identification numbers, at the sole option of the City, may be placed on the Series 2010 Bonds but neither the failure to place any such number on any Bond nor any inaccuracy, error or omission with respect thereto shall constitute cause for failure or refusal by the purchasers to accept delivery of and pay for the Series 2010 Bonds. No such CUSIP identification number shall constitute a part of the contract evidenced by the particular Series 2010 Bond upon which it is imprinted and no liability shall attach to the City or any officer or agent thereof, including any registrar or paying agent for the Series 2010 Bonds, by reason of such numbers or any use made thereof, including any use thereof made by the City, any such officer or any such agent, or by reason of any inaccuracy, error or omission with respect thereto or in such use.

SECTION 10. Sale of Series 2010 Bonds; Preliminary Official Statement; Final Official Statement; Continuing Disclosure Certificate; Bond Insurance. The Series 2010 Bonds shall be sold on a date to be determined by the Director of Finance and Administration and at a price not less than 97% of the par value thereof. The Director of Finance and Administration is hereby authorized to negotiate with Morgan Keegan & Company, Inc., and others, as shall be determined by the Director of Finance and Administration, which are hereby approved as the

managing underwriters of the Series 2010 Bonds with respect to the purchase and sale of the Series 2010 Bonds. The appropriate officers of the City are hereby authorized and directed to execute and deliver to said underwriters a Bond Purchase Agreement substantially in the form presented to and filed with the minutes of the meeting at which this Series 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 Series Resolution, together with such changes as shall be approved by such officers, upon the advice of counsel (including the City Attorney and bond counsel), such approval to be conclusively evidenced by their execution thereof.

The Director of Finance and Administration is hereby authorized to cause to be prepared and distributed to prospective purchasers of and investors in the Series 2010 Bonds a Preliminary Official Statement of the City relating to the Series 2010 Bonds, substantially in the form presented to the meeting at which this Series Resolution is being adopted and filed with the minutes thereof. The Preliminary Official Statement is deemed final as of the date thereof, except for interest rate and other information permitted to be omitted pursuant to Rule 15c2-12(c)(3) of the Securities and Exchange Commission. Upon sale of the Series 2010 Bonds, the Director of Finance and Administration is hereby authorized to prepare an Official Statement, in substantially the form of the Preliminary Official Statement, after the same has been completed by the insertion of the maturities, interest rates, and other details of the Series 2010 Bonds 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 or bond counsel), deem necessary or appropriate; 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 Series 2010 Bonds.

A Continuing Disclosure Certificate, in substantially the form of thereof included in the Preliminary Official Statement, is hereby authorized to be executed and delivered by the Director of Finance and Administration. The City covenants with the holders from time to time of the Series 2010 Bonds 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 Series Resolution, failure of the City to perform in accordance with the Continuing Disclosure Certificate shall not constitute a default under the Bond Resolution and the Continuing Disclosure Certificate may be enforced only as provided therein.

The obtaining of one or more policies of insurance insuring the payment of the principal (either at the stated maturity or when designated for redemption from mandatory sinking fund installments) of and interest on all or any portion of the Series 2010 Bonds (the "Policies"), and the execution and delivery of any agreements related thereto, which may include an agreement to reimburse amounts paid by the providers thereof together with interest on unreimbursed amounts, and payment to the providers of the Policies of the premiums payable on the Policies in the manner, at the times and in the amounts required by the commitments therefor, and the payment of any bond rating fees related thereto, are hereby authorized. Notwithstanding anything to the contrary in Section 7 hereof, the premiums payable on the Policies may be paid

directly from the proceeds of the Series 2010 Bonds without the necessity of first depositing such proceeds to any fund or account referred to in said Section 7.

SECTION 11. Findings and Determinations; Authority for This Series Resolution; Series 2010 Bonds are "Bonds" under the Bond Resolution. The City hereby finds and determines that (i) $148,270,000 aggregate principal amount of Sanitary Sewerage System Revenue Bonds, Series 2000, Series 2002, Series 2004, Series 2005, Series 2007, Series 2009A and Series 2009B (Direct Payment Build America Bonds), and Sanitary Sewerage System Revenue Refunding Bonds, Series 2001 and Series 2006 (collectively, the "Outstanding Bonds"), have been heretofore issued and were outstanding under the Bond Resolution as of June 30, 2010; (ii) the Series 2010 Bonds are issued under the authorization of Section 3.2 of the Bond Resolution; (iii) no default exists in the payment of the principal of or interest and premium (if any) on any Bond and (iv) all provisions and conditions of the Bond Resolution required to the date of adoption of this Series Resolution have been complied with in the issuance under the Bond Resolution of the Series 2010 Bonds.

