

Board of Mayor and Aldermen
City of Dyersburg
November 19, 2007

The Board of Mayor and Aldermen met in regular session on Monday, November 19, 2007 in the municipal courtroom at 7 p.m.

Mayor John Holden presided with all Aldermen present.

The meeting opened with the "Pledge of Allegiance to the Flag" and prayer by Alderman Lewis Norman.

The minutes of the November 5, 2007 meeting were approved as submitted on a motion by Aldermen Williams and Chaney.

Chamber – Agribusiness

Vice Chair Eddie Anderson explained that the community promotes the various agriculture interests in the county. Activities include: legislative agenda; downtown farmer's market; young farmers and ranchers program; Future Farmers of America activities; Dyer County Fair. The 2007 row crop season had poor yields at good prices.

City Attorney Invoice

The City Attorney invoice for October 1, 2007 through October 31, 2007 in the amount of \$13,725.77 was approved on a motion by Aldermen Williams and Kirk.

Future City Recreation

Under Old Business, Alderman McCright requested a reconsideration of the motion at the November 5, 2007 meeting that authorized moving the basketball program and Recreation employee Clifford Fowlkes from Future City to Bruce Recreation Center. The motion to reconsider was seconded by Alderman Williams.

On a roll call vote the action of November 5, 2007 was reversed with Aldermen Dudley, Moody, Norman and Walker voting against the reconsideration.

Finance Committee Report

Chairman Lewis Norman reported on the meeting of November 19, 2007. The Committee reviewed and made recommendations to the City Board on landfill financing, patrol car cameras, hay mowing on industrial land and condemnations to benefit the industrial park.

Purchasing Agent Greg Williams explained that City lands are being maintained by Mr. Roger Page, who is mowing the grass for hay. The farmer uses good management practices, keeps the land in suitable condition for viewing by industrial prospects and the City has no cost of upkeep. On a motion by Aldermen Norman and Kirk the Board authorized the verbal agreement with Roger Page allowing him to maintain and harvest hay off of the land behind Nordyne, in the North Industrial Park and at the airport.

Resolution 111907A – Landfill Finance

On a motion by Aldermen Norman and Walker the Board authorized Morgan Keegan to issue \$2.6 million of capital outlay notes to reimburse the City for expenditures incurred during the construction of a new landfill cell.

Resolution 111907A

A RESOLUTION AUTHORIZING THE ISSUANCE OF INTEREST BEARING GENERAL OBLIGATION CAPITAL OUTLAY NOTES OF THE CITY OF DYERSBURG, TENNESSEE, IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED TWO MILLION SIX HUNDRED THOUSAND DOLLARS (\$2,600,000); MAKING PROVISION FOR THE ISSUANCE, SALE AND PAYMENT OF SAID NOTES, ESTABLISHING THE TERMS THEREOF AND THE DISPOSITION OF PROCEEDS THEREFROM; AND PROVIDING FOR THE LEVY OF TAX FOR THE PAYMENT OF PRINCIPAL THEREOF AND INTEREST THEREON.

WHEREAS, pursuant to authority granted by Sections 9-21-101 et seq., Tennessee Code Annotated, subject to the approval of the State Director of Local Finance, counties in Tennessee are authorized to issue interest bearing capital outlay notes for all purposes for which general obligation bonds can be legally authorized and issued for a period of not to exceed twelve (12) years; and WHEREAS, the Board of Mayor and Alderman of City of Dyersburg, Tennessee (the "City") has determined that it is necessary and desirable to issue not to exceed \$2,600,000 in aggregate principal amount of capital outlay notes to provide funds for the purpose of (i) acquisition of land for and financing and paying costs associated with the construction and equipping of extensions, improvement and expansion to the landfill; (ii) purchasing equipment for the landfill and for the solid waste system; (iii) acquisition of all property, real and personal, appurtenant to the foregoing; (iv) payment of legal, fiscal, administrative, architectural and engineering costs incident to the foregoing (the "Projects"); (v) reimbursement for funds previously expended for Project costs, if any; and (vi) the payment of costs incident to the issuance and sale of the notes authorized herein; and WHEREAS, it appears to the Board of Mayor and Alderman of the City that it will be advantageous to the City to issue not to exceed \$2,600,000 in aggregate principal amount of capital outlay notes for said purposes; and WHEREAS, it is the intention of the Board of Mayor and Alderman of the City to adopt this resolution for the purpose of authorizing such notes, establishing the terms thereof, providing for the issuance, sale and payment of the notes and disposition of proceeds wherefrom, and providing for the levy of a tax for the payment of principal thereof and interest thereon. NOW, THEREFORE, BE IT RESOLVED by the Board of Mayor and Alderman of the City of Dyersburg, Tennessee, as follows: Section 1. Authority. The notes authorized by this resolution are issued pursuant to Sections 9-21-101 et seq., Tennessee Code Annotated, and other applicable provisions of law. Section 2. Definitions. The following terms shall have the following meanings in this resolution unless the text expressly or by necessary implication requires otherwise: (a) "Book-Entry Form" or "Book-Entry System" means a form or system, as applicable, under which physical note certificates in fully registered form are issued to a Depository, or to its nominee as Registered Owner, with the certificate of notes being held by and "immobilized" in the custody of such Depository, and under which records maintained by persons, other than the City or the Registration Agent, constitute the written record that identifies, and records the transfer of, the beneficial "book-entry" interests in those notes; (b) "Code" shall mean the Internal Revenue Code of 1986, as amended, and all regulations promulgated or proposed hereunder; (c) "City" shall mean the City of Dyersburg, Tennessee; (d) "Depository" means any securities depository that is a clearing agency under federal laws operating and maintaining, with its participants or otherwise, a Book-Entry System, including, but not limited to, DTC; (e) "DTC" means the Depository Trust Company, a limited purpose company organized under the laws of the State of New York, and its successors and assigns; (f) "DTC Participant(s)" means securities brokers and dealers, banks, trust companies and clearing corporations that have access to the DTC System; (g) "Governing Body" shall mean the Board of Mayor and Alderman of the City; (h) "Notes" shall mean the not to exceed \$2,600,000 General Obligation Capital Outlay Notes, Series 2007B of the City, to be dated their date of issuance, or having such other designation or such other dated date as shall be determined by the City Mayor, authorized to be issued by this resolution; (i) "Projects" shall mean the (i) acquisition of land for and financing and paying costs associated with the construction and equipping of extensions, improvement and expansion to the landfill; (ii) purchasing equipment for the landfill and for the solid waste system; (iii) acquisition of all property, real and personal, appurtenant to the foregoing; (iv) payment of legal, fiscal, administrative, architectural and engineering costs incident to the foregoing; and (v) reimbursement for funds previously expended for Project costs, if any and (j) "Registration Agent" shall mean the registration and paying agent appointed by the City Mayor pursuant to Section 3 hereof or any successor registration agent and paying agent appointed by the Governing Body. Section 3. Authorization and Terms of the Notes. (a) For the purpose of funding the Projects and reimbursing the City for funds previously expended for Project costs, if any, subject to the adjustments permitted pursuant to Section 7 hereof, including the costs incident to the issuance and sale of the Notes as more fully set forth in Section 7 hereof, there are hereby authorized to be issued interest bearing capital outlay notes of the City, in book-entry form, in an aggregate principal amount of not to exceed \$2,600,000. Subject to the adjustments permitted in Section 7 hereof, the Notes shall be issued in one or more emissions, in fully registered form, without coupons, shall be known as "Capital Outlay Notes, Series 2007B" and shall be dated their date of issuance, or having such other designation or such other dated date as shall be determined by the City Mayor; and shall bear interest at a rate or rates not to exceed five percent (5.00%) per annum, payable, subject to the adjustments permitted pursuant to Section 7 hereof, semi-annually on June 1 and December 1 until the Notes mature or are redeemed, commencing June 1, 2008. The Notes shall be issued initially in \$5,000 denominations or integral multiples thereof, as shall be requested by the original purchaser thereof. Subject to the adjustments permitted by Section 7 hereof, the Notes shall mature serially or be subject to mandatory redemption and be payable on June 1 of each year as follows (but in no event shall the Notes mature later than the end of the twelfth fiscal year following the fiscal year in which the Notes are issued):

