



Memphis City Council Summary Sheet

Resolution for Refunding General Improvement Bonds

- This resolution will authorize the issuance of General Improvement Bonds, Series 2012, not to exceed Thirty million Dollars (\$180,000,000) principal amount of the City of Memphis Tennessee for the purpose of refunding certain outstanding General Improvement Bonds of the City.
- The initiating party is the Division of Finance.
- This Resolution does not change any existing Ordinance or Resolution.
- The resolution does not require new contracts, or amend an existing contract.

RESOLUTION OF THE COUNCIL OF THE CITY OF MEMPHIS, TENNESSEE, AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF NOT TO EXCEED ONE HUNDRED EIGHTY MILLION DOLLARS (\$180,000,000) PRINCIPAL AMOUNT OF CITY OF MEMPHIS, TENNESSEE, GENERAL IMPROVEMENT BONDS FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING GENERAL IMPROVEMENT BONDS OF THE CITY AND FINANCING VARIOUS PUBLIC WORKS PROJECTS OF THE CITY; MAKING PROVISION FOR THE RAISING ANNUALLY BY SUCH CITY OF A SUM SUFFICIENT TO PAY, AS THE SAME SHALL BECOME DUE, THE PRINCIPAL OF AND PREMIUM, IF ANY, AND INTEREST ON SUCH BONDS; PRESCRIBING THE FORM AND CERTAIN DETAILS OF SUCH BONDS; AUTHORIZING AND PROVIDING FOR THE COMPETITIVE OR NEGOTIATED SALE OF SUCH BONDS; APPROVING THE FORMS OF NOTICE OF SALE AND BOND PURCHASE AGREEMENT FOR SUCH BONDS; APPROVING THE PREPARATION AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT RELATING TO SUCH BONDS AND APPROVING THE FORM THEREOF; AUTHORIZING AND APPROVING AN OFFICIAL STATEMENT IN CONNECTION WITH THE ISSUANCE OF SUCH BONDS; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A REFUNDING TRUST AGREEMENT AND APPOINTING THE TRUSTEE THEREUNDER; AND AUTHORIZING CERTAIN OTHER MATTERS WITH RESPECT TO THE ISSUANCE OF SUCH BONDS

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 3, 2009, and January 18, 2011, adopted Initial Resolutions (the "Initial Resolutions") authorizing the issuance of general obligation bonds ("General Obligation Bonds") of the City of Memphis, Tennessee (the "City"), for the purpose of financing various public works projects of the City. There remains unobligated under the Initial Resolutions in excess of \$26,972,000 principal amount of General Obligation Bonds authorized thereby.

(b) The City deems it to be in its best interests to issue General Obligation Bonds to finance various public works projects of the City, to be issued pursuant to the Initial Resolutions and this Resolution in an aggregate principal amount not in excess of the unobligated balances referred to in subsection (a) above.

SECTION 2. Authorization and Purpose of Bonds. 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 and Refunding Bonds, Series 2012", each with such other or further series designation, as determined by the Director of Finance and Administration of the City (the "Director of Finance and Administration") in an aggregate principal amount not to exceed One Hundred Eighty Million Dollars (\$180,000,000) (the "Bonds") for the purposes of (i) refunding in advance of their maturities (a) all or a portion of the outstanding General Improvement Bonds Series 2004, of the City (the "Refunded 2004 Bonds"), and (b) all or a portion of the outstanding General Improvement Bonds, Series 2006A of the City (the "Refunded 2006A Bonds" and, together with the Refunded 2004 Bonds, the "Refunded Bonds"), (ii) financing various public works projects of the City and (iii) providing for the payment of costs of issuance of the Bonds.

SECTION 3. Certain Details of Bonds. 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 (and whether or not combined into a single issue with other general improvement or general improvement refunding bonds separately authorized) on a date or dates to be selected by the Director of Finance and Administration. The Bonds of each series 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 5.50% per annum in the case of Tax-Exempt Bonds (as defined below) and 6.00% per annum in the case of Taxable Bonds (as defined below), in each case calculated on the basis of a 30-day month and a 360-day year, all as shall be determined by the Director of Finance and Administration. The Bonds shall mature in serial or term forms, on the maturity dates and with terms not exceeding (i) the reasonably expected remaining economic lives of the public works projects financed or refinanced by the Refunded Bonds, in the case of Bonds authorized by clause (i) of Section 2 hereof or (ii) the reasonably expected remaining economic lives of the public works projects being financed, as set forth in Section 17 hereof, in the case of Bonds authorized by clause (ii) of Section 2 hereof, and in each case 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").

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; Purchase in Lieu of 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.

Bonds may be made subject to purchase in lieu of redemption as determined by the Director of Finance and Administration.

SECTION 6. Security. The full faith, credit and unlimited taxing power of the City as to all property subject to *ad valorem* taxation within the City are hereby pledged to the 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 property subject to *ad valorem* taxation within 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 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 6(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 6(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 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 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 10 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:

REGISTERED

REGISTERED

No. R- _____

\$ _____

**UNITED STATES OF AMERICA
STATE OF TENNESSEE
CITY OF MEMPHIS
GENERAL IMPROVEMENT AND REFUNDING BOND
SERIES 2012**

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 purposes of refunding certain outstanding general obligation bonds of the City, financing certain public works projects of the City and providing

for the payment of costs of issuance of the Bonds, 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 3, 2009, January 18, 2011, and March 6, 2012.

[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 and 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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[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%)] [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 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.

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: $(\text{principal to be redeemed}) \times (\text{principal amount owned by owner}) / (\text{principal amount outstanding})$. 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.]

[Insert provisions for purchase in lieu of redemption.]

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 as to all property subject to *ad valorem* taxation within the city are hereby pledged to the payment of the principal of and interest on this Bond as the same become due. In the resolution hereinabove referred to which was adopted on March 6, 2012, it is recited that adequate provision will be made for raising annually by tax upon all property subject to *ad valorem* taxation within the City of a sum sufficient to pay the principal of and interest on 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 _____, 2012.

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: _____, 2012

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.

(a) The Bonds may be sold, either at a competitive public sale or at a negotiated sale as determined by the Director of Finance and Administration based on market conditions and other factors deemed relevant at the time, on a date to be determined by the Director of Finance and Administration and at a price of not less than 98% of the principal amount of the Bonds.

If the Bonds are to be sold at a competitive public sale, the provisions of this paragraph shall apply. The Director of Finance and Administration is hereby authorized to distribute to purchasers of and investors in the Bonds an Official Notice of Sale of the Bonds, substantially in the form distributed in connection with the City's General Improvement Bonds, Series 2009. The form of Official Notice of Sale as distributed shall include such changes as shall be approved by the Director of Finance and Administration, upon the advice of counsel (including the City Attorney, bond counsel and disclosure counsel) and the City's financial advisors, which approval shall be conclusively evidenced by their publication and distribution, as applicable.

If the Bonds are to be sold at a negotiated sale, the provisions of this paragraph shall apply. The Director of Finance and Administration is hereby authorized to negotiate with one or more of Bank of America Merrill Lynch d/b/a Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Keegan & Company, Inc., Duncan-Williams, Inc., and/or Harvestons Securities, Inc., or affiliates thereof, as book-running 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 this meeting, 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, bond counsel and disclosure counsel), such approval to be conclusively evidenced by the execution thereof.

(b) 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 (the "Preliminary Official Statement"), substantially in the form presented to this meeting. The form of Preliminary Official Statement as published and distributed shall include such changes as shall be approved by the Director of Finance and Administration, upon the advice of counsel (including the City Attorney, bond counsel and disclosure counsel) and the City's financial advisors, which approval shall be conclusively evidenced by its publication and distribution, as applicable. As so changed, the Preliminary Official Statement may recite that it is in a form which is "deemed final" as of its date within the meaning of Rule 15c2-12(b)(1) of the United States Securities and Exchange Commission ("SEC"), but is subject to revision, amendment and completion of a final Official Statement as defined in Rule 15c2-12(e)(3) of the SEC, and the Director of Finance and Administration is authorized to separately so certify. The Director of Finance and Administration also 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, bond counsel and disclosure 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 underwriters of the Bonds in connection with the purchase and sale of the Bonds.

(c) A Continuing Disclosure Certificate of the City (the "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, bond counsel and disclosure 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. Refunding Trust Agreement; Appointment of Trustee; Authorization of Purchase of Securities; Redemption of Refunded Bonds. (a) The form of the Refunding Trust Agreement, substantially in the form executed and delivered in connection with the City's General Improvement and Refunding Bonds, Series 2011 (the "Refunding Trust Agreement"), and the terms, conditions, and provisions thereof, are hereby approved, ratified and confirmed by the Council, and the appropriate officers of the City are hereby authorized and directed to execute and deliver to the Trustee the Refunding Trust Agreement in such form, together with such changes as shall be approved by such officers, upon the advice of counsel (including the City Attorney, bond counsel and disclosure counsel), such approval to be conclusively evidenced by their execution thereof. There shall be transferred to the Trustee from the City's Debt Service Fund, such amounts, if any, as shall be determined by the Director of Finance and Administration, on credit to such fund attributable to the Refunded Bonds for deposit into the Refunding Trust Fund created and established under the Refunding Trust Agreement (the "Refunding Trust Fund").

(b) The Bank of New York Mellon Trust Company, N.A., is hereby appointed as Trustee under the Refunding Trust Agreement.

(c) The Trustee is hereby authorized to purchase from moneys deposited in the Refunding Trust Fund direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States or obligations of any agency or instrumentality of the United States as referred to in the Refunding Trust Agreement. Such securities so purchased shall be held by the Trustee under and in accordance with provisions of the Refunding Trust Agreement. The Director of Finance and Administration is hereby authorized to execute, on behalf of the City, any instruments required to be executed on behalf of the City in connection with investments contemplated by the Refunding Trust Agreement.

(d) The Refunded Bonds that are subject to optional redemption prior to maturity shall be redeemed on the first date on which they may be redeemed at the respective redemption prices applicable thereto, plus accrued interest. Such designations for redemption shall be, and are hereby declared to be, irrevocable upon delivery and payment of the Bonds.

SECTION 14. Finding. It is hereby provided and determined that the issuance of a portion of the Bonds to refund the Refunded Bonds in advance of their respective maturities as provided by this Resolution will be advantageous to the City.

SECTION 15. 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) An amount shall be deposited in the Refunding Trust Fund and used and applied in accordance with the provisions of the Refunding Trust Agreement as

shall be sufficient to provide for the payment of the principal or redemption price, if applicable, of and interest on the Refunded Bonds.

(C) The balance shall be used to pay (i) costs of public works projects of the City and (ii) costs of issuance of the Bonds, including without limitation any premiums for municipal bond insurance authorized by Section 16 hereof.

SECTION 16. 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, upon the advice of counsel (including the City Attorney, bond counsel and disclosure counsel) and the City's financial advisors, 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 17. Economic Lives. The reasonably expected remaining average economic lives of the public works projects to be financed from the proceeds of the Bonds authorized by clause (ii) of Section 2 hereof shall be in excess of 30 years from the dated date of the Bonds.

SECTION 18. 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, bond counsel and disclosure 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 19. Effective Date. This Resolution shall take effect upon its adoption.

CITY OF MEMPHIS, TENNESSEE
§ _____
GENERAL IMPROVEMENT AND REFUNDING BONDS, SERIES 2012

BOND PURCHASE AGREEMENT

[_____, 2012]

City of Memphis, Tennessee
125 N. Main Street
Room 368
Memphis, Tennessee 38103

Ladies and Gentlemen:

The undersigned, [_____] (the "Representative"), on behalf of itself, [_____] (collectively, the "Underwriters") does hereby offer to enter into this Bond Purchase Agreement (this "Purchase Agreement") with the City of Memphis, Tennessee (the "City"), which upon the the City's acceptance hereof will be binding upon the City and the Underwriters concerning the sale by the City and the purchase by the Underwriters of \$ _____ aggregate principal amount of the City's General Improvement and Refunding Bonds, Series 2012 (the "Series 2012 Bonds") maturing and bearing interest at rates as set forth in Exhibit A attached hereto. This offer is made subject to acceptance by the City prior to 5:00 p.m. CST, on the date hereof. If this offer is not so accepted, it is subject to withdrawal by the Underwriters upon notice to the City at any time prior to acceptance. Capitalized terms used herein but not defined herein shall have the meanings set forth in the hereafter defined Bond Resolution or Official Statement.

