

RESOLUTION NO. _____

RESOLUTION TO APPROVE THE EXECUTION AND DELIVERY OF ONE OR MORE LOAN AGREEMENTS FOR THE PURPOSE OF PROVIDING FUNDS FOR FINANCING WATER DISTRIBUTION SYSTEM IMPROVEMENTS AND EXPANSION FOR THE CITY OF LENOIR CITY, TENNESSEE

WHEREAS, the Board of Mayor and Aldermen (the "Board") of the City of Lenoir City, Tennessee (the "Municipality"), has determined that it is necessary to finance the costs of "public works projects", as defined in Title 9, Chapter 21, Tennessee Code Annotated, as from time to time amended and supplemented, such public works projects to consist of the construction, improvement, expansion, and equipping of the water distribution system of the Municipality, (the "Project"), and as set forth in an Indenture of Trust (the "Indenture"), between The Public Building Authority of the City of Clarksville, Tennessee or The Public Building Authority of the County of Montgomery, Tennessee (the "Issuer") and The Bank of New York Trust Company, N.A. (successor to U.S. Bank National Association) (the "Trustee"), as permitted under Title 12, Chapter 10, Tennessee Code Annotated, as from time to time amended and supplemented, and as described in the form of one or more Loan Agreements (collectively, the "Loan Agreement"), between the Municipality, as borrower, and the Issuer, the costs of such Project not to exceed \$5,000,000; and,

WHEREAS, the Board has taken the necessary steps to arrange for the acquisition, construction, renovation, improvement, equipping, and/or installation of the Project.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF LENOIR CITY, TENNESSEE:

Section 1. Approval of the Loan Agreement. The terms of the Loan Agreement, presented at this meeting are in the best interest of the Municipality and are hereby approved and the Board hereby authorizes the Mayor and the City Recorder Pro-tempore of the Municipality to execute and deliver one or more Loan Agreements, each to be in substantially the form of the Loan Agreement presented to this meeting, the execution of such Loan Agreement by the Mayor and City Recorder Pro-tempore to evidence their approval of any and all changes to such Loan Agreement, and any related documents necessary to the consummation of the transactions contemplated by the Loan Agreement.

Section 2. Fulfillment of Obligations. The Board of the Municipality is authorized and directed to fulfill all obligations under the terms of the Loan Agreement.

Section 3. Tax Levy. There shall be levied and collected in the same manner as other ad valorem taxes of the Municipality on all taxable property within the corporate limits of the Municipality without limitation as to time, rate, or amount, to the extent necessary in the event funds of the Municipality legally available to pay the indebtedness evidenced by the Loan Agreement are insufficient, a tax sufficient to pay when due the amounts payable under the Loan Agreement, as and when they become due, and to pay any expenses of maintaining and operating the Project required to be paid by the Municipality under the terms and provisions of the Loan Agreement. For the prompt payment of the Loan Agreement, both principal and interest, as the same shall become due, the full faith and credit of the Municipality are irrevocably pledged.

Section 4. Consent to Assignment. The Municipality hereby acknowledges that the provisions of the Indenture assign to the Trustee, among other things, all of the interest of the Issuer in and to the Loan Agreement (other than the rights of the Issuer under Section 7.03 and Section 7.04 of the Loan Agreement, which are reserved to the Issuer) and the Municipality agrees to pay directly to the Trustee any amounts required to be paid by the Municipality to the Issuer pursuant to the Loan Agreement.

Section 5. Reimbursement Provisions. The Municipality may have made or may hereafter make expenditures with respect to the Project from a source of funds other than proceeds of the loan from the Issuer under the Loan Agreement, such expenditures occurring prior to the execution and delivery of the Loan Agreement. The Municipality reasonably expects that it will reimburse such original expenditures with proceeds of the loan from the Issuer made pursuant to the Loan Agreement to the extent permissible under Treasury Regulation 1.150-2.

Section 6. Miscellaneous Acts. The Mayor, the City Recorder Pro-tempore and all other appropriate officials of the Municipality are hereby authorized, empowered, and directed to do any and all such acts and things, and to execute, acknowledge, and deliver all such documents, instruments, and certifications, in connection with the execution of the Loan Agreement, in addition to those acts, things, documents, instruments, and certifications hereinbefore authorized and approved, as may in their discretion, be necessary or desirable to implement or comply with the intent of this Resolution; or any of the documents herein authorized and approved.

Section 7. Captions. The captions or headings in this Resolution are for convenience only and shall in no way define, limit, or describe the scope or intent of any provision hereof.

Section 8. Severability. Should any provision or provisions of this Resolution be declared invalid or unenforceable in any respect by final decree of any court of competent jurisdiction, the invalidity or unenforceability of such section, paragraph, ordinance, or provisions shall not affect the remaining provisions of such Resolution.

Section 9. Repeal of Conflicting Resolutions. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed.

Section 10. Effective Date. This Resolution shall take effect upon its adoption, the welfare of the Municipality requiring it.

Adopted this 26th day of November, 2007.

MAYOR

(SEAL)

ATTEST:

CITY RECORDER PRO-TEMPORE