

RESOLUTION NO.126

RESOLUTION OF THE GOVERNING BODY OF THE TOWN OF MOUNT CARMEL, TENNESSEE, AUTHORIZING THE ISSUANCE, SALE, AND PAYMENT OF INTEREST-BEARING SEWER PROPERTY ACQUISITION CAPITAL OUTLAY NOTES NOT TO EXCEED \$15,000.00.

WHEREAS, the Governing Body of the Town of Mount Carmel, Tennessee, has determined that it is necessary and desirable to purchase additional property adjacent to the Wastewater Treatment Plant (the "Project") for the benefit of the citizens of the Local Government; and

WHEREAS, the Governing Body has determined that the Project will promote or provide a traditional governmental activity or otherwise fulfill a public purpose; and

WHEREAS, under the provisions of Parts I, IV, and VI of Title 9, Chapter 21, Tennessee Code Annotated (the "Act"), local governments in Tennessee are authorized to finance the cost of this Project through the issuance and sale of interest bearing capital outlay notes upon the approval of the State Director of Local Finance; and

WHEREAS, the Governing Body finds that it is advantageous to the Local Government to authorize the issuance of capital outlay notes to finance the cost of the Project;

BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMAN AS FOLLOWS:

Section 1. That, for the purpose of providing funds to finance the cost of the Project in and for the Local Government, the Board of Mayor and Aldermen of the Local Government is hereby authorized in accordance with the terms of this resolution to issue and sell interest-bearing capital outlay notes in a principal amount not to exceed **FIFTEEN THOUSAND DOLLARS (\$15,000.00)** (the "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 Notes shall be designed "Sewer Property Acquisition Capital Outlay Notes, Series 1995"; shall be numbered serially from 1 upwards; shall be dated as of the date of issuance; shall be in denomination(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 nine percent (9%) per annum, and in no event shall the rate exceed the legal limit provided by law.

Section 2. That, the Notes shall mature not later than three (3) years after the date of issuance and that the Notes and any extension or renewal notes shall not exceed

the reasonably expected economic life of the Project, which is hereby certified by the Governing Body to be at least three (3) years. Provided, however, that each year the Notes are outstanding one-third (1/3), but in no event not less than one-ninth (1/9), of the original principal amount of the Notes shall mature without renewal but subject to prior redemption.

Section 3. That, the 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 Notes shall be direct general obligations of the Local Government, for which the punctual payment of the principal and interest on the notes, the full faith and credit of the Local Government is irrevocably pledged 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 Notes. The Government Body of the Local Government hereby authorizes the levy and collection of a special tax on all taxable property of the Local Government over and above all other taxes authorized by the Local Government to create a sinking fund to retire the Notes with interest as they mature in an amount necessary for that purpose.

Section 5. That, the 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 Notes shall be deposited with the Recorder 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 Notes will be issued in fully registered form and that at all times during which any 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 Notes. The note register, if held by an agent of the Local Government, shall at all times be open for inspection by the Local Government or any duly authorized officer of the Local Government. Each 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 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 instrument 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 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 Note. the Local Government shall not be obligated to make any such Note transfer during the fifteen (15) days next preceding an interest payment date on the Notes or, in the case of any redemption of the Notes, during the forty-five (45) days next preceding the date of redemption.

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

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

Section 9. That, the Notes are hereby designated as qualified tax-exempt obligations for the purpose of Section 365(b)(3) of the Internal Revenue Code of 1986.

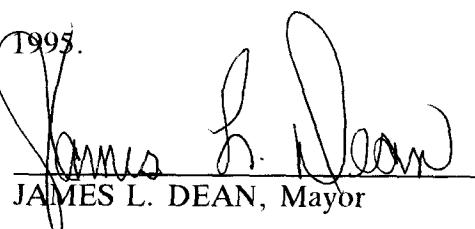
Section 10. That, after the issuance and sale of the Notes, and for each year that any of the Notes are outstanding, the Local Government shall submit its annual budget to

the State Director of Local Finance for approval immediately upon the Local Government's adoption of the budget.

Section 11. That, if any of the Notes shall remain unpaid at the end of three (3) years from the issue date, then the unpaid 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 12. 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.

A D O P T E D this 28th day of September, 1995.