1. Purpose of Financing, Security and Authorization. The Series 2012 Bonds are being issued for the purpose of (i) financing various public works projects of the City, (ii) refunding certain outstanding general improvement bonds of the City, and (iii) paying costs of issuance of the Series 2012 Bonds. The full faith and credit and unlimited taxing power of the City will be pledged to the punctual payment of the principal of and interest on the Series 2012 Bonds. The Series 2012 Bonds will be issued under and secured by resolutions adopted by the Council of the City on March 3, 2009, January 18, 2011 and [March 6, 2012] (the "Bond Resolution"), and under the Constitution and statutes of the State of Tennessee, including the Local Government Public Obligations Act of 1986, constituting Chapter 21 of Title 9, Tennessee Code Annotated, as amended (the "Act").

2. The Representative and the Underwriters. Any authority, discretion or other power conferred upon the Underwriters under any provision of this Purchase Agreement may be exercised by [_____] as the Representative. The payment for, acceptance of, and delivery and execution of any receipt for the Series 2012 Bonds and any other instruments upon or in connection with the Closing (defined herein) by the Underwriters, shall be valid and sufficient for all purposes and binding upon the Underwriters, provided that such action by the Underwriters shall not impose any obligation or liability upon them other than as may arise as expressly set forth in this Purchase Agreement.

3. Liquidated Damages. If the City accepts this offer and if the Underwriters fail (other than for a reason permitted hereunder) to accept and pay for the Series 2012 Bonds upon tender thereof by the City at the Closing as herein provided, the parties hereby agree that the damages to the City shall be fixed at one percent (1%) of the aggregate principal amount of the Series 2012 Bonds, and, upon such failure of the Underwriters to accept and pay for the Series 2012 Bonds, the Underwriters shall be obligated to pay to the City such amount as and for full liquidated damages for such failure and for any and all defaults hereunder on the part of the Underwriters. Upon such payment, the obligations of the City to pay fees and expenses of the Underwriters pursuant to Section 10 hereof shall be fully released and discharged and the Underwriters shall be fully released and discharged of all claims, rights and damages for such failure and for any and all such defaults. In no event shall the City be entitled to damages of any nature other than the liquidated damages herein specified, provided that such liquidated damages are paid to the City within thirty (30) days of the Closing Date as defined below.

4. Representations and Warranties of the City. The City makes the following representations and warranties, as of the date hereof, all of which shall survive the delivery of the Series 2012 Bonds:

(a) the Preliminary Official Statement was, as of its date, other than as modified by the Official Statement, and the Official Statement is as of the date of this Purchase Agreement, and at all times subsequent thereto up to and including the date of the Closing will be, true and correct in all material respects and did not, does not, and will not at any such time contain any untrue or misleading statement of a material fact and did not, does not and will not at any such time omit to state any material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading. Any amendments or supplements to the Official Statement will not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(b) the City is an existing municipal corporation of the State;

(c) the City has full right, power and authority under the laws of the State of Tennessee and the Charter of the City (i) to issue bonds, such as the Series 2012 Bonds, (ii) to pay the Series 2012 Bonds from the general revenues of the City, and otherwise to secure the Series 2012 Bonds, in the manner contemplated by the Bond Resolution and the Official Statement;

(d) the City has and had, as the case may be, full legal right, power and authority (i) to adopt the Bond Resolution, (ii) to execute and deliver this Bond Purchase Agreement, (iii) to issue, sell and deliver the Series 2012 Bonds to the Underwriters as provided in this Bond Purchase Agreement, and (iv) to carry out and consummate all other transactions contemplated by the aforesaid instruments, and the City will have complied as of the date of the Closing with all provisions of applicable law in all matters relating to such transactions;

(e) the City has duly (i) adopted the Bond Resolution and authorized the execution, delivery and performance of this Purchase Agreement, the Series 2012 Bonds, the Refunding Trust Agreement and the Disclosure Certificate, (as defined herein), (ii) authorized or ratified the

distribution of the Preliminary Official Statement and the execution, delivery and distribution of the Official Statement, and (iii) authorized the taking of any and all such actions as may be required on the part of the City to carry out, give effect to and consummate the transactions contemplated by the aforesaid instruments;

(f) the Bond Resolution constitutes, and this Purchase Agreement and the Refunding Trust, when executed and delivered by the parties thereto, will constitute the legal, valid and binding obligations of the City, and the same are and will be, as the case may be, enforceable in accordance with their terms except to the extent that enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights generally or as to the availability of any particular remedy;

(g) the City has complied, or will at the Closing be in compliance, in all respects, with the Bond Resolution;

(h) when delivered to and paid for by the Underwriters at the Closing in accordance with the provisions of this Purchase Agreement, the Series 2012 Bonds will be duly authorized, executed, issued and delivered and will constitute legal, valid and binding obligations of the City enforceable in accordance with their terms and the terms of the Bond Resolution;

(i) at the Closing, all approvals, consents and orders of and filings with any governmental authority or agency which would constitute a condition precedent to the execution and delivery of or the performance by the City of its obligations under this Purchase Agreement, the Series 2012 Bonds or the Bond Resolution, will have been obtained or made and any consents, approvals and orders so received or filings so made will be in full force and effect; provided, however, that no representation is made concerning compliance with the securities or Blue Sky laws of the various states;

(j) the adoption by the City of the Bond Resolution, and the authorization, execution, delivery and performance of this Purchase Agreement, the Series 2012 Bonds and any other agreement or instrument to which the City is a party and which is used or is to be used or is contemplated for use in consummation of the transactions contemplated hereby or by the Official Statement, and compliance with the provisions of each such agreement or instrument, do not and will not conflict with, or constitute or result in a violation or breach of or a default under, the Constitution of the State, or any existing law, administrative regulation, rule, decree or order, state or federal, or material provision of any agreement, indenture, mortgage, lease, note or other instrument to which the City or its properties or any of the officers of the City as such is subject, and do not and will not result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the taxes, revenues, property or assets of the City under the terms of the Constitution of the State or any law, instrument or agreement;

(k) there is no action, suit, proceeding, inquiry, or investigation, at law or in equity, or before or by any court, public board or body, other than as may be described in the Official Statement, pending or, to the best of the City's knowledge, threatened, against or affecting the City or any of the officers of the City in their respective capacities as such (or to the best of the City's knowledge, any basis therefor), wherein an unfavorable decision, ruling or finding would, in any way, materially adversely affect (i) the transactions contemplated by this Purchase

Agreement or by the Official Statement, or (ii) the validity or enforceability of the Series 2012 Bonds, the Bond Resolution, this Purchase Agreement, or any other agreement or instrument to which the City is a party and which is used or is to be used or is contemplated for use in consummation of the transactions contemplated hereby, or (iii) the excludability from federal income taxation of the interest on the Series 2012 Bonds;

(l) the City will not take or omit to take any action, which action or omission would adversely affect the excludability from federal income taxation of the interest on the Series 2012 Bonds under the Internal Revenue Code of 1986, as amended;

(m) the Series 2012 Bonds, when issued and sold to the Underwriters, and the income therefrom will be exempt from all state, county and municipal taxation within State, except inheritance, transfer and estate taxes, and except to the extent such interest may be included within the measure of corporate privilege taxes;

(n) the City has not, during the fifty years immediately preceding the date hereof, been in default in the payment of principal of, premium, if any, or interest on, or otherwise been in default with respect to any bonds, notes or other indebtedness which it has issued, assumed or guaranteed as to payment of principal, premium, if any, or interest, and, other than the Bond Resolution and the City has not entered into any contract or arrangement of any kind which might give rise to any lien or encumbrance on the revenues or other assets, properties, funds or interests, if any, pledged to the payment of the Series 2012 Bonds, pursuant to the Bond Resolution, that is superior to or on the parity with the lien of the Series 2012 Bonds other than the City's general obligation bonds and notes heretofore issued and presently outstanding or the City's general obligation bonds and notes which may hereafter be issued; and

(o) any certificate signed by any official of the City and delivered to the Underwriters in connection with the issuance or sale of the Series 2012 Bonds shall be deemed to be a representation and warranty by the City to the Underwriters as to the statements made therein.

The representations and warranties set forth in this Purchase Agreement shall survive the Closing and shall remain operative and in full force and effect regardless of (i) any investigation made by or on behalf of the Underwriters and (ii) payment for the Series 2012 Bonds.

5. Official Statement; Offering by the Underwriter.

(a) The City hereby authorizes the distribution by the Underwriters of the Official Statement in connection with the public offering and sale of the Series 2012 Bonds. The Preliminary Official Statement was as of its date, "deemed final" by the City for purposes of Rule 15c2-12 of the Securities and Exchange Commission ("SEC") promulgated under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), except for the "permitted omissions" described in paragraph (b)(1) of Rule 15c2-12. The City agrees to furnish the Underwriters with a final Official Statement relating to the Series 2012 Bonds dated the date hereof (including the cover page and all appendices, exhibits and reports attached thereto, (the "Official Statement")) and shall cause copies of the Official Statement, in a quantity specified by the Representative as sufficient to enable the Underwriters to comply with applicable rules of the SEC (including Rule 15c2-12) and the Municipal Securities Rulemaking Board (the "MSRB"), to be available to the Underwriters within seven (7) business days of the execution of this Purchase Agreement (but in no event later than the Closing Date) and in sufficient time to accompany any confirmation that requests payment from any customer of the Underwriters. To the extent required by rules of the SEC or MSRB, the City hereby authorizes the Underwriters to file and the Underwriters hereby agree to file the Official Statement with the MSRB or its designee (including the MSRB's Electronic Municipal Market Access system) within the timeframe required by Rule G-32 of the MSRB. Failure of the printer to provide copies of the Official Statement within seven (7) business days after the execution of this Purchase Agreement by the City will not constitute a breach of this Purchase Agreement by the City if such failure is proximately caused by the Underwriters or the agent or representative of the Underwriters.

(b) The City authorizes, consents to and ratifies the use by the Underwriters of the Preliminary Official Statement dated [_____, 2012] relating to the Series 2012 Bonds (such Preliminary Official Statement, including the cover page and all appendices, exhibits, reports and statements included therein or attached thereto and any amendments and supplements thereto that may be authorized by the City for use with respect to the Series 2012 Bonds, being herein called the "Preliminary Official Statement") for the purposes of marketing the Series 2012 Bonds in connection with the original public offer, sale and distribution of the Series 2012 Bonds by the Underwriters.

(c) The Underwriters agree to make a public offering of the Series 2012 Bonds at the initial offering prices or yields set forth in the Official Statement, but reserve the right to change such prices or yields as they may deem necessary or desirable in connection with the offering and sale of the Series 2012 Bonds, and to sell the Series 2012 Bonds to dealers (including dealer banks and dealers depositing Series 2012 Bonds into investment trusts) and others at prices lower than the public offering prices.

(d) The City shall take all actions as the City shall determine reasonable (i) to provide all information reasonably requested by the Representative necessary or desirable to register the Series 2012 Bonds under, or comply with, any state Blue Sky laws, provided that in connection therewith, neither the City shall be required to file a general consent to service of process in any jurisdiction, and (ii) to ensure that the Preliminary Official Statement and the Official Statement at all times during the initial offering and distribution of the Series 2012 Bonds does not contain any untrue statement of a material fact and does not omit to state any material fact necessary to

make the statements made therein, in light of the circumstances under which they were made, not misleading.

