

*****JUNE 9, 2003*****

The Town Council of the Town of Signal Mountain held its regular monthly meeting on Monday, June 9, 2003, at 7:00 p.m. in the Town Hall. Those present were:

Mayor James H. Althaus
 Vice-Mayor William O. Leonard
 Councilmember Rachel Bryant
 Councilmember Stephen Ruffin
 Councilmember Robert E. White, II

Also present were:

Town Manager Hershel Dick
 Town Recorder Diana Campbell
 Town Attorney Phil Noblett

The Mayor called the meeting to order and Councilmember Bryant offered the prayer. The Town Recorder called the roll and all members were present.

Councilmember Ruffin pointed out that in the minutes of May 23 and 24, Councilmember White was absent. The Mayor indicated that in the May 12 minutes on page 3 there was a sentence quoting Phil Noblett. The next to the last sentence should read, "Mr. Noblett indicated it could be done unless there is some deed restrictions." Councilmember Ruffin moved that the minutes of the May 12 regular meeting, the May 17 special called meeting and budget work session, the May 23 budget work session and May 24 special called meeting and budget work session be approved as corrected. The motion was seconded by Mayor Althaus and passed unanimously.

Mayor Althaus commented that these had been the best budget work session in which he had been involved in his 11 years on the Council.

The first resolution to be considered by the Council was "A RESOLUTION APPOINTING MEMBERS TO THE TOWN OF SIGNAL MOUNTAIN'S DESIGN REVIEW COMMISSION. Those appointed were Warren Dropkin, 1-year term; Karna Levitt, 3-year; Don Moon, 2-year term; Cheryl Graham, 3-year term; George Kangles, 2-year term; John Curry, 2-year term, and Bill Wilkerson, 1-year term. All were to make current terms end in the appropriate year. Mayor Althaus moved that the resolution be approved. The motion was seconded by Councilmember White and passed unanimously. Vice-Mayor Leonard suggested that in the future the Council be furnished with bios on persons appointed to boards, commissions, and committees. Councilmember Bryant suggested that the Town have a tickler file for these appointments.

The second resolution to be considered by the Council was "A RESOLUTION AUTHORIZING THE TOWN MANAGER AND/OR MAYOR TO ENTER INTO AND RENEW A CONTRACT FOR MEDICAL INSURANCE FOR EMPLOYEES OF THE

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TOWN OF SIGNAL MOUNTAIN WITH BLUE CROSS/BLUE SHIELD OF TENNESSEE WHICH IS ATTACHED HERETO WITH PREVIOUS COVERAGE REMAINING THE SAME WITH THE EXCEPTION THAT INDIVIDUAL OUT-OF-POCKET EXPENSES WILL INCREASE FROM \$1,000.00 TO \$2,000.00 AND FAMILY OUT-OF-POCKET EXPENSES WILL INCREASE FROM \$2,000.00 TO \$4,000.00. There was a discussion of the contract for renewal of the medical insurance. There would be a 10.9 percent increase in premiums. The individual out-of-pocket expenses would increase from \$1,000.00 to \$2,000.00 and the family out-of-pocket expenses would increase from \$2,000.00 to \$4,000.00. The Town and the employees would continue to pay the same percentage, but there would be an additional dollar contribution by both. Councilmember Ruffin moved that the resolution be approved. The motion was seconded by Mayor Althaus and passed unanimously.

The third resolution to be considered by the Council was a "RESOLUTION AUTHORIZING THE EXECUTION, TERMS, ISSUANCE, SALE, AND PAYMENT OF NOT TO EXCEED \$500,000 WATER REVENUE AND TAX REFUNDING BONDS, SERIES 2003, OF THE TOWN OF SIGNAL MOUNTAIN, TENNESSEE, AND PROVIDING THE DETAILS THEREOF". Vice-Mayor Leonard moved that the resolution be approved. The motion was seconded by Councilmember Bryant and passed unanimously.

The last resolution to be considered by the Council was a "RESOLUTION OF THE TOWN OF SIGNAL MOUNTAIN, TENNESSEE, AUTHORIZING THE ISSUANCE OF INTEREST BEARING GENERAL OBLIGATION CAPITAL OUTLAY REFUNDING NOTES, SERIES 2003, IN AN AMOUNT NOT TO EXCEED \$1,390,000, AND PROVIDING FOR THE PAYMENT OF SAID NOTES". Councilmember White moved that the resolution be approved. The motion was seconded by Vice-Mayor Leonard and passed unanimously.

The first ordinance to be considered by the Council was "AN ORDINANCE TO ESTABLISH A REVISED OCCUPATIONAL SAFETY AND HEALTH PROGRAM FOR THE TOWN OF SIGNAL MOUNTAIN, TENNESSEE, DEVISE RULES AND REGULATIONS, AND TO PROVIDE FOR A DIRECTOR AND THE IMPLEMENTATION OF SUCH PROGRAM". Councilmember Bryant moved that the ordinance be passed on Second Reading. The motion was seconded by Councilmember Ruffin and passed unanimously.

The next ordinance to be considered by the Council was "AN ORDINANCE TO AMEND ORDINANCE NO. 2002-3, ENTITLED "AN ORDINANCE ADOPTING THE FY 2002-2003 TOWN BUDGET" SO AS TO PROVIDE FOR REFINANCING OF BONDS, LOANS AND NOTES IN THE GENERAL FUND AND THE WATER FUND BASED UPON THE TRANSFER OF THE SEWER FUND TO THE HAMILTON COUNTY WATER AND WASTEWATER TREATMENT AUTHORITY AND TO PROVIDE FOR THE PAY-OFF OF THE BONDS AND NOTES IN THE SEWER

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FUND AND TO TRANSFER TWO HUNDRED AND NINE THOUSAND FOUR HUNDRED FORTY-SEVEN DOLLARS (\$209,447.00) RESIDUAL EQUITY FROM THE SEWER FUND TO THE GENERAL FUND AS SET FORTH IN THE AMENDED BY 2003-2003 TOWN BUDGET". Councilmember Ruffin moved that the resolution be passed on first reading. Councilmember Bryant seconded the motion and it passed unanimously.

The third ordinance to be considered by the Council was "AN ORDINANCE, HEREINAFTER KNOWN AS THE "FY 2003-2004 BUDGET ORDINANCE" TO PROVIDE REVENUE FOR THE TOWN OF SIGNAL MOUNTAIN DURING THE FISCAL YEAR BEGINNING JULY 1, 2003, AND ENDING JUNE 30, 2004, AND APPROPRIATING SAME TO THE PAYMENT OF THE EXPENSES OF THE MUNICIPAL GOVERNMENT DURING SAID FISCAL YEAR; FIXING THE RATE OF TAXATION ON ALL TAXABLE PROPERTY IN THE TOWN OF SIGNAL MOUNTAIN FOR FISCAL YEAR 2003-2004 AND THE TIME TAXES AND PRIVILEGES ARE DUE, HOW THEY SHALL BE PAID, WHEN THEY SHALL BECOME DELINQUENT; AND PROVIDING FOR INTEREST AND PENALTIES ON ALL DELINQUENT TAXES AND PRIVILEGES OWED TO THE TOWN OF SIGNAL MOUNTAIN". Mayor Althaus moved that the ordinance be passed on first reading. The motion was seconded by Councilmember Bryant and passed unanimously. A public hearing and second reading of the ordinance was set for Monday, June 23, 2003, at 7:00 p.m. The Mayor pointed out that the tax rate will stay the same--\$1.65 per \$100 of assessed value.

