

Resolution No. 287

RESOLUTION PURSUANT TO THE INFORMAL BID PROCESS AUTHORIZING THE ISSUANCE, SALE, AND PAYMENT OF TWELVE-YEAR INTEREST-BEARING GENERAL OBLIGATION CAPITAL OUTLAY NOTES IN AN AMOUNT NOT TO EXCEED ONE HUNDRED FIFTY THOUSAND THIRTY-TWO AND 12/100'S DOLLARS FOR THE ADDITIONAL COST OF COMPLETING THE BROOKSHIRE HILLS SEWER EXTENSION

WHEREAS, the Board of Mayor and Aldermen of the Town of Mount Carmel, Tennessee, has determined that it is necessary and desirable to issue capital outlay notes in order to provide funds for the purpose of financing the additional cost of completing the Brookshire Hills Sewer Extension within the Town of Town of Mount Carmel; (the "Project.")

WHEREAS, the Board of Mayor and Aldermen of the Town of Mount Carmel, Tennessee, 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 Board of Mayor and Aldermen of the Town of Mount Carmel, Tennessee, has found that it is advantageous to the Town of Mount Carmel to authorize the issuance of capital outlay notes to finance the cost of the Project;

NOW, THEREFORE, BE IT RESOLVED, as follows:

Section 1. That, for the purpose of providing funds to finance the cost of the Project in and for the Town of Mount Carmel, the Mayor 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 One Hundred Fifty Thousand Thirty-two and 12/100's Dollars (\$150,032.12) (the "Notes") by an informal bid process upon approval of the State Director of Local Finance pursuant to the terms, provisions, and conditions permitted by law. The Notes shall be designated "**BROOKSHIRE HILLS SEWER EXTENSION CAPITAL OUTLAY NOTES, SERIES 2003**"; 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 Four and One-quarter per cent (4.25%) 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 twelve (12) years after the date of issuance and that the Notes shall be amortized in an amount reflecting at least level debt service on the Notes approximately according to the following schedule:

Note No.	Note Due Date	Note Amount	Annual Interest Payment	Total Payment Due	Ending Principal Balance
					150,032.12
1	04 - 30 - 04	10,771.80	5,328.20	\$16,100.00	139,260.32
2	04 - 30 - 05	10,181.44	5,918.56	\$16,100.00	129,078.88
3	04 - 30 - 06	10,614.15	5,485.85	\$16,100.00	118,464.73
4	04 - 30 - 07	11,065.25	5,034.75	\$16,100.00	107,399.48
5	04 - 30 - 08	11,535.52	4,564.48	\$16,100.00	95,863.96
6	04 - 30 - 09	12,025.78	4,074.22	\$16,100.00	83,838.18
7	04 - 30 - 10	12,536.88	3,563.12	\$16,100.00	71,301.30
8	04 - 30 - 11	13,069.69	3,030.31	\$16,100.00	58,231.61
9	04 - 30 - 12	13,625.16	2,474.84	\$16,100.00	44,606.45
10	04 - 30 - 13	14,204.23	1,895.77	\$16,100.00	30,402.22
11	04 - 30 - 14	14,807.91	1,292.09	\$16,100.00	15,594.31
12	04 - 30 - 15	15,594.31	545.80	\$16,140.11	0.00
		150,032.12	43,208.00	\$193,240.12	

The Notes shall not exceed the reasonably expected economic life of the Project which is hereby estimated to be at least Twenty (20) years.

Section 3. That, the Notes shall be subject to redemption at the option of the Town of Mount Carmel, 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 Town of Mount Carmel, for which the punctual payment of the principal and interest on the notes, the full faith and credit of the Town of Mount Carmel is irrevocably pledged and the Town of Mount Carmel hereby pledges its taxing power as to all taxable property in the Town of Mount Carmel for the purpose of providing funds for the payment of principal of and interest on the Notes. The Board of Mayor and Aldermen of

the Town of Mount Carmel hereby authorizes the levy and collection of a special tax on all taxable property of the Town of Mount Carmel over and above all other taxes authorized by the Town of Mount Carmel to create a sinking fund to retire the Notes with interest as they mature in an amount necessary for that purpose.