(e) If between the date of this Purchase Agreement and the date of the Closing an event shall occur that might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the City shall notify the Representative and if, in the reasonable opinion of the Representative, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the City shall, at the City's expense (unless such misstatement is a result of information provided by the Underwriters, then at the expense of the Underwriters), supplement or amend the Official Statement in a form and in a manner approved by the City.

(f) If the Official Statement is supplemented or amended pursuant to subsection (e) of this Section 5, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subsection) at all times subsequent thereto up to and including the date of Closing, the City will take all steps necessary to ensure that the Official Statement, as supplemented or amended, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(g) From the date hereof until the earlier of: (i) ninety (90) days after the "End of the Underwriting Period" (as defined herein), or (ii) the time when the Official Statement is available to any person from a nationally recognized municipal securities information repository, but in no case less than twenty-five (25) days following the End of the Underwriting Period (determined as provided in the immediately succeeding sentence) if any event shall occur that might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the City shall notify the Representative, and if, in the reasonable opinion of the Representative, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the City shall at the City's expense (unless such misstatement is a result of information provided by the Underwriters, then at the expense of the Underwriters) supplement or amend the Official Statement in a form and in a manner approved by the Representative. The End of the Underwriting Period for the Series 2012 Bonds for the purposes of Rule 15c2-12 shall be the Closing Date.

(h) If the Official Statement is supplemented or amended pursuant to subsection (e) of this Section 5, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subsection) at all times subsequent thereto up to and including the date which is twenty-five (25) days following the End of the Underwriting Period for the Series 2012 Bonds, the City will take all steps necessary to ensure that the Official Statement, as then supplemented or amended, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(i) The Preliminary Official Statement and/or the Official Statement may be delivered in printed and/or electronic form to the extent permitted by applicable rules of the MSRB and as may be agreed by the City and the Representative. If the Preliminary Official Statement and/or the Official Statement are prepared for distribution in electronic form, the City hereby confirm that it does not object to distribution of the Preliminary Official Statement and/or the Official Statement in electronic form.

6. Issuance, Sale and Purchase of Series 2012 Bonds. On the basis of the representations and warranties contained herein and the other agreements referred to herein and subject to the terms and conditions set forth herein, the City agrees to issue and sell to the Underwriters, and the Underwriters agree to purchase from the City all of the Series 2012 Bonds at an aggregate price of [\$ _____] which represents the par amount of the Series 2012 Bonds of [\$ _____], plus/minus an original issue premium/original issue discount in the amount of [\$ _____] and less an underwriting discount of [\$ _____].

Having approved the terms of such issuance and sale, the City hereby sells the Series 2012 Bonds to the Underwriters, subject to the terms of this Purchase Agreement. The delivery and sale of the Series 2012 Bonds (the "Closing") will be at such place in Memphis, Tennessee, as the Representative may designate, at 1:00 P.M., CDT, on [_____, 2012] or at such other time or such other place or on such other date as the City and the Representative may agree upon (the "Closing Date"). On the Closing Date, (a) the City will deliver the Series 2012 Bonds to the Underwriters, in definitive form and duly executed through the FAST system of registration with The Depository Trust Company, New York, New York, at a place to be agreed upon by the City and the Representative, (b) the City will deliver to the Representative in Memphis, Tennessee the closing documents hereinafter mentioned, and (c) the Underwriters will accept such delivery and pay the purchase price as set forth in Section 6 hereof by wire transfer of federal funds.

A single typewritten bond for each maturity of each series of the Series 2012 Bonds shall be delivered by the City, duly executed and authenticated, with CUSIP identification numbers thereon, registered in the name of Cede & Co., as nominee of The Depository Trust Company.

7. Conditions. The Underwriters' obligations hereunder are subject to:

(a) the accuracy on the Closing Date, as if made as of such date, of all representations and warranties of the City contained herein;

(b) the due performance by the City of their obligations hereunder;

(c) there being no material change in the condition (financial or otherwise) of the City between the most recent dates as to which information is given in the Official Statement and the Closing Date, other than as reflected in or contemplated by the Official Statement, and there being on the Closing Date no material transactions or obligations (not in the ordinary course of business) entered into by the City subsequent to the date of the Official Statement other than as reflected in or contemplated by the Official Statement; and

(d) delivery of all documentation required by Section 8 hereof.

8. **Closing Documentation.** There shall be delivered to the Underwriters at Closing the following, all dated the Closing Date and in form and substance reasonably satisfactory to the Representative:

(a) the Official Statement executed on behalf of the City by the duly authorized officials or representatives thereof;

(b) the certificate of the Mayor of the City in substantially the form attached as Exhibit B attached hereto;

(c) certified copies of the Bond Resolution;

(d) a specimen Series 2012 Bond;

(e) a certificate of the City Attorney in substantially the form attached as Exhibit C attached hereto;

(f) the unqualified approving opinions of Hawkins Delafield & Wood LLP ("Bond Counsel"), in substantially the form thereof set forth in the Official Statement, and a letter from Bond Counsel to the Underwriters stating that the Underwriters may rely upon such opinion;

[(g) the supplemental opinions of Bond Counsel, addressed to the Underwriters, in substantially the form attached as Exhibit D attached hereto;]

(h) the opinion of Greenberg Traurig, P.A. and Brittenum Bruce, PLLC, ("Co-Disclosure Counsel"), addressed to the City, in substantially the form attached as Exhibit E attached hereto, and letters from Co-Disclosure Counsel to the Underwriters stating that the Underwriters may rely upon such opinion;

(i) the verification report of the Verification Agent with respect to the defeasance of the Refunded Bonds;

(j) certificates of First Southwest Company, Dallas, Texas and ComCap Advisors, a division of Community Capital, Memphis, Tennessee, in substantially the form attached as Exhibit F;

[(k) letter from Mayer Hoffman McCann P.C. and Jones and Tuggle, independent certified public accountants, consenting to the use of the Independent Auditors' Report dated [_____, 2012] in substantially the form attached as Exhibit G hereto;]

(l) written evidence that Moody's Investors Service, Inc. ("Moody's") and Standard & Poor's Ratings Service, a division of the McGraw-Hill Companies Inc. ("S&P") have assigned ratings of at least ["Aa2" and "AA,"] respectively, to the Series 2012 Bonds;

(m) the Continuing Disclosure Certificate of the City in substantially the form attached to the Official Statement executed on behalf of the City by its duly authorized officials or representatives;

(n) the Refunding Trust Agreement executed on behalf of the City and the Refunding Trustee by the duly authorized officials or representatives thereof; and

(o) such additional legal opinions, certificates, proceedings, instruments and other documents the Underwriters, Bond Counsel or Co-Disclosure Counsel may reasonably request to evidence compliance by the City with legal requirements, the truth and accuracy as of the Closing Date of the representations of the City herein, in the Preliminary Official Statement and in the Official Statement and the due performance or satisfaction by the City at or prior to the Closing Date of all agreements then to be satisfied.

9. Termination. The Underwriters may terminate this Purchase Agreement at any time prior to the Closing Date by notice to the other parties hereto if, between the date hereof and the Closing Date:

(a) legislation shall have been enacted or a bill shall have been filed in either house of the United States Congress or favorably reported out of committee of either house, or a decision by any court of the United States, including the Tax Court, shall have been rendered, or a ruling, regulation or official statement by or on behalf of the Treasury Department of the United States or any branch thereof, including the Internal Revenue Service, or any other governmental agency shall have been made or proposed, with respect to federal taxation upon revenues or other income of the general character derived by the City or upon interest received on obligations of the general character of the Series 2012 Bonds or other action or events shall have transpired, except as may have been described in the Official Statement, that (i) may have the purpose or effect, directly or indirectly, of making interest on the Series 2012 Bonds subject to federal income taxation or (ii) in the reasonable opinion of the Representative, materially adversely affects the market price of the Series 2012 Bonds or the market price generally of obligations of the general character of the Series 2012 Bonds;

(b) any legislation, ordinance, rule or regulation shall have been passed by the legislature or enacted or proposed by any governmental body, department or agency of the State or the City or any decision by any court of competent jurisdiction within the State shall have been rendered that, in the reasonable opinion of the Representative, materially affects the market price of the Series 2012 Bonds;

(c) any legislation shall have been enacted or a bill shall have been proposed or favorably reported out of a legislative committee, any decision by a court of the United States shall have been rendered or any stop order, ruling, regulation or official statement by or on behalf of the Securities and Exchange Commission or other governmental agency shall have been made to the effect that obligations of the general character of the Series 2012 Bonds or the Indenture, in the reasonable opinion of counsel to the Underwriters, are not exempt from registration, qualification or other requirements of the Securities Act of 1933, as amended, or the Trust Indenture Act of 1939, as amended;

(d) any event shall have occurred or condition shall exist that, in the reasonable opinion of the Representative, makes untrue or incorrect in any material respect as of the Closing Date any material statement of information contained in the Official Statement or that is not reflected in the Official Statement but should be reflected therein as of such time in connection

with the offering and sale of the Series 2012 Bonds in order to make the statements and information contained therein, in light of the circumstances under which they were made, not misleading in any material respect as of such time including, without limitation, events or conditions relating to the business and affairs of the City;

(e) in the reasonable opinion of the Representative, the market price of the Series 2012 Bonds, or the market price generally of obligations of the general character of the Series 2012 Bonds, has been materially adversely affected because (i) a general suspension of trading on any national exchange shall have occurred or additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange, (ii) a general banking moratorium shall have been established by federal, New York or State authorities, or (iii) the occurrence of any new outbreak of hostilities or any national or international calamity or crises, including a financial crisis, or any escalation of activities involving the military forces of the United States; or

(f) there shall have occurred any downgrade or published information from a rating agency that at the date of this Purchase Agreement has published a rating of the City which action reflects a change, or possible change in the ratings accorded any such obligations of the City that in the reasonable opinion of the Representative, would materially adversely affect the market price of the Series 2012 Bonds, or the market price generally of obligations of the general character of the Series 2012 Bonds.

10. Expenses. All expenses and costs of the City incident to the performance of its obligations in connection with the authorization, issuance and sale of the Series 2012 Bonds to the Underwriters, including but not limited to the costs of pre-sale advertising of the Series 2012 Bonds; printing or reproducing the Preliminary Official Statement, the Official Statement, the Bond Resolution, and all ancillary papers; fees, and expenses of consultants, including fees of the accountants, fees and expenses of counsel to the City, Bond Counsel and Co-Disclosure Counsel, rating agency fees, fees and expenses of the financial advisors, fees and expenses of the paying agent; and the fees and expenses of the Underwriters and of counsel to the Underwriters, shall be paid from the proceeds of the Series 2012 Bonds.

11. Finders. The City and the Underwriters each represent and warrant that no finder or other agent has been employed or consulted by it in connection with this transaction.

12. Acknowledgment of Transaction. The City acknowledges and agrees that (i) the purchase and sale of the Series 2012 Bonds pursuant to this Purchase Agreement is an arm's-length commercial transaction between the City and the Underwriters, (ii) in connection with such transaction, each Underwriter is acting solely as a principal and not as an advisor, agent or a fiduciary of the City, and (iii) the City has consulted with its own legal and financial advisors to the extent it deemed appropriate in connection with the offering of the Series 2012 Bonds.

13. Notices. Any notice or other communication under this Purchase Agreement may be given by delivering the same in writing to the: City, at the address of the City set forth above to the attention of the Deputy Director of Finance and Administration; and Underwriters as

follows,

[_____
_____).]