Coughlin Cooper and Jock Dunbar spoke on the Playground Committee's report on the improvement to the playground area behind the golf course and indicated they would like to be a part of the plans for the playground. They were advised there had been \$200,000 appropriated in the 2003-2004 budget for renovations to that playground. Demolition of the unused pool was included in the \$200,000 and would be done in-house. Also some parking spaces would be added. The bathhouse, which included restrooms, would be left. There was a discussion about kids vandalizing restrooms at the ball parks. The Council agreed to place three additional citizens on the Playground Committee. Ms. Cooper and Mr. Dunbar agreed to be two of the additional members.

Mayor Althaus advised that in preparing the budget for 2003-2004, the Council had reduced or cut out contributions to several worthy organizations that the Town had been contributing to over the last several years. He said that in no way detracted from the Council's opinion of the worthiness of these organizations, but the Council was concerned about the taxpayers monies going toward those organizations. He encouraged citizens to individually make their own contributions to those organizations.

Town Manager Hershel Dick reported on the last Planning Commission meeting. He explained they reviewed the Zoning Ordinance and agreed to meet again August 7 to put the ordinance together. He noted there would be no July meeting.

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Mayor Althaus inquired about the status of the Tabb property. Town Attorney Phil Noblett advised he had a letter from a James family heir raising concerns about the title to the property. The heir contended there was a restriction on the deed that the property would be used by the Town or go back to the James family. Mr. Noblett said he was researching this claim.

Councilmember White thanked the citizens for coming to the meeting and showing concern and volunteering to help with the renovation of the playground.

Councilmember Ruffin asked about the 5 incidents of resisting arrest on the monthly Police Report. The total for the year was 5 and he wondered if all incidents were in the month of May or if it was a typo. The Town Manager said he would look into it.

Vice-Mayor Leonard said he was impressed with the Department Heads in regard to preparing the budget.

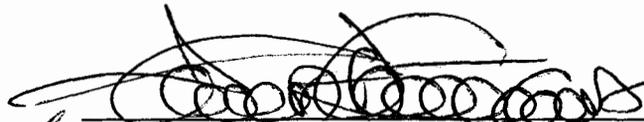
Mayor Althaus praised the Council, Town Manager, and Town Recorder for their long hours and professional input into the budget process.

The Town Manager reported that the house at 617 Timberlinks Drive had been demolished.

There being no further business, the meeting was adjourned.



Diana Campbell, Recorder



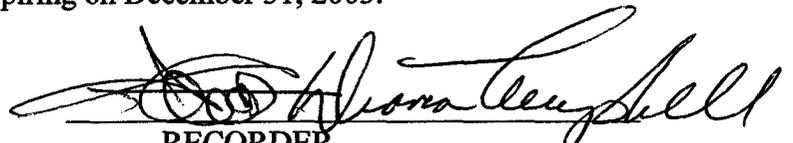
James H. Althaus, Mayor

RESOLUTION NO. R2003-15

A RESOLUTION APPOINTING MEMBERS TO THE TOWN OF
SIGNAL MOUNTAIN'S DESIGN REVIEW COMMISSION.

BE IT RESOLVED by the Town Council of the Town of Signal Mountain, Tennessee that it shall renew the appointments to the Signal Mountain Design Review Commission of Warren Dropkin, 16 Cool Springs Road, Signal Mountain, Tennessee, for a one (1) year term expiring on December 31, 2003; Karna Levitt, 307 Signal Mountain Boulevard, Signal Mountain, Tennessee, for three (3) year term expiring on December 31, 2005; Don Moon, P. O. Box 177, Signal Mountain, Tennessee, for a two (2) year term expiring on December 31, 2004; Cheryl Graham, 405 James Boulevard, Signal Mountain, Tennessee for a three (3) year term expiring on December 31, 2005; George Kangles, 913 Arden Way, Signal Mountain, Tennessee for a two (2) years term expiring on December 31, 2004; John D. Curry, 104 S. Palisades, Signal Mountain, Tennessee for a two (2) year term expiring on December 31, 2004; and William Wilkerson, 306 Brady Point Road, Signal Mountain, Tennessee for a one (1) year term expiring on December 31, 2003.


MAYOR


RECORDER

June 9, 2003
DATE

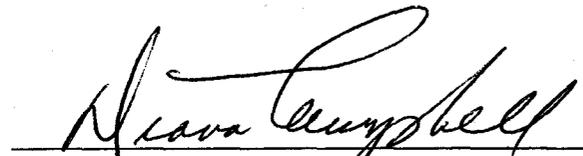
June 9, 2003
DATE

PAN/kac

RESOLUTION NO. R2003-16

A RESOLUTION AUTHORIZING THE TOWN MANAGER AND/OR MAYOR TO ENTER INTO AND RENEW A CONTRACT FOR MEDICAL INSURANCE FOR EMPLOYEES OF THE TOWN OF SIGNAL MOUNTAIN WITH BLUE CROSS BLUE SHIELD OF TENNESSEE WHICH IS ATTACHED HERETO WITH PREVIOUS COVERAGE REMAINING THE SAME WITH THE EXCEPTION THAT INDIVIDUAL OUT-OF-POCKET EXPENSES WILL INCREASE FROM \$1,000.00 TO \$2,000.00 AND FAMILY OUT-OF-POCKET EXPENSES WILL INCREASE FROM \$2,000.00 TO \$4,000.00.

BE IT RESOLVED by the Town Council of the Town of Signal Mountain, Tennessee that the Town Manager and/or Mayor is authorized to enter into and renew a contract for medical insurance for employees of the Town of Signal Mountain with Blue Cross Blue Shield of Tennessee which is attached hereto with previous coverage remaining the same with the exception that individual out-of-pocket expenses will increase from \$1,000.00 to \$2,000.00 and family out-of-pocket expenses will increase from \$2,000.00 to \$4,000.00.


MAYOR
RECORDER

June 9, 2003
DATE

June 9, 2003
DATE

EMPLOYER RENEWAL RESPONSE FORM (RRF) - Attachment A to the Group Agreement

This form will amend any previously issued contracts or amendments.

Group Number: 88404-1 Group Name: Town of Signal Mountain

Effective Date: 7/1/2003

*Number of Full Time Employees (minimum 30 hrs. per week) 166 For Medicare purposes, you must notify us if your full-time and part-time employee count falls below 20.

Section A - Please mark the renewal plan selected from the attached rate sheet. (If **NO** is selected for any of the below benefits, **NO** benefits will be included for those services and/or products).

Medical:

Plan 1 Network: Blue Network P

Current/Renewal Benefits, No changes** Option 1

Complete the following **ONLY** if making changes

Prescription Drugs

Yes No

Vision

Yes No

Extended WellCare

Yes No

Special Accident

Yes No

COBRA

Yes with Yes with No

**Except insurer policy and benefit changes which are not optional. You were notified of these in a separate letter.
Note: COBRA Administration is available to groups with 20 or more employees (size as defined in COBRA legislation)

Alternate Benefit Plan Selected (By checking the box, you have indicated an Alternate Benefit Plan, other than those indicated above, was chosen. A copy of the Alternate Quote Sheet must be submitted with this form). Please use the space provided for additional comments.

Section B - If you wish to make changes to other provisions of your plan, such as eligibility provisions, you must contact our office.

Section C - If you want to change your existing benefits, your signature is required below. For multi-plan offerings, each option must maintain a minimum of 5 subscribers. After renewal open enrollment, any option with less than 5 subscribers will be cancelled and those employees must re-enroll in another option. Any change you request will require you to sign and fax this form to us at the fax number shown above. If no signature is included, your benefits will not be changed except for those otherwise communicated by BlueCross BlueShield of Tennessee. We will confirm your renewal and new premiums within three business days. It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purposes of defrauding the company. Penalties include imprisonment, fines and denial of coverage. An electronic signature will have the same force and effect as a manual signature.