YEAR AMOUNT

2009 \$400,000
2010 400,000
2011 425,000
2012 450,000
2013 450,000
2014 475,000

(b) Subject to the adjustments permitted by Section 7 hereof, the Notes shall be subject to prior redemption at the option of the City, as a whole or in part, at any time, at the price of par, plus interest accrued to the redemption date, if any. If adjustments are made to the redemption provisions pursuant to Section 7 hereof, and if less than all the Notes shall be called for redemption, the maturities to be redeemed shall be designated by the Governing Body, in its discretion, and, if less than all of the Notes of a maturity shall be called for redemption, the Notes within the maturity to be redeemed shall be selected as follows: (i) if the Notes are being held under a Book-Entry System by DTC, or a successor Depository, the Notes to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or (ii) if the Notes are not being held under a Book-Entry System by DTC, or a successor Depository, the Notes within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine. (c) Pursuant to Section 7 hereof, the City Mayor is authorized to sell the Notes, or any maturities thereof, as term notes ("Term Notes") with mandatory redemption requirements corresponding to the maturities set forth herein or as determined by the City Mayor. In the event any or all the Notes are sold as Term Notes, the City shall redeem Term Notes on redemption dates corresponding to the maturity dates set forth herein, in aggregate principal amounts equal to the maturity amounts established pursuant to Section 7 hereof for each redemption date, as such maturity amounts may be adjusted pursuant to Section 7 hereof, at a price of par plus accrued interest thereon to the date of redemption. The Term Notes to be redeemed within a single maturity shall be selected in the manner described in subsection (b) above. At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such mandatory redemption date, the City may (i) deliver to the Registration Agent for cancellation Notes to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Notes of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Note so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the City on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Notes to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced. The City shall on or before the forty-fifth (45th) day next preceding each payment date furnish the Registration Agent with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this subsection are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date. (d) Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent on behalf of the City not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Notes to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Note registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for redemption of any of the Notes for which proper notice was given. As long as DTC, or a successor Depository, is the registered owner of the Notes, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Notes, as and when above provided, and neither the City nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant or Beneficial Owner will not affect the validity of such redemption. The Registration Agent shall mail said notices as and when directed by the City pursuant to written instructions from an authorized representative of the City (other than for a mandatory sinking fund redemption, notices of which shall be given on the dates provided herein) given at least forty-five (45) days prior to the redemption date (unless a shorter notice period shall be satisfactory to the Registration Agent). From and after the redemption date, all Notes called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth herein. (e) The City hereby authorizes and directs the City Mayor to appoint the Registration Agent, which may be the City's Finance Director, and hereby authorizes and directs the Registration Agent so appointed, to maintain Note registration records with respect to the Notes, to authenticate and deliver the Notes as provided herein, either at original issuance or upon transfer, to effect transfers of the Notes, to give all notices of redemption as required herein, to make all payments of principal and interest with respect to the Notes as provided herein, to cancel and destroy Notes which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer, to furnish the City at least annually a certificate of destruction with respect to Notes canceled and destroyed, and to furnish the City at least annually an audit confirmation of Notes paid, Notes outstanding and payments made with respect to interest on the Notes. The City Mayor is hereby authorized to execute and the City Recorder is hereby authorized to attest such written agreement between the City and the Registration Agent as they shall deem necessary and proper with respect to the obligations, duties and rights of the Registration Agent. The payment of all reasonable fees and expenses of the Registration Agent for the discharge of its duties and obligations hereunder or under any such agreement is hereby authorized and directed. (f) The Notes shall be payable, both principal and interest, in lawful money of the United States of America at the main office of the Registration Agent. The Registration Agent shall make all interest payments with respect to the Notes by check or draft on each interest payment date directly to the registered owners as shown on the Note registration records

maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by depositing said payment in the United States mail, postage prepaid, addressed to such owners at their addresses shown on said Note registration records, without, except for final payment, the presentation or surrender of such registered Notes, and all such payments shall discharge the obligations of the City in respect of such Notes to the extent of the payments so made. Payment of principal of and premium, if any, on the Notes shall be made upon presentation and surrender of such Notes to the Registration Agent as the same shall become due and payable. All rates of interest specified herein shall be computed on the basis of a three hundred sixty (360) day year composed of twelve (12) months of thirty (30) days each. In the event the Notes are no longer registered in the name of DTC, or a successor Depository, if requested by the Owner of at least \$1,000,000 in aggregate principal amount of the Notes, payment of interest on such Notes shall be paid by wire transfer to a bank within the continental United States or deposited to a designated account if such account is maintained with the Registration Agent and written notice of any such election and designated account is given to the Registration Agent prior to the record date. (g) Any interest on any Note that is payable but is not punctually paid or duly provided for on any interest payment date (hereinafter "Defaulted Interest") shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such Defaulted Interest shall be paid by the City to the persons in whose names the Notes are registered at the close of business on a date (the "Special Record Date") for the payment of such Defaulted Interest, which shall be fixed in the following manner: the City shall notify the Registration Agent in writing of the amount of Defaulted Interest proposed to be paid on each Note and the date of the proposed payment, and at the same time the City shall deposit with the Registration Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Registration Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this Section provided. Thereupon, not less than ten (10) days after the receipt by the Registration Agent of the notice of the proposed payment, the Registration Agent shall fix a Special Record Date for the payment of such Defaulted Interest which Date shall be not more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment to the registered owners. The Registration Agent shall promptly notify the City of such Special Record Date and, in the name and at the expense of the City, not less than ten (10) days prior to such Special Record Date, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefore to be mailed, first class postage prepaid, to each registered owner at the address thereof as it appears in the Note registration records maintained by the Registration Agent as of the date of such notice. Nothing contained in this Section or in the Notes shall impair any statutory or other rights in law or in equity of any registered owner arising as a result of the failure of the City to punctually pay or duly provide for the payment of principal of, premium, if any, and interest on the Notes when due. (h) The Notes are transferable only by presentation to the Registration Agent by the registered owner, or his legal representative duly authorized in writing, of the registered Note(s) to be transferred with the form of assignment on the reverse side thereof completed in full and signed with the name of the registered owner as it appears upon the face of the Note(s) accompanied by appropriate documentation necessary to prove the legal capacity of any legal representative of the registered owner. Upon receipt of the Note(s) in such form and with such documentation, if any, the Registration Agent shall issue a new Note or the Note to the assignee(s) in \$5,000 denominations, or integral multiples thereof, as requested by the registered owner requesting transfer. The Registration Agent shall not be required to transfer or exchange any Note during the period commencing on a Regular or Special Record Date and ending on the corresponding interest payment date of such Note, nor to transfer or exchange any Note after the notice calling such Note for redemption has been made, nor to transfer or exchange any Note during the period following the receipt of instructions from the City to call such Note for redemption; provided, the Registration Agent, at its option, may make transfers after any of said dates. No charge shall be made to any registered owner for the privilege of transferring any Note, provided that any transfer tax relating to such transaction shall be paid by the registered owner requesting transfer. The person in whose name any Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the City nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Notes shall be overdue. The Notes, upon surrender to the Registration Agent, may, at the option of the registered owner, be exchanged for an equal aggregate principal amount of the Notes of the same maturity in any authorized denomination or denominations. (i) The Notes shall be executed in such manner as may be prescribed by applicable law, in the name, and on behalf, of the City with the manual or facsimile signature of the City Mayor and with the official seal, or a facsimile thereof, of the City impressed or imprinted thereon and attested by the manual or facsimile signature of the City Recorder. (j) Except as otherwise provided in this resolution, the Notes shall be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Notes. References in this Section to a Note or the Notes shall be construed to mean the Note or the Notes that are held under the Book-Entry System. One Note for each maturity shall be issued to DTC and immobilized in its custody. A Book-Entry System shall be employed, evidencing ownership of the Notes in authorized denominations, with transfers of beneficial ownership affected on the records of DTC and the DTC Participants pursuant to rules and procedures established by DTC. Each DTC Participant shall be credited in the records of DTC with the amount of such DTC Participant's interest in the Notes. Beneficial ownership interests in the Notes may be purchased by or through DTC Participants. The holders of these beneficial ownership interests are hereinafter referred to as the "Beneficial Owners." The Beneficial Owners shall not receive the Notes representing their beneficial ownership interests. The ownership

interests of each Beneficial Owner shall be recorded through the records of the DTC Participant from which such Beneficial Owner purchased its Notes. Transfers of ownership interests in the Notes shall be accomplished by book entries made by DTC and, in turn, by DTC Participants acting on behalf of Beneficial Owners. SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE REGISTERED OWNER OF THE NOTES, THE REGISTRATION AGENT SHALL TREAT CEDE & CO., AS THE ONLY HOLDER OF THE NOTES FOR ALL PURPOSES UNDER THIS RESOLUTION, INCLUDING RECEIPT OF ALL PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE NOTES, RECEIPT OF NOTICES, VOTING AND REQUESTING OR DIRECTING THE REGISTRATION AGENT TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THIS RESOLUTION. Payments of principal, interest, and redemption premium, if any, with respect to the Notes, so long as DTC is the only owner of the Notes, shall be paid by the Registration Agent directly to DTC or its nominee, Cede & Co. as provided in the Letter of Representation relating to the Notes from the City and the Registration Agent to DTC (the "Letter of Representation"). DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners. The City and the Registration Agent shall not be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants. In the event that (1) DTC determines not to continue to act as securities depository for the Notes or (2) the City determines, in accordance with the rules of DTC, that the continuation of the Book-Entry System of evidence and transfer of ownership of the Notes would adversely affect their interests or the interests of the Beneficial Owners of the Notes, then, in the discretion of the City Mayor, the City shall not be required to employ a Book-Entry System. If the City fails to identify another qualified securities depository to replace DTC, the City shall cause the Registration Agent to authenticate and deliver replacement Notes in the form of fully registered Notes to each Beneficial Owner. If the purchaser(s) certifies that it intends to hold the Bonds for its own account and has no present intent to re-offer the Bonds, then the Notes may be issued as non-Book-Entry fully registered certificated Notes. THE CITY, FINANCIAL ADVISOR AND THE REGISTRATION AGENT SHALL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY DTC PARTICIPANT OR ANY BENEFICIAL OWNER WITH RESPECT TO (i) THE NOTES; (ii) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (iii) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND INTEREST ON THE NOTES; (iv) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY DTC PARTICIPANT OF ANY NOTICE DUE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED UNDER THE TERMS OF THIS RESOLUTION TO BE GIVEN TO BENEFICIAL OWNERS, (v) THE SELECTION OF BENEFICIAL OWNERS TO RECEIVE PAYMENTS IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE NOTES; OR (vi) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC, OR ITS NOMINEE, CEDE & CO., AS OWNER. (k) The Registration Agent is hereby authorized to take such action as may be necessary from time to time to qualify and maintain the Notes for deposit with DTC, including but not limited to, wire transfers of interest and principal payments with respect to the Notes, utilization of electronic book entry data received from DTC in place of actual delivery of Notes and provision of notices with respect to Notes registered by DTC (or any of its designees identified to the Registration Agent) by overnight delivery, courier service, telegram, teletype or other similar means of communication. No such arrangements with DTC may adversely affect the interest of any of the owners of the Notes, provided, however, that the Registration Agent shall not be liable with respect to any such arrangements it may make pursuant to this section. (l) The Registration Agent is hereby authorized to authenticate and deliver the Notes to the original purchaser, upon receipt by the City of the proceeds of the sale thereof and to authenticate and deliver Notes in exchange for Notes of the same principal amount delivered for transfer upon receipt of the Note(s) to be transferred in proper form with proper documentation as hereinabove described. The Notes shall not be valid for any purpose unless authenticated by the Registration Agent by the manual signature of an officer thereof on the certificate set forth herein on the Note form. (m) In case any Note shall become mutilated, or be lost, stolen, or destroyed, the City, in its discretion, shall issue, and the Registration Agent, upon written direction from the City, shall authenticate and deliver, a new Note of like tenor, amount, maturity and date, in exchange and substitution for, and upon the cancellation of, the mutilated Note, or in lieu of and in substitution for such lost, stolen or destroyed Note, or if any such Note shall have matured or shall be about to mature, instead of issuing a substituted Note the City may pay or authorize payment of such Note without surrender thereof. In every case the applicant shall furnish evidence satisfactory to the City and the Registration Agent of the destruction, theft or loss of such Note, and indemnity satisfactory to the City and the Registration Agent; and the City may charge the applicant for the issue of such new Note an amount sufficient to reimburse the City for the expense incurred by it in the issue thereof. Section 4. Source of Payment. The Notes shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the City. For the prompt payment of principal of and interest on the Notes, the full faith and credit of the City are hereby irrevocably pledged. Section 5. Form of Notes. The Notes shall be in substantially the following form, the omissions to be appropriately completed when the Notes are prepared and delivered: (Form of Note)

