

ORDINANCE NO. 100

AN ORDINANCE AUTHORIZING THE MAYOR AND RECORDER OF THE TOWN OF MT. CARMEL, TENNESSEE, TO ISSUE INTEREST BEARING CAPITAL OUTLAY NOTE(S) NOT TO EXCEED \$164,000; PROVIDING FOR THE PAYMENT OF SAID NOTE(S); AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

WHEREAS, it has been determined by the Board of Mayor and Aldermen of the Town of Mt. Carmel, Tennessee, that it is necessary and desirable to acquire the industrial building and real property commonly known as the "Phillips Mechanical property" in and for said municipality; and

WHEREAS, sufficient funds are not now available for this purpose and it will be necessary for the Board of Mayor and Aldermen to authorize the issuance of note(s) to finance this transaction; and

WHEREAS, under the provisions of Sections 7-37-104 and 9-21-601 et seq., Tennessee Code Annotated, municipalities in Tennessee are authorized through their respective governing bodies, upon approval by the State Director of Local Finance, to issue interest bearing capital outlay notes to finance the cost thereof; and

WHEREAS, it appears advantageous to said municipality at this particular time to issue capital outlay note(s) to finance the cost thereof:

BE IT ORDAINED BY THE TOWN OF MT. CARMEL, TENNESSEE AS FOLLOWS:

SECTION 1. That, for the purpose of providing funds to finance the cost of acquiring the industrial building and real property commonly known as the "Phillips Mechanical property", in and for said Municipality, there shall be issued its negotiable interest bearing capital outlay note(s) in a principal amount not to exceed One Hundred Sixty-Four Thousand (\$164,000) Dollars, said note(s) shall be designated "Town of Mt. Carmel Capital Outlay Note(s)" and shall be numbered serially beginning with the number 1. Each of said notes shall be dated as of the date of issuance thereof, shall be of such denomination as may be agreed upon by the Town of Mt. Carmel and the purchaser(s) of said note(s), and shall mature not later than one (1) year after the date of issuance.

SECTION 2. That, said notes shall bear interest at a rate not to exceed nine and one-half percent (9½%) per annum, payable in such manner as shall be determined by the Town of Mt. Carmel and the purchaser of said

note(s). Both principal and interest on said note(s) shall be payable in lawful money of the United States of America at the Office of the Town of Mt. Carmel, Tennessee.

SECTION 3. That, said notes shall be subject to redemption at the option of the municipality, in whole or in part, at any time at the principal amount thereof and accrued interest to the date of redemption.

SECTION 4. That, said shall be executed in the name of the Town of Mt. Carmel, Tennessee, signed by the Mayor and attested by the City Recorder, with the seal of the municipality attached thereto.

SECTION 5. That, said note(s) shall be in substantially the following form:

STATE OF TENNESSEE

COUNTY OF HAWKINS

TOWN OF MT. CARMEL CAPITAL OUTLAY NOTE

\$ _____

No. _____

KNOW ALL MEN BY THESE PRESENTS: that the municipality of the Town of Mt. Carmel in the State of Tennessee, hereby acknowledges itself to owe and for value received hereby promises to pay to bearer the sum of \$164,0000.00 on or before _____, 1990, together with interest thereon from the date hereof until paid at the rate of _____ percent (_____%) per annum, interest payable on _____, 19 ____ and the ____ day of each month thereafter with principal and remaining interest payable on _____, 1990. Both Principal and interest are payable in lawful money of the United States of America at the offices of the Town of Mt. Carmel, Tennessee.

For prompt payment of this obligation, both principal and interest, the full faith, credit and other resources of said municipality are hereby irrevocably pledged.