Group Administrator (Please Print Name): Hershel Dick Signature: _____
Title: Town Manager Telephone Number: 886-2177 Fax Number: 886-2939
I, the Broker, certify that I have fully explained the contents of this form and its meaning to the Employer
Broker signature (if applicable): [Signature] Date 6/3/03

Section D - (For BCBST Internal Use Only)

- We have not received the signed Employer Renewal Response Form. Therefore, your coverage is being renewed at current/renewal benefits.
- We have received the signed Employer Renewal Response Form. Elected options and rates are shown below.

PPO Plan #: _____ Individual _____ EE/Spouse _____ EE/Child(ren) _____ Family _____

Initial payment of these renewal rates constitutes your acknowledgement and acceptance of these rates and benefits and makes them part of your agreement with BlueCross BlueShield of Tennessee, Inc.
Account Manager Alex Everlay Date: _____
Signature: _____

An electronic signature will have the same force and effect as a manual signature.

By: [Signature] Title: Senior Vice President/Marketing & Sales Date: _____
Joan C. Harp

Group/Segment 88404 - 1

Name: Town of Signal Mountain

Note: The following rates are based on a Renewal Effective Date of 7/1/2003.

Blue Network P Renewal Option Benefits and Rates

Deductible \$500 Deductible
 Coinsurance 80% Coinsurance
 Out of Pocket \$2000 Out Of Pocket (Includes Deductible)
 Office Visit \$30 Copay
 OP Surgery Subject to Deductible and Coinsurance
 Emerg. Care \$100 Copay

Prescription Drug \$10 Gen., \$35 Pref. Brand, \$60 Non-Pref. Brand
 Mental Health 20 IP days, 25 OP visits
 Special Accident None
 Extended Wellcare None - (Adult physicals now only covered under Wellcare Rider)
 Vision None
 Cobra Admin None

| | Individual | Ec/Spouse | Ec/Child(ren) | Family |
|-----------------------------------|-----------------|-----------|---------------|-----------------|
| Base Plan | \$230.49 | - | - | \$596.28 |
| Riders: | | | | |
| Prescription Drugs \$10/\$35/\$50 | \$46.12 | - | - | \$119.31 |
| Mental Health 20/25 I | \$4.19 | - | - | \$10.84 |
| Special Accident None | \$0.00 | - | - | \$0.00 |
| Extended Wellcare No | \$0.00 | - | - | \$0.00 |
| Vision None | \$0.00 | - | - | \$0.00 |
| COBRA Admin. None | \$0.00 | - | - | \$0.00 |
| | <u>\$280.80</u> | - | - | <u>\$726.43</u> |

Quote #: 123
 Copied from Quote #: 122

X
 Signature

Total Monthly Premium: \$34,294.68

Total Group Size: 70

Total Participating PPO Employees: 65

- If Riders are not chosen, there will be no coverage for rider benefits. The Mental Health rider Coverage is required for groups with total group size over 25.
- For dual options groups, Out-of-state subscribers must select Blue Preferred rates.
- Final rates will be determined by actual enrollment and must be confirmed by the BCBST home office. A delay in the effective date, review of health status, or a change in the group's demographics of enrollment, location, or plan design may require an adjustment in premiums.

Quote #: 123 Created on: 4/28/2003 2:28:42 PM
 FOR INTERNAL USE ONLY: G1064352000D030

AVJXCA003QHT Rep: Alex Everley

RESOLUTION NO. R2003-17

RESOLUTION OF THE TOWN OF SIGNAL MOUNTAIN, TENNESSEE, AUTHORIZING THE ISSUANCE OF INTEREST BEARING GENERAL OBLIGATION CAPITAL OUTLAY REFUNDING NOTES, SERIES 2003, IN AN AMOUNT NOT TO EXCEED \$1,390,000, AND PROVIDING FOR THE PAYMENT OF SAID NOTES

WHEREAS, the Town of Signal Mountain, Tennessee (the "Municipality"), has pursuant to a resolution previously adopted by the Town Council (the "Council") of the Municipality, heretofore issued that certain \$3,714,000 General Obligation Capital Outlay Refunding Note, Series 2002, dated May 1, 2002 (the "Series 2002 Note"), the proceeds of the Series 2002 Note having been used to redeem the outstanding principal of indebtedness previously incurred by the Municipality;

WHEREAS, the Series 2002 Note is subject to redemption prior to its maturity;

WHEREAS, the Municipality desires to redeem the outstanding principal amount of the Series 2002 Note prior to its maturity;

WHEREAS, Title 21, Chapter 9, Tennessee Code Annotated, as amended (the "Act"), authorizes the extension, renewal, or refunding of capital outlay notes issued under such statutes upon the approval of the Director of Local Finance for the State of Tennessee;

WHEREAS, the plan of refunding for the Series 2002 Note and a computation of projected cost savings have been submitted to the State Director of Local Finance for review as required by the Act, and a report on the plan of refunding has been issued by such Director of Local Finance; and,

WHEREAS, the Council of the Municipality finds it is advantageous to the Municipality to authorize the issuance and sale of not to exceed \$1,390,000 General Obligation Capital Outlay Refunding Notes, Series 2003 (the "Notes"), for the purpose of redeeming the Series 2002 Note.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF SIGNAL MOUNTAIN, TENNESSEE, AS FOLLOWS:

Section 1. Authority. The Notes herein authorized shall be issued pursuant to Title 9, Chapter 21, Tennessee Code Annotated, as amended, and other applicable provisions of law.

Section 2. Authorization. For the purpose of providing funds to redeem the principal of the Series 2002 Note maturing August 1, 2003 through August 1, 2011, inclusive, there shall be issued pursuant to, and in accordance with, the provisions of Title 9, Chapter 21, Tennessee Code Annotated, as amended, and other applicable provisions of law, the interest bearing capital outlay refunding notes of the Municipality, in the aggregate principal amount of not to exceed \$1,390,000, or such lesser amount as may be determined by the Mayor of the Municipality (the "Mayor") at the time of sale (collectively, the "Notes," individually, the "Note"). The term of the Notes shall not exceed the reasonably expected economic life of the projects financed and refinanced with the proceeds of the Series 2002 Note, which is hereby certified to be at least the term of the Notes.

Section 3. Terms of the Notes. The Notes shall be designated "General Obligation Capital Outlay Refunding Notes, Series 2003". The Notes shall be issued in registered form, without coupons, in minimum denominations of \$5,000. The Notes shall be numbered from 1 upwards, shall be dated the date of issuance and delivery, shall be sold at not less than the par amount thereof, shall bear interest at a rate or rates not to exceed 4% per annum, such interest being payable at such times as agreed upon with the purchaser of such Notes, but in no event less than semi-annually each year commencing six months from the dated date or such date as shall be designated by the Mayor (the "Interest Payment Date"), and shall mature not later than August 1, 2011. Each year the Notes are outstanding, the Municipality shall retire principal on the Notes in an amount that is estimated to be at least equal to an amortization which reflects level debt service on the Notes. The Notes shall contain such terms, conditions, and provisions other than as expressly provided or limited herein as may be agreed upon by the Mayor of the Municipality and the purchaser of the Notes.

Interest on the Notes shall be payable (i) by check or other form of draft of the "Note Registrar," as such term is hereinafter defined, deposited by the Note Registrar in the United States mail, first class postage prepaid, in sealed envelopes, addressed to the owners of such Notes, as of the applicable Interest Payment Date, at their respective addresses as shown on the registration books of the Municipality maintained by the Note Registrar as of the close of business fifteen (15) calendar days preceding the next Interest Payment Date, or (ii) by wire transfer to an account specified in writing by the purchaser of the Notes. The principal of all Notes shall be payable upon presentation and surrender of such Notes at the principal office of the Note Registrar. All payments of the principal of and interest on the Notes shall be made in any coin or currency of the United States of America which, on the date of payment thereof, shall be legal tender for the payment of public and private debts.