REGISTERED REGISTERED

Number _____

\$ _____

UNITED STATES OF AMERICA

STATE OF TENNESSEE

CITY OF DYERSBURG
CAPITAL OUTLAY NOTE, SERIES 2007B

Interest Rate:

Maturity Date:

Date of Note:

CUSIP No.:

Registered Owner:

Principal Amount: DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That the City of Dyersburg, Tennessee (the "City"), for value received hereby promises to pay to the registered owner hereof, hereinabove named, or registered assigns, in the manner hereinafter provided, the principal amount hereinabove set forth on the maturity date hereinabove set forth, and to pay interest (computed on the basis of a 360 day year of twelve 30 day months) on said principal amount at the rate of interest hereinabove set forth from the date hereof until this Note matures [or is redeemed], said interest being payable on [June 1, 2008], and semi-annually thereafter on June 1 and December 1. Both principal hereof and interest hereon are payable in lawful money of the United States of America by check or draft at _____, _____, _____ as registration and paying agent (the "Registration Agent"). The Registration Agent shall make all interest payments with respect to this Note on each interest payment date directly to the registered owner hereof shown on the Note registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by check or draft mailed to such owner at such owner's address shown on said note registration records, without, except for final payment, the presentation or surrender of this Note, and all such payments shall discharge the obligations of the City to the extent of the payments so made. Any such interest not so punctually paid or duly provided for on any interest payment date shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such defaulted interest shall be payable to the person in whose name this Note is registered at the close of business on the date (the "Special Record Date") for payment of such defaulted interest to be fixed by the Registration Agent, notice of which shall be given to the owners of the Notes of the issue of which this Note is one not less than ten (10) days prior to such Special Record Date. Payment of principal hereof shall be made upon presentation and surrender of this Note to the Registration Agent when due. [Except as otherwise provided herein or in the Resolution, as hereinafter defined, this Note shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Notes of the series of which this Note is one. One Note for each maturity of the Notes shall be issued to DTC and immobilized in its custody. A book-entry system shall be employed, evidencing ownership of the Notes in \$5,000 denominations, or multiples thereof, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants, as defined in the Resolution, pursuant to rules and procedures established by DTC. So long as Cede & Co., as nominee for DTC, is the registered owner of the Notes, the City and the Registration Agent shall treat Cede & Co., as the only owner of the Notes for all purposes under the Resolution, including receipt of all principal and maturity amounts of, premium, if any,] and interest on the Notes, receipt of notices, voting and requesting or taking or not taking, or consenting to, certain actions hereunder. Payments of principal, maturity amounts, interest, and [redemption premium, if any,] with respect to the Notes, so long as DTC is the only owner of the Notes, shall be paid directly to DTC or its nominee, Cede & Co. DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners, as defined in the Resolution. Neither the City nor the Registration Agent shall be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants. In the event that (1) DTC determines not to continue to act as securities depository for the Notes or (2) the City determines, in accordance with the rules of DTC, that the continuation of the book-entry system of evidence and transfer of ownership of the Notes would adversely affect its interests or the interests of the Beneficial Owners of the Notes, the City may discontinue the book-entry system with DTC. If the City fails to identify another qualified securities depository to replace DTC, the City shall cause the Registration Agent to authenticate and deliver replacement Notes in the form of fully registered Notes to each Beneficial Owner. Neither the City nor the Registration Agent shall have any responsibility or obligations to any DTC Participant or any Beneficial Owner with respect to (i) the Notes; (ii) the accuracy of any records maintained by DTC or any DTC Participant; (iii) the payment by DTC or any DTC Participant of any amount due to any Beneficial Owner in respect of the principal or maturity amounts of and interest on the Notes; (iv) the delivery or timeliness of delivery by DTC or any DTC Participant of any notice due to any Beneficial Owner that is required or permitted under the terms of the Resolution to be given to Beneficial Owners, (v) the selection of Beneficial Owners to receive payments in the event of any partial redemption of the Notes; or (vi) any consent given or other action taken by DTC, or its nominee, Cede & Co., as owner.] [The Notes shall be subject to redemption prior to maturity at the option of the City, as a whole or in part at any time at the redemption price of par plus accrued interest to the redemption date. If less than all the Notes shall be called for redemption, the maturities to be redeemed shall be designated by the Board of City Commissioners of the City, in its discretion. If less than all the principal amount of the Notes of a maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows: (i) if the Notes are being held under a Book-Entry System by DTC, or a successor Depository, the amount of the interest of each DTC Participant in the Notes to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or (ii) if the Notes are not being held

under a Book-Entry System by DTC, or a successor Depository, the Notes within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine. [Subject to the credit hereinafter provided, the City shall redeem Notes maturing _____ on the redemption dates set forth below opposite the maturity dates, in aggregate principal amounts equal to the respective dollar amounts set forth below opposite the respective redemption dates at a price of par plus accrued interest thereon to the date of redemption. DTC, as securities depository for the series of Notes of which this Note is one, or such Person as shall then be serving as the securities depository for the Notes, shall determine the interest of each Participant in the Notes to be redeemed using its procedures generally in use at that time. If DTC, or another securities depository is no longer serving as securities depository for the Notes, the Notes to be redeemed within a maturity shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall select. The dates of redemption and principal amount of Notes to be redeemed on said dates are as follows: Principal Amount Final Redemption of Notes Maturity Date Redeemed *Final Maturity At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such redemption date, the City may (i) deliver to the Registration Agent for cancellation Notes to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Notes of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Note so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the City on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Notes to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced. The City shall on or before the forty-fifth (45th) day next preceding each payment date furnish the Registration Agent with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this subsection are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date. Notice of call for redemption[, whether optional or mandatory,] shall be given by the Registration Agent not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Notes to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Note registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for the redemption of any of the Notes for which proper notice was given. As long as DTC, or a successor Depository, is the registered owner of the Notes, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Notes, as and when above provided, and neither the City nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant will not affect the validity of such redemption. From and after any redemption date, all Notes called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth in the Resolution, as hereafter defined.] This Note is transferable by the registered owner hereof in person or by such owner's attorney duly authorized in writing at the principal corporate trust office of the Registration Agent set forth on the front side hereof, but only in the manner, subject to limitations and upon payment of the charges provided in the Resolution, as hereafter defined, and upon surrender and cancellation of this Note. Upon such transfer a new Note or Notes of authorized denominations of the same maturity and interest rate for the 11 same aggregate principal amount will be issued to the transferee in exchange therefore. The person in whose name this Note is registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the City nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Note shall be overdue. Notes, upon surrender to the Registration Agent, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of the Notes of the same maturity in authorized denomination or denominations, upon the terms set forth in the Resolution. The Registration Agent shall not be required to transfer or exchange any Note during the period commencing on a Regular Record Date or Special Record Date and ending on the corresponding interest payment date of such Note, [nor to transfer or exchange any Note after the notice calling such Note for redemption has been made, nor during a period following the receipt of instructions from the City to call such Note for redemption.] It is hereby certified, recited, and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Note exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Note does not exceed any limitation prescribed by the constitution and statutes of the State of Tennessee. This Note is one of a total authorized issue aggregating \$2,600,000 and issued by the City for the purpose of providing funds for the (i) acquisition of land for and financing and paying costs associated with the construction and equipping of extensions, improvement and expansion to the landfill; (ii) purchasing equipment for the landfill and for the solid waste system; (iii) acquisition of all property, real and personal, appurtenant to the foregoing; (iv) payment of legal, fiscal, administrative, architectural and engineering costs incident to the foregoing; (v) reimbursement to the City for funds previously expended for any of the foregoing, if applicable; and (vi) payment of costs incident to the issuance and sale of the notes of the issue of which this Note is one, under and in full compliance with the constitution and