This note is issued for the purpose of providing funds to finance the acquisition of the industrial building and the real property commonly known as the "Phillips Mechanical property" in and for said municipality and is in all respects in compliance with and under authority of Sections 7-37-104 and 9-21-601 et seq., Tennessee Code Annotated, and an ordinance duly adopted by the Board of Mayor and Aldermen of, Mt. Carmel, Tennessee, on the ____ day of _____, 19 ____.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and laws of the State of Tennessee to exist, or to be done precedent to and in the issuance of this obligation, do exist, and have been properly done, happened, and been performed in regular and due form and time as required by law; and that provision has been made to pay the principal and interest thereon as same falls due.

Section 7-37-114, Tennessee Code Annotated, provides that neither the principal nor the interest of notes issued pursuant to the provisions of said Section shall be taxed by the State of Tennessee, or by any county, or by any municipality therein.

This note is subject to redemption at any time at the option of the municipality in whole or in part, at the principal amount thereof and accrued interest to date of redemption.

IN WITNESS WHEREOF, the municipality of Town of Mt. Carmel, Tennessee, through its Board of Mayor and Aldermen has caused this capital outlay note to be signed by its Mayor and attested by its Recorder under the seal of his office in this _____ day of _____, 19____.


MAYOR

ATTEST:


CITY RECORDER

SECTION 6. That, for the purpose of providing funds with which to pay the principal of and interest accruing on said notes at maturity, there shall be levied upon all lessors of said industrial building and property lease payments each of the years while said note(s), or any of them, are outstanding, in amounts sufficient for that purpose.

SECTION 7. That, said note(s) shall not be issued until approval by the State Director of Local Finance shall have been obtained as required.

SECTION 8. That said notes shall not be sold for less than par and accrued interest.

SECTION 9. That, the proceeds of said notes shall be turned over to the City Recorder of said municipality and shall be paid out for the purposes and in the manner required by law and this resolution.

SECTION 10. That, if any of said capital outlay note(s) shall remain unpaid at the end of one (1) year from the date of issuance of same, the balance of said note or notes shall be converted to bonds as provided by Sections 9-11-101 to 9-11-109, inclusive, Tennessee Code Annotated, or otherwise liquidated in such manner as approved by the State Director of Local Finance in compliance with statutes relating to the issuance and redemption of bonds and notes.

SECTION 11. That, all orders or ordinances in conflict herewith be and the same are hereby repealed insofar as such conflict exists and this ordinance shall become effective from and after the date of passage as the law directs, public welfare of the citizens of Mt. Carmel requiring it.


MAYOR

ATTEST:


CITY RECORDER

APPROVED AS TO FORM:


MICHAEL A. FAULK
City Attorney

Passed First Reading 3-16-89
Passed Second Reading 3-16-89
Passed Third Reading 3-23-89

TOWN OF MOUNT CARMEL
100 E. MAIN STREET
P. O. BOX 1421
MOUNT CARMEL, TENNESSEE 37645

The Board of Mayor and Alderman met in a called session on April 12, 1989 at 7:00 p.m. in the Town Hall.

All members were present.

Invocation was given by Carl Newland.

The minutes of the last meeting were read. Carl Newland made a motion to accept the minutes. Johnny McClellan second. All members voted yes.

PHILLIPS MECHANICAL BUILDING

Mayor Lawson informed the Board of the Comptroller of Treasury's decision on the loan for Phillips Mechanical Building. Mayor Lawson presented a revised Resolution and Ordinance to present to the Comptroller of the Treasury. The revised Resolution and Ordinance failed due to the lack of a motion.

APPOINTMENT OF A TEMPORARY ATTORNEY

Mayor Lawson presented the Board with a letter from Attorney Mike Faulk, stating due to a conflict of interest he could not represent the Town in a case against the Town and Hobert G. Smith, II and Charles C. Rohback, Inc. Mr. Joe Mays has consented to represent the Town in this case. Ronnie Davis made a motion to retain Mr. Joe May at Seventy five dollars (\$75.00) an hour for this case. Fred Arnold second. All members voted yes.

With no further business, Mildred Ford made a motion to adjourn. Carl Newland second. All members voted yes.

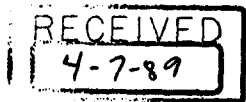
Meeting adjourned at 7:10 p.m.