Section 4. Redemption. The Notes shall be subject to redemption, in whole or in part, at the option of the Municipality, at any time, at a price of par plus accrued interest to the date of redemption, upon not less than fifteen (15) calendar days written notice to the registered owner.

Section 5. Execution. The Notes shall be executed in the name of the Municipality; shall bear the manual signature of the Mayor; shall be countersigned by the Recorder of the Municipality (the "Recorder") with his or her manual signature; and, shall have printed or impressed thereon the official seal of the Municipality. In the event any officer whose signature appears on the Notes shall cease to be such officer, such signature shall nevertheless be valid and sufficient for all purposes. The Notes shall be issued in typed, mimeographed, printed, or photocopied form, or any combination thereof, substantially in the form attached hereto as Exhibit "A", with such minor changes therein or such variations thereof as the Mayor may deem necessary or desirable, the blanks to be appropriately completed by the Mayor prior to the issuance of the Notes.

Section 6. Registration, Negotiability, and Payment. (a) The Recorder of the Municipality is hereby appointed the note registrar and paying agent (the "Note Registrar"), and as such shall establish and maintain suitable books (the "Registration Books") for recording the registration, conversion, and payment of the Notes, and shall also perform such other duties as may be required in connection with any of the foregoing. The Note Registrar is hereby authorized to authenticate and deliver the Notes to the original purchaser thereof, or as he or she may designate,

upon receipt by the Municipality of the proceeds of the sale thereof and to authenticate and deliver Notes in exchange for Notes of the same principal amount delivered for transfer upon receipt of the Notes to be transferred in proper form with proper documentation as herein described. The Notes shall not be valid for any purpose unless authenticated by the Note Registrar by the manual signature of the Note Registrar on the certificate set forth in Exhibit "A" hereto. The Notes shall be fully registered as to both principal and interest and shall be fully negotiable upon proper endorsement by the registered owner thereof. No transfer of any Notes shall be valid unless such transfer is noted upon the Registration Books and until such Note is surrendered, cancelled, and exchanged for a new Note which shall be issued to the transferee, subject to all the conditions contained herein. Principal of the Notes shall be paid at maturity upon presentation or surrender of the Notes at the principal office of the Note Registrar, and payment in such manner shall forever discharge and release the obligation of the Municipality to the extent of the principal and interest so paid.

(b) The Municipality may from time to time at its discretion remove the Note Registrar and appoint a successor Note Registrar to whom all records, documents, and instruments relating to its duties as Note Registrar shall be delivered. Any successor Note Registrar shall be appointed by resolution of the Municipality, and shall be a trust company or bank having the powers of a trust company, having, at the time of such appointment, a combined capital, surplus, and undivided profits aggregating at least Ten Million Dollars (\$10,000,000), and be willing and able to accept the office of Note Registrar on reasonable and customary terms, and authorized by law to perform all duties imposed upon it by this Resolution.

(c) In the event that any amount payable on any Note as interest shall at any time exceed the rate of interest lawfully chargeable thereon under applicable law, then any such excess shall, to the extent of such excess, be applied against the principal of such Note as a prepayment thereof without penalty, and such excess shall not be considered to be interest. All rates of interest specified herein shall be computed on the basis of a three hundred sixty (360) day year composed of twelve (12) months of thirty (30) days each.

Section 7. Exchange of Notes. Notes upon surrender thereof at the office of the Note Registrar, together with an assignment of such Notes duly executed by the registered owner thereof, or his, her, or its attorney or legal representative, may be exchanged for an equal aggregate principal amount of Notes of the same maturity, of any denomination or denominations authorized by this Resolution, and bearing interest at the same rate as the Notes surrendered for exchange.

Section 8. Transfer of Notes. Each Note shall be transferable only on the registration books maintained by the Note Registrar at the principal office of the Note Registrar, upon the surrender for cancellation thereof at the principal office of the Note Registrar, together with an assignment of such Note duly executed by the owner thereof or his, her or its attorney or legal representative, and upon payment of the charges hereinafter provided, and subject to such other limitations and conditions as may be provided therein or herein. Upon the cancellation of any such Note, the Note Registrar shall, in exchange for the surrendered Note or Notes, deliver in the name of the transferee or transferees a new Note or Notes of authorized denominations, of the same aggregate principal amount, maturity, and rate of interest as such surrendered Note or Notes, and the transferee or transferees shall take such new Note or Notes subject to all of the conditions herein contained.

Section 9. Regulations with Respect to Exchanges and Transfers. In all cases in which the privilege of exchanging or transferring Notes is exercised, the Municipality shall execute, and the Note Registrar shall deliver, Notes in accordance with the provisions of this Resolution. For every exchange or transfer of Notes, whether temporary or definitive, the Municipality and the Note Registrar may make a charge, unless otherwise herein to the contrary expressly provided, sufficient to pay for any tax, fee, or other governmental charge required to be paid with respect to such exchange or transfer, all of which taxes, fees, and other governmental charges shall be paid to the Municipality by the person or entity requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. Neither the Municipality nor the Note Registrar shall be obligated to exchange or transfer any Note during the fifteen (15) calendar days next preceding the maturity date of the Notes or any call for redemption.

Section 10. Mutilated, Lost, Stolen, or Destroyed Notes. In the event any Note issued hereunder shall become mutilated, or be lost, stolen, or destroyed, such note shall, at the written request of the registered owner, be cancelled on the Registration Books and a new Note shall be authenticated and delivered, corresponding in all aspects but number to the mutilated, lost, stolen, or destroyed Note. Thereafter, should such mutilated, lost, stolen, or destroyed Note or Notes come into possession of the registered owner, such Notes shall be returned to the Note Registrar for destruction by the Note Registrar. If the principal on said mutilated, lost, stolen, or destroyed Note shall be due within fifteen (15) calendar days of receipt of the written request of the registered owner for authentication and delivery of a new Note, payment therefor shall be made as scheduled in lieu of issuing a new Note. In every case the registered owner shall certify in writing as to the destruction, theft, or loss of such Note, and shall provide indemnification satisfactory to the Municipality and to the Note Registrar, if required by the Municipality and the Note Registrar.

Any notice to the contrary notwithstanding, the Municipality and all of the officials, employees, and agents thereof, including the Note Registrar, may deem and treat the registered owners of the Notes as the absolute owners thereof for all purposes, including, but not limited to, payment of the principal thereof, and the interest thereon, regardless of whether such payment shall then be overdue.

Section 11. Authentication. Only such of the Notes as shall have endorsed thereon a certificate of authentication, substantially in the form set forth in Exhibit "A" hereto duly executed by the Note Registrar shall be entitled to the rights, benefits, and security of this Resolution. No Note shall be valid or obligatory for any purpose unless, and until, such certificate of authentication shall have been duly executed by the Note Registrar. Such executed certificate of authentication by the Note Registrar upon any such Note shall be conclusive evidence that such Note has been duly authenticated and delivered under the Resolution as of the date of authentication.

Section 12. Source of Payment and Security. The Notes, as to both principal and interest, shall be payable from funds of the Municipality legally available therefor and to the extent necessary from ad valorem taxes to be levied on all taxable property within the corporate limits of the Municipality without limitation as to time, rate, or amount. Said Notes shall be a direct general obligation of the Municipality, for which the punctual payment of the principal of and interest on the Notes, the full faith and credit of the Municipality is irrevocably pledged.