statutes of the State of Tennessee, including Sections 9-21-101 et seq., Tennessee Code Annotated, and pursuant to a resolution (the "Resolution") duly adopted by the Board of Mayor and Alderman of the City on the nineteenth day of November 2007. This Note is payable from unlimited ad valorem taxes to be levied on all taxable property within the City. For the prompt payment of principal of and interest on this Note, the full faith and credit of the City are irrevocably pledged. For a more complete statement of the general covenants and provisions pursuant to which this Note is issued, reference is hereby made to said Resolution. This Note and the income therefrom are exempt from all present state, City and municipal taxes in Tennessee except (a) inheritance, transfer and estate taxes, (b) Tennessee excise taxes on interest on the Note during the period the Note is held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee, and (c) Tennessee franchise taxes by reason of the inclusion of the book value of the Note in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

IN WITNESS WHEREOF, the City of Dyersburg, Tennessee, has caused this Note to be signed by its City Mayor with his manual [facsimile] signature and attested by its City Recorder with his manual [facsimile] signature under an impression [facsimile] of the corporate seal of the City, all as of the day and date hereinabove set forth.

BY: _____

City Mayor

(SEAL)

ATTESTED:

City Recorder

Transferable and payable at the principal [corporate trust] office of:

Date of Registration: _____

This Note is one of the issue of Notes issued pursuant to the Resolution hereinabove described.

Registration Agent

By: _____

Authorized Representative

(FORM OF ASSIGNMENT)

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

_____, whose address is _____ (Please insert Social Security or Federal Tax Identification Number _____), the within Note of _____, Tennessee and does hereby irrevocably constitute and appoint

_____, attorney, to transfer the said Note on the records kept for registration thereof with full power of substitution in the premises.

Dated: _____

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

Signature guaranteed:

NOTICE: Signature(s) must be guaranteed by a member of a medallion program acceptable to the Registration Agent. Section 6. Levy of Tax. The City, through its Governing Body, shall annually levy and collect a tax upon all taxable property within the City, in addition to all other taxes authorized by law, sufficient to pay principal of and interest on the Notes when due, and for that purpose there is hereby levied a direct tax in such amount as may be found necessary each year to pay principal and interest coming due on the Notes. Principal and interest falling due at any time when there are insufficient funds from this tax levy on hand shall be paid from the current funds of the City and reimbursement therefore shall be made out of the taxes hereby provided to be levied when the same shall have been collected. The tax herein provided may be reduced to the extent of direct appropriations from the general funds or other legally available funds of the City to the payment of debt service on the Notes. Section 7. Sale of Notes. (a) The Notes shall be offered for public sale, pursuant to an informal or competitive bid process or by private negotiated sale, as required by law, at a price of not less than ninety-nine percent (99%) of par, plus accrued interest, if any, as a whole or in part from time to time as shall be determined by the City Mayor, in consultation with Morgan Keegan and Company, Inc., Knoxville, Tennessee, the City's financial advisor (the "Financial Advisor"). (b) If the Notes are sold in more than one emission, the City Mayor is authorized to designate the series of each emission, to cause to be sold in each emission an aggregate principal amount of Notes less than that shown in Section 3 hereof for each emission, and to make corresponding adjustments to the maturity schedule of each emission designated in Section 3 hereof, so long as the total aggregate principal amount of all emissions issued does not exceed the total aggregate of Notes authorized to be issued herein. (c) The City Mayor is authorized (i) to change the dated date of the Notes to a date other than their date of issuance; (ii) to change the designation of the Notes to a designation other than "Capital Outlay Notes, Series 2007B"; (iii) to change the first interest payment date on the Notes to a date other than June 1, 2008 but not later than twelve (12) months from the dated date of the Notes; (iv) to adjust the principal and interest payment dates and maturity amounts of the Notes, provided that (A) the total principal amount of all emissions of the Notes does not exceed the

