

RESOLUTION NO. 119

RESOLUTION OF THE BOARD OF MAYOR AND ALDERMEN OF THE
TOWN OF MOUNT CARMEL, HAWKINS COUNTY, TENNESSEE,
AUTHORIZING THE ISSUANCE, SALE, AND PAYMENT OF INTEREST
BEARING SEWER EXTENSION CAPITAL OUTLAY NOTES (EXTENSION
1995) NOT TO EXCEED \$100,000

WHEREAS, pursuant to Title 9, Chapter 21, Tennessee Code Annotated, Parts I, IV, and VI, the Board of Mayor and Aldermen of the Town of Mount Carmel, Hawkins County, Tennessee, (the "Local Government") duly adopted a resolution dated February 24, 1994, authorizing the issuance of interest-bearing capital outlay notes (the "Original Notes") not to exceed One Hundred Eighty Nine Thousand Six Hundred Fifty Dollars (\$189,650) to finance the cost of the Project referenced therein, (the "Resolution"); and

WHEREAS; One Hundred Eighty Nine Thousand Six Hundred Fifty Dollars (\$189,650) of the Original Notes have been issued, sold, and dated April 28, 1994; and

WHEREAS, Title 9, Chapter 21, Tennessee Code Annotated provides that local governments in Tennessee are authorized to extend or renew the maturity date of interest bearing capital outlay notes upon the approval of the State Director of Local Finance; and

WHEREAS, the Board of Mayor and Aldermen finds that it is advantageous to the Local Government to authorize the issuance and sale of capital outlay extension notes to extend and renew the maturity of One Hundred Thousand Dollars (\$100,000) of the Original Notes maturing on April 28, 1995;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Mayor and Aldermen of the Town of Mount Carmel, Hawkins County Tennessee, as follows:

SECTION 1. That, for the purpose of providing funds to retire the outstanding Original Notes, the Mayor of the Local Government is hereby authorized in accordance with the terms of this resolution to issue and sell interest-bearing capital outlay extension notes in a principal amount not to exceed One Hundred

Thousand Dollars (\$100,000) (the "Extension Notes") at either a competitive public sale or at a private negotiated sale upon approval of the State Director of Local Finance pursuant to the terms, provisions, and conditions permitted by law. The Extension Notes shall be designated "Sewer Extension Capital Outlay Extension Notes, Series 1995"; shall be numbered serially from 1 upwards; shall be dated as of the date of issuance; shall be in denominations(s) as agreed upon with the purchaser; shall be sold at not less than 99% of par value and accrued interest; and shall bear interest at a rate or rates not to exceed _____ per cent (____%) per annum, and in no event shall the rate exceed the legal limit provided by law.

Section 2. That, the Extension Notes shall mature not later than three (3) years after the date of issuance and that the term of the Original Notes, Extension Notes and any further extension or renewal notes, in combination, shall not exceed the reasonably expected economic life of the Project, as certified by the Board of Mayor and Aldermen in the Resolution. Provided, however, that each year the Extension Notes are outstanding, one-third (1/3), but in no event not less than one-twelfth (1/12), of the original principal amount of the Original Notes shall mature without renewal but subject to prior redemption.

Section 3. That, the Extension Notes shall be subject to redemption at the option of the Local Government, in whole or in part, at any time, at the principal amount and accrued interest to the date of redemption, without a premium, or, if sold at par, with or without a premium of not exceeding one percent (1%) of the principal amount.

Section 4. That, the Extension Notes shall be direct general obligations of the Local Government and the Local Government hereby pledges its taxing power as to all taxable property in the Local Government for the purpose of providing funds for the payment of principal of and interest on the Extension Notes. The Board of Mayor and Aldermen of the Local Government hereby authorizes they levy and collection of a special tax on all taxable property in the Local Government over and above all other taxes authorized by the Local Government to create a sinking fund to retire the Extension Notes with interest as they mature in an amount necessary for that purpose.

The Extension Notes shall be further secured by _____

(If the revenues generated by the Project are to be applied as additional security for the Extension Notes, then describe such revenues here.)

Section 5. That, the Extension Notes shall be executed in the name of the Local Government and bear the manual signature of the chief executive officer of the Local Government and the manual signature of the Recorder with the Local Government seal affixed thereon; and shall be payable as to principal and interest at the office of the Recorder of the Local Government or the paying agent duly appointed by the Local Government. Proceeds of the Extension Notes shall be deposited with the Treasurer of the Local Government and shall be paid out for the purpose of financing the Project pursuant to this resolution and as required by law.

Section 6. That, the Extension Notes will be issued in fully registered form and that at all times during which any Extension Note remains outstanding and unpaid, the Local Government or its agent shall keep or cause to be kept at its office a note register for the registration, exchange or transfer of the Extension Notes. The note register, if held by an agent of the Local Government, shall at times be open for inspection by the Local Government or any duly authorized officer of the Local Government. Each Extension Note shall have the qualities and incidents of a negotiable instrument and shall be transferable only upon the note register kept by the Local Government or its agent, by the registered owner of the Extension Note in person or by the registered owner's attorney duly authorized in writing, upon presentation and surrender to the Local Government or its agent together with a written instruction of transfer satisfactory to the Local Government duly executed by the registered owner or the registered owner's duly authorized attorney. Upon the transfer of any such Extension Note, the Local Government shall issue in the name of the transferee a new registered note or notes of the same aggregate principal amount and maturity as the surrendered Extension Note. The

Local Government shall not be obligated to make any such Extension Note transfer during the fifteen (15) days next preceding an interest payment date on the Extension Notes or, in the case of any redemption of Extension Notes, during the forty-five (45) days next preceding the date of redemption.

Section 7. That, the Extension Notes shall be in substantially the form attached hereto and shall recite that the Extension Notes are issued pursuant to Title 9, Chapter 21, Tennessee Code Annotated.

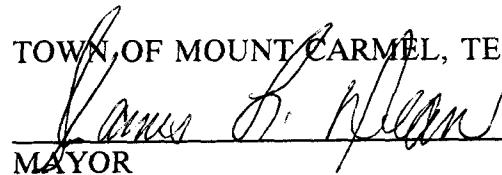
Section 8. That, the Extension Notes shall be sold only after the receipt of the written approval of the State Director of Local Finance for the sale of the Extension Notes.

Section 9. That, after the issuance and sale of the Extension Notes, and for each year that any of the Extension Notes are outstanding, the Local Government shall submit its annual budget to the State Director of Local Finance for approval immediately upon the Local Government's adoption of the budget.

Section 10. That, if any of the Extension Notes shall remain unpaid at the end of three (3) years from the issue date, then the unpaid Extension Notes shall be renewed or extended as permitted by law or retired from the funds of the Local Government or be converted into bonds pursuant to Chapter 11 of Title 9 of the Tennessee Code Annotated, or any other law, or be otherwise liquidated as approved by the State Director of Local Finance.

Section 11. That, all orders or resolutions in conflict with this resolution are hereby repealed insofar as such conflict exists and this resolution shall become effective immediately upon its passage.

Duly passed and approved this 5 day of April, 1995.

TOWN OF MOUNT CARMEL, TENNESSEE

MAYOR

ATTESTED:

Nancy Carter
Recorder