Section 13. Levy of Taxes. For the purpose of providing for the payment of the principal of and interest on the Notes, to the extent required, there shall be levied in each year in which such

Notes shall be outstanding a direct tax on all taxable property in the Municipality, fully sufficient to pay all such principal and interest falling due prior to the time of collection of the next succeeding tax levy. Said tax shall be assessed, collected, and paid at the time, and in the same manner, as the other taxes of said Municipality, shall be in addition to all other taxes, and shall be without limitation as to time, rate, or amount, and for that purpose there is hereby levied a direct annual tax in such amount as may be found necessary each year to pay said principal of and interest on the Notes maturing in said year. Principal or interest falling due at any time when there shall be insufficient funds on hand from such tax levy for the payment thereof shall be paid from the general fund or other available funds of the Municipality, but reimbursement therefor may be made from the taxes herein provided when the same shall have been collected. Such taxes levied and collected therefor shall be deposited in a special fund to be designated General Obligation Capital Outlay Refunding Notes, Series 2003 Note Fund (the "Note Fund"), which is hereby authorized to be created, and used solely for the payment of principal of and interest on the Notes as the same shall become due.

Section 14. Approval of Director of Local Finance. Anything herein contained to the contrary notwithstanding, no Notes authorized under this Resolution shall be issued, sold, or delivered, unless and until such Notes shall first have been duly approved by the Director of Local Finance of the State of Tennessee as provided by Section 9-21-601 et. seq., Tennessee Code Annotated, as amended. The Mayor, Recorder, Town Manager, Town Attorney, and Bond Counsel, are hereby authorized to take or cause to be taken such steps as are necessary to obtain such approval. After the issuance and sale of the Notes, and for each year that any of the Notes are outstanding, the Municipality shall submit its annual budget to the State Director of Local Finance for approval immediately upon the Municipality's adoption of the budget.

Section 15. Sale of Notes. The Notes herein authorized are authorized to be sold by the Mayor at a private negotiated sale at a price of not less than par and accrued interest.

Section 16. Disposition of Note Proceeds. The proceeds from the sale of the Notes shall be paid to the official of the Municipality designated by law as the custodian of the funds thereof. Said proceeds shall be used, together with other available funds of the Municipality, to redeem the outstanding principal of the Series 2002 Note maturing August 1, 2003 through August 1, 2011, inclusive, on the first available date, but in no event later than eighty-nine (89) days from the date of issuance of the Notes.

Section 17. Non-Arbitrage Certification. The Municipality certifies and covenants with the owners of the Notes that so long as the principal of any Note remains unpaid, monies on deposit in any fund or account in connection with the Notes, whether or not such monies were derived from the proceeds of the sale of the Notes or from any other source, will not be used in a manner which will cause the Notes to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and any lawful regulations promulgated thereunder, as the same presently exist, or may from time to time hereafter be amended, supplemented, or revised. The Municipality reserves the right, however, to make any investment of such monies permitted by Tennessee law and this Resolution if, when and to the extent that said Section 148 or regulations promulgated thereunder shall be repealed or relaxed or shall be held void by final decision of a court of competent jurisdiction, but only if any investment made by virtue of such repeal, relaxation, or decision would not, in the opinion of counsel of recognized competence

in such matters, result in making the interest on the Notes subject to inclusion in gross income of the owners thereof for federal income tax purposes.

The Municipality covenants that it shall comply with Section 148(f) of the Code, unless legally exempted therefrom and it represents that in the event it shall be required by Section 148(f) of the Code to pay "Rebatable Arbitrage," as defined in the regulations promulgated under the Code, to the United States Government, it will make such payments as and when required by said Section 148(f) and will take such other actions as shall be necessary or permitted to prevent the interest on the Notes from becoming subject to inclusion in federal gross income of the owners of the Notes for purposes of federal income taxation.

Section 18. Designation of Notes as Qualified Tax-Exempt Obligations. The Municipality hereby designates the Notes as "qualified tax-exempt obligations" within the meaning and for the purpose of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

Section 19. Resolution a Contract. The provisions of this Resolution shall constitute a contract between the Municipality and the owners of the Notes, and after the issuance of the Notes, no change, variation, or alteration of any kind in the provisions of this Resolution shall be made in any manner, until such time as all installments of the principal of and interest on the Notes shall have been paid in full or the consent of the registered owners of the Notes has been obtained; provided, however, that the Municipality is hereby authorized to make such amendments to this Resolution as will not impair the rights or security of the owners of the Notes.

Section 20. No Action to be Taken Affecting Validity of the Notes. The Municipality hereby covenants and agrees that it will not take any action, that would in any manner affect the validity of the Notes or limit the rights and remedies of the owners from time to time of such Notes. The Municipality further covenants that it will not take any action that will cause the interest on the Notes to be subject to inclusion in gross income of the owners thereof for purposes of federal income taxation.

Section 21. Miscellaneous Acts. The Mayor, the Recorder, 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, specifically including but not limited to, making arbitrage certifications, 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; or for the authorization, issuance, and delivery of the Notes.

Section 22. Failure to Present Notes. Subject to the provisions of Section 3 hereof, in the event any Note shall not be presented for payment when the principal becomes due at maturity and in the event monies sufficient to pay such Note shall be held by the Note Registrar for the benefit of the owner thereof, all liability of the Municipality to such owner for the payment of such Note shall forthwith cease, terminate, and be completely discharged. Thereupon, the Note Registrar shall hold such monies, without liability for interest thereon, for the benefit of the owner of such Note who shall thereafter be restricted exclusively to such monies for any claim under this Resolution or on, or with respect to, said Note, subject to escheat or other similar law, and any applicable statute of limitation.

Section 23. Payments Due on Saturdays, Sundays, and Holidays. Whenever the interest on or principal of any Note is due on a Saturday or Sunday or, at the place designated for payment, a legal holiday or a day that banking institutions in Chattanooga, Tennessee, are authorized by law to close, then the payment of the interest on, or the principal of, such Note need not be made on such date but must be made on the next succeeding day not a Saturday, Sunday, or a legal holiday or a day upon which such banking institutions are authorized by law to close, with the same force and effect as if made on the date designated for payment; and no interest shall accrue for the period after such date.

Section 24. No Recourse Under Resolution or on Notes. All stipulations, promises, agreements, and obligations of the Municipality contained in this Resolution shall be deemed to be the stipulations, promises, agreements, and obligations of the Municipality and not of any officer, member of the Council or employee of the Municipality in his or her individual capacity, and no recourse shall be had for the payment of the principal of or interest on the Notes or for any claim based thereon or under this Resolution against any officer, member of the Council or employee of the Municipality or against any official or individual executing the Notes.

Section 25. Severability. If any section, paragraph, or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, or provision shall not affect any of the remaining provisions hereof.

Section 26. Repeal of Conflicting Resolutions and Effective Date. All resolutions and orders, or parts thereof, in conflict with the provisions of this Resolution, are, to the extent of such conflict, hereby repealed, and this Resolution shall be in effect as of the date of its adoption the welfare of the Municipality requiring it.

Approved and adopted this 9th day of June, 2003.



Mayor

ATTEST:


Recorder

STATE OF TENNESSEE)
COUNTY OF HAMILTON)

I, Diana Campbell, hereby certify that I am the duly qualified and acting Recorder of the Town of Signal Mountain, 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 Town Council (the "Council") of said Municipality held on June 9, 2003; (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 authorization of the issuance of not to exceed \$1,390,000 General Obligation Capital Outlay Refunding Notes, Series 2003, by said Municipality; (4) that the actions by said Council 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 Council was present and acting throughout said meeting.

WITNESS my official signature and the seal of said Municipality this 9th day of June, 2003.