This Series Resolution (i) supplements the Bond Resolution; (ii) is hereby found, determined and declared to constitute and to be a "Series Resolution" within the meaning of the quoted words as defined and used in the Bond Resolution; and (iii) is adopted pursuant to and under the authority of the Bond Resolution.

The Series 2010 Bonds are hereby found, determined and declared to be issued under the Bond Resolution and to constitute and be "Bonds" within the meaning of the quoted words as defined and used in the Bond Resolution. As more fully set forth in the Bond Resolution, the Series 2010 Bonds: (i) shall be entitled to the benefits, security and protection of the Bond Resolution, equally and ratably with one another, with the Outstanding Bonds and with any other Bonds hereafter issued thereunder; (ii) shall be payable as provided in the Bond Resolution subject to the prior payment of the Operating Expenses; and (iii) shall be equally and ratably secured under the Bond Resolution with one another, with the Outstanding Bonds and with all Bonds hereafter issued thereunder, without priority by reason of series, number, date of adoption of the Series Resolution providing for the issuance thereof, date of Bonds, date of sale, date of execution, date of issuance, date of delivery or otherwise, by the liens, pledges, charges and assignments created by the Bond Resolution.

SECTION 12. Economic Life. The reasonably expected economic life of the improvements, additions and extensions to the System to be financed from the proceeds of the Series 2010 Bonds is at least from 30 to 40 years.

SECTION 13. Effect of Section Headings. The heading or titles of the several sections hereof shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of this Series Resolution.

SECTION 14. Repeal of Inconsistent Resolutions. Any resolution of the City, or any portion thereof, in conflict or inconsistent with this Series Resolution is hereby repealed to the extent of such conflict or inconsistency.

SECTION 15. Effective Date. This Series Resolution shall take effect upon its adoption.

EXHIBIT A

UNITED STATES OF AMERICA
STATE OF TENNESSEE
CITY OF MEMPHIS
SANITARY SEWERAGE SYSTEM
REVENUE BOND
SERIES 2010

No. R - $_____

Maturity Date	Interest Rate	Date of Issue	CUSIP
_____ __, ____	%	_____, 20__	

Registered Owner:

Principal Amount:

THE CITY OF MEMPHIS, TENNESSEE (the "City"), a municipal corporation organized and existing under the laws of the State of Tennessee, hereby acknowledges itself indebted and for value received will pay, solely from the sources provided herein, to the Registered Owner named above, or registered assigns (herein, the "Holder"), on the Maturity Date specified above (subject to the right of prior redemption hereinafter mentioned), upon the presentation and surrender hereof, the principal sum as specified above and will pay interest on such principal sum from and including the date hereof until payment of such principal sum has been made or duly provided, at the rate per annum as specified above payable from the _____ or _____ next preceding the date of authentication to which interest shall have been paid; unless such authentication date is _____ or _____, in which case from such date if interest has been paid to such date; provided, however, that such interest shall be payable from _____, 20__ if the date of authentication is prior to _____, 20__. The principal of this Bond is payable at the principal office of The Bank of New York Mellon Trust Company, National Association, Dallas, Texas, or its successor, as paying agent (the "Bond Registrar" and "Paying Agent"). The interest hereon will be paid semi-annually on _____ and _____, commencing _____, 20__ to the registered Holder in whose name this Bond is registered on the registration books at the close of business on the fifteenth day of the calendar month next preceding each _____ and _____. Interest on this Bond is payable by check or draft drawn upon the Paying Agent and mailed to the registered address of the registered Holder of this Bond. The principal of and premium, if any, and interest on this Bond shall be payable in any coin or currency of the United States of America as, at the respective times of payment, shall be legal tender for public and private debts. While this Bond is held in book-entry form, principal of and interest on this Bond shall be payable by wire transfer.