(Attention:

14. Governing law. This Purchase Agreement shall be governed by the applicable laws of the State.

15. Counterparts. This Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

16. Effective Date. This Purchase Agreement shall become effective upon your acceptance hereof.

17. Miscellaneous. This Purchase Agreement is made solely for the benefit of and is binding on each of the parties and their respective successors and assigns. It is the entire agreement of the parties, superseding all prior agreements, and may not be modified except in writing signed by all of the parties hereto.

[SIGNATURE PAGE TO FOLLOW]

**SIGNATURE PAGE TO BOND PURCHASE AGREEMENT
(General Improvement and Refunding Bonds, Series 2012)**

[_____]
on its own behalf and as Representative
of the Underwriters

By: _____
Name: _____
Title: _____

Accepted:

CITY OF MEMPHIS, TENNESSEE

By: _____
A C Wharton, Jr., Mayor

EXHIBIT A

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES,
PRICES OR YIELDS**

\$ _____
**CITY OF MEMPHIS, TENNESSEE
GENERAL OBLIGATION IMPROVEMENT AND REFUNDING BONDS
SERIES 2012**

Maturity (May 1)	Principal Amount	Interest Rate	Price or Yield	Initial CUSIP No.¹
2016	\$	%		
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				

Redemption Provisions

The Series 2012 Bonds are not subject to optional redemption prior to maturity.

¹ CUSIP numbers have been assigned by an organization not affiliated with the City and are included for the convenience of the holders of the Series 2012 Bonds. The City is not responsible for the selection or uses of CUSIP numbers, nor is a representation made as to their accuracy on the Series 2012 Bonds, or as indicated above.

EXHIBIT B

CERTIFICATE OF CITY

EXHIBIT C

CERTIFICATE AS TO INCUMBENCY, NON-LITIGATION AND LEGISLATION

EXHIBIT D

SUPPLEMENTAL OPINION OF BOND COUNSEL

EXHIBIT E

OPINION OF CO-DISCLOSURE COUNSEL

EXHIBIT F

**CO-FINANCIAL ADVISOR'S CERTIFICATE WITH RESPECT TO THE
PRELIMINARY OFFICIAL STATEMENT AND OFFICIAL STATEMENT**

EXHIBIT G

CONSENT LETTER OF AUDITORS

PRELIMINARY OFFICIAL STATEMENT DATED [MARCH __, 2012]

NEW ISSUE – BOOK-ENTRY ONLY

RATINGS: See "RATINGS" herein.

In the opinion of Bond Counsel to the City, under existing statutes and court decisions and assuming compliance with certain tax covenants described herein, (i) interest on the Series 2012 Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Series 2012 Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations. In the further opinion of Bond Counsel, under the existing laws of the State of Tennessee, the Series 2012 Bonds and the income therefrom are exempt from all Tennessee state, county and municipal taxation except for inheritance, transfer and estate taxes and except to the extent such interest may be included within the measure of corporate privilege taxes imposed pursuant to the laws of the State of Tennessee. See "TAX MATTERS" herein.

[\$_____]*

**CITY OF MEMPHIS, TENNESSEE
GENERAL OBLIGATION IMPROVEMENT AND REFUNDING BONDS,
SERIES 2012**

Dated: Date of Delivery

Due: May 1, as shown on the inside front cover.

The City of Memphis, Tennessee (the "City"), a municipal corporation of the State of Tennessee, is issuing its [\$_____]* General Obligation Improvement and Refunding Bonds, Series 2012 (the "Series 2012 Bonds"), for the purposes of (i) financing various public works projects of the City, (ii) refunding certain outstanding general obligation bonds of the City, and (iii) providing for the payment of the costs of issuance related to the Series 2012 Bonds. See "PLAN OF FINANCE" herein.

The Series 2012 Bonds will be issued in book-entry form registered in the name of Cede & Co., the nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Series 2012 Bonds. Individual purchases may be made only in book-entry form through DTC participants in the principal amounts of \$5,000 or any integral multiple thereof. No physical delivery of the Series 2012 Bonds will be made to Beneficial Owners (as defined herein) of the Series 2012 Bonds. So long as Cede & Co. is the registered owner of the Series 2012 Bonds, payment of the principal of the Series 2012 Bonds, interest thereon and any premium applicable thereto will be made to Cede & Co. as nominee for DTC, which in turn will remit such principal and interest to the DTC participants for subsequent disbursement to the Beneficial Owners of the Series 2012 Bonds. See "BOOK-ENTRY ONLY SYSTEM" herein.

* Preliminary, subject to change.

This Preliminary Official Statement and any information contained herein are subject to completion and amendment. Under no circumstances may this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, the Series 2012 Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

Interest on the Series 2012 Bonds is payable semiannually on May 1 and November 1 of each year, commencing November 1, 2012 (each such date, an "Interest Payment Date") by The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, as the paying agent and bond registrar. The Series 2012 Bonds bear interest and mature as set forth on the inside front cover of this Official Statement from the Interest Payment Date next preceding their date of authentication, except as provided herein. See "INTRODUCTION – Description of the Series 2012 Bonds" herein.

The Series 2012 Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as described herein. See "THE SERIES 2012 BONDS – Redemption Provisions" herein.

The Series 2012 Bonds are direct obligations of the City for which its full faith and credit are pledged and are payable from taxes levied on all taxable property in the City subject to taxation by the City without limitation as to rate or amount. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2012 BONDS" herein and "APPENDIX A - SUPPLEMENTAL INFORMATION STATEMENT OF THE CITY OF MEMPHIS, TENNESSEE" attached hereto.

Simultaneous with the issuance of the Series 2012 Bonds, the City is issuing its Bond Anticipation Notes, 2012 in an amount not to exceed \$75,400,000 for the purpose of, among other things, providing for the refunding and payment, at maturity, of the principal of all of the City's Bond Anticipation Notes, 2010, currently outstanding in the principal amount of \$75,400,000 maturing on May 1, 2012.

This cover page contains limited information for quick reference only. It is not a summary of the matters relating to the Series 2012 Bonds. Potential investors must read the entire Official Statement (including the cover page and all Appendices attached hereto) to obtain information essential to the making of an informed investment decision.

The Series 2012 Bonds are being offered when, as, and if issued by the City and received by the Underwriters subject to prior sale and to withdrawal or modification of the offer without notice, and subject to the approving opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to the City. Certain legal matters will be passed upon for the City by Herman Morris, Esquire, City Attorney. Certain legal matters will be passed upon for the City by Brittenum Bruce, PLLC, Memphis, Tennessee and Greenberg Traurig, LLP, Orlando, Florida Co-Disclosure Counsel. Certain legal matters will be passed on for the Underwriters by [_____]. First Southwest Company, Dallas, Texas and ComCap Advisors, a division of Community Capital, Memphis, Tennessee, are serving as Co-Financial Advisors to the City. The Series 2012 Bonds will be delivered through the book-entry system of DTC in New York, New York, on or about [_____, 2012].

[TO COME]

[_____, 2012]

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES,
PRICES OR YIELDS AND CUSIPS[†]**

[\$ _____]^{*}

**CITY OF MEMPHIS, TENNESSEE
GENERAL OBLIGATION IMPROVEMENT AND REFUNDING BONDS
SERIES 2012**

Maturity (May 1)	Principal Amount	Interest Rate	Price or Yield	Initial CUSIP No.[†]
2016	\$	%		
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				

^{*} Preliminary, subject to change.

[†] CUSIP numbers have been assigned by an organization not affiliated with the City and are included for the convenience of the holders of the Series 2012 Bonds. The City is not responsible for the selection or uses of CUSIP numbers, nor is a representation made as to their accuracy on the Series 2012 Bonds, or as indicated above.

CITY OF MEMPHIS, TENNESSEE

ELECTED OFFICIALS

Mayor

A C Wharton, Jr.

City Council

Bill Morrison, Chairman

William Boyd	Janis Fullilove
Joe Brown	Wanda Halbert
Harold Collins	Lee Harris
Kemp Conrad	Reid Hedgepeth
Shea Flinn, III	Myron Lowery
Edmund Ford, Jr.	Jim Strickland

ADMINISTRATIVE

George Little.....	Chief Administrative Officer
Robert Lipscomb	Director of Housing and Community Development
Roland McElrath	Director of Finance and Administration
Alvin Benson.....	Director of Fire Services
Martha Lott.....	Director of General Services
Cynthia Buchanan	Director of Park Services
Quinton Robinson.....	Director of Human Resources
Toney Armstrong.....	Director of Police Services
Dwan Gilliom	Director of Public Works
Richard Copeland	Director Office of Planning and Development
Herman Morris	City Attorney
Janet Hooks	Director of Public Services and Neighborhoods
John Cameron.....	City Engineer
Johnie McKay.....	Director of Community Enhancement
Brenton Nair	Director of Information Services

CONSULTANTS TO THE CITY

Bond Counsel

Hawkins Delafield & Wood LLP
New York, New York

Co-Disclosure Counsel

Brittenum Bruce, PLLC
Memphis, Tennessee

Greenberg Traurig, LLP
Orlando, Florida

Co-Financial Advisors

First Southwest Company
Dallas, Texas

ComCap Advisors, a division of Community Capital
Memphis, Tennessee

External Auditors

Mayer Hoffman McCann P.C.
Memphis, Tennessee

Jones and Tuggle
Memphis, Tennessee

This Official Statement does not constitute a contract between the City or the Underwriters and any one or more owners of the Series 2012 Bonds, nor does it constitute an offer to sell or the solicitation of an offer to buy the Series 2012 Bonds in any jurisdiction to any person to whom it is unlawful to make such an offer in such jurisdiction.

No dealer, salesman or any other person has been authorized by the City to give any information or to make any representations, other than those contained in this Official Statement, in connection with the offering of the Series 2012 Bonds, and if given or made, such information or representations must not be relied upon as having been authorized by the City or any other person. The information and expressions of opinion in this Official Statement are subject to change without notice, and this Official Statement speaks only as of its date. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create the implication that there has been no change in the matters described herein since the date hereof. The information contained in this Official Statement, including in the appendices, has been obtained from representatives of the City, the Underwriters and from public documents, records and other sources considered to be reliable. No guaranty is made, however, as to the accuracy or completeness of such information.

THIS PRELIMINARY OFFICIAL STATEMENT IS IN A FORM DEEMED FINAL BY THE CITY FOR PURPOSES OF RULE 15c2-12 ISSUED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, EXCEPT FOR CERTAIN INFORMATION PERMITTED TO BE OMITTED PURSUANT TO RULE 15c2-12(B)(1).

IN CONNECTION WITH THE OFFERING OF THE SERIES 2012 BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2012 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE SERIES 2012 BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE BOND RESOLUTION BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE SERIES 2012 BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF THE SECURITIES LAWS OF THE STATES, IF ANY, IN WHICH THE SERIES 2012 BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN CERTAIN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE SERIES 2012 BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

In making an investment decision, investors must rely on their own examination of the City, and the terms of the offering, including the merits and risks involved. The Series 2012 Bonds have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, other than as expressly provided in certificates to be delivered to the

Underwriters in connection with the closing, the City has not confirmed the accuracy or determined the adequacy of this Official Statement. Any representation to the contrary may be a criminal offense.

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APPENDIX A - SUPPLEMENTAL INFORMATION STATEMENT OF THE CITY OF
MEMPHIS, TENNESSEE

APPENDIX B - AUDITED FINANCIAL STATEMENTS OF THE CITY OF MEMPHIS,
TENNESSEE FOR THE FISCAL YEAR ENDED JUNE 30, 2011

APPENDIX C - FORM OF CONTINUING DISCLOSURE CERTIFICATE

APPENDIX D - FORM OF OPINION OF BOND COUNSEL

OFFICIAL STATEMENT

relating to

[§ _____]*
CITY OF MEMPHIS, TENNESSEE
GENERAL OBLIGATION IMPROVEMENT AND REFUNDING BONDS,
SERIES 2012

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and the Appendices hereto, is to furnish certain information in connection with the issuance and sale by the City of Memphis, Tennessee (the "City") of its [§ _____]* General Obligation Improvement and Refunding Bonds, Series 2012 (the "Series 2012 Bonds"). See "INTRODUCTION - Authority for Issuance" herein.