total amount of Notes authorized herein, (B) the final maturity date of each emission shall not exceed the end of the twelfth fiscal year following the fiscal year in which the Notes are issued; and (C) such maturity schedule is approved by the Director of Local Finance, if required; (v) to change the City's optional redemption provisions of the Notes, provided that, if the Notes are sold at not less than par, the redemption premium, if any, shall not exceed one percent (1%) of the par amount of the Notes called for redemption; (vi) to sell less than the authorized principal amount of Notes authorized herein; (vii) to sell the Notes, or any emission thereof, or any maturities thereof as Term Notes with mandatory redemption requirements corresponding to the maturities set forth herein or as otherwise determined by the City Mayor, as he shall deem most advantageous to the City; (viii) dispense with the use of the book-entry system; and (ix) to cause all or a portion of the Notes to be insured by a bond insurance policy issued by a nationally recognized bond insurance company to achieve the purposes set forth herein and to serve the best interests of the City and to enter into an agreement with such insurance company with respect to the Notes to the extent not inconsistent with this Resolution. (d) The City Mayor is authorized to sell the Notes, or any emission thereof, simultaneously with any other bonds or notes authorized by resolution or resolutions of the Governing Body. The City Mayor is further authorized to sell the Notes, or any emission thereof, as a single issue of notes with any other general obligation capital outlay notes with substantially similar terms authorized by resolution or resolutions of the Governing Body, in one or more emissions or series as he shall deem to be advantageous to the City; provided, however, that the total aggregate principal amount of combined notes to be sold does not exceed the total aggregate principal amount of Notes authorized by this resolution or notes authorized by any other resolution or resolutions adopted by the Governing Body. (e) The City Mayor is authorized to award the Notes, or any emission thereof, to the bidder whose bid results in the lowest true interest cost to the City, as determined by the City Mayor, or to sell the Notes to a purchaser pursuant to negotiated sale, provided the rate or rates on none of the Notes does not exceed five percent (5.00%) per annum. The sale of the Notes by the City Mayor shall be binding on the City, and no further action of the Governing Body with respect thereto shall be required. The form of the Note set forth in Section 5 hereof, shall be conformed to reflect any changes made pursuant to this Section 7 hereof. The City Mayor is hereby authorized to enter into a purchase agreement with the purchaser of the Notes, if sold at negotiated sale. The terms of such purchase agreement shall be consistent with the terms of this resolution. (f) If the Notes are sold by the informal bid process or by a private negotiated sale, the Notes shall be issued as fully registered certificated Notes and any references in this resolution to book-entry securities including, but not limited to, issuance, registration, redemption, payment and transfers in book entry form, shall not apply to the Notes. If the Notes are issued in fully registered certificated form, the terms set forth in Section 3 hereof shall remain applicable to the Notes except language as it relates to book-entry securities. The form of the Note set forth in Section 5 hereof, shall be conformed to reflect any changes made pursuant to this Section 7 hereof. (g) The City Mayor and City Recorder, or either of them, are authorized to cause the Notes to be authenticated and delivered by the Registration Agent to the original purchaser and to execute, publish, and deliver all certificates and documents, including an official statement, a note purchase agreement, if sold at negotiated sale, and closing certificates, as they shall deem necessary in connection with the sale and delivery of the Notes. The City Mayor and City Recorder are hereby authorized to enter into a contract with Morgan Keegan and Company, Inc., Knoxville, Tennessee, for financial advisory services in connection with the sale of the Notes. (h) The Notes, nor any emission thereof, shall not be issued until after the approval of the State Director of Local Finance shall have been obtained as required by Sections 9-21-101 et seq., Tennessee Code Annotated. Section 8. Disposition of Note Proceeds. (a) All accrued interest, if any, shall be deposited to the appropriate fund of the City to be used to pay interest on the Notes on the first interest payment date following delivery of the Notes. (b) The remainder of the proceeds of the sale of the Notes shall be paid to the City Trustee to be deposited with a financial institution regulated by the Federal Deposit Insurance Corporation or similar or successor federal agency in a special fund known as the 2007 Note Fund (the "Note Fund") to be kept separate and apart from all other funds of the City. The monies in the Note Fund shall be solely used by the City to pay other costs of the Projects and, if applicable, to reimburse the City for any funds previously expended for Project costs. Moneys in the Note Fund shall be invested at the direction of the City Trustee in such investments as shall be permitted by applicable law. Earnings from such investments shall be deposited by the City Trustee in the Note Fund to pay the costs authorized herein or be transferred to the City's debt service fund to pay principal and interest on the Notes. Funds remaining in the Note Fund after the completion of the Projects and reimbursement to the City for funds previously expended for Project costs, if any, shall be transferred to the City's debt service to be used to pay principal and interest on the Notes. Section 9. Official Statement. The City Mayor, working with Morgan Keegan and Company, Inc., Knoxville, Tennessee (the "Financial Advisor"), is hereby authorized to provide for the preparation and distribution of a Preliminary Official Statement or Preliminary Offering Circular describing the Notes. No Official Statement or Offering Circular need be prepared if the Notes are sold to a purchaser that does not intend to reoffer the Notes to the public. After bids have been received and the Notes have been awarded, if sold at public sale or informal bid process, or after the Notes have been sold, if sold at negotiated sale, the City Mayor shall make such completions, omissions, insertions and changes in the Preliminary Official Statement or Preliminary Offering Circular not inconsistent with this resolution as are necessary or desirable to complete it as a final Official Statement or final Offering Circular for purposes of Rule 15c2-12(e)(3) of the Securities and Exchange Commission. The City Mayor shall arrange for the delivery to the successful bidder, if sold at public sale or informal bid process, or to the original purchaser, if sold at negotiated sale, of the Notes of a reasonable number of copies of the Official Statement or Offering Circular within seven business days after the Notes have been awarded, if sold at public sale or informal bid process, or sold, if

sold at negotiated sale, for delivery, by the successful bidder, if sold at public sale or informal bid process, or, if sold at negotiated sale, the original purchaser, on the Notes, to each potential investor requesting a copy of the Official Statement or Offering Circular and to each person to whom such bidder and members of his bidding group, if sold at public sale or informal bid process, or, if sold at negotiated sale, to each person to whom its selling group, initially sell the Notes. The City Mayor and the City Recorder are authorized, on behalf of the City, to deem the Preliminary Official Statement or Preliminary Offering Circular and the Official Statement or Offering Circular in final form, each to be final as of its date within the meaning of Rule 15c2-12(b)(1), except for the omission in the Preliminary Official Statement or Preliminary Offering Circular of certain pricing and other information allowed to be omitted pursuant to such Rule 15c2-12(b)(1). The distribution of the Preliminary Official Statement or Preliminary Offering Circular and the Official Statement or Offering Circular in final form shall be conclusive evidence that each has been deemed in final form as of its date by the City except for the omission in the Preliminary Official Statement or Preliminary Offering Circular of such pricing and other information. If the Notes, or any emission thereof, are sold to a purchaser that does not intend to re-offer the Notes to the public as evidenced by a certificate executed by the purchaser, then an Official Statement is authorized, but not required, as shall be determined by the City Mayor. Section 10. Tax Covenants. The City recognizes that the purchasers and owners of the Notes will have accepted them on, and paid therefore a price that reflects, the understanding that interest thereon is excluded from gross income for purposes of federal income taxation under laws in force on the date of delivery of the Notes. In this connection, the City covenants that it shall take no action which may render the interest on any of said Notes subject to inclusion in gross income for purposes of federal income taxation. It is the reasonable expectation of the Governing Body of the City that the proceeds of the Notes will not be used in a manner which will cause the Notes to be "arbitrage bonds" within the meaning of Section 148 of the Code including any lawful regulations promulgated or proposed hereunder, and to this end the said proceeds of the Notes and other related funds established for the purposes herein set out, shall be used and spent expeditiously for the purposes described herein. The Governing Body further covenants and represents that in the event it shall be required by Section 148(f) of the Code to pay any investment proceeds of the Notes to the United States government, it will make such payments as and when required by said Section 148(f) and will take such other actions as shall be necessary or permitted to prevent the interest on the Notes from becoming taxable. The City Mayor and City Recorder, or either of them, are authorized and directed to make such certifications in this regard in connection with the sale of the Notes as either or both shall deem appropriate, and such certifications shall constitute a representation and certification of the City. Section 11. Discharge and Satisfaction of Notes. If the City shall pay and discharge the indebtedness evidenced by any of the Notes in any one or more of the following ways: (a) By paying or causing to be paid, by deposit of sufficient funds as and when required with the Registration Agent, the principal of and interest on such Notes as and when the same become due and payable; (b) By depositing or causing to be deposited with any trust company or bank whose deposits are insured by the Federal Deposit Insurance Corporation and which has trust powers ("a Trustee"; which Trustee may be the Registration Agent), in trust, on or before the date of maturity, sufficient money or Federal Obligations, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay such Notes and to pay interest thereon when due until the maturity date; (c) By delivering such Notes to the Registration Agent, for cancellation by it; and if the City shall also pay or cause to be paid all other sums payable hereunder by the City with respect to such Notes, or make adequate provision therefore, and by resolution of the Governing Body instruct any such Trustee to pay amounts when and as required to the Registration Agent for the payment of principal of and interest on such Notes when due, then and in that case the indebtedness evidenced by such Notes shall be discharged and satisfied and all covenants, agreements and obligations of the City to the owners of such Notes shall be fully discharged and satisfied and shall thereupon cease, terminate and become void. If the City shall pay and discharge the indebtedness evidenced by any of the Notes in the manner provided in either clause (a) or clause (b) above, then the registered owners thereof shall thereafter be entitled only to payment out of the money or Federal Obligations deposited as aforesaid. Except as otherwise provided in this Section, neither Federal Obligations nor moneys deposited with the Registration Agent pursuant to this Section nor principal or interest payments on any such Federal Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal and premium, if any, and interest on said Notes; provided that any cash received from such principal or interest payments on such Federal Obligations deposited with the Registration Agent, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to the City as received by the Registration Agent and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Federal Obligations maturing at times and in amounts sufficient to pay when due the principal and interest to become due on said Notes and interest earned from such reinvestments shall be paid over to the City, as received by the Registration Agent. For the purposes of this Section, Federal Obligations shall mean direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, or any agency thereof, obligations of any agency or instrumentality of the United States or any other obligations at the time of the purchase thereof are permitted investments under Tennessee Law for the purposes described in this Section, which bonds or other obligations shall not be subject to redemption prior to their maturity other than at the option of the registered owner thereof. Section 12. Continuing Disclosure. The City hereby covenants and agrees that it will provide annual financial information and material event notices if and as required by Rule 15c2-12 of the Securities Exchange Commission for the Notes. The City Mayor is authorized to execute at the Closing of the sale of the Notes, an agreement for the benefit of and enforceable by the owners of the Notes specifying the