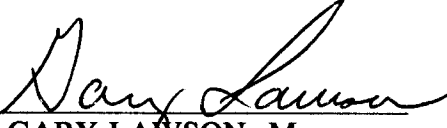
- Section 5. That, the Notes shall be executed in the name of the Town of Mount Carmel; shall bear the manual signature of the Mayor of the Town of Mount Carmel and the manual signature of the Recorder as authorized by the Board of Mayor and Aldermen together with the Town of Mount Carmel seal affixed thereon; and shall be payable as to principal and interest at the office of the Town of Mount Carmel official as authorized by the Town of Mount Carmel or at the office of the paying agent duly appointed by the Town of Mount Carmel. Proceeds of the Notes shall be deposited with the county trustee, in the case of counties, or, in the case of municipalities or metropolitan governments, with the official designated by law as custodian of the funds. All proceeds 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 Town of Mount Carmel 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 Town of Mount Carmel, shall at all times be open for inspection by the Town of Mount Carmel or any duly authorized officer of the Town of Mount Carmel. Each Note shall have the qualities and incidents of a negotiable instrument and shall be transferable only upon the note register kept by the Town of Mount Carmel 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 Town of Mount Carmel or its agent together with a written instrument or transfer satisfactory to the Town of Mount Carmel duly executed by the registered owner or the registered owner's duly authorized attorney. Upon the transfer of any such Note, the Town of Mount Carmel 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 Notes. The Town of Mount Carmel 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 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 authorized by the State Director of Local Finance and shall recite that the Notes are issued pursuant to Title 9, Chapter 21, Tennessee Code Annotated.
- Section 8. That, prior to the sale of the Notes, the Town of Mount Carmel shall submit a copy of this resolution authorizing the Notes to the State Director of the Local Finance for approval and a copy of the proposed disclosure statement, if any, and

a statement showing the estimated annual principal and interest requirements for the Notes and a detailed statement showing the estimated cost of issuance which shall include at least the following, if applicable: (1) fiscal agent and/or financial advisor fees; (2) bond counsel fees; (3) other legal charges if any; (4) credit enhancement fees; (5) trustee fees; (6) registration fees; (7) paying agent fees; (8) rating agency fees; (9) underwriters' discount or charges; (10) remarketing agent fees; (11) printing, advertising and other expenses; (12) the number of financial institutions contacted by telephone or by letter (which should be at least three if possible) for the purpose of obtaining interest rates, and if only one institution was contacted a statement as to why only one institution was contacted.

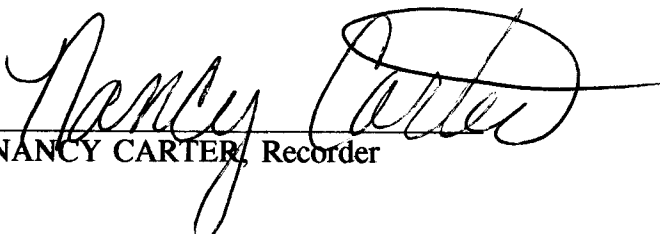
In its request for approval, the Town of Mount Carmel shall state and demonstrate that the proposed sale by the informal bid process is feasible, in the best interest of the Town of Mount Carmel, and that the Town of Mount Carmel should be able to amortize the proposed indebtedness together with all the obligations then outstanding.

- Section 9. 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 10. That, the notes are hereby designated as qualified tax-exempt obligations for purpose of Section 265(b)(3) of the Internal Revenue Code of 1986.
- Section 11. That, after the issuance and sale of the Notes, and for each year that any of the Notes are outstanding, the Town of Mount Carmel shall submit its annual budget to the State Director of Local finance for approval immediately upon the Town of Mount Carmel's adoption of the budget.
- 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 20th day of May, 2003.


GARY LAWSON, Mayor

ATTEST:


NANCY CARTER, Recorder