Mayor



City Recorder



The Law Offices of
MICHAEL A. FAULK

April 5, 1989

107 East Main Boulevard
P.O. Box 2080
Church Hill, Tennessee 37642
615/357-8088

4-12-89 Ordinance
no motion Failed
no second

211 South Depot Street
Rogersville, Tennessee 37857
615/272-4843

Mr. George Presley
Vice-President
Citizens Union Bank
West Stone Drive
Kingsport, Tennessee 37660

Re: Town of Mt. Carmel - Outlay Note
Attorney File No. 880610-52

Dear George:

Please find enclosed a revised Resolution for the Town of Mt. Carmel and a revised Capital Outlay Note which will be considered at a special called meeting on April 12, 1989, at 7 o'clock p.m.. I have forwarded copies of this revised Resolution and Capital Outlay Note to the Director of Local Finance of the Office of the Comptroller of the State of Tennessee for their prior approval. Could you please forward these documents to the bank's attorneys for their immediate consideration.

Thank you for your continued cooperation with the Town in this matter.

Sincerely,

Michael A. Faulk

MAF:nj

Enclosures

pc: Mayor Gary Lawson

shall be dated as of the date of issuance thereof shall be as such

**The Law Offices of
MICHAEL A. FAULK**

107 East Main Boulevard
P.O. Box 2080
Church Hill, Tennessee 37642
615/357-8088

April 5, 1989

211 South Depot Street
Rogersville, Tennessee 37857
615/272-4843

Mr. Wayne Williams
Office of the Comptroller
State of Tennessee
Suite 1600
James K. Polk State Office Bldg.
Nashville, Tennessee 37219-5049

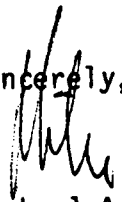
Re: Town of Mt. Carmel - Outlay Note
Attorney File No. 880610-52

Dear Mr. Williams:

Please find enclosed a photocopy of the proposed Resolution and Capital Outlay Note which the Board of Mayor and Aldermen of the Town of Mt. Carmel did consider at a special called meeting scheduled for April 12, 1989, at 7 o'clock p.m.. Could you please carefully review the Resolution and proposed Capital Outlay Note and give the approval of the Director of Local Finance for the Office of the Comptroller of the State of Tennessee, if you deem it appropriate, the issuance of said note. Could you please respond as soon as possible, hopefully before the April 12 meeting.

Thank you for your kind cooperation and consideration in this matter.

Sincerely,


Michael A. Faulk

MAF:nj

Enclosures

pc: Mayor Gary Lawson
George Presley

shall be dated as of the date of the

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE MAYOR AND
RECORDER OF THE TOWN OF MT. CARMEL,
TENNESSEE, TO ISSUE INTEREST BEARING CAPITAL
OUTLAY NOTE(S) NOT TO EXCEED \$164,000;
PROVIDING FOR THE PAYMENT OF SAID NOTE(S);
AND TO FIX THE EFFECTIVE DATE OF THIS
RESOLUTION

WHEREAS, it has been determined by the Board of Mayor and Aldermen of the Town of Mt. Carmel, Tennessee, pursuant to its powers enumerated in T.C.A. §9-21-107 that it is necessary and desirable to acquire the building and real property commonly known as the "Phillips Mechanical property" in and for said municipality for the purpose of a public works project within the meaning of T.C.A. §9-21-105(20)(A) and (B) and other municipal purposes as the Board of Mayor and Aldermen may deem appropriate; and

WHEREAS, sufficient funds are not now available for this purpose and it will be necessary for the Board of Mayor and Aldermen to authorize the issuance of note(s) to finance this transaction; and

WHEREAS, under the provisions of Sections and 9-21-601 et seq., Tennessee Code Annotated, municipalities in Tennessee are authorized through their respective governing bodies, upon approval by the State Director of Local Finance, to issue interest bearing capital outlay notes to finance the cost thereof; and