Recorder

(SEAL)

FORM OF NOTE

EXHIBIT "A"

Registered
No. _____

Registered
\$ _____

UNITED STATES OF AMERICA
STATE OF TENNESSEE
TOWN OF SIGNAL MOUNTAIN
GENERAL OBLIGATION CAPITAL OUTLAY REFUNDING NOTE,
SERIES 2003

Interest Rate:

Maturity Date:

Dated Date:

CUSIP:

Registered Owner:

Principal Amount:

THE TOWN OF SIGNAL MOUNTAIN, HAMILTON COUNTY, TENNESSEE (the "Municipality"), a lawfully organized and existing municipal corporation, for value received, hereby acknowledges itself indebted and promises to pay, as hereinafter set forth, in the manner hereinafter provided, to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, unless this Note shall have been duly called for prior redemption and payment of the redemption price shall have been made or provided for, upon the presentation and surrender hereof at the office of the Recorder, Town Hall, Signal Mountain, Tennessee, or its successor as registrar and paying agent (the "Note Registrar"), the Principal Amount identified above, and to pay interest on said Principal Amount from the date hereof, or such later date as to which interest has been paid, to the Maturity Date, semi-annually on February 1 and August 1 of each year, commencing August 1, 2003, at the Interest Rate per annum set forth above, by check, draft, or warrant to the Registered Owner hereof at the address shown on the registration books of the Note Registrar on the fifteenth (15th) calendar day next preceding an interest payment date, in any coin or currency of the United States of America which on the date of payment thereof is legal tender for the payment of public and private debts.

In the event that any amount payable hereunder as interest shall at any time exceed the rate of interest lawfully chargeable on this note under applicable law, any such excess shall, to the extent of such excess, be applied against the principal hereof as a prepayment thereof without penalty, and such excess shall not be considered to be interest. All rates of interest specified herein shall be computed on the basis of a three hundred sixty (360) day year composed of twelve (12) months of thirty (30) days each.

The principal hereof and interest hereon shall bear interest from and after their respective due dates (whether by acceleration, demand, or otherwise) at the same rate of interest payable on the principal hereof.

Section 9-21-117, Tennessee Code Annotated, as amended (the "Code"), provides that this note and the income therefrom is exempt from all state, county, and municipal taxation in the State of Tennessee, except inheritance, estate, and transfer taxes and except as otherwise provided in said Code.

This note is one of a series of notes known as "General Obligation Capital Outlay Refunding Notes, Series 2003" (the "Notes"), issued by the Municipality in the aggregate principal amount of \$1,390,000. The Notes which are issued for the purpose of redeeming the outstanding principal of that certain \$3,714,000 General Obligation Capital Outlay Refunding Note, Series 2002, dated May 1, 2002, maturing August 1, 2003 through August 1, 2011, the proceeds of the Series 2002 Note having been used to redeem certain outstanding indebtedness previously incurred by the Municipality, are authorized by an appropriate resolution of the Town Council and particularly that certain Resolution of the Town Council adopted on June 9, 2003, entitled "Resolution of the Town of Signal Mountain, Tennessee, Authorizing the Issuance of Interest Bearing General Obligation Capital Outlay Refunding Notes, Series 2003, in an Amount Not to Exceed \$1,390,000, and Providing for the Payment of Said Notes," as such resolution may be from time to time amended or supplemented in accordance with its terms (such resolution, as so amended or supplemented, being herein called, the "Resolution"), and are issued pursuant to, and in full compliance with, the Constitution and the statutes of the State of Tennessee, including, but not limited to, Title 9, Chapter 21, Tennessee Code Annotated, as amended (the "Act"). Copies of the Resolution are on file at the office of the Recorder of the Municipality, and reference is hereby made to the Resolution and the Act, for a more complete statement of the terms and conditions upon which the Notes are issued thereunder, the rights, duties, immunities, and obligations of the Municipality, and the rights of the Registered Owner hereof.

This Note and interest thereon is payable from funds of the Municipality legally available therefor and to the extent necessary from ad valorem taxes to be levied on all taxable property in the Municipality without limitation as to time, rate, or amount. For the prompt payment of this note, both principal and interest, as the same shall become due, the full faith and credit of the Municipality are hereby irrevocably pledged.

The Municipality has designated the Notes as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

This note is transferable by the Registered Owner hereof in person or by his, her, or its attorney or legal representative at the office of the Note Registrar, but only in the manner and subject to the limitations and conditions provided in the Resolution and upon surrender and cancellation of this note. Upon any such transfer, the Municipality shall execute, and the Note Registrar shall authenticate and deliver in exchange for this note, a new fully registered note or notes, registered in the name of the transferee, in authorized denominations, in an aggregate principal amount equal to the principal amount of this note, of the same maturity and bearing interest at the same rate. For every exchange or transfer of notes, whether temporary or definitive,

the Municipality and the Note Registrar may make a charge, unless otherwise herein to the contrary expressly provided, sufficient to pay for any tax, fee, or other governmental charge required to be paid with respect to such exchange or transfer, all of which taxes, fees, or other governmental charges shall be paid to the Municipality by the person or entity requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer.

The Municipality and the Note Registrar may deem and treat the person or entity in whose name this note is registered as the absolute owner hereof, whether such note shall be overdue or not, for the purpose of making payment of the principal of and interest on this note and for all other purposes. All such payments so made shall be valid and effectual to satisfy and discharge the liability upon this note to the extent of the sum or sums so paid, and neither the Municipality nor the Note Registrar shall be affected by any notice to the contrary.

The Notes are issuable only as fully registered Notes, without coupons, in denominations of \$5,000 or any authorized integral multiple thereof. At the office of the Note Registrar, in the manner and subject to the limitations, conditions, and charges provided in the Resolution, fully registered Notes may be exchanged for an equal aggregate principal amount of fully registered Notes of the same maturity, of authorized denominations, and bearing interest at the same rate.

The Notes shall be subject to redemption, in whole, at the option of the Municipality, at any time, at the price of par plus accrued interest to the date of redemption, upon not less than fifteen (15) calendar days written notice to the Registered Owner.

This note shall have all the qualities and incidents of, and shall be, a negotiable instrument under, the Uniform Commercial Code of the State of Tennessee, subject only to provisions respecting registration of such note. This note is issued with the intent that the laws of the State of Tennessee shall govern its construction.

It is hereby certified, recited, and declared that all acts and conditions required to be done and to exist precedent to the issuance of, this note in order to make this note a legal, valid, and binding obligation of the Municipality, have been done, and did exist in due time and form as required by the Constitution and statutes of the State of Tennessee; and that this note and the issue of which it is a part, together with all other indebtedness of such Municipality, does not exceed any limitation prescribed by the Constitution or statutes of the State of Tennessee.

IN WITNESS WHEREOF, THE TOWN COUNCIL OF THE TOWN OF SIGNAL MOUNTAIN, TENNESSEE has caused this note to be signed by the manual signatures of the Mayor and the Recorder and its official seal to be impressed or imprinted hereon, all as of _____, 2003.

MAYOR

(SEAL)

COUNTERSIGNED:

RECORDER

Date of Authentication:

CERTIFICATE OF AUTHENTICATION

This Note is one of the Notes described in the provisions of the within mentioned Resolution and is one of the General Obligation Capital Outlay Refunding Notes, Series 2003, of the Town of Signal Mountain, Tennessee.

By: _____
Recorder, as Note Registrar

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto

(Please type or print name, address, and social security number

or other identifying number of Assignee)

the within note and does hereby irrevocably constitute and appoint _____

_____, Attorney, to transfer the same note on the books
kept for registration hereby with full power of substitution in the premises.

Date: _____

SIGNATURE GUARANTEED:

SIGNATURE:

NOTICE: Signature(s) must be guaranteed by a member firm of a Medallion Program acceptable to the Note Registrar.

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within note in every particular, without alteration or enlargement or any change whatever.