This introduction is not a summary of this Official Statement and is intended only for quick reference. It is only a brief description of and guide to, and is qualified in its entirety by reference to, more complete and detailed information contained in the entire Official Statement, including the cover page and the Appendices attached hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement and of the documents summarized or described herein, if necessary. The offering of the Series 2012 Bonds to potential investors is made only by means of the entire Official Statement, including the Appendices attached hereto. No person is authorized to detach this Introduction from this Official Statement or to otherwise use it without the entire Official Statement, including the Appendices attached hereto.

The City

The City is a municipal corporation organized under the laws of the State of Tennessee (the "State"). The City is located on the east bank of the Mississippi River in the southwest corner of Tennessee. The City is the State's largest city and the county seat of Shelby County, Tennessee (the "County"). See "THE CITY" herein and "APPENDIX A - SUPPLEMENTAL INFORMATION STATEMENT OF THE CITY OF MEMPHIS, TENNESSEE" attached hereto.

Purpose of the Series 2012 Bonds

The Series 2012 Bonds are being issued for the purposes of (i) financing various public works projects of the City, (ii) refunding certain outstanding general obligation bonds of the City, and (iii) providing for the payment of the costs of issuance related to the Series 2012 Bonds. See "PLAN OF FINANCE" herein.

Simultaneous with the issuance of the Series 2012 Bonds, the City is issuing its Bond Anticipation Notes, 2012 in an amount not to exceed \$75,400,000 (the "2012 Notes") for the

* Preliminary, subject to change.

purpose of, among other things, providing for the refunding and payment, at maturity, of the principal of all of the City's Bond Anticipation Notes, 2010, currently outstanding in the principal amount of \$75,400,000 maturing on May 1, 2012 (the "2010 Notes").

Security and Sources of Payment for the Series 2012 Bonds

The Series 2012 Bonds are direct obligations of the City for the payment of the principal of and interest on which the City has pledged its taxing power as to all property subject to ad valorem taxation within the City over and above all other taxes or permitted by law. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2012 BONDS" herein. See also "APPENDIX A - SUPPLEMENTAL INFORMATION STATEMENT OF THE CITY OF MEMPHIS, TENNESSEE" attached hereto.

Description of the Series 2012 Bonds

The Series 2012 Bonds will be dated their date of delivery and will bear interest and mature as set forth on the inside front cover of this Official Statement. Interest on the Series 2012 Bonds is payable semiannually on May 1 and November 1 in each year beginning November 1, 2012. See "INTRODUCTION - Description of the Series 2012 Bonds" herein.

The Series 2012 Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as described herein. See "THE SERIES 2012 BONDS – Redemption Provisions" herein.

The Series 2012 Bonds are being issued in book-entry only form as fully registered bonds in denominations equal to the principal amount of each maturity set forth on the inside front cover of this Official Statement, and when issued, shall, as described herein, be registered in the name of Cede & Co., as bondholder and securities depository nominee of The Depository Trust Company, New York, New York ("DTC"). Individual purchases of beneficial interests in the Series 2012 Bonds will be made in book-entry form only through Direct Participants (as herein described). See "BOOK-ENTRY ONLY SYSTEM" herein.

See "THE SERIES 2012 BONDS" herein for a more complete description of the Series 2012 Bonds.

Paying Agent and Registrar

The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, will act as paying agent and registrar for the Series 2012 Bonds (the "Paying Agent").

Authority for Issuance

The Series 2012 Bonds are being issued pursuant to the provisions of the Local Government Public Obligations Act of 1986, constituting Chapter 21 of Title 9, Tennessee Code Annotated, as amended (the "Act") and those certain resolutions adopted by the Council of the City on March 3, 2009, January 18, 2011 and [March 6, 2012] (the "Bond Resolution").

Continuing Disclosure

In order to assist the Underwriters (as defined herein) in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission ("SEC") promulgated pursuant to the Securities Exchange Act of 1934, as in effect on the date hereof (the "Rule"), the City will execute a Continuing Disclosure Certificate dated the date of delivery of the Series 2012 Bonds (the "Disclosure Certificate") for the benefit of the Beneficial Owners (as defined herein) of the Series 2012 Bonds. The annual report and notices of material events (as described in the Disclosure Certificate) will be filed by the City with the centralized information repository developed and operated by the Municipal Securities Rulemaking Board (the "MSRB") through the Electronic Municipal Market Access system ("EMMA"), in an electronic format prescribed by the MSRB. See "CONTINUING DISCLOSURE" herein and "APPENDIX C - FORM OF CONTINUING DISCLOSURE CERTIFICATE" attached hereto.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change. All capitalized terms used in this Official Statement and not otherwise defined herein will have the same meanings ascribed to such terms in the Bond Resolution.

This Official Statement and the Appendices attached hereto contain brief descriptions of, among other matters, the City, the Series 2012 Bonds, and the security and sources of payment for the Series 2012 Bonds. Such descriptions and information do not purport to be comprehensive or definitive. The summaries of various constitutional provisions, statutes, the Bond Resolution, the Disclosure Certificate and other documents are intended as summaries only and are qualified in their entirety by reference to such documents. Copies of the Bond Resolution, the Series 2012 Bonds, the Disclosure Certificate and other relevant documents and information are available, upon written request and payment of a charge for copying, mailing and handling, from Mr. André D. Walker, Deputy Director of Finance, 125 North Main Street, Room 368, Memphis, Tennessee 38103 (901) 576-6324.

THE CITY

The City is located on the east bank of the Mississippi River in the southwest corner of Tennessee. The City is the State's largest city and the county seat of the County. The corporate limits contain 324.5 square miles, representing 40.9 percent of the total land area of the County. The City ranks as the 21st largest city in the nation. According to the U.S. Bureau of the Census, the 2010 population was 646,889.

The City was incorporated as a city in 1826. Memphis operated under a commission form of government from 1909 until January 1, 1968. At that time, a Mayor-Council form of government was established. The City Council is composed of thirteen representative citizens who are elected for four-year terms. Six council members are elected at large in multi-member districts, which territorial boundaries are determined by dividing the City in half with each multi-member district consisting of three council member numbered positions. Single member districts, numbered 1-7, elect the remaining seven council members. The City Council elects its own chairperson, exercises legislative powers, approves budgets and establishes the tax rate.

The Mayor is elected to a four-year term. The Mayor carries out the policies of the City and appoints City board members, officers and division directors, with City Council approval. The City's operating and service departments are organized under the Chief Administrative Officer who is appointed by and serves at the pleasure of the Mayor. The Mayor may veto action of the City Council, but a simple majority can override any veto.

The Chief Administrative Officer, under the direction of the Mayor, coordinates the activities of all administrative divisions of City Government. The Chief Administrative Officer acts as liaison officer between the Mayor and all divisions, bureaus, boards, commissions and authorities. The directors of all divisions, excluding the City Attorney, report to the Chief Administrative Officer on administrative procedures.

The major administrative divisions of the City include: Engineering, Executive, Finance, Fire Services, General Services, Housing and Community Development, Human Resources, Information Systems, Legal, Park Services, Office of Planning and Development, Police Services, Public Works/Sanitation, Community Enhancement and Public Services and Neighborhoods.

The Mayor is responsible for all City appointments to boards which serve the City. These include the boards of the Memphis Light, Gas and Water Division; Memphis Area Transit Authority; Memphis Housing Authority; the DMC; Memphis & Shelby County Convention Center Complex; Memphis Brooks Museum of Art; Mid-South Coliseum; Memphis & Shelby County Building Code Advisory Board; and Memphis & Shelby County Public Library Board. The Mayor appoints five of the seven members of the Board of the Memphis-Shelby County Airport Authority. Many of these boards also have members appointed by the Mayor of the County. Most of the members of these boards are private citizens giving their time to the City without compensation.

See "APPENDIX A - SUPPLEMENTAL INFORMATION STATEMENT OF THE CITY OF MEMPHIS, TENNESSEE" and "APPENDIX B - AUDITED FINANCIAL STATEMENTS OF THE CITY OF MEMPHIS, TENNESSEE FOR THE FISCAL YEAR ENDED JUNE 30, 2011" attached hereto.

PLAN OF FINANCE

The proceeds from the sale of the Series 2012 Bonds will be used to: (a) refund and redeem all or a portion of the City's outstanding (i) General Improvement Bonds, Series 2004 (the "Refunded Series 2004 Bonds") and (ii) General Improvement Bonds, Series 2006A (the "Refunded Series 2006A Bonds" and together with the Refunded Series 2004 Bonds, the "Refunded Bonds"), all as more particularly described in the table below at par, (b) finance various public works projects of the City and (c) provide for the payment of the costs of issuance related to the Series 2012 Bonds.

The City will select the specific Refunded Bonds (which may include all or a portion of the callable general obligation bonds of each series listed in the table below) at or about the time of sale of the Series 2012 Bonds. Such selection will be based, in part, upon market conditions

existing at that time. Accordingly, no assurance can be given as to the Refunded Bonds finally selected until after the sale of the Series 2012 Bonds.

Refunded Series 2004 Bonds*

Maturity Date (October 1)	Principal Amount	Interest Rate	Redemption Date	CUSIP[†]
2015	\$6,675,000	5.000%	October 1, 2014	
2016	7,015,000	5.000	October 1, 2014	
2017	7,375,000	5.000	October 1, 2014	
2018	7,755,000	5.000	October 1, 2014	
2019	8,155,000	5.000	October 1, 2014	
2020	8,550,000	4.500	October 1, 2014	
2021	8,945,000	4.500	October 1, 2014	
2022	9,380,000	5.000	October 1, 2014	
2023	9,820,000	4.250	October 1, 2014	

Refunded Series 2006A Bonds*

Maturity Date (November 1)	Principal Amount	Interest Rate	Redemption Date	CUSIP[†]
2016	\$ 4,330,000	5.000%	November 1, 2015	
2017	4,550,000	5.000	November 1, 2015	
2018	4,785,000	5.000	November 1, 2015	
2019	5,030,000	5.000	November 1, 2015	
2020	16,000,000	5.000	November 1, 2015	
2021	6,110,000	5.000	November 1, 2015	
2022	6,425,000	5.000	November 1, 2015	
2023	6,725,000	4.250	November 1, 2015	
2024	7,020,000	4.375	November 1, 2015	
2025	7,335,000	4.375	November 1, 2015	

Upon delivery of the Series 2012 Bonds, the City will enter into a Refunding Trust Agreement with The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (the "Refunding Trustee") dated as of [_____, 2012] (the "Refunding Trust Agreement"). Proceeds of the Series 2012 Bonds and other available monies, if required, will be deposited into a refunding trust fund (the "Refunding Trust Fund") created under the Refunding Trust Agreement and a portion thereof used to acquire direct general obligations of or obligations the payment of principal of and interest on which is unconditionally guaranteed by the United States of America (the "Government Obligations"). The Government Obligations and the interest earned thereon will be sufficient, and will be used, together with cash retained in the Refunding Trust Fund, to pay (i) the respective redemption prices of the Refunded Bonds on their respective

* Preliminary; subject to change.

† CUSIP numbers have been assigned by an organization not affiliated with the City and are included for the convenience of the holders of the Series 2012 Bonds. The City is not responsible for the selection or uses of CUSIP numbers, nor is a representation made as to their accuracy on the Series 2012 Bonds, or as indicated above.

redemption dates and (ii) the interest on the Refunded Bonds due on and prior to such redemption dates. The Government Obligations will be purchased from the Treasury Department of the United States of America or in the open market through a competitive bidding process. The City is required to deposit in the Refunding Trust Fund any additional amounts that may be necessary for any reason to enable the Refunding Trustee to pay the redemption prices of and interest on the Refunded Bonds on their respective redemption dates.