WHEREAS, it appears advantageous to said municipality at this particular time to issue capital outlay note(s) to finance the cost thereof:

BE IT ORDAINED BY THE TOWN OF MT. CARMEL, TENNESSEE AS FOLLOWS:

SECTION 1. That, for the purpose of providing funds to finance the cost of acquiring the building and real property commonly known as the "Phillips Mechanical property", in and for said Municipality, there shall be issued its negotiable interest bearing capital outlay note(s) in a principal amount not to exceed One Hundred Sixty-Four Thousand (\$164,000) Dollars, said note(s) shall be designated "Town of Mt. Carmel Capital Outlay Note(s)" and shall be numbered serially beginning with the number 1. Each of said notes shall be dated as of the date of issuance thereof, shall be of such denomination as may be agreed upon by the Town of Mt. Carmel and the purchaser(s) of said note(s), and shall mature not later than one (1) year after the date of issuance.

SECTION 2. That, said notes shall bear interest at a rate not to exceed nine and one-half percent (9½%) per annum, payable in such manner as shall be determined by the Town of Mt. Carmel and the purchaser of said

note(s). Both principal and interest on said note(s) shall be payable in lawful money of the United States of America at the Office of the Town of Mt. Carmel, Tennessee.

SECTION 3. That, said notes shall be subject to redemption at the option of the municipality, in whole or in part, at any time at the principal amount thereof and accrued interest to the date of redemption.

SECTION 4. That, said shall be executed in the name of the Town of Mt. Carmel, Tennessee, signed by the Mayor and attested by the City Recorder, with the seal of the municipality attached thereto.

SECTION 5. That, said note(s) shall be in substantially the following form:

STATE OF TENNESSEE
COUNTY OF HAWKINS
TOWN OF MT. CARMEL CAPITAL OUTLAY NOTE

\$ _____ No. _____

KNOW ALL MEN BY THESE PRESENTS: that the municipality of the Town of Mt. Carmel in the State of Tennessee, hereby acknowledges itself to owe and for value received hereby promises to pay to bearer the sum of \$164,0000.00 on or before _____, 1990, together with interest thereon from the date hereof until paid at the rate of _____ percent (_____ %) per annum, interest payable on _____, 19 ____ and the ____ day of each month thereafter with principal and remaining interest payable on _____, 1990. Both Principal and interest are payable in lawful money of the United States of America at the offices of the Town of Mt. Carmel, Tennessee.

For prompt payment of this obligation, both principal and interest, the full faith, credit and other resources of said municipality are hereby irrevocably pledged.

This note is issued for the purpose of providing funds to finance the acquisition of the industrial building and the real property commonly known as the "Phillips Mechanical property" in and for said municipality and is in all respects in compliance with and under authority of Sections 9-21-107, 9-21-105(20), and 9-21-601 et seq., Tennessee Code Annotated, and a resolution duly adopted by the Board of Mayor and Aldermen of, Mt. Carmel, Tennessee, on the 12th day of April, 1989.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and laws of the State of Tennessee to exist, or to be done precedent to and in the issuance of this obligation, do exist, and have been properly done, happened, and been performed in regular and due form and time as required by law; and that provision has been made to pay the principal and interest thereon as same falls due.

Section 9-21-117, Tennessee Code Annotated, provides that neither the principal nor the interest of notes issued pursuant to the provisions of said Section shall be taxed by the State of Tennessee, or by any county, or by any municipality therein.

This note is subject to redemption at any time at the option of the municipality in whole or in part, at the principal amount thereof and accrued interest to date of redemption.

IN WITNESS WHEREOF, the municipality of Town of Mt. Carmel, Tennessee, through its Board of Mayor and Aldermen has caused this capital outlay note to be signed by its Mayor and attested by its Recorder under the seal of his office in this _____ day of _____, 19____.

