

RESOLUTION 353

RESOLUTION OF THE GOVERNING BODY OF THE TOWN OF MOUNT CARMEL, TENNESSEE, AUTHORIZING THE ISSUANCE, SALE, AND PAYMENT OF INTEREST- BEARING PUBLIC WORKS PAVING CAPITAL OUTLAY NOTES NOT TO EXCEED \$300,000.00.

WHEREAS, the Governing Body of the Town of Mount Carmel, Tennessee, (the "Local Government") has determined that it is necessary and desirable to *pave Hammond Avenue and a portion of Independence Avenue* (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 2, 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;

NOW, THEREFORE, BE IT RESOLVED, by the Governing Body of the Town of Mount Carmel, Tennessee, 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 Mayor 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 Three Hundred Thousand Dollars (\$300,000) (the "Note") by the 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 "Public Works Paving Capital Outlay Notes, Series 2006"; 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 seven per cent (7%) per annum, and in no event shall the rate exceed the legal limit provided by law.

<u>YEAR</u>	<u>PRINCIPAL AMOUNT</u>
2007	\$50,000.00
2008	\$50,000.00
2009	\$50,000.00
2010	\$50,000.00
2011	\$50,000.00
2012	\$50,000.00

The Notes shall not exceed the reasonably expected economic life of the Project, which is hereby certified by the Governing Body to be at least six (6) years.

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 and the Local Government hereby pledges its taxing power as to all taxable property in the Government for the purpose of providing funds for the payment of principal of and interest on the Notes.

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 City Recorder with the Local Government seal affixed thereon; and shall be payable as to principal and interest at the office of the City Recorder of the Local Government or the paying agent duly appointed by the Local Government. Proceeds of the Notes shall be deposited with the City 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 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 or transfer

satisfactory to the Local Government duly executed by the registered owner of 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 Notes. 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, prior to the sale of the Notes, the Local Government 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, together with any other information deemed pertinent to the Note issue by the Local Government.

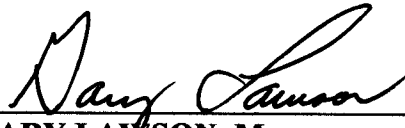
In its request for approval, the Local Government shall state and demonstrate that the proposed informal bid is feasible and in the best interest of the Local Government and that the Local Government should be able to amortize the proposed indebtedness together with all the obligations than outstanding.

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, 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, all orders or resolutions in conflict with this Resolution are hereby repealed insofar as such conflict exists. This Resolution shall become effective immediately upon its passage.

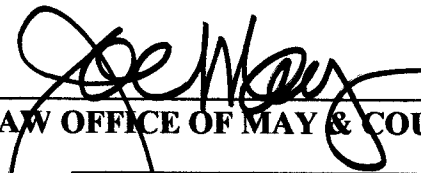
Duly passed and approved this 11th day of July, 2006.


GARY LAWSON, Mayor

ATTEST:


NANCY CARTER, City Recorder

APPROVED AS TO FORM:


LAW OFFICE OF MAY & COUP

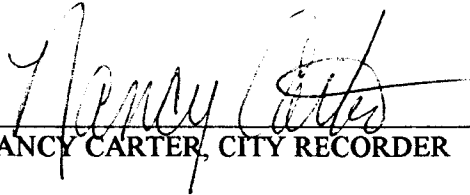
FIRST READING	AYES	NAYS	OTHER
Alderman Henry Bailey	✓		
Vice-Mayor Eugene Christian	✓		
Mayor Gary Lawson	✓		
Alderman Tresa Mawk	✓		
Alderman Thomas Wheeler	✓		
Alderman Wanda Worley	absent		
Alderman Carl Wolfe	absent		
TOTALS			

PASSED FIRST READING 7-11-06

**STATE OF TENNESSEE
COUNTY OF HAWKINS**

I, Nancy Carter, City Recorder for the Town of Mount Carmel, Tennessee, do hereby certify that this is a true and exact copy of the foregoing resolution that was approved and adopted at a meeting held on the 11th day of July, 2006, the original of which is on file in this office. I further certify that five (5) members voted in favor of the resolution and that five (5) members of the governing board were present and voting.

IN WITNESS WHEREOF, I have hereunto set my hand, and the seal of the Town of Mount Carmel, Tennessee.

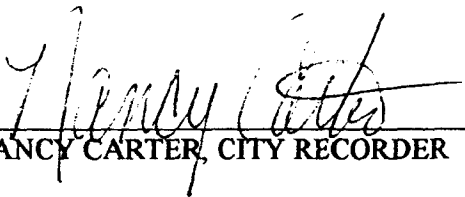


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