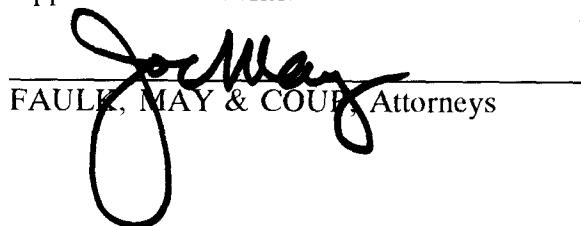
JAMES L. DEAN, Mayor

ATTEST:



Nancy Carter
NANCY F. CARTER, Recorder

Approved as to form:



Joe May
FAULE, MAY & COUE, Attorneys

LAW OFFICES OF FAULK, MAY & COUP

107 EAST MAIN BOULEVARD • P.O. BOX 2080 • CHURCH HILL, TENNESSEE 37642-2080

Michael A. Faulk, Attorney
Joseph E. May, Attorney
Allen J. Coup, Attorney
Greg Conant, Investigator
Marcella Cradic, Legal Assistant
Lena Brooks, Accounting

Church Hill
(615) 357-8088
Rogersville
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Telecopier
(615) 357-1067

September 9, 1995

Mr. Tom Peters
Attorney at Law
Post Office Box 2440
Kingsport, Tennessee 37662

Re: Property Adjacent to Waste Water Treatment Plant
Attorney's File No. 880610-244B.

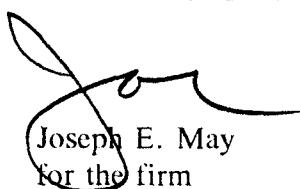
Dear Tom:

Enclosed is a deed from your client to the Town of Mount Carmel for the property adjacent to the Wastewater Treatment Plant.

Please read, review, examine and consider all aspects of this instrument carefully, thoroughly and thoughtfully. Needless to say, you should feel perfectly, totally and absolutely free to make any additions, alterations, modifications, corrections, amendments, clarifications, enhancements, augmentations, editions or changes that you feel are appropriate, necessary, desirable, suitable, reasonable, worthwhile or good. Thereafter, and only thereafter, if it meets with your full and complete satisfaction, agreement, approval and liking, have your client sign it and we can close the transaction.

Best regards.

Sincerely,
LAW OFFICES OF FAULK, MAY & COUP



Joseph E. May
for the firm

JEM:dw

MIC#5\PETERS.ltr

Warranty Deed

THIS WARRANTY DEED, made and entered into this ____th day of _____, 1995, by and between BILL CALHOUN, Executor of the Estate of ADA CALHOUN, widow of CHARLES K. CALHOUN (deceased), and PHYLLIS JANE CALHOUN CONNOR CARTER (unmarried) hereinafter referred to as "Grantors" , and the TOWN OF MOUNT CARMEL, TENNESSEE, hereinafter referred to as "Grantee";

Witnesseth

That for and in consideration of the sum of Ten Dollars (\$10.00), cash in hand paid, and other good and valuable consideration, the receipt of which is hereby acknowledged, Grantors have this day bargained and sold and by these presents do hereby grant, transfer and convey unto Grantee, its heirs and assigns, with covenants of general warranty of title, certain tract or parcel of land situated in the Seventh (7th) Civil District of Hawkins County, Tennessee, and being more particularly described as follows:

Pursuant to Tenn. Code Ann. §66-24-121, no boundary survey having been made at the time of this conveyance, the description is the same as in the previous deed of record.

PARCEL NO. I: BEGINNING on the Click line. Thence S. 65 E. 1,398 feet to a point in the railroad right of way line. Thence S. 60 E. 100 feet to another point in the railroad right of way line. Thence S. 55 E. 184 feet to the Shepord line. Thence N. 22 E. to the Arnott property line. Thence with the center of a branch to the fork of a branch at the Click line. Thence a straight line to the point of BEGINNING, containing nine (9) acres, more or less; and being the same property as that conveyed to Charles Calhoun and wife, Ada Calhoun, by G. W. Calhoun, Jr. et al, by deed dated May 26, 1948, of record in the Register's Office for Hawkins County, Tennessee, in Deed Book 105 - at page 553.

TAX I.D. NO: MAP 22, GROUP -, CONTROL MAP 22, PARCEL 11.

TO HAVE AND TO HOLD unto Grantee, its heirs and assigns, in fee simple forever. Grantors covenant with Grantee, its heirs and assigns, that they are lawfully seized and possessed of said property; that they have a good and lawful right to convey and sell the same as herein conveyed; that said property is free, clear and unencumbered, except as

This instrument prepared by:
LAW OFFICES OF FAULK, MAY & COUP
107 East Main Boulevard
Church Hill, Tennessee 37642

herein set forth, and that they will forever warrant and defend the title to said property against the good and lawful claims and demands of all persons whomsoever.

This conveyance is expressly made subject to any and all restrictions, reservations, covenants and conditions contained in former deeds and other instruments of record as may now be binding on said property and to any easements apparent from an inspection of said property.

WITNESS the signature of Grantors this the day and year first above written.