RESOLUTION NO. R2003-18

RESOLUTION AUTHORIZING THE EXECUTION, TERMS, ISSUANCE, SALE, AND PAYMENT OF NOT TO EXCEED \$500,000 WATER REVENUE AND TAX REFUNDING BONDS, SERIES 2003, OF THE TOWN OF SIGNAL MOUNTAIN, TENNESSEE, AND PROVIDING THE DETAILS THEREOF

WHEREAS, pursuant to a resolution adopted by the Town Council (the "Council") of the Town of Signal Mountain, Tennessee (the "Municipality"), there have been authorized and issued those certain Water and Sewer Revenue and Tax Refunding Bonds, Series 1993, dated October 1, 1993, issued in the original principal amount of \$2,410,000 (the "Series 1993 Bonds");

WHEREAS, pursuant to a resolution adopted by the Council on June 8, 1981, the Municipality obtained a loan, in the original principal amount of \$600,996, from The Tennessee Local Development Authority ("TLDA"), such loan being evidenced by that certain Loan Agreement entered into by the Municipality and TLDA (the "Loan");

WHEREAS, the Municipality is authorized by Title 9, Chapter 21, Tennessee Code Annotated, as amended (the "Act"), to issue and sell refunding bonds for the purpose of refunding bonds and other indebtedness previously authorized and issued in advance of the maturity or redemption date of such bonds and to pay costs incident to the issuance and sale of the refunding bonds;

WHEREAS, the refunding of the Series 1993 Bonds and the prepayment of the Loan will cause a reduction of debt service payable by the Municipality over the term of such Series 1993 Bonds and Loan, thereby effecting a cost savings and improving the management of the finances of the Municipality;

WHEREAS, the plan of refunding for the Series 1993 Bonds and the Loan, a computation of projected cost savings, and a request that the Municipality be permitted to sell the refunding bonds at a private negotiated sale have been submitted to the State Director of Local Finance for review as required by Sections 9-21-903, and 9-21-910, respectively, Tennessee Code Annotated, as amended;

WHEREAS, the Council finds that it is now, therefore, necessary and desirable to provide for the execution, terms, issuance, sale, and payment of not to exceed \$500,000 Water Revenue and Tax Refunding Bonds, Series 2003 (the "Bonds");

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF SIGNAL MOUNTAIN, TENNESSEE, AS FOLLOWS:

Section 1. Authority. The Bonds herein authorized shall be issued pursuant to Title 9, Chapter 21, Tennessee Code Annotated, as amended, and other applicable provisions of law.

Section 2. Definitions. Without limiting any other definitions of terms and words in other sections of this Resolution, the following words and terms shall have the meanings indicated unless otherwise plainly apparent from the context:

"Act" means Title 9, Chapter 21, Tennessee Code Annotated, as amended.

"Authorized Representative of the Municipality" means the then Mayor and the then Recorder of the Municipality, authorized by resolution or by law to act on behalf of and bind the Municipality.

"Bond" means individually, or "Bonds" means collectively, the Water Revenue and Tax Refunding Bonds, Series 2003, of the Municipality authorized by this Resolution of the Council.

"Bond Counsel" means an attorney or firm of attorneys recognized as having experience in matters relating to the issuance of municipal obligations.

"Closing Date" means the date of delivery and payment of the Bonds (or any temporary Bonds as authorized by Section 12 hereof pending the preparation and delivery of the definitive Bonds).

"Code" means the Internal Revenue Code of 1986, as amended, and the applicable regulations of the United States Department of the Treasury promulgated thereunder, as in effect on the date of issuance of the Bonds and as hereafter amended, supplemented, or revised insofar as such amendments, supplements, or revisions shall pertain to or affect the Bonds.

"Council" means the Town Council of the Municipality.

"Current Expenses" means all expenses incurred by, or on behalf of, the Municipality in connection with the operation, maintenance, repair, insuring, and administration of the System, including, but not necessarily limited to, salaries, wages, the cost of supplies, materials, utilities, and rental payments and the cost of audits, but shall specifically exclude depreciation, amortization, interest on bonds, and expenditures for any capital improvements of the System, the useful life of which is reasonably expected to exceed one year, determined in accordance with generally accepted accounting principles.

"Interest Payment Date" means each date on which interest shall be payable on any of the Bonds, according to their respective terms so long as any of the Bonds shall be Outstanding.

"Mayor" means the duly elected, qualified, and acting Mayor of the Municipality, or his or her successors.

"Net Revenues" means for any period, the excess of Revenues of the System over its Current Expenses during such period determined in accordance with generally accepted accounting principles.

"Outstanding," "Bonds Outstanding," or "Outstanding Bonds" means, as of a particular date, all Bonds issued and delivered under this Resolution except: (1) any Bond paid or redeemed or otherwise canceled by the Municipality at or before such date; (2) any Bond for the payment of which cash, equal to the principal amount thereof with interest to date of maturity, shall have theretofore been deposited prior to maturity by the Municipality for the benefit of the Owner thereof; (3) any Bond in lieu of or in substitution for which another Bond shall have been delivered pursuant to this Resolution, unless proof satisfactory to the Municipality is presented that any Bond, for which a Bond in lieu of or in substitution therefor shall have been delivered, is held by a bona fide purchaser, as that term is defined in Article 8 of the Uniform Commercial Code of the State, as amended, in which case both the Bond in lieu of or in substitution for which a new Bond has been delivered and such new Bond so delivered therefor shall be deemed Outstanding; and, (4) any Bond deemed paid under the provisions of this Resolution, except that any such Bond shall be considered Outstanding until the maturity thereof only for the purposes of being exchanged, transferred, or registered.

"Owner," "Bondholder," or any similar term, when used with reference to the Bonds, means any Person who shall be the registered owner of any then Outstanding Bond or Bonds.

"Person" means an individual, partnership, corporation, trust, or unincorporated organization, or a governmental entity or agency or political subdivision thereof.

"Principal Payment Date" means such date on which principal shall be payable on any of the Bonds, according to their respective terms so long as any of the Bonds shall be Outstanding.

"Prior Outstanding Obligations" means the outstanding bonds of the Municipality which are payable from and secured by, at least in part, a pledge of the Net Revenues of the System, which pledge is prior to the pledge securing the Bonds, unless the documents authorizing such bonds permit additional bonds to be issued on a parity therewith, in which case the Bonds shall be on a parity.

"Recorder" means the duly appointed, qualified, and acting Recorder of the Municipality, or his or her successors.

"Registration Agent" means the Recorder of the Municipality, or his or her successor, or successors hereafter appointed in the manner provided in this Resolution.

"Resolution" means this Resolution, as supplemented and amended.

"Revenues" means all receipts, revenues, income, and other monies received by, or on behalf of, the Municipality from, or for, the operation of the System and all rights to receive such receipts, revenues, income, and other monies, whether in the form of accounts receivable, contract rights, or otherwise, and proceeds from insurance against loss of, or damage to, the System, or from any sale or conveyance, in accordance with the terms hereof, of all or part of the System.

"Series 1993 Bonds" means the Municipality's Water and Sewer Revenue and Tax Refunding Bonds, Series 1993, dated October 1, 1993, issued in the original principal amount of \$2,410,000.

"State" means the State of Tennessee.

"System" means the complete water system of the Municipality and all water system properties of every nature hereafter owned by the Municipality, including all improvements and extensions made by the Municipality while the Bonds remain outstanding, and including all real and personal property of every nature comprising part of or used or useful in connection with the water system and including all appurtenances, contracts, leases, franchises, and other intangibles.

"Town Attorney" means the duly appointed Town Attorney of the Municipality, or his or her successors.

Section 3. Authorization. For the purpose of providing funds to redeem on the outstanding principal of the Series 1993 Bonds maturing on and after December 1, 2003, to prepay the outstanding principal of the Loan, and to pay costs incident to the issuance and sale of the Bonds, there is hereby authorized to be issued refunding bonds of the Municipality in the aggregate principal amount of not to exceed Five Hundred Thousand Dollars (\$500,000), or such lesser aggregate amount as may be determined by the Authorized Representatives of the Municipality executing the Bonds. No Bonds may be issued under the provisions of this Resolution except in accordance herewith. The Council hereby finds that it is advantageous to the Municipality to issue the Bonds and that the issuance of the Bonds will effect a cost savings to the Municipality.