details of the financial information and material event notices to be provided and its obligations relating thereto. Failure of the City to comply with the undertaking herein described and to be detailed in said closing agreement, shall not be a default hereunder, but any such failure shall entitle the owner or owners of any of the Notes to take such actions and to initiate such proceedings as shall be necessary and appropriate to cause the City to comply with their undertaking as set forth herein and in said agreement, including the remedies of mandamus and specific performance. Section 13. Qualified Tax-Exempt Obligations. The Governing Body hereby designates the Notes as “qualified tax-exempt obligations”, to the extent the Notes, or any emission thereof, may be designated, within the meaning of and pursuant to Section 265 of the Internal Revenue Code of 1986, as amended. Section 14. Reasonably Expected Economic Life. The “reasonably expected economic life” of the Projects within the meaning of Section 9-21-101 et seq., Tennessee Code Annotated, is greater than the average life of the Notes. Section 15. Resolution a Contract. The provisions of this resolution shall constitute a contract between the City and the registered owners of the Notes, and after the issuance of the Notes, no change, variation or alteration of any kind in the provisions of this resolution shall be made in any manner until such time as the Notes and interest due thereon shall have been paid in full. Section 16. Separability. If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution. Section 17. Repeal of Conflicting Resolutions and Effective Date. All other resolutions and orders, or parts thereof, in conflict with the provisions of this resolution are, to the extent of such conflict, hereby repealed and this resolution shall be in immediate effect from and after its adoption. Adopted and approved this 19th day of November, 2007.

John Holden, City Mayor

APPROVED:

Gleyn T. Twilla, City Recorder

STATE OF TENNESSEE)

CITY OF DYERSBURG)

I, Gleyn T. Twilla, hereby certify that I am the duly qualified and acting City Recorder of the City of Dyersburg, Tennessee, and as such official I further certify that attached hereto is a copy of excerpts from the minutes of a regular meeting of the governing body of the City held on November 19, 2007; that these minutes were promptly and fully recorded and are open to public inspection; that I have compared said copy with the original minute record of said meeting in my official custody; and that said copy is a true, correct and complete transcript from said original minute record insofar as said original record relates to not to exceed \$2,600,000 Capital Outlay Notes, Series 2007B of said City.

Bids

The following bid approved on recommendation of the Finance Committee:

Department: Police Department

Item: (7) Digital Video System

Purpose: To equip police cars with on-board camera systems

Budgeted: No, \$34,370.00 to be received from Governor’s Hwy Safety Program

Notification – None – Purchased through City of Memphis Contract

Bids: Watch-Guard Video \$34,370.00

Recommend bid be awarded to Watch-Guard, Plano, TX, \$34,370.00

Motion by Aldermen Norman and Kirk.

Resolution 111907B – Condemnation Fort Hudson Road at St. John Avenue

On a motion by Aldermen Norman and Chaney, Resolution 111907B authorized the condemnation of approximately 0.35 acres on the southwest corner of Fort Hudson Road and St. John Avenue to allow construction of a safe, functional and attractive entranceway into the North Industrial Park.

Resolution 111907B

RESOLUTION AUTHORIZING THE USE OF EMINENT DOMAIN TO OBTAIN FEE SIMPLE OWNERSHIP OF PROPERTY FOR THE WIDENING OF THE ENTRANCE TO THE NORTH INDUSTRIAL PARK

WHEREAS, the development of the new North Industrial Park is essential to the further economic development of the City of Dyersburg and its ongoing efforts to attract manufacturing firms and the associated jobs and employment benefits for the citizens of Dyersburg:

WHEREAS, an adequately sized entrance to the North Industrial Park is critical to the North Industrial Park’s development;

WHEREAS, the acquisition of fee simple title to property for public roadways across the property of Persistent Ventures LLC is necessary for the providing of an adequately sized entrance to the North Industrial Park;

NOW, THEREFORE, BE IT RESOLVED by the Board of Mayor and Aldermen of the City of Dyersburg that the Mayor, Recorder, and the City Attorney, or any one or more of them, shall be and are hereby authorized and directed to proceed forthwith with the acquisition of fee simple title to the following described property of Persistent Ventures LLC, and further, that the City and its officials aforesaid undertake all powers available to the City to acquire said property in fee simple, including without limitation, the exercise of the power of eminent domain to condemn said property and obtain the title thereto in the name of the City of Dyersburg. The exact dimensions and descriptions of the aforesaid property is as follows:

TRACT I: Lying and being in the Fifth (5th) Civil District of Dyer County, Tennessee, and being a plot of ground taken from the northeast corner of Lot No. 1 of the Midway Farm Subdivision as recorded in the Register's Office of Dyer County, Tennessee, more particularly described as follows: BEGINNING at the northeast corner of Lot. No. 1 of the Midway Farm Subdivision and being also in the west margin of U.S. Highway 51; and running thence south 45 degrees 30 minutes west a distance of 103.5 feet to a stake; and running thence north 41 degrees 10 minutes west a distance of 150 feet to a stake; and running thence north 45 degrees 21 minutes east a distance of 95.9 feet to a stake in the north line of Lot No. 1 and the south line of Lot No. 2 in the Midway Farm Subdivision; and running thence south 44 degrees 01 minute east and with the north line of Lot No. 1 a distance of 150 feet to the point of beginning, containing 0.35 acres, more or less.