This Bond is one of a duly authorized series of Bonds of like designation herewith (the "Series 2010 Bonds"), issued in the principal amount of $_____ pursuant to a resolution adopted by the Council of the City on April 24, 1981 as amended and supplemented (the "Resolution") and a series resolution adopted by said Council on _____ __, 2010 (the "Series Resolution"), and pursuant to the provisions of Chapter 21 of Title 9, Tennessee Code Annotated, as amended, and the Charter of the City, as amended, for the purpose of financing the costs of improvements, additions and extensions to the City's Sanitary Sewerage System.

The Series 2010 Bonds constitute part of a duly authorized issue of Bonds (herein referred to as the "Bonds") issued, or to be issued, under the Resolution in one or more series in various principal amounts and of varying denominations, dates, maturities, interest rates and other provisions as provided in the Resolution for the purpose of financing the cost of the acquisition, construction, reconstruction, improvement, extension, enlargement and betterment of the City's Sanitary Sewerage System or for the refunding of Bonds issued therefor.

The Bonds, including the Series 2010 Bonds, are payable solely from and equally and ratably secured solely by the net revenues derived by the City through the ownership and operation of the Sanitary Sewerage System of the City which, by the terms of the Resolution, are pledged to the payment thereof, subject to the provisions of the Resolution permitting the application of such revenues to the purposes and on the terms and conditions set forth in the Resolution.

[The Series 2010 Bonds maturing on or before _____ shall not be subject to redemption prior to maturity. The Series 2010 Bonds maturing on or after _____ shall be subject to redemption prior to maturity in whole at any time or in part from time to time in such order of maturity as shall be determined by the City and by lot within a maturity on or after _____, at the prices and dates set forth below:

Redemption Date (Both Dates Inclusive)	Redemption Price]

[Make-Whole Optional Redemption. The Series 2010 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:

(a) the issue price of the Series 2010 Bonds set forth below (but not less than 100%) of the principal amount of the Series 2010 Bonds to be redeemed; or

(b) the sum of the present value of the remaining scheduled payments of principal of and interest on the Series 2010 Bonds to be redeemed to the maturity date of such Series 2010 Bonds, not including any portion of those payments of interest accrued and unpaid as of the date on which the Series 2010

Bonds are to be redeemed, discounted to the date on which the Series 2010 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 Series 2010 Bonds to be redeemed to the redemption date.

The issue price of the Series 2010 Bonds of each maturity is _____%

"Treasury Rate" means, with respect to any redemption date for a particular Series 2010 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 Series 2010 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 Series 2010 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:

(a) the issue price of the Series 2010 Bonds set forth above in "Make-Whole Optional Redemption" (but not less than 100%) of the principal amount of the Series 2010 Bonds to be redeemed; or

(b) the sum of the present value of the remaining scheduled payments of principal of and interest on the Series 2010 Bonds to be redeemed to the maturity date of such Series 2010 Bonds, not including any portion of those payments of interest accrued and unpaid as of the date on which the Series 2010 Bonds are to be redeemed, discounted to the date on which the Series 2010 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 Series 2010 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] [1400U-2] or 6431 of the Code pertaining to ["Build America Bonds"] ["Recovery Zone Economic Development 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][45] percent cash subsidy payment from the United States Treasury, pursuant to which the City's [35][45] percent cash subsidy payment from the United States Treasury is reduced or eliminated.]

The Series 2010 Bonds maturing in ____ shall be subject to mandatory redemption in part prior to maturity on _____ and on _____ and _____ of each year therefor from monthly amounts credited to the Bond Retirement Sub-Account in the Bond Account in the Revenue Fund as sinking fund installments which shall be sufficient to redeem on _____ of each year set forth in the table below the principal amount of such Series 2010 Bonds specified for each of such years at a redemption price equal to the principal amount redeemed, together with accrued interest on such principal amount to the redemption date:

Year	Principal Amount

The Series 2010 Bonds shall be selected for redemption in multiples of $5,000. Where Series 2010 Bonds are issued in multiples greater than $5,000, when such Series 2010 Bonds shall be redeemed in part only, then only that portion of such Series 2010 Bonds shall be called for redemption, and the City will issue and deliver at the office of the Registrar (or send by registered mail to the owner thereof at his expense), in the name of the Holder, a new registered Series 2010 Bond in the amount of the portion not so redeemed, of like form, interest rate and maturity, dated so that there shall be no gain or loss of interest as a result of the redemption of a portion of the Series 2010 Bond.

