

RESOLUTION NO. \_\_\_\_\_

INITIAL RESOLUTION AUTHORIZING THE INCURRENCE OF INDEBTEDNESS BY THE CITY OF LENOIR CITY, TENNESSEE, OF NOT TO EXCEED \$5,500,000, BY THE EXECUTION WITH A PUBLIC BUILDING AUTHORITY OF A LOAN AGREEMENT OR OTHER INSTRUMENT EVIDENCING SUCH INDEBTEDNESS, TO PROVIDE FUNDING FOR SEWER SYSTEM IMPROVEMENTS AND EXPANSION, AND TO FUND THE INCIDENTAL AND NECESSARY EXPENSES RELATED THERETO

WHEREAS, it is necessary and in the public interest of the City of Lenoir City, Tennessee (the "Municipality"), to incur indebtedness (the "Indebtedness"), through the execution with The Public Building Authority of the City of Clarksville, Tennessee or The Public Building Authority of the County of Montgomery, Tennessee (the "Authority"), of a loan agreement or other instrument evidencing such Indebtedness (a "Loan Agreement"), for the purpose of financing certain public works projects, as hereinafter more fully described, and to pay legal, fiscal, administrative, and engineering costs, and costs incident to the financing thereof.

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

SECTION 1. For the purpose of financing all or a portion of the costs of certain public works projects, consisting of the construction, improvement, expansion, renovation, and equipping of the sewer system of the Municipality, the acquisition of all other property real and personal appurtenant thereto and connected with such work, and to pay all legal, fiscal, administrative, and engineering costs incident thereto, reimbursement for expenditures related to the foregoing project, and costs incident to incurring the Indebtedness (collectively, the "Project"), the Municipality is hereby authorized to incur Indebtedness in the amount of not to exceed Five Million Five Hundred Thousand Dollars (\$5,500,000), for the financing of the Project through the execution of a Loan Agreement with the Authority. The rate of interest payable pursuant to the provisions of a Loan Agreement shall be a variable rate which rate shall not exceed the maximum rate of interest permitted under the laws of the State of Tennessee.

SECTION 2. The indebtedness evidenced by the Loan Agreement shall be payable from any and all funds of the Municipality legally available therefor, including, but not necessarily limited to, ad valorem taxes to be levied for such purpose on all taxable property within the corporate limits of the Municipality, without limitation as to time, rate, and amount and for the punctual payment of said principal of, premium, if any, and interest on, the Loan Agreement, the full faith and credit of the Municipality will be irrevocably pledged.

SECTION 3. The Loan Agreement shall be executed pursuant to the provisions of Title 9, Chapter 21, Tennessee Code Annotated, as amended (the "Act"), and Title 12, Chapter 10, Tennessee Code Annotated, as amended.

SECTION 4. After the adoption of this Resolution, the City Recorder Pro-tempore is directed to cause this Resolution, with the notice prescribed by the Act, to be published in full once in a newspaper published and having general circulation in the Municipality.

SECTION 5. This Resolution shall take effect from and after its adoption, the welfare of the Municipality requiring it.

Adopted and approved this 26th day of November, 2007.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY RECORDER PRO-TEMPORE

NOTICE

The foregoing Resolution has been adopted. Unless within twenty (20) days from the date of publication hereof a petition, signed by at least ten percent (10%) of the registered voters of the City of Lenoir City, Tennessee, shall have been filed with the City Recorder Pro-tempore of the City of Lenoir City, Tennessee, protesting the incurrence of the Indebtedness by the execution of the Loan Agreement, such Loan Agreement will be executed, as proposed.

STATE OF TENNESSEE)  
COUNTY OF LOUDON)

I, Maggie Hunt, hereby certify that I am the duly qualified and acting City Recorder Pro-tempore of the City of Lenoir City, Tennessee (the "Municipality"), and, as such official, I further certify as follows: (1) that attached hereto is a copy of a resolution excerpted from the minutes of the meeting of the Board of Mayor and Aldermen (the "Board") of said Municipality held on November 26, 2007; (2) that I have compared said copy with the original minute record of said meeting in my official custody; (3) that said copy is a true, correct, and complete transcript from said original record insofar as said original record relates, to, among other matters, the incurring of indebtedness in the amount of not to exceed \$5,500,000, by said Municipality; (4) that the actions by said Board including the aforementioned, at said meeting were promptly and duly recorded by me in a book kept for such purpose; and, (5) that a quorum of the members of said Board was present and acting throughout said meeting.

WITNESS my official signature and the seal of said Municipality this 26th day of November, 2007.

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CITY RECORDER PRO-TEMPORE

(SEAL)