TRACT II: Lying and being in the Fifth (5th) Civil District of Dyer County, Tennessee, and being part of Lot 1 in the Midway Farm Subdivision as recorded in the Register's Office for Dyer County, Tennessee, and being more particularly described as follows: BEGINNING at a stake said stake being north 44 degrees 01 minute west, a distance of 150 feet from the west right of way line of U.S. Highway 51 and being also in the north line of the aforementioned Lot 1 and being the south line of Lot 2 in said subdivision and being also the northwest corner of the Summers lot; running thence with the west line of the Summers lot south 45 degrees 21 minutes west, a distance of 95.9 feet to a stake in the north line of the W.W. Wyatt lot; running thence with said north line north 41 degrees 10 minutes west, a distance of 382 feet to a stake in the centerline of the Fort Hudson gravel road, running thence with said centerline north 2 degrees 30 minutes west, a distance of 105.7 feet to a stake; running thence south 44 degrees 01 minutes east with the south line of Lot 2, a distance of 460.4 feet to the point of beginning, containing 0.8 acre, more or less.

Being further identified as Map 73, Parcel 21.00, in the Tax Assessor's Office for Dyer County, Tennessee.

Being the same property conveyed by Frances Rogers F/K/A Frances Louise Roberson to Persistent Ventures, LLC, by deed recorded in Deed Book 602, page 865-867, in the Register's Office for Dyer County, Tennessee, and dated February 21, 2006.

RESOLVED, this ____ day of November, 2007.

Resolution 111907C – Condemnation Paul Yarbrow property on Hurricane Creek

Mr. Paul Yarbrow told the Board he thought the City had already taken possession of an above ground easement across his property.

City Attorney John Lannom explained the condemnation process and past history of the property. In 2005 the City obtained a below ground easement for water and sewer lines at a cost of \$15,305.50. In 2007 the City deposited with the Court, an above ground easement payment of \$4,989.00. Mr. Yarbrow is still disputing the value of the above ground easement.

Mr. Lannom recommended that based on a fair Market Value of \$16,630.00 for the approximately 3.326 acres in question, the City should change its pleading with the Court and seek full ownership under the current proceedings. This action would eliminate farther acquisition costs if the City has to utilize this property in another way at anytime in the future.

A motion by Aldermen Williams and Walker to table consideration of the condemnation failed on a 6 to 3 vote.

On a motion by Aldermen Norman and Moody, Resolution 111907C to use eminent domain to acquire approximately 3.326 acres a long Hurricane Creek to make utility improvements to the North Industrial Park.

Resolution 111907C

RESOLUTION AUTHORIZING THE USE OF EMINENT DOMAIN TO OBTAIN FEE SIMPLE OWNERSHIP IN PROPERTY FOR THE PROVISION OF PUBLIC UTILITY SERVICES FOR THE NORTH INDUSTRIAL PARK

WHEREAS, the development of the new North Industrial Park is essential to the further economic development of the City of Dyersburg and its ongoing efforts to attract manufacturing firms and the associated jobs and employment benefits for the citizens of Dyersburg:

WHEREAS, the providing of utility services to the North Industrial Park is critical to the Park's development;

WHEREAS, the acquisition of the fee simple title to property described below is necessary for the providing of said utility services to the North Industrial Park;

WHEREAS, the said property owners, Mr. and Mrs. Paul Yarbro, would have need of a way to access their property on either side of the following described property and should be granted a right of way across said condemned property at the location of the present crossing being utilized by them;

NOW, THEREFORE, BE IT RESOLVED by the Board of Mayor and Aldermen of the City of Dyersburg that the Mayor, Recorder, and the City Attorney, or any one or more of them, shall be and are hereby authorized, empowered, and directed to proceed forthwith with the acquisition of the property described below, and further, that the City and its officials aforesaid undertake all powers available to the City to acquire said property in fee simple, including without limitation, the exercise of the power of eminent domain to condemn said property and obtain the title thereto in the name of the City of Dyersburg. The exact dimensions and descriptions of the aforesaid property is as follows:

Yarbro Property Description:

Lying and being in the 5th Civil District of Dyer County, Tennessee and being more particularly described as follows: BEGINNING at an iron rod in the Southeast right-of-way of S.R. #3 and being 180.00 feet perpendicular to survey centerline Station 143 + 50, same being in the Northwest boundary line of Paul Yarbro property as shown by deed in deed book 297, page 84 recorded in the Register's Office for Dyer County, Tennessee; runs thence North 35 degrees 51 minutes 50 seconds East, 25.26 feet along the Southeast right-of-way of said S.R. #3 to the Northwest corner of this herein described easement; runs thence along or near the South top bank of Hurricane Creek the following calls: South 72 Degrees 53 minutes 06 seconds East, 476.96 feet; South 83 degrees 49 minutes 59 seconds East, 291.59 feet; South 83 degrees 12 minutes 19 seconds East, 613.28 feet and finally South 88 degrees 27 minutes 32 seconds East, 22.27 feet to a point in the East boundary line of said Yarbro property and the West boundary line of Eddie Anderson property as shown by deed in deed book 313, page 677; runs thence South 04 degrees 06 minutes 59 seconds East, 100.49 feet along portions of an old fence & tree line located on the East boundary line of said Yarbro property and the West boundary line of said Anderson property; runs thence along the South boundary line of this herein described easement the following calls: North 88 degrees 27 minutes 32 seconds West, 36.76 feet; North 83 degrees 12 minutes 19 seconds West, 617.32 feet; North 83 degrees 49 minutes 59 seconds West, 300.62 feet and finally North 72 degrees 53 minutes 06 seconds West, 544.05 feet to a point in the Southeast right-of-way of said S.R.#3; runs thence North 50 degrees 06 minutes 19 seconds East,

90.71 feet along the Southeast right-of-way of said S.R. #3 to the point of beginning and containing 3.326 acres more or less.

This being the same property description provided by Marty McClure, Land Surveyor, Tennessee License Number 773, dated October 30, 2002.

This property being further described as a portion of Map 73 Parcel 8 in the Tax Assessor's Office for Dyer County, Tennessee, and being a portion of the same property conveyed to Paul Yarbrow by deed in deed book 297, page 84 of record in the Register's Office for Dyer County, Tennessee.

Public Safety Committee Report

Chairman Bob Kirk reported on the meeting of November 19, 2007. The current vicious dog ordinance had been explained by City Attorney John Lannom. The dog ordinance has due process and a clearly defined structure of duties and responsibilities for all parties involved.

The Committee heard a report from Communications Director Mark Grant. The reserve program for the E.O.C. has not worked out. The firefighters working part-time in the reserve program do not clock enough hours to effectively get through the four month training regiment for E.O.C. staff. To get adequately trained staff the 40 hour a week reserve program will be replaced by a 30 hour a week part-time staff person.

Miscellaneous

Alderman Williams commended the City employees for the increase in their donation to United Way.

Alderman Chaney wished everyone a happy Thanksgiving.

Alderman Walker thanked the Aldermen for their concern about the vicious dog ordinance. He inquired about city employee retirement reports. He asked when downtown traffic lights can be set to blink yellow in early morning hours.

Alderman Moody asked about activities at the skateboard park on Sunday.

Alderman Norman reminded everyone about the town hall meeting November 20 at the Lannom Center at 6:30 p.m. to consider a name change at Dyersburg State Community College.

The meeting adjourned at 7:53 p.m.

John Holden, Mayor

Gleyn T. Twilla, City Recorder