

RESOLUTION

RESOLUTION OF THE COUNCIL OF THE CITY OF MEMPHIS, TENNESSEE, AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF NOT TO EXCEED SEVENTY-FIVE MILLION DOLLARS (\$75,000,000) PRINCIPAL AMOUNT OF CITY OF MEMPHIS, TENNESSEE, GENERAL IMPROVEMENT BONDS FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING BOND ANTICIPATION NOTES 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 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

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) Pursuant to such authorizations and a resolution adopted by the Council on April 21, 2009, the City issued and currently there are outstanding \$148,470,000 principal amount of Bond Anticipation Notes, 2009 (the "2009 Notes"), maturing on May 18, 2010, for the purposes of (i) prepaying a portion of the principal of a Bank Note issued under and pursuant to a Line of Credit Agreement supporting, and which had been drawn upon to pay, Bond anticipation notes of the City theretofore issued as commercial paper, the balance of the principal of which Bank Note was simultaneously prepaid from proceeds of the City's General Improvement Bonds, Series 2009, and (ii) financing various public works projects of the City. Following the issuance of the 2009 Notes and certain Bonds previously issued, there remains

unobligated under the Initial Resolutions not less than approximately \$101,233,000 principal amount under the Initial Resolution adopted March 3, 2009.

(c) The City deems it to be in its best interests to provide for the payment at maturity of the principal of a portion of the 2009 Notes referred to in subsection (b)(ii) above and/or the principal of all of the 2009 Notes referred to in subsection (b)(ii) above by issuing Bonds to refund the principal of such 2009 Notes, the interest on such 2009 Notes due upon maturity to be paid from other available moneys of the City. By resolution adopted at the same meeting at which this Resolution is adopted, the Council has authorized the issuance of Bond anticipation notes of the City to refund all or a portion of the principal of the 2009 Notes referred to in subsection (b)(ii) above.

SECTION 2. Authorization and Purpose of Bonds. (a) There is hereby authorized to be issued, sold and delivered, pursuant to the Initial Resolutions and this Resolution, one or more series of general obligation bonds of the City, designated "General Improvement Bonds", each with one further series designation, as determined by the Director of Finance and Administration (the "Bonds") in an aggregate principal amount not to exceed Seventy-Five Million Dollars (\$75,000,000).

(b) The Bonds shall be issued (i) to provide for the refunding and payment at maturity of the principal of a portion of the 2009 Notes referred to in Section 1(b)(ii) hereof and/or the principal of all of the 2009 Notes referred to in Section 1(b)(i) hereof and (ii) to provide for the payment of costs of issuance of the Bonds. Interest on such 2009 Notes due at maturity shall be paid from other available moneys of the City.

SECTION 3. Certain Details of Bonds. (a) *General.* The Bonds, 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 Bonds shall be numbered from R-1 upwards in order of issuance. The Bonds shall be dated as of a date, shall be issued in the denomination of \$5,000 each or any integral multiple thereof, and shall bear interest payable initially and semiannually thereafter in each year on the dates and at the rates per annum, not to exceed 6.00% per annum in the case of Tax-Exempt Bonds (as defined below) and 7.00% per annum in the case of Taxable Bonds (as defined below), all as shall be determined by the Director of Finance and Administration, in each case calculated on the basis of a 30-day month and a 360-day year. The Bonds shall mature in serial or term forms in not to exceed 25 years from their dated date, on the maturity dates and in the principal amounts to be determined by the Director of Finance and Administration. 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.

The Bonds shall be issued only in fully registered form without coupons. One Bond 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 Bonds and each such Bond shall be immobilized in the custody of DTC. DTC will act as

securities depository for the Bonds. Purchasers will not receive physical delivery of certificates representing their interest in the Bonds 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 Bonds as Securities Depository, payments of principal, premium, if any, and interest payments on the Bonds 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 Bonds, which will in turn remit such payments to the DTC participants for subsequent disbursement to the beneficial owners of the 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 Bonds by DTC participants will be the responsibility of such participants and other nominees of such beneficial owners. Transfers of ownership interests in the 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 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 Bonds.

