

RESOLUTION NO. 190

TAX ANTICIPATION NOTES

**RESOLUTION OF THE GOVERNING BODY OF MOUNT CARMEL, TENNESSEE,
AUTHORIZING THE ISSUANCE, SALE, AND PAYMENT OF INTEREST-BEARING
GENERAL FUND TAX ANTICIPATION NOTES NOT TO EXCEED \$ 300,000.00.**

WHEREAS, the Governing Body of Mount Carmel, Tennessee, has determined that it is necessary and desirable to borrow a limited amount of funds to meet appropriations made for the general fund for the current fiscal year, being July 1, 1999, through June 30, 2000, inclusive, in anticipation of the collection of taxes and revenues for the Fund during the Fiscal Year; and

WHEREAS, under the provisions of Parts I, IV, and VIII of Title 9, Chapter 21, Tennessee Code Annotated (the "Act") local governments in Tennessee are authorized to issue and sell Interest-bearing tax anticipation notes in amounts not exceeding fifty percent (50%) of tax fund appropriation for the Fiscal Year 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 and sale of tax anticipation notes;

NOW, THEREFORE, BE IT RESOLVED, by the Governing Body of Mount Carmel, Tennessee, as follows:

Section 1. That, for the purpose of providing funds to meet certain appropriations for the Fiscal Year, the Mayor of the Local Government is hereby authorized in accordance with the terms of this Resolution to issue and sell interest-bearing tax anticipation notes in a principal amount not to exceed Three Hundred Thousand Dollars (\$ 300,000.00) (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 designated “ General Fund- Tax Anticipation Notes, Series 2000” 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 par value and accrued interest; and shall bear interest at a rate or rates not to exceed six per cent (6 %) per annum, and in no event shall the rate exceed the legal limit provided by law.

Section 2, That, the sum of the principal amount of the Notes, together with the principal amount or amounts of any prior tax anticipation notes issued during the Fiscal Year, does not exceed fifty percent (50 %) of the Fund appropriation for the Fiscal Year.

Section 3. That, the Notes may be renewed from time to time and money may be borrowed from time to time for the payment of any indebtedness evidenced by the Notes; provided, that the Notes and any renewal notes shall mature and be paid in full without renewal on or before the end of the Fiscal Year. If the Local Government overestimates the amount of taxes and revenue collected for the Fiscal Year and it becomes impossible to retire the Notes and all renewal notes prior to the close of the Fiscal Year, then the Local Government shall apply to the State Director of Local Finance within ten (10) days prior to the close of the Fiscal Year for permission to issue funding bonds to cover the unpaid Notes in the manner provided by Title 9, Chapter 11 of Tennessee Code Annotated or as otherwise provided for in a manner approved by the State Director of Local Finance.

Section 4. That, the Notes shall be secured solely by the receipt of taxes and revenues by the Fund during the Fiscal Year.

Section 5. 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.

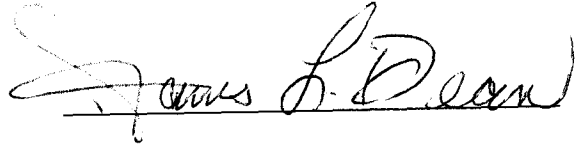
Section 6. That, the Notes shall be executed in the name of the Local Government and bear the manual signature at the chief executive officer of the Local Government and the manual signature of the City Recorder with the Local Government seal affixed thereon; and shall be payable as to principal and interest at the office of the City Treasurer of the Local Government. Proceeds of the Notes shall be deposited with the City Treasurer of the Local Government and shall be paid out for the purpose of meeting Fund appropriations made for the Fiscal Year in anticipation of the collection of revenues and taxes pursuant to this Resolution and as required by law.

Section 7. That, the Notes shall be 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 approval of the State Director of Local Finance for the sale of the Notes.

Section 9. 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 5th day of August, 1999.