The City will obtain verification of sufficiency of the amounts and Government Obligations deposited in the Refunding Trust Fund for the Refunded Bonds, and of certain yields, from [] (the "Verification Agent"). See "VERIFICATION OF MATHEMATICAL COMPUTATIONS" herein.

Upon issuance of the Series 2012 Bonds, the Refunded Bonds will be irrevocably designated for redemption as stated in the table above, plus accrued interest to their respective redemption dates, and provision will be made by the City in the Refunding Trust Agreement for the giving of notice of redemption of the Refunded Bonds. Written notice of any such redemption will be mailed to the registered owners of the Refunded Bonds to be redeemed not less than 30 days prior to their respective redemption dates. While DTC or its nominee is the registered owner of the Refunded Bonds, such notices will be sent to DTC or its nominee or successor, and the City shall not be responsible for mailing notices of redemption to DTC participants or to the Beneficial Owners of the Refunded Bonds.

THE SERIES 2012 BONDS

General

The Series 2012 Bonds will be dated, will mature on the dates and in the amounts and will bear interest, all as set forth on the inside front cover of this Official Statement, with interest payable semiannually on May 1 and November 1 in each year beginning November 1, 2012 (each such date, an "Interest Payment Date"). The Series 2012 Bonds are subject to redemption as set forth below. The Series 2012 Bonds will be issued as fully registered bonds without coupons, in the denomination of \$5,000 or any integral multiple thereof. Interest on the Series 2012 Bonds will be calculated on the basis of a 30-day month and a 360-day year.

Purchases of beneficial ownership interests in the Series 2012 Bonds will be made in book-entry form only and purchasers will not receive physical delivery of bond certificates representing the beneficial ownership interests in the Series 2012 Bonds so purchased. If the book-entry system is discontinued, the Series 2012 Bonds will be delivered as described in the Bond Resolution and Beneficial Owners will become the registered owners of the Series 2012 Bonds. See "BOOK-ENTRY ONLY SYSTEM" herein.

Interest on the Series 2012 Bonds will be paid by wire transfer or by check or draft mailed by the Paying Agent on any Interest Payment Date to the person in whose name the Series 2012 Bond is registered in the bond registration books kept by the Paying Agent as of the close of business on the 15th day of the calendar month preceding any Interest Payment Date.

Redemption Provisions

Optional Redemption. The Series 2012 Bonds maturing on or before [May 1, 20__] shall not be subject to redemption prior to maturity. The Series 2012 Bonds maturing on or after [May 1, 20__] (or portions thereof in installments of \$5,000) are subject to optional redemption by the City on and after [May 1, 20__], 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 Series 2012 Bonds or portion thereof to be redeemed, together with interest accrued thereon to the date fixed for redemption.

Notice of Redemption

The City shall send notice of redemption of any Series 2012 Bonds to the holders of the Series 2012 Bonds to be redeemed at the address as shown on the books of registry, such notice to include the terms and conditions prescribed by the Bond Resolution and to be mailed by first class mail, postage prepaid, not less than 30 days prior to the date fixed for redemption. For so long as a book-entry only system is in effect with respect to the applicable Series 2012 Bonds, the Paying Agent will mail notice of redemption to DTC or its nominee or its successor. Any failure of DTC or its successor, or of a Direct DTC Participant or Indirect DTC Participant, to notify a Beneficial Owner of a Series 2012 Bond of any such redemption will not affect the sufficiency or the validity of the redemption of such Series 2012 Bond. See "BOOK-ENTRY ONLY SYSTEM" herein.

BOOK-ENTRY ONLY SYSTEM

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC and neither the City nor the Underwriters make any representation or warranty or take any responsibility for the accuracy or completeness of such information.

DTC will act as securities depository for the Series 2012 Bonds. The Series 2012 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2012 Bond certificate will be issued for each maturity of the Series 2012 Bonds as set forth on the inside cover of this Official Statement, each in the aggregate principal amount of such maturity and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement

of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the SEC. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2012 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2012 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2012 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2012 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2012 Bonds, except in the event that use of the book-entry system for the Series 2012 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2012 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2012 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2012 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2012 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2012 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2012 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Series 2012 Bonds may wish to ascertain that the nominee holding the Series 2012 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2012 Bonds within a series or maturity of the Series 2012 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such series or maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2012 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2012 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium, if any, and interest payments on the Series 2012 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and interest on the Series 2012 Bonds, as applicable, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City and/or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2012 Bonds at any time by giving reasonable notice to City or Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Series 2012 Bonds certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2012 Bonds certificates will be printed and delivered to DTC.

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ESTIMATED SOURCES AND USES

The sources and applications of funds in connection with the issuance of the Series 2012 Bonds are estimated below:

Sources of Funds:

Par Amount of the Series 2012 Bonds	\$ _____
Original Issue Discount.....	_____
Original Issue Premium.....	_____
Total Sources of Funds	\$ <u> </u>

Uses of Funds:

Deposit to Capital Projects Fund.....	\$ _____
Deposit to Refunding Trust Fund.....	_____
Costs of Issuance ⁽¹⁾	_____
Total Uses of Funds.....	\$ <u> </u>

⁽¹⁾ Includes Underwriters' discount, legal and accounting fees, Co-Financial Advisors fees, rating agency fees, initial Paying Agent fees, printing costs, validation court costs (if any), and other miscellaneous fees and costs.

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SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2012 BONDS

The Series 2012 Bonds are being issued pursuant to the provisions of the Act and the Bond Resolution.

The Series 2012 Bonds are direct obligations of the City for which the City has pledged its full faith, credit and unlimited taxing power as to all property subject to ad valorem taxation within the City to the punctual payment of the principal of and interest thereon. In the Bond Resolution, the City has agreed that a tax sufficient to pay, when due, the principal of and interest on the Series 2012 Bonds 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. Under the Act, it is the duty of the City Council to include in the annual levy a tax sufficient to pay the principal of and interest on the Series 2012 Bonds as the same become due. The Act further provides that when any part of the principal of or interest on the Series 2012 Bonds shall not be paid when due there shall be levied and assessed by the City Council and collected by the proper collecting officers at the first assessment, levy and collection of taxes in the City, after such omission or failure, a tax sufficient to pay the same. See "CONDENSED CURRENT FINANCIAL RESULTS- Statement of Debt" herein and "APPENDIX A - SUPPLEMENTAL INFORMATION STATEMENT OF THE CITY OF MEMPHIS, TENNESSEE - FINANCIAL INFORMATION" attached hereto for a discussion of the City's outstanding debt and legal ability to incur future indebtedness and for a discussion of City ad valorem taxation.

Any holder or holders of the Series 2012 Bonds, including a trustee or trustees for holders of the Series 2012 Bonds, shall have the right, in addition to all other rights: (a) by mandamus or other suit, action, or proceeding in any court of competent jurisdiction to enforce his or their rights against the City and the City Council and any officer, agent or employee of the City, including, but not limited to, the right to require the City and the City Council and any proper officer, agent or employee of the City to assess, levy and collect taxes adequate to carry out any agreement as to, or pledge of, such taxes and to require the City and the City Council and any officer, agent or employee of the City to carry out any other covenants and agreements and to perform its and their duties under the provisions of the Act; and (b) by action or suit in equity, to enjoin any acts or things which may be unlawful or a violation of the rights of such holder or holders of the Series 2012 Bonds.

CONDENSED CURRENT FINANCIAL RESULTS

For the fiscal year ended June 30, 2011, the audited net operating results for the general fund revenues/transfers were \$668,766,000 and expenditures/transfers were \$662,275,000 resulting in a \$6,491,000 increase in General Fund total fund balance. The increase in fund balance is primarily attributable to execution of several cost saving measures and new funding strategies.

As of the second quarter of fiscal year ended June 30, 2012, actual revenues received represented 65.5% of total revenues (including transfers) budgeted for fiscal year ended June 30,

2012. Approximately 92.6% of budgeted current property taxes have been collected as of December 31, 2011.

The City adopted a \$661,401,000 General Fund operating budget for the fiscal year ended June 30, 2012 with a planned contribution to fund balance of \$27,182,000. The City has exceeded the established goal of maintaining at least 10% unassigned fund balance as a percent of General Fund expenditures.

SUMMARY OF GENERAL FUND

(Years Ended June 30)
(in Thousands of Dollars)

	<u>2007</u> ⁽¹⁾	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Beginning Fund Balance	\$ 38,737	\$ 78,840	\$ 98,558	\$ 106,603	\$ 84,570
Revenues and other sources	552,546	565,558	605,444	606,521	647,706
Expenditures and other uses	<u>(507,965)</u>	<u>(545,840)</u>	<u>(597,399)</u>	<u>(628,554)</u>	<u>(641,215)</u>
Ending Fund Balance	<u>\$ 83,318</u>	<u>\$ 98,558</u>	<u>\$ 106,603</u>	<u>\$ 84,570</u>	<u>\$ 91,061</u>
Ending Undesignated Fund Balance	<u>\$ 76,571</u>	<u>\$ 89,613</u>	<u>\$ 80,912</u>	<u>\$ 76,271</u>	<u>\$ 81,125</u>

⁽¹⁾ The difference in the 2007 ending fund balance and the 2008 beginning fund balance is a result of the reclassification reclassification of \$4.478 million from the Golf Fund to the General Fund.

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STATEMENT OF DEBT
As of February 1, 2012⁽¹⁾
(Unaudited)

Total Direct Debt:		
General Obligation Bonds		\$1,145,305,000
Appropriation Obligations ⁽²⁾		31,864,954
Bond Anticipation Notes ⁽³⁾		75,400,000
Total Direct Debt:		\$1,252,569,954
Plus: Series 2012 Bonds*		[125,890,000]
Less: Refunded Bonds*		[(120,900,000)]
Total Direct Debt After the issuance of the Series 2012 Bonds:		\$1,257,559,954
Plus: City's Share of Shelby County Net Overlapping Debt ⁽⁴⁾		1,039,381,000
Total Direct and Overlapping Debt:		\$2,296,940,954

DEBT RATIOS

	Direct Debt	Direct and Overlapping Debt
Debt Per Capita ⁽⁵⁾	\$1,944	\$3,551
Debt/Assessed Valuation ⁽⁶⁾	10.64%	19.44%
Debt/Appraised Valuation ⁽⁷⁾	3.30%	6.03%

⁽¹⁾ This Statement of Debt does not include the following outstanding revenue bonds as they are payable solely from net revenues derived from the respective systems or projects: the City's Sanitary System Revenue Bonds, the Memphis Light Gas and Water Electric System Revenue Bonds and Water Division Revenue Bonds, the Memphis-Shelby County Airport Authority Airport Revenue Bonds, the Memphis-Shelby County Airport Authority Special Facility Revenue Bonds and the Memphis Center City Revenue Finance Corporation Pyramid and Pinch District Revenue Bonds.

⁽²⁾ Includes capital leases and an appropriation obligation entered into pursuant to an Interlocal Agreement among and between the City, the County, and the Memphis and Shelby County Port Commission. See "CONTINGENT LIABILITIES AND OTHER OBLIGATIONS - Port Commission" herein.

⁽³⁾ The City is proposing to issue the 2012 Notes to refund and redeem the 2010 Notes.

⁽⁴⁾ **[From the Shelby County Division of Finance for the period ending June 30, 2011.]**

⁽⁵⁾ The City's 2010 population was 646,889 according to the U.S. Bureau of the Census.

⁽⁶⁾ The City's assessed valuation was \$11,816,478 for the period ending June 30, 2011 according to the Shelby County Assessor.

⁽⁷⁾ The City's appraised valuation was \$38,069,899 for the period ending June 30, 2011 according to the Shelby County Assessor.