The Bank of New York Mellon Trust Company, National Association, is hereby appointed as Paying Agent and Registrar for the Bonds (the "Paying Agent and Registrar").

(b) *Build America Bonds.* The Director of Finance and Administration may determine that any Taxable Bonds shall be issued as "Build America Bonds" (the "Build America Bonds") within the meaning of Section 54AA(d) of the Internal Revenue Code of 1986, as amended (the "Code"), added by Section 1531 of the American Recovery and Reinvestment Act of 2009, 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 Series 2009 Build America Bonds as such, covenants, agreements or acknowledgements deemed appropriate relating to the status of such Series 2009 Build America 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 Build America Bonds as such.

Any cash payments received by the City from the United States Treasury with respect to the Series 2009 Build America Bonds shall be deposited in the Debt Service Fund of the City and used to pay interest on Build America Bonds as and when due and payable (or, with respect to 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).

SECTION 4. 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 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 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 Bonds, 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 Bonds.

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 Section 11 hereof. Such Replacement Bonds 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 Bonds as shall bear thereon such certificate of authentication shall be entitled to any right or benefit under this Resolution and no 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 Paying Agent and Registrar. Any such certificate of the Paying Agent and Registrar upon any Bond executed on behalf of the City shall be conclusive evidence that the Bond so authenticated has been duly authenticated and delivered under this Resolution and that the registered owner of such Bond is entitled to the benefits and security of this Resolution.

Prior to the execution and delivery of Replacement Bonds, the City shall notify the beneficial owners of the 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 registered owner of such Replacement Bonds at the address of such owner as it appears in the books of registry maintained by the Paying Agent and Registrar. Replacement Bonds 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 Bond 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 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 5. Redemption. 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.

If any 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 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 Bond is to be redeemed, that such Bond must be surrendered in exchange for the principal amount thereof to be redeemed and a new Bond or 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 owner of such Bond at such owner's address as it appears on the books of registry kept by the Paying Agent and Registrar 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 Bond shall have been given as aforesaid, and payment of the principal amount of such 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 Bond shall cease to accrue from and after the date so specified for redemption thereof. The failure of any registered owner to receive any such mailed notice shall not affect the sufficiency or validity of the proceedings for the redemption of the related Bonds.

So long as the Bonds are in book-entry only form, any notice of redemption will be given only to DTC or its nominee. The City shall not be responsible for providing any beneficial owner of the Bonds with notice of redemption.

SECTION 6. Security. The full faith and credit and unlimited taxing power of the City are hereby pledged to the punctual payment of the principal of and interest on the Bonds. In accordance with the provisions of T.C.A. Section 9-21-215, it is hereby recited that adequate provision will be made for raising annually by tax upon all property subject to taxation by the City of a sum sufficient to pay the principal of and interest on the Bonds as the same shall become due. The City hereby agrees that a tax sufficient to pay when due such principal and such interest shall be levied annually and assessed, collected and paid in like manner with the other taxes of the City and shall be in addition to all other taxes authorized or limited by law. This resolution shall be deemed to be the tax resolution required to be adopted in respect of the Bonds under T.C.A. Section 9-21-215.

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

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

draft mailed by the Paying Agent and Registrar to the registered owners of the Bonds 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 Bonds 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 Bonds shall be in book-entry form, the principal of and premium, if any, and interest on the Bonds shall be payable in accordance with the provisions of Section 3 hereof.

(ii) The principal of and premium, if any, and interest on the Bonds 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 Bonds. (i) At all times during which any Bond 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 Bonds. 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 Bonds as herein set forth.

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

(iii) Any Bond 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 Bond 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 Bonds, except as otherwise herein provided, and except that the Paying Agent and Registrar shall require the payment of the registered owner of the Bond requesting such transfer or exchange of any tax or other governmental charges required to be paid with respect to such transfer or exchange. All Bonds surrendered pursuant to this Section 7(b) shall be canceled.

SECTION 8. CUSIP Identification Numbers. CUSIP identification numbers may be printed on the Bonds, but neither the failure to print any such number on any Bonds, nor any error or omission with respect thereto, shall constitute cause for failure or refusal by the purchaser of the Bonds to accept delivery of and pay for the Bonds in accordance with the terms of its proposal to purchase the Bonds. No such number shall constitute or be deemed to be a part of any Bond 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 Code 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 Tax-Exempt Bonds 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 Bonds. The Bonds 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 Bonds shall cease to be such officer before the delivery of such Bonds, 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 Bonds 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 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 Paying Agent and Registrar.

