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(RESOLUTION) (ORDINANCE) AUTHORIZING AND PROVIDING FOR THE FINANCING OF THE CONSTRUCTION OF A Sewage Treatment PROJECT, INCLUDING AUTHORIZING THE EXECUTION OF APPLICATIONS, CONTRACTUAL AGREEMENTS, AND OTHER NECESSARY DOCUMENTS; AND MAKING CERTAIN REPRESENTATIONS, CERTIFICATES, AND PLEDGES OF CERTAIN REVENUE IN CONNECTION WITH SUCH FINANCING.

WHEREAS, the City of Mount Carmel is a public and governmental body in Hawkins County, Tennessee (the "Local Government Unit"); and

WHEREAS, the Local Government Unit has determined that it is necessary and desirable to construct a sewage treatment project, Department of Health and Environment Number 526-02 (the "Project"), in and for the Local Government Unit; and

WHEREAS, Tennessee Code Annotated, Sections 68-13-201 thru 68-13-212 provide the statutory procedure whereby a loan for the construction of the Project may be obtained (the "Program Loan"); and

WHEREAS, Tennessee Code Annotated, §§ 4-31-101 through 4-31-117, provide for the issuance of bonds and notes by the Tennessee Local Development Authority (the "Authority") for the purpose of providing funds for Program Loans; and

WHEREAS, the Local Government Unit has determined that it is necessary and advisable to borrow funds for the construction of the Project pursuant to these statutory sections.

NOW, THEREFORE, be it (resolved) (ordained) as follows:¹

Section 1. The Local Government Unit hereby finds in connection with the funding of the Project that alternative methods of financing have been fully explored and that private or other public means of financing cannot be accomplished at a reasonable cost or are being utilized to the extent possible as set forth in the Application for Program Loan, attached as Exhibit A (the "Application"), and hereby approves the creation of an indebtedness on behalf of the Local Government Unit in the principal amount of

Two million Three hundred sixty-two thousand Four hundred twenty-one Dollars
(\$ 2,362,421) by the obtaining of a Program Loan.

Section 2. The execution and delivery of the Application under the Sewage Treatment State program

¹If Local Government Unit has a Charter or By-Laws requiring a particular style of resolving or ordaining clause, that style should be used in lieu of this style.

for a Program Loan in the principal amount of Two million Three hundred sixty-two thousand Four hundred twenty-one Dollars (\$ 2,362,421)

for the purpose of funding all or a portion of the total Six Million, Three Thousand, estimated cost of the Project, Three Hundred Eighteen

Dollars (\$ 6,003,318), by _____,

the Mayor of the Local Government Unit, is hereby ratified and approved in all respects.

Section 3. The form, terms, and provisions of the agreement for the Program Loan attached as Exhibit B among the Local Government Unit, the Tennessee Department of Health and Environment, the State Funding Board, and the Authority (the "Agreement"), are hereby approved.

Section 4. The Local Government Unit hereby agrees to honor and accept the method of financing as may be determined by the Authority and agrees that the Program Loan will bear interest related to the cost of funding the Program Loan through bonds or notes issued by the Authority for such purpose.

Section 5. The Local Government Unit hereby agrees to make the monthly payments on the Program Loan in accordance with the Payment Schedule attached to the Agreement as amended or supplemented from time to time by the State Funding Board and/or the Authority.

Section 6. The Local Government Unit hereby agrees to levy fees, rates or charges for services provided by the Project and/or ad valorem taxes sufficient to pay debt service requirements for the Program Loan in accordance with the Agreement. [If for a sewage treatment works or water works project, include the following: The Local Government Unit also agrees to levy fees, rates or charges and/or ad valorem taxes sufficient to pay the cost of operation and maintenance of the Project, which cost shall include depreciation in any other debt service expense of the Project.]

Section 7. The Local Government Unit consents to the withholding of State-Shared Taxes as set forth in the Agreement in the event of failure by the Local Government Unit to remit monthly payments in accordance with the terms of the Agreement, as the Agreement may be supplemented or amended from time to time.

Section 8. The Local Government Unit hereby agrees to obtain alternative methods of financing for all costs necessary for the completion of the Project which are in excess of the combined financing provided by any agency of the United States Government and by the Authority and/or the State Funding Board.

Section 9. The Mayor of the Local Government Unit is authorized and directed to execute the

Agreement, and any amendments or supplements to the Agreement, in the name and behalf of the Local Government Unit; to deliver such documents to the other parties to such documents, such execution and delivery to be conclusive proof of the agreement and approval of the Local Government Unit of such action; and to take such further action and to execute and deliver such further instruments or documents as such officer may consider necessary or advisable in connection with the Agreement. Provided, however, this (resolution) (ordinance) shall not be deemed to grant authority to the named officer to approve any increase in the amount of the Program Loan.

Section 10. All orders, resolutions, or ordinances in conflict with this (resolution) (ordinance) be and the same are repealed insofar as such conflict exists. This (resolution) (ordinance) shall become effective immediately upon its passage.

Duly passed and approved this 23rd day of October, 1986.