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* Preliminary; subject to change.

CONTINGENT LIABILITIES AND OTHER OBLIGATIONS

Sports Authority

The Memphis and Shelby County Sports Authority, Inc. (the "Sports Authority") issued on May 29, 2002 \$202,290,000 of its revenue bonds, all of the then outstanding par amount of were refunded on April 3, 2007 by \$187,335,000 of the Sports Authority's Revenue Refunding Bonds, Series 2007, issued on that date (the "2007 Sports Authority Bonds"). On July 9, 2009, a portion of the 2007 Sports Authority Bonds were refunded by the Sports Authority's \$144,850,000 Revenue Refunding Bonds, Series 2009 (the "2009 Sports Authority Bonds"), collectively, together with the remaining 2007 Sports Authority Bonds, the "Sports Authority Bonds"). The proceeds of the Sports Authority Bonds were used to finance and refinance the acquisition, construction and equipping of an arena ("FedExForum") for the National Basketball Association's franchise known as the Memphis Grizzlies (the "Grizzlies"). The Sports Authority Bonds are payable as to principal and interest from (i) seat rental fees derived from the FedExForum, (ii) certain sales tax rebate revenues to the City and to the County, (iii) City hotel/motel tax revenues derived from certain hotel/motel taxes imposed by the City, (iv) County hotel/motel tax revenues derived from certain hotel/motel taxes imposed by the County, (v) certain payments in lieu of taxes from the Water Division of Memphis Light, Gas and Water, and (vi) certain car rental taxes collected in the County (collectively, the "Project Revenue Stream").

In the event the Project Revenue Stream is insufficient to pay the debt service on the Sports Authority Bonds, the City and the County have agreed to timely appropriate from legally available non-ad valorem revenues, not later than October 31 of the fiscal year following the date of such deficit, sufficient moneys to replenish draws from the debt service reserve fund relating to the Sports Authority Bonds (the "Reserve Fund").

The City's obligation to fund any deficits in the Reserve Fund from such non ad-valorem revenues is limited to 50% of such deficit and the maximum amount of such replenishment obligation is the debt service on not to exceed \$115,000,000 of the Sports Authority Bonds, which represents one-half of the authorized Sports Authority Bonds. THE CITY CAN OFFER NO ASSURANCE AS TO WHETHER THERE WILL BE FUTURE DEFICITS THAT IT WILL BE REQUIRED TO PAY. No feasibility report with respect to the FedExForum was prepared.

Port Commission

The Memphis and Shelby County Port Commission (the "Port Commission"), the State, the County, the City, and the Memphis and Shelby County Industrial Development Board have entered into a Site Location and Development Agreement dated December 15, 2010 (the "Development Agreement"), whereby each has committed to support the development of a new appliance manufacturing and assembly facility, warehouse and distribution facility, and regional headquarters facility for Electrolux Home Products, Inc. (the "Electrolux Development") to be located in the City and the County, within the Port Commission's boundaries and jurisdiction.

The City and the County have agreed to match funds of the State to subsidize or assist in the Electrolux Development.

The Port Commission issued its \$40,795,000 Development Revenue Bonds, Series 2011 (the "Port Commission Electrolux Bonds") on September 7, 2011 pursuant to Chapters 500 and 529 of the Private Acts of 1947 of the State of Tennessee (collectively, the "1947 Act"). The Port Commission Electrolux Bonds are secured in part by all of the Port Commission's right, title and interest of in that certain interlocal agreement by and among the Port Commission, the County and the City, under which the City and the County, pursuant to the provisions of the 1947 Act, have covenanted to timely appropriate from legally available non-ad valorem revenues sufficient moneys to pay scheduled debt service on the Port Commission Electrolux Bonds.

The obligation of the City and the County to support the payment of debt service on the Port Commission Electrolux Bonds is apportioned on an equal basis (i.e., 50 percent by the City and 50 percent by the County). The maximum amount of the City's or the County's support obligation, respectively, under the Development Agreement is the debt service on not to exceed \$22,000,000 of the principal amount of the Port Commission Electrolux Bonds.

Center City Revenue Finance Corporation

Pursuant to a Trust Indenture dated as of September 1, 2011 (the "Indenture"), the Memphis City Center Revenue Finance Corporation of Memphis, Tennessee (the "Corporation") issued its \$40,540,000 Federally Taxable Senior Revenue Bonds, Series 2011A (Pyramid and Pinch District Redevelopment Project) ("Series 2011A CCRFC Bonds"), its \$100,245,000 Tax Exempt Subordinate Revenue Bonds, Series 2011B (Pyramid and Pinch District Redevelopment Project), and its \$56,150,000 Federally Taxable Subordinate Revenue Bonds, Series 2011C (Pyramid and Pinch District Redevelopment Project) (collectively, the "Series 2011 CCRFC Subordinate Bonds," and together with the Series 2011A CCRFC Bonds, the "Series 2011 CCRFC Bonds"). The proceeds of the Series 2011 CCRFC Bonds were used by the Corporation to fund a loan to the City, the proceeds of which loan, together with certain other funds of the City, are currently being used to, among other things, finance a portion of the costs associated with the redevelopment of the Pyramid Arena, the acquisition and renovation of certain properties in the center city area of the City adjacent to the Pyramid Arena and the acquisition of the interest of the County in the Memphis Cook Convention Center.

In order to further secure the Series 2011 CCRFC Subordinate Bonds and any other subordinate bonds subsequently issued under the Indenture (collectively, the "Subordinate Bonds"), the City and the Corporation entered into a Debt Service Reserve Replenishment Agreement (the "Replenishment Agreement") pursuant to which the City has agreed to appropriate and pay, from legally available non-ad valorem revenues, funds sufficient to restore the debt service reserve account with respect to the Series 2011 CCRFC Subordinate Bonds to the required reserve requirement under the Indenture for the Subordinate Bonds.

Compensated Absence Liabilities

Governmental Accounting Standards require recognition of the liability for compensated absences which has been earned and is reasonably expected to be paid to existing employees. The City has recognized the non-current portion of this liability for City employees in its Statement of Net Assets in the amount of \$92,301,000 as of June 30, 2011.

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PRINCIPAL AND INTEREST REQUIREMENTS

Following are the principal and interest payment requirements with respect to the outstanding general obligation bonds of the City, less the principal and interest payment requirements with respect to the Refunded Bonds, plus the principal and interest payment requirements with respect to the Series 2012 Bonds:

**CITY OF MEMPHIS, TENNESSEE
LONG-TERM DEBT SERVICE SCHEDULE
As of [_____, 2012]
(In Thousands of Dollars)**

Fiscal Year Ending June 30	Existing Debt Service ⁽¹⁾⁽²⁾			Less Refunded Bonds			Plus Series 2012 Bonds			Total Debt Service ⁽¹⁾⁽²⁾			% of Principal Retired
	Principal ⁽¹⁾	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	
2012	\$ 75,400	\$ 23,469	\$ 98,869										
2013	66,000	54,213	120,213										
2014	76,290	50,904	127,194										
2015	73,985	47,308	121,293										
2016	83,190	43,665	126,855										
2017	84,490	39,695	124,185										
2018	88,505	35,685	124,190										
2019	92,090	31,430	123,520										
2020	89,550	27,147	116,697										
2021	93,345	22,940	116,285										
2022	92,285	18,561	110,846										
2023	90,175	13,854	104,029										
2024	68,120	10,006	78,126										
2025	25,185	7,542	32,727										
2026	18,965	6,324	25,289										
2027	12,085	5,528	17,613										
2028	12,575	4,862	17,437										
2029	13,090	4,151	17,241										
2030	13,640	3,404	17,044										
2031	8,815	2,615	11,430										
2032	9,180	2,151	11,331										
2033	9,555	1,660	11,215										
2034	9,620	1,154	10,774										
2035	10,015	612	10,627										
2036	4,555	226	4,781										
	\$1,220,705	\$459,106	\$1,679,811										

⁽¹⁾ Includes the \$75,400,000 of outstanding principal amount of the 2010 Notes which the City is proposing to refund and redeem with the 2012 Notes.

⁽²⁾ Does not include subsidy payments on [Series 2010C or Series 2010F Bonds].

TOTAL FUND BALANCE/RETAINED EARNINGS TRENDS

(June 30)
(in Thousands of Dollars)

<u>Fund Types</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General:					
Reserved	\$ 6,747	\$ 8,945	\$ 9,691	\$ 8,299	\$ 9,936
Unreserved	76,571	89,613	80,912	76,271	81,125
Unreserved, Designated for Contingencies			16,000		
Special Revenue ⁽¹⁾	6,608	6,305	4,888	6,179	15,816
Debt Service	53,793	58,716	46,488	34,680	17,201
Capital Improvements ⁽²⁾	(31,809)	12,673	67,239	74,030	47,182
Governmental Funds	<u>\$ 111,910</u>	<u>\$ 176,252</u>	<u>\$ 225,218</u>	<u>\$ 199,459</u>	<u>\$ 171,260</u>
Enterprise ⁽²⁾	232,536	231,804	225,416	232,237	274,089
Internal Services Funds	(274)	(4,774)	(7,185)	(15,122)	(13,707)
Proprietary Funds	<u>232,262</u>	<u>227,030</u>	<u>218,231</u>	<u>217,115</u>	<u>260,382</u>
Total	<u>\$ 344,172</u>	<u>\$ 403,282</u>	<u>\$ 443,449</u>	<u>\$ 416,574</u>	<u>\$ 431,642</u>

⁽¹⁾ Excludes the Board of Education Component Unit.

⁽²⁾ Excludes Memphis Light, Gas, and Water Division, the Convention Center, the Mid-South Coliseum MATA, and the Port Commission.

Source: APPENDIX B - AUDITED FINANCIAL STATEMENTS OF THE CITY OF MEMPHIS, TENNESSEE FOR THE FISCAL YEAR ENDED JUNE 30, 2011

LITIGATION

At the time of delivery of the Series 2012 Bonds, the City will deliver, or cause to be delivered, a certificate of certain officers of the City stating that, other than as described in this Official Statement, there is no controversy or litigation of any nature then pending or, to their knowledge, threatened, (a) restraining or enjoining the issuance, sale, execution or delivery of the Series 2012 Bonds, or (b) in any way contesting or affecting the validity of the Series 2012 Bonds, any proceedings of the City taken with respect to the issuance or sale thereof or the pledge or application of any money or security provided for the payment of the Series 2012 Bonds or the corporate existence, boundaries or powers of the City, or the title of its officials to their respective offices or (c) which may materially affect the City's right to collect the tax revenues or the use thereof to pay debt service on obligations such as the Series 2012 Bonds or the pledge thereof for the benefit of the Holders of the Series 2012 Bonds. Such certificate may make reference to pending litigation involving the annexation by the City of certain territory adjacent to the City and to litigation involving the Memphis City School District and Shelby County School District.

Annexation

There are two annexation ordinances being presently challenged. They are the Southwind-Wyndyke annexation and South Cordova annexation. A final resolution of the

annexation cases in favor of the City will result in additional taxes and revenue for the City. However, it is the opinion of the City Attorney that these matters are not material to the City's financial condition, based on information known at the date of this Official Statement.

**Recent Developments Regarding Memphis City Schools District
and Shelby County School District**

[ADD DISCLOSURE REGARDING STATUS OF LITIGATION]

TAX MATTERS

Opinions of Bond Counsel

In the opinion of Bond Counsel, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Series 2012 Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Series 2012 Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the City and others in connection with the Series 2012 Bonds, and Bond Counsel has assumed compliance by the City with certain ongoing covenants to assure the exclusion of interest on the Series 2012 Bonds from gross income under Section 103 of the Code.

In addition, in the opinions of Bond Counsel, under the existing laws of Tennessee, the Series 2012 Bonds and the income therefrom shall be free from all Tennessee state, county and municipal taxes except for inheritance, transfer and estate taxes and except to the extent such interest may be included within the measure of corporate privilege taxes imposed pursuant to the laws of the State of Tennessee.