A handwritten signature in cursive script, reading "James L. Dean", written over a horizontal line.

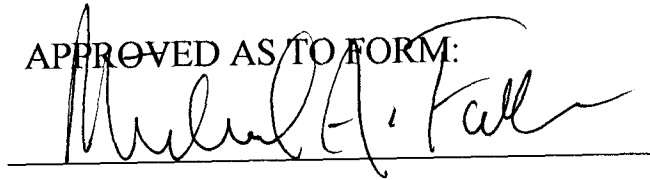
JAMES L. DEAN, Mayor

ATTEST:

A handwritten signature in cursive script, reading "Nancy Carter", written over a horizontal line.

NANCY CARTER, Recorder

APPROVED AS TO FORM:

A handwritten signature in cursive script, reading "Michael A. Faulk", written over a horizontal line.

LAW OFFICE OF MICHAEL A. FAULK

**CITY OF MOUNT CARMEL
of the
STATE OF TENNESSEE**

TAX ANTICIPATION NOTE, SERIES 1999

DATED

INTEREST RATE

MATURITY DATE

_____, 19____

_____%

Owner _____

Principal Sum _____

The City of Mount Carmel (the "Local Government") of the State of Tennessee hereby acknowledges itself indebted, and for value received hereby promises to pay bearer (named above) the sum of Three Hundred Thousand Dollars (\$ 300,000.00)(the "principal sum") on or before the Maturity Date (specified above) (unless this note shall have been duly called for prior redemption and payment of the redemption price shall have been duly made or provided for), upon presentation and surrender to the Local Government or its agent, and to pay from the date hereon interest on the Principal Sum on _____, and thereafter on the _____ at the Interest Rate per annum (specified above) , by check or draft mailed to the bearer, at the address below. Both principal of and interest of this note are payable at the office of the City Treasurer or paying agent duly appointed by the Local Government in lawful money of the United States of America.

This note is secured solely by the receipt of taxes and revenues to be received by the General Fund (the "Fund") during the current fiscal year of the Local Government, being July 1, 1999, through June 30, 2000, inclusive (the "Fiscal Year").

This note is subject to redemption prior to its stated maturity in whole or in part at any time at the option of the Local Government upon payment of the principal amount of the note together with the interest accrued thereon to the date of redemption without a premium.

This note is issued under the authority of Parts I, IV, and VIII of Title 9, Chapter 21, Tennessee Code Annotated, and Ordinance No. 206 duly adopted by the Local Government on June 24, 1999, to provide funds in anticipation of the collection of taxes and revenues for the Fund during the Fiscal Year in an amount not exceeding fifty percent (50%) of the total Fund appropriations for the Fiscal Year. The Maturity Date specified above shall not exceed the end of the Fiscal Year.

Title 9, Chapter 21, Section 117, Tennessee Code Annotated provides that this note and interest thereon are exempt from taxation by the State of Tennessee or by any county, municipality or taxing district of the State, except for inheritance, transfer and estate taxes and except as otherwise provided under the laws of the State of Tennessee.

It is HEREBY CERTIFIED, RECITED AND DECLARED that acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this note exist, have happened and have been performed in due time, form and manner as required by the Constitution and laws of the State of Tennessee, and that the amount of this note, together with all other indebtedness of the Local Government, does not exceed any constitutional or statutory limitation thereon, and that this note is within every constitutional and statutory limitation.

IN WITNESS WHEREOF, the Governing Body of the Local Government has caused this note to be executed in name of the local Government by the manual signature of the Mayor and countersigned and attested by the manual signature of the City Recorder, with the Seal of the Local Government affixed hereto or imprinted hereon, and this note to be dated as of the ____ day of _____, 19 ____.

JAMES L. DEAN, Mayor

ATTEST:

NANCY CARTER, Recorder

APPROVED AS TO FORM:

LAW OFFICE OF MICHAEL A. FAULK