SECTION 11. Form of Bonds. The Bonds 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
GENERAL IMPROVEMENT BOND
SERIES 2010**

REGISTERED

REGISTERED

No. R- _____

\$ _____

INTEREST RATE

MATURITY DATE

CUSIP NO.

_____, 20__

REGISTERED OWNER: CEDE & CO.

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, [unless this Bond shall have been called for previous redemption and payment of the redemption price shall have been duly made or provided for], the

Principal Amount specified above, and to pay interest on such Principal Amount on _____, 20__ and semiannually on each _____ and _____ thereafter at the Interest Rate per annum specified above calculated on the basis of a 30-day month and a 360-day year, 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 Bond 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 Bond are payable upon presentation and surrender hereof at the principal office of The Bank of New York Mellon 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 Bond 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 Bond is one of a duly authorized series of Bonds (herein referred to as the "Bonds") 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 refunding certain outstanding commercial paper and/or paying or prepaying bank notes of the City issued to finance the cost of public works projects of the City, under and pursuant to and in full compliance with the Constitution and statutes of the State of Tennessee, including Title 9, Chapter 21, Tennessee Code Annotated, being the Local Government Public Obligations Act of 1986, as amended, and resolutions duly adopted by the Council of the City under such Chapter 21 on March 4, 2008, March 3, 2009, and March 9, 2010.

[The Bonds maturing on or before _____, _____, shall not be subject to redemption prior to maturity. The Bonds maturing on and after _____, _____, (or portions thereof in installments of \$5,000) are subject to optional redemption by the City on or after _____, _____, in whole or in part at any time in such order as determined by the City and by lot within a maturity (if less than a full maturity is to be redeemed),] [at a redemption price equal to the principal amount of the Bonds or portion thereof to be redeemed, together with the interest accrued on such principal amount to the date fixed for redemption.][at the prices and dates set forth below, in each case together with the interest accrued on the principal amount of the Bonds or portion thereof to be redeemed:

<u>Redemption Date</u> <u>(Both Dates Inclusive)</u>	<u>Redemption Price]</u>
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[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:

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

(b) 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 Series 2009 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:

(a) 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

(b) 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.]

[If this Bond or any portion of the principal amount hereof shall be called for redemption, notice of the redemption hereof, specifying the date and number of this 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 this Bond is to be redeemed, that this Bond must be surrendered in exchange for the principal amount hereof to be redeemed and the issuance of a new Bond equaling in principal amount that portion of the principal amount hereof not 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 Owner (or portion hereof to be redeemed). If notice of redemption shall have been given as aforesaid, and payment of the principal amount of this Bond (or portion of the principal amount hereof to be redeemed) and of the accrued interest and premium, if any, payable upon such redemption shall have been then made or provided for, interest hereon shall cease from and after the date so specified for the redemption hereof. The failure of the Registered Owner to receive any such mailed notice shall not affect the sufficiency or validity of proceedings for the redemption of this Bond.]

Subject to the limitations and upon payment of the charges, if any, provided in the proceedings authorizing the Bonds, this Bond 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 Bonds of other authorized principal amounts and of the issue of which this Bond is one. This Bond 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 Bonds of the issue of which this Bond is one,

and upon the surrender hereof for cancellation. Upon such transfer, a new Bond or Bonds of authorized denominations and of the same aggregate principal amount of the series of which this Bond is one will be issued to the transferee in exchange herefor.

The full faith, credit and unlimited taxing power of the City are hereby irrevocably pledged to the punctual payment of the principal of and interest on this Bond as the same become due. In the resolution hereinabove referred to adopted on March 9, 2010, it is recited that adequate provision will be made for raising annually by tax upon all property subject to taxation by the City of a sum sufficient to pay the interest on and principal of this Bond as the same shall become 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 Bond 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 Bond and the Bonds of the series of which this Bond is one do not exceed any constitutional or statutory limitation of indebtedness.