MAYOR

ATTEST:

CITY RECORDER

SECTION 6. That, for the purpose of providing funds with which to pay the principal of and interest accruing on said notes at maturity, there shall be levied upon all taxable property lying within the corporate limits of Mt. Carmel, Tennessee, a direct annual tax for each of the years while said notes, or any of them, are outstanding, in amounts sufficient for that purpose.

SECTION 7. That, said note(s) shall not be issued until approval by the State Director of Local Finance shall have been obtained as required.

SECTION 8. That said notes shall not be sold for less than par and accrued interest.

SECTION 9. That, the proceeds of said notes shall be turned over to the City Recorder of said municipality and shall be paid out for the purposes and in the manner required by law and this resolution.

SECTION 10. That, if any of said capital outlay note(s) shall remain unpaid at the end of one (1) year from the date of issuance of same, the balance of said note or notes shall be converted to bonds as provided by Sections 9-11-101 to 9-11-109, inclusive, Tennessee Code Annotated, or otherwise liquidated in such manner as approved by the State Director of Local Finance in compliance with statutes relating to the issuance and redemption of bonds and notes.

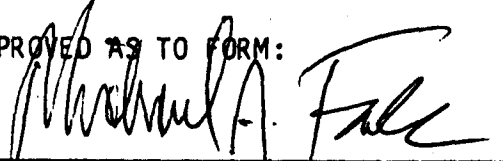
SECTION 11. That, all orders or ordinances in conflict herewith be and the same are hereby repealed insofar as such conflict exists and this resolution shall become effective from and after the date of passage as the law directs, public welfare of the citizens of Mt. Carmel requiring it.

MAYOR

ATTEST:

CITY RECORDER

APPROVED AS TO FORM:



MICHAEL A. FAULK
City Attorney

Passed First Reading April 12, 1989 (see T.C.A. §9-21-108)

STATE OF TENNESSEE
COUNTY OF HAWKINS
TOWN OF MT. CARMEL CAPITAL OUTLAY NOTE

\$ _____

No. _____

KNOW ALL MEN BY THESE PRESENTS: that the municipality of the Town of Mt. Carmel in the State of Tennessee, hereby acknowledges itself to owe and for value received hereby promises to pay to bearer the sum of \$164,0000.00 on or before _____, 1990, together with interest thereon from the date hereof until paid at the rate of _____ percent (_____%) per annum, interest payable on _____, 19 ____ and the ____ day of each month thereafter with principal and remaining interest payable on _____, 1990. Both Principal and interest are payable in lawful money of the United States of America at the offices of the Town of Mt. Carmel, Tennessee.

For prompt payment of this obligation, both principal and interest, the full faith, credit and other resources of said municipality are hereby irrevocably pledged.

This note is issued for the purpose of providing funds to finance the acquisition of the industrial building and the real property commonly known as the "Phillips Mechanical property" in and for said municipality and is in all respects in compliance with and under authority of Sections 9-21-107, 9-21-105(20), and 9-21-601 et seq., Tennessee Code Annotated, and a resolution duly adopted by the Board of Mayor and Aldermen of, Mt. Carmel, Tennessee, on the 12th day of April, 1989.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and laws of the State of Tennessee to exist, or to be done precedent to and in the issuance of this obligation, do exist, and have been properly done, happened, and been performed in regular and due form and time as required by law; and that provision has been made to pay the principal and interest thereon as same falls due.

Section 9-21-117, Tennessee Code Annotated, provides that neither the principal nor the interest of notes issued pursuant to the provisions of said Section shall be taxed by the State of Tennessee, or by any county, or by any municipality therein.

This note is subject to redemption at any time at the option of the municipality in whole or in part, at the principal amount thereof and accrued interest to date of redemption.

IN WITNESS WHEREOF, the municipality of Town of Mt. Carmel, Tennessee, through its Board of Mayor and Aldermen has caused this capital outlay note to be signed by its Mayor and attested by its Recorder under the seal of his office in this _____ day of _____, 19____.

MAYOR

ATTEST:

CITY RECORDER