[If fewer than all of the Series 2010 Bonds of like maturity are called for prior redemption, the particular Series 2010 Bonds or portions of Series 2010 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 Series 2010 Bonds owned by each registered owner, subject to the authorized denominations applicable to the Series 2010 Bonds. In such event, the particular Series 2010 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.]

The City shall send notice of redemption of any Series 2010 Bonds to the Holder of this Bond at his address as shown on the books of registry, such notice to include the terms and conditions prescribed by the Resolution and to be mailed by first class mail, postage prepaid, not less than thirty (30) days prior to the date fixed for redemption.

This Bond shall not be deemed to constitute a general obligation of the City or a debt of the City within the meaning of any constitutional, Charter or statutory limitation, and no Holder of this Bond shall ever have the right to compel any exercise of the taxing powers of the City to pay this Bond or the interest hereon, but this Bond shall be payable solely from the revenues of the Sanitary Sewerage System as herein set forth.

This Bond is transferable only upon the registration books at the above mentioned office of the Paying Agent as Bond Registrar by the registered Holder hereof, or by his duly authorized attorney, upon surrender of this Bond, together with a written instrument of transfer satisfactory in form to the Bond Registrar duly executed by the registered Holder or his duly authorized attorney, which may be in the form endorsed hereon, and subject to the limitations and upon payment of the charges, if any, provided in the Resolution, and thereupon a new bond or bonds, in the same aggregate principal amount in authorized denominations and of the same series, interest rate and maturity as the bond surrendered, shall be issued to the transferee in exchange therefor as provided in the Resolution.

Reference is hereby made to the Resolution and Series Resolution, certified copies of which are on file in the principal office of the City Comptroller, and to all of the provisions of which any Holder of this Bond by his acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the security for the Bonds issued under the Resolution, including this Bond; the properties constituting the Sanitary Sewerage System; the revenues and other moneys pledged to the payment of the principal of and interest on the Bonds issued thereunder; the nature and extent and manner of enforcement of the pledge; the terms and conditions upon which this Bond and the series of which it is one are issued and upon which other Bonds may hereafter be issued thereunder, and certain reimbursement obligations under support facilities or interest rate exchange agreements may be incurred, payable on a parity from such revenues and equally and ratably secured therewith; the conditions upon which the Resolution may be amended or supplemented with or without the consent of the holders of the Bonds; the rights and remedies of the Holder hereof with respect thereto, including the limitations therein contained upon the right of a Holder hereof to institute any suit, action or proceeding in equity or at law with respect hereto and thereto; the rights, duties and obligations of the City and the Bondholders thereunder; the terms and provisions upon which the liens, pledges, charges, trusts, assignments and covenants made therein may be discharged at or prior to the maturity or redemption of this Bond, and this Bond thereafter no longer be secured by the Resolution or be deemed to be outstanding thereunder, if moneys or certain specified securities shall have been deposited with a Paying Agent sufficient and held in trust solely for the payment hereof; and for the other terms and provisions hereof.

It is hereby certified, recited and declared that all actions, conditions and things required to be done, exist, happen and be performed precedent to, and in the issuance of this Bond, have been done, have existed, have happened, and have been performed in regular and due form and manner as required by the Constitution and statutes of the State of Tennessee and the Charter of the City, and that this Bond, together with all other indebtedness of the City, does not exceed any limit prescribed by the Constitution and statutes of such State and the Charter of the City.

This Bond shall not be valid or become obligatory for any purpose until this Bond shall have been authenticated by the execution by the Bond Registrar, as authenticating agent, of the Certificate of Authentication endorsed hereon.

IN WITNESS WHEREOF, the City of Memphis has caused this Bond to be executed by the manual or facsimile signature of its Mayor and the seal of the City to be affixed hereto or impressed, imprinted, engraved or otherwise reproduced hereon and attested by the manual or facsimile signature of its Comptroller, neither of which signatures is required to be manual.

CITY OF MEMPHIS, TENNESSEE

_____
Mayor

ATTEST:

_____
Comptroller

[SEAL]

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Series Resolution

THE BANK OF NEW YORK MELLON
TRUST COMPANY, NATIONAL
ASSOCIATION
As Bond Registrar and Paying Agent

By: _____
Authorized Officer

Date of Authentication:

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(Name, Address and Taxpayer Identification No. of Assignee) the within bond and does hereby irrevocably constitute and appoint _____ to transfer the said bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____ Signature: _____

Signature Guarantee: _____

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