IN WITNESS WHEREOF, the City, by its Council, has caused this Bond 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 hereto, by facsimile or otherwise, attested by the manual or facsimile signature of its Comptroller; and this Bond to be dated as of _____, 2010.

CITY OF MEMPHIS, TENNESSEE

[SEAL]

Mayor

ATTEST:

Comptroller

Certificate of Authentication

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

The Bank of New York Mellon Trust
Company, National Association,
As Paying Agent and Registrar

By: _____
Authorized Officer

Date of Authentication: _____, 2010

Assignment

For value received, _____ hereby sells, assigns and transfers unto

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

the within-mentioned Bond 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 Bond in every particular, without alteration,
enlargement or any change whatsoever.

SECTION 12. Sale of Bonds. The Bonds shall be sold at a negotiated sale on a
date to be determined by the Director of Finance and Administration and at a price of not less

than ninety-eight percent (98%) of the principal amount of the Bonds, plus accrued interest, if any. The Director of Finance and Administration is hereby authorized to negotiate with Loop Capital Markets, LLC, which is hereby approved as the lead managing underwriter for the underwriters of the Bonds, with respect to the purchase and sale of the Bonds. The Director of Finance and Administration is hereby authorized and directed to execute and deliver to the underwriters a Bond Purchase Agreement substantially in the form presented to and filed with the minutes of the meeting at which this Resolution is 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 Bonds a Preliminary Official Statement of the City relating to the Bonds, 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 15c2-12(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 Bonds and by making such other insertions, changes or corrections as the Director of Finance and Administration, based on the advice of counsel (including the City Attorney and Bond Counsel) and the City's 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 Bonds.

A Continuing Disclosure Certificate, substantially in the form described in the Preliminary Official Statement, is hereby authorized to be executed and delivered by the Director of Finance and Administration. The form of the Continuing Disclosure Certificate 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, which approval shall be conclusively evidenced by its publication and distribution, as applicable. The City covenants with the holders from time to time of the 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 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 Bonds. The proceeds derived from the sale of the Bonds shall be applied as follows:

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

(B) The balance shall be used to pay (i) the principal of 2009 Notes at maturity and (ii) costs of issuance of the Bonds, including without limitation any premiums for municipal bond insurance authorized by Section 12 hereof.

SECTION 14. Municipal Bond Insurance and Special Provisions Required Thereby. The obtaining of a policy of insurance insuring the payment of the principal of and interest on all or any portion of the Bonds (the "Policy"), and the execution and delivery by the Director of Finance and Administration on behalf of the City of any commitments or other agreements related thereto, are hereby authorized. The Director of Finance and Administration may determine such matters as may be necessary or desirable to comply with the conditions precedent to the issuance of the Policy, which may include, but shall not be limited to, provisions deeming the issuer of the Policy to be the holder of the Bonds insured by it for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the holders of such Bonds are entitled to take for certain purposes as so determined.

SECTION 15. Economic Lives. The reasonably expected remaining average economic lives of the public works projects to be financed from the proceeds of the Bonds shall be in excess of 25 years from the dated date of the Bonds.

SECTION 16. 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 Bonds and as may be reasonably required to carry out, give effect to and consummate the transactions contemplated hereby.

SECTION 17. Effective Date. This Resolution shall take effect upon its adoption.

RESOLUTION

RESOLUTION OF THE COUNCIL OF THE CITY OF MEMPHIS, TENNESSEE, AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF NOT TO EXCEED EIGHTY-FIVE MILLION DOLLARS (\$85,000,000) PRINCIPAL AMOUNT OF CITY OF MEMPHIS, TENNESSEE, BOND ANTICIPATION NOTES FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING BOND ANTICIPATION NOTES OF THE CITY; 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; 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) Pursuant to such authorizations and a resolution adopted by the Council on April 21, 2009, the City issued and currently there are outstanding \$148,470,000 principal amount of Bond Anticipation Notes, 2009 (the "2009 Notes"), maturing on May 18, 2010, for the purposes of (i) prepaying a portion of the principal of a Bank Note issued under and pursuant to a Line of Credit Agreement supporting, and which had been drawn upon to pay, Bond anticipation notes of the City theretofore issued as commercial paper, the balance of the principal of which Bank Note was simultaneously prepaid from proceeds of the City's General Improvement Bonds, Series 2009, and (ii) financing various public works projects of the City. Following the issuance of the 2009 Notes and certain Bonds previously issued, there remains unobligated under the Initial Resolutions not less than approximately \$101,233,000 principal amount under the Initial Resolution adopted March 3, 2009.