BILL CALHOUN, Grantor

PHYLLIS JANE CALHOUN CONNOR CARTER, Grantor

STATE OF TENNESSEE
COUNTY OF HAWKINS

Personally appeared before me, the undersigned authority, a Notary Public in and for the State and County aforesaid, BILL CALHOUN, Grantor, to me known or who proved to me on the basis of satisfactory evidence to be the persons described in and who acknowledged that they executed the foregoing instrument for the purposes therein contained.

WITNESS my hand and official seal at office in the State and County aforesaid, this the ___th day of _____, 1995.

NOTARY PUBLIC

MY COMMISSION EXPIRES MAY 14, 1996.

STATE OF TENNESSEE
COUNTY OF HAWKINS

Personally appeared before me, the undersigned authority, a Notary Public in and for the State and County aforesaid, PHYLLIS JANE CALHOUN CONNOR CARTER, Grantor, to me known or who proved to me on the basis of satisfactory evidence to be the persons described in and who acknowledged that they executed the foregoing instrument for the purposes therein contained.

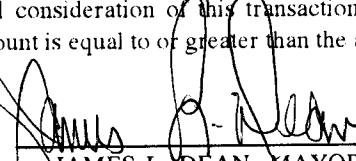
WITNESS my hand and official seal at office in the State and County aforesaid, this the ___th day of _____, 1995.

NOTARY PUBLIC

MY COMMISSION EXPIRES MAY 14, 1996.

STATE OF TENNESSEE
COUNTY OF HAWKINS

I hereby swear or affirm that the actual consideration or value of the property transferred, whichever is greater, is \$15,000.00, which amount is equal to or greater than the amount which the property transferred would command at a fair and voluntary sale.


JAMES L. DEAN, MAYOR

SWORN TO AND SUBSCRIBED before me this ___th day of _____, 1995.

NOTARY PUBLIC

MY COMMISSION EXPIRES MAY 14, 1996.

THE TOWN OF MOUNT CARMEL IS RESPONSIBLE FOR THE PAYMENT OF THE REAL PROPERTY TAXES.

LAW OFFICES OF FAULK, MAY & COUP

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September 9, 1995

Mr. LaVern E. Haefele
Town Administrator
TOWN OF MOUNT CARMEL
100 East Main Street
Post Office Box 1421
Mount Carmel, Tennessee 37642

Re: Property Adjacent to Waste Water Treatment Plant
Attorney's File No. 880610-244B.

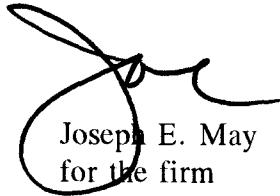
Dear Vern:

Enclosed you will find a copy of Resolution Number 126 and a copy of the Warranty Deed drafted.

If you have any questions, please call.

Best regards.

Sincerely,
LAW OFFICES OF FAULK, MAY & COUP



Joseph E. May
for the firm

Enclosures (2)

JEM:dw

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Witnesseth

That for and in consideration of the sum of Ten Dollars (\$10.00), cash in hand paid, and other good and valuable consideration, the receipt of which is hereby acknowledged, Grantors have this day bargained and sold and by these presents do hereby grant, transfer and convey unto Grantee, its heirs and assigns, with covenants of general warranty of title, certain tract or parcel of land situated in the Seventh (7th) Civil District of Hawkins County, Tennessee, and being more particularly described as follows:

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BILL CALHOUN, Grantor

PHYLLIS JANE CALHOUN CONNOR CARTER, Grantor

STATE OF TENNESSEE
COUNTY OF HAWKINS

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NOTARY PUBLIC

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STATE OF TENNESSEE
COUNTY OF HAWKINS

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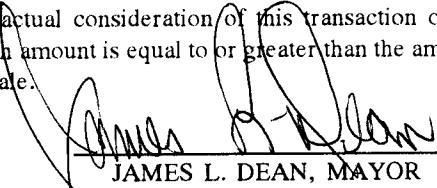
WITNESS my hand and official seal at office in the State and County aforesaid, this the ___th day of _____, 1995.

NOTARY PUBLIC

MY COMMISSION EXPIRES MAY 14, 1996.

STATE OF TENNESSEE
COUNTY OF HAWKINS

I hereby swear or affirm that the actual consideration of this transaction or value of the property transferred, whichever is greater, is \$ __. __.00, which amount is equal to or greater than the amount which the property transferred would command at a fair and voluntary sale.


JAMES L. DEAN, MAYOR

SWORN TO AND SUBSCRIBED before me this ___th day of _____, 1995.

NOTARY PUBLIC
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BILL CALHOUN and PHYLLIS JANE CALHOUN CONNOR CARTER, ARE RESPONSIBLE FOR THE PAYMENT OF THE REAL PROPERTY TAXES.