Bond Counsel expresses no opinions regarding any other Federal or state tax consequences with respect to the Series 2012 Bonds. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assume no obligation to update their opinions after the issue date to reflect any future action, fact or circumstance, or change in law or interpretation, or otherwise. Bond Counsel expresses no opinions on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for Federal income tax purposes of interest on the Series 2012 Bonds, or under state and local tax law.

Certain Ongoing Federal Tax Requirements and Covenants

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Series 2012 Bonds in order that interest on the Series 2012 Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of

the Series 2012 Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the Federal government. Noncompliance with such requirements may cause interest on the Series 2012 Bonds to become included in gross income for Federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The City has covenanted to comply with certain applicable requirements of the Code to assure the exclusion of interest on the Series 2012 Bonds from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral Federal income tax matters with respect to the Series 2012 Bonds. It does not purport to address all aspects of Federal taxation that may be relevant to a particular owner of a Series 2012 Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the Federal tax consequences of owning and disposing of the Series 2012 Bonds.

Prospective owners of the Series 2012 Bonds should be aware that the ownership of such obligations may result in collateral Federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is not included in gross income for Federal income tax purposes. Interest on the Series 2012 Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Original Issue Discount

Original issue discount ("OID") is the excess of the sum of all amounts payable at the stated maturity of a Series 2012 Bond (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the "issue price" of a maturity means the first price at which a substantial amount of the Series 2012 Bonds of that maturity was sold (excluding sales to bond houses, brokers, or similar persons acting in the capacity as underwriters, placement agents, or wholesalers). In general, the issue price for each maturity of Series 2012 Bonds is expected to be the initial public offering price set forth on the cover page of this Official Statement. Bond Counsel further is of the opinion that, for any Series 2012 Bonds having OID (a "Discount Bond"), OID that has accrued and is properly allocable to the owners of the Discount Bonds under Section 1288 of the Code is excludable from gross income for Federal income tax purposes to the same extent as other interest on the Series 2012 Bonds.

In general, under Section 1288 of the Code, OID on a Discount Bond accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Bond.

An owner's adjusted basis in a Discount Bond is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such bond. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Bond even though there will not be a corresponding cash payment.

Owners of Discount Bonds should consult their own tax advisors with respect to the treatment of OID for Federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Discount Bonds.

Bond Premium

In general, if an owner acquires a Series 2012 Bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the Series 2012 Bond after the acquisition date (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates), that premium constitutes "bond premium" on that Series 2012 Bond (a "Premium Bond"). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner's yield over the remaining term of the Premium Bond, determined based on constant yield principles. (In certain cases involving a Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond.) An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner's regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner's original acquisition cost. Owners of any Premium Bonds should consult their own tax advisors regarding the treatment of bond premium for Federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, and the sale, exchange, or other disposition of, Premium Bonds.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest (including OID) paid on tax-exempt obligations, including the Series 2012 Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person

or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Series 2012 Bond through a brokerage account has an executed Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Series 2012 Bonds from gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's Federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, and court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Series 2012 Bonds under Federal or state law and could affect the market price or marketability of the Series 2012 Bonds.

Prospective purchasers should consult their own tax advisors regarding the foregoing matters.

CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with the Rule , the City will execute the Disclosure Certificate for the benefit of the Beneficial Owners of the Series 2012 Bonds, the form of which is attached hereto as "APPENDIX C - FORM OF CONTINUING DISCLOSURE CERTIFICATE.". Under the Disclosure Certificate, the City, as an "obligated person" under the Rule and, initially, the sole obligated person under the Disclosure Certificate, will provide certain financial information and operating data (the "Annual Report") relating to the City and notices of the occurrence of certain enumerated events with respect to the Series 2012 Bonds.

The Annual Report, and notices of the occurrence of certain enumerated events, will be filed by or on behalf of the City to EMMA, in an electronic format prescribed by the MSRB. The nature of the information to be provided in the Annual Report and the notices of such enumerated events is set forth in "APPENDIX C - FORM OF CONTINUING DISCLOSURE CERTIFICATE" attached hereto. The specific nature of the information to be contained in the Annual Report and the notices of material events is described in "APPENDIX C - FORM OF CONTINUING DISCLOSURE CERTIFICATE" attached hereto. These undertakings have been made in order to assist the Underwriters in complying with the Rule, and such undertaking shall only apply so long as the Series 2012 Bonds remain outstanding; provided, however, that the undertaking shall terminate upon the termination of the continuing disclosure requirements of the Rule by legislative, judicial or administrative action and may be amended as provided in the Disclosure Certificate. The Disclosure Certificate further provides that a default under the Disclosure Certificate shall not constitute an event of default under the Bond Resolution.

[There have been several instances in the previous five years in which the City has failed to comply in all material respects with previous undertakings entered into pursuant to the Rule.]

LEGAL MATTERS

Certain legal matters incident to the authorization, issuance, validity, sale and delivery of the Series 2012 Bonds are subject to the approving opinions of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to the City, whose approving opinion (in substantially the form attached hereto as APPENDIX D) will be delivered concurrently with the issuance of the Series 2012 Bonds. Bond Counsel has not undertaken to verify and therefore expresses no opinion as to the accuracy, completeness or sufficiency of any of the information or statements contained in this Official Statement or any exhibits, schedules or appendices hereto.

Certain legal matters will be passed upon for the City by Herman Morris, Esquire, City Attorney. Brittenum Bruce, PLLC, Memphis, Tennessee and Greenberg Traurig, LLP, Orlando, Florida, are serving as Co-Disclosure Counsel. Certain legal matters will be passed upon for the Underwriters by [_____], Memphis, Tennessee.

The legal opinions to be delivered concurrently with the delivery of the Series 2012 Bonds express the professional judgment of the attorneys rendering the opinions regarding the legal issues expressly addressed therein. By rendering a legal opinion, the attorneys providing such opinion do not become insurers or guarantors of the result indicated by that expression of professional judgment, of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

FINANCIAL STATEMENTS

The basic financial statements of the City as of June 30, 2011 and for the year then ended have been audited by Mayer Hoffman McCann P.C. and Jones and Tuggle, independent auditors. The auditor's report, together with the basic financial statements, management discussion and analysis and the required supplemental information for year ended June 30, 2011 are attached hereto as "APPENDIX B – AUDITED FINANCIAL STATEMENTS OF THE CITY OF MEMPHIS, TENNESSEE FOR THE FISCAL YEAR ENDED JUNE 30, 2011."

FINANCIAL ADVISORS

First Southwest Company, Dallas, Texas and ComCap Advisors, a division of Community Capital, Memphis, Tennessee are serving as Co-Financial Advisors to the City. The Co-Financial Advisors assisted in matters related to the planning, structuring and issuance of the Series 2012 Bonds and provided other advice. The Co-Financial Advisors did not engage in any underwriting activities with regard to the issuance and sale of the Series 2012 Bonds.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

The arithmetical accuracy of certain computations included in the schedules provided by **[the Co-Financial Advisors]** on behalf of the City relating to (a) computation of forecasted receipts of principal and interest on the Government Obligations deposited in the Refunding Trust Fund created under the Refunding Trust Agreement and the forecasted payments of principal and interest to redeem the Refunded Bonds on their respective redemption dates, and (b) computation of the yields on the Refunding Bonds and the Government Obligations deposited in the Refunding Trust Fund created under the Refunding Trust Agreement was examined by the Verification Agent. Such computations were based solely upon assumptions and information supplied by **[the Co-Financial Advisors]** on behalf of the City. The Verification Agent has restricted its procedures to examining the arithmetical accuracy of certain computations and has not made any study or evaluation of the assumptions and information upon which the computations are based and, accordingly, has not expressed an opinion on the data used, the reasonableness of the assumptions, or the achievability of the forecasted outcome.

RATINGS

Moody's Investors Service, Inc. ("Moody's") and Standard & Poor's Financial Services LLC, a division of The McGraw-Hill Companies, Inc. ("S&P" and together with Moody's, the "Rating Agencies") have assigned ratings of "___" (_____ outlook) and "___" (_____ outlook), respectively, to the Series 2012 Bonds.

Such ratings express only the views of the Rating Agencies. An explanation of the significance of such ratings may be obtained from the Rating Agencies furnishing the same. There is no assurance that either or all of such ratings will be maintained for any given period of time or that it will not be revised downward or withdrawn entirely by the Rating Agencies if, in their judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings or other actions by the Rating Agencies or any of them, may have an adverse effect on the liquidity and/or market price of the affected Series 2012 Bonds. The City does not undertake any responsibility to oppose any such revision or withdrawal.

UNDERWRITING

[_____] (the "Representative"), on behalf of itself and the other underwriters listed in the front cover page of this Official Statement (collectively, the "Underwriters") have agreed, jointly and severally, pursuant to a Bond Purchase Agreement between the Representative and the City (the "Bond Purchase Agreement"), to purchase the Series 2012 Bonds at a price equal to [\$_____] (representing the principal amount of the Series 2012 Bonds of [\$_____] minus an underwriting discount of [\$_____], plus/minus an original issue premium/original issue discount of [\$_____]). The Bond Purchase Agreement provides that the obligations of the Underwriters to accept delivery of the Series 2012 Bonds are subject to various conditions of the Bond Purchase Agreement, but the Underwriters will be obligated to purchase all of the Series 2012 Bonds, if any are purchased. The Underwriters reserve the right to join with dealers and other underwriters in offering the Series 2012 Bonds to the public.

The prices and other terms with respect to the offering and sale of the Series 2012 Bonds may be changed from time to time by the Underwriters after such Series 2012 Bonds are released for sale, and the Series 2012 Bonds may be offered and sold at prices other than the initial offering prices, including sales to dealers whom may sell the Series 2012 Bonds into investment accounts.

FORWARD LOOKING STATEMENTS

Any statements made in this Official Statement, including in the appendices, involving estimates or matters of opinion, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates or matters of opinion will be realized.

The statements contained in this Official Statement, including in the appendices, that are not purely historical, are forward-looking statements. Readers should not place undue reliance on forward-looking statements. All forward looking statements included in this Official Statement are based on information available on the date hereof and the City assumes no obligation to update any such forward-looking statements. It is important to note that the actual results could differ materially from those in such forward-looking statements.

The forward-looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the City. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement, including in the appendices, would prove to be accurate.

MISCELLANEOUS

The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Series 2012 Bonds, the security for and the source for repayment for the Series 2012 Bonds and the rights and obligations of the bondholders. Copies of such documents may be obtained as specified under the caption "INTRODUCTION - Other Information" herein.

The information in this Official Statement has been compiled from official and other sources deemed by the City to be reliable, and, while not guaranteed as to completeness or accuracy, is believed by the City to be correct as of the date of this Official Statement.

Use of the words "shall" or "will" in this Official Statement or in summaries of documents to describe future events or continuing obligations is not intended as a representation that such event or obligation will occur but only that the document contemplates or requires such event to occur or obligation to be fulfilled.

Any statements made in this Official Statement involving estimates or matters of opinion, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates or matters of opinion will be realized. Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as a contract with the owners of the Series 2012 Bonds.

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CERTIFICATION

The execution and delivery of this Official Statement, and its distribution and use by the Underwriters, have been duly authorized and approved by the City.

CITY OF MEMPHIS, TENNESSEE

By: _____
A C Wharton, Jr., Mayor

APPENDIX A

**SUPPLEMENTAL INFORMATION STATEMENT
OF THE CITY OF MEMPHIS, TENNESSEE**

APPENDIX B

**AUDITED FINANCIAL STATEMENTS OF THE CITY OF MEMPHIS, TENNESSEE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

APPENDIX D

FORM OF OPINION OF BOND COUNSEL