(c) The City deems it to be in its best interests to provide for the payment at maturity of the principal of all or a portion of the 2009 Notes referred to in subsection (b)(ii)

above by issuing Bond anticipation notes to refund the principal of such 2009 Notes, the interest on such 2009 Notes due upon maturity to be paid from other available moneys of the City. By resolution adopted at the same meeting at which this Resolution is adopted, the Council has authorized the issuance of general improvement Bonds of the City to refund any balance of the principal of the 2009 Notes referred to in subsection (b)(ii) above and all of the principal of the 2009 Notes referred to in subsection (b)(i) above.

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, sold and delivered, pursuant to the Initial Resolutions and this Resolution, Bond anticipation notes of the City, designated "Bond Anticipation Notes, 2010" or otherwise as may be determined by the Director of Finance and Administration (the "Notes"), in an aggregate principal amount not to exceed Eighty-Five Million Dollars (\$85,000,000).

(b) The Notes shall be issued (i) to provide for the refunding and payment at maturity of the principal of all or a portion of the 2009 Notes referred to in Section 1(b)(ii) hereof and (ii) to provide for the payment of costs of issuance of the Notes. Interest on such 2009 Notes due at maturity shall be paid from other available moneys of the City.

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 two (2) years 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 3.00% per annum, all as shall be determined by the Director of Finance and Administration, calculated on the basis of a 30-day month and a 360-day year.

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 Mellon Trust Company, National Association, 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, 2010**

REGISTERED

REGISTERED

No. R- _____

\$ _____

INTEREST RATE

MATURITY DATE

CUSIP NO.

_____, 20__

REGISTERED OWNER: CEDE & CO.

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] [semi-annually on each _____ and _____ thereafter until the payment of such Principal Amount] [at maturity] at the Interest Rate per annum specified above calculated on the basis of a 30-day month and a 360-day year, 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 Mellon 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, Tennessee Code Annotated, being the Local Government Public Obligations Act of 1986, as amended, and resolutions duly adopted by the Council of the City under such Chapter 21 on March 4, 2008, March 3, 2009, and March 9, 2010.

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 hereto, by facsimile or otherwise, attested by the manual or facsimile signature of its Comptroller; and this Note to be dated as of _____, 2010.

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, National Association,
As Paying Agent and Registrar

By: _____
Authorized Officer

Date of Authentication: _____, 2010

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 determined 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, plus accrued interest, if any. The Director of Finance and Administration is hereby authorized to negotiate with Morgan Keegan & Company, Inc., or any affiliate thereof, 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 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, which 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 15c2-12(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 counsel (including the City Attorney and Bond Counsel) and the City's 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 described in the Preliminary Official Statement, 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, which 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) the principal of 2009 Notes at maturity and (ii) costs of issuance of the Notes, including without limitation any premiums for municipal bond insurance authorized by Section 14 hereof.

SECTION 14. Municipal Bond Insurance and Special Provisions Required Thereby. The obtaining of a policy of insurance insuring the payment of the principal of and interest on all or any portion of the Notes (the "Policy"), and the execution and delivery by the Director of Finance and Administration on behalf of the City of any commitments or other agreements related thereto, are hereby authorized. The Director of Finance and Administration

may determine such matters as may be necessary or desirable to comply with the conditions precedent to the issuance of the Policy, which may include, but shall not be limited to, provisions deeming the issuer of the Policy to be the holder of the Notes insured by it for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the holders of such Notes are entitled to take for certain purposes as so determined.

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 but not limited to making application to the State Director of Local Finance or his or her successor for the issuance of the Notes as required by Section 9-21-505, Tennessee Code Annotated. Any actions heretofore taken by or on behalf of the City in connection with such application are hereby ratified and confirmed.

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