Section 4. Form of Bonds; Execution. (a) The Bonds are issuable only as fully registered bonds, without coupons, in minimum denominations of \$5,000 (but no single Bond shall represent installments of principal maturing on more than one date). All Bonds issued under this Resolution shall be substantially in the form set forth in Exhibit "A" attached hereto, and by this reference incorporated herein as fully as though copied, with such appropriate variations, omissions, and insertions as are permitted or required by this Resolution, the blanks therein to be appropriately completed when the Bonds are prepared, and may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law with respect thereto or as otherwise desired by the Municipality. The Bonds shall be numbered consecutively from one upwards.

(b) The Bonds shall be executed in such manner as may be prescribed by applicable law in the name, and on behalf, of the Municipality with the manual or facsimile signature of the Mayor and attested with the manual or facsimile signature of the Recorder, and with the official seal, or a facsimile thereof, of the Municipality impressed or imprinted thereon. The Bonds shall not be valid for any purpose unless authenticated by the manual signature of an officer of the Registration Agent on the certificate set forth on the Bonds.

(c) In the event any officer whose manual or facsimile signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such manual or such facsimile signature shall nevertheless be valid and sufficient for all purposes as if he or she had remained in office until such delivery. Any Bond may bear the facsimile signature of, or may be manually signed by, such individuals who, at the actual time of the execution of such Bond, were the proper officers of the Municipality to sign such Bond, although on the date of the adoption by the Municipality of this Resolution, such individuals may not have been such officers.

Section 5. Terms, Payment, and Certain Other Provisions of the Bonds. (a) The Bonds shall be designated "Water Revenue and Tax Refunding Bonds, Series 2003". Each Bond shall be dated the date of issuance and delivery, or such other date as the Authorized Representatives of the Municipality executing the Bonds shall determine; shall be sold at not less than the par amount thereof plus accrued interest to the delivery date thereof; shall bear interest from the date thereof at a rate or rates to be hereafter determined by the Municipality when said Bonds are sold, but not exceeding 4% per annum, such interest being payable semiannually on the first day of February and August of each year, commencing August 1, 2003; and, shall mature serially on the first day of August in the years and in the aggregate principal amounts set forth below; provided, however, that the Mayor and the Recorder are hereby authorized to make such adjustments in principal amounts maturing within each maturity as are necessary to maximize the cost savings from the refunding of the Series 1993 Bonds and the prepayment of the Loan, including a reduction in the aggregate principal amount of such Bonds:

| <u>Year</u> | <u>Principal Amount</u> |
|-------------|-------------------------|
| 2003 | \$ 217,000 |
| 2004 | 163,000 |
| 2005 | 37,000 |
| 2006 | 41,000 |
| 2007 | 42,000 |

In the event that any amount payable on any Bond as interest shall at any time exceed the rate of interest lawfully chargeable thereon under applicable law, then any such excess shall, to the extent of such excess, be applied against the principal of such Bond as a prepayment thereof without penalty, and such excess shall not be considered to be interest.

The principal of, premium, if any, and all installments of interest on, any Bond shall bear interest from and after their respective due dates at a rate of interest equal to the rate of interest payable on the principal of such Bond. All rates of interest specified herein shall be computed on the basis of a three hundred sixty (360) day year composed of twelve (12) months of thirty (30) days each.

(b) Interest on the Bonds shall be payable by (i) by check or other form of draft of the Registration Agent, deposited by the Registration Agent in the United States mail, first class postage prepaid, in sealed envelopes, addressed to the owners of such Bonds, as of the applicable Interest Payment Date, at their respective addresses as shown on the registration books of the Municipality maintained by the Registration Agent as of the close of business fifteen (15) calendar days preceding the next Interest Payment Date, or (ii) by wire transfer to an account specified in writing by the purchaser of the Bonds. The principal of all Bonds shall be payable upon presentation and surrender of such Bonds at the principal office of the Registration Agent. All payments of the principal of and interest on the Bonds shall be made in any coin or currency of the United States of America which, on the date of payment thereof, shall be legal tender for the payment of public and private debts.

Section 6. Redemption. The Bonds shall be subject to redemption, in whole or in part, at the option of the Municipality, at any time, at a price of par plus accrued interest to the date of redemption, upon not less than fifteen (15) calendar days written notice to the registered owner.

Section 7. Negotiability of Bonds. All Bonds issued under this Resolution shall be negotiable, subject to the provisions for registration and transfer contained in this Resolution and in the Bonds.

Section 8. Registration Books and Bond Registrar. The Municipality hereby appoints the Recorder of the Municipality as bond registrar and paying agent (the "Registration Agent") with respect to the Bonds and authorizes the Registration Agent so long as any of the Bonds shall remain Outstanding, to maintain at the principal office of the Registration Agent, books for the registration and transfer of the Bonds on behalf of the Municipality. The Registration Agent shall register in such books and permit to be transferred thereon, under such reasonable regulations as it may prescribe, any Bond entitled to registration or transfer and to authenticate and deliver the Bonds either at original issuance, upon transfer, or as otherwise directed by the Municipality. The Registration Agent is authorized to make all payments of principal, interest, and redemption premium, if any, with respect to the Bonds.

Section 9. Exchange of Bonds. Bonds upon surrender thereof at the principal office of the Registration Agent, together with an assignment of such Bonds duly executed by the Owner thereof, or his, her, or its attorney or legal representative, may be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of any denomination or denominations authorized by this Resolution, and bearing interest at the same rate as the Bonds surrendered for exchange.

Section 10. Transfer of Bonds. (a) Each Bond shall be transferable only on the registration books maintained by the Registration Agent at the principal office of the Registration Agent, upon the surrender for cancellation thereof at the principal office of the Registration Agent, together with an assignment of such Bond duly executed by the Owner thereof or his, her, or its attorney or legal representative, and upon payment of the charges hereinafter provided, and subject to such other limitations and conditions as may be provided therein or herein. Upon the cancellation of any such Bond, the Registration Agent shall, in exchange for the surrendered Bond or Bonds, deliver in the name of the transferee or transferees a new Bond or Bonds of authorized denominations, of the same aggregate principal amount and maturity and rate of interest as such surrendered Bond or Bonds, and

the transferee or transferees shall take such new Bond or Bonds subject to all of the conditions herein contained.

(b) The Municipality and the Registration Agent may deem and treat the Person in whose name any Bond shall be registered upon the registration books maintained by the Registration Agent as the absolute owner thereof, whether such Bond shall be overdue or not, for the purpose of receiving payment of the principal of, and the interest on, such Bond and for all other purposes. All such payments so made to the registered Owner thereof shall be valid and effectual to satisfy and discharge the liability of the Municipality or the Registration Agent upon such Bond to the extent of the sum or sums so paid. Neither the Municipality nor the Registration Agent shall be affected by any notice to the contrary.

Section 11. Regulations with Respect to Exchanges and Transfers. (a) In all cases in which the privilege of exchanging or transferring Bonds is exercised, the Municipality shall execute, and the Registration Agent shall deliver, Bonds in accordance with the provisions of this Resolution. For every exchange or transfer of Bonds, whether temporary or definitive, the Municipality and the Registration Agent may make a charge, unless otherwise herein to the contrary expressly provided, sufficient to pay for any tax, fee, or other governmental charge required to be paid with respect to such exchange or transfer, all of which taxes, fees, and other governmental charges shall be paid by the person or entity requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer.

(b) Neither the Municipality nor the Registration Agent shall be obligated to exchange or transfer any Bond after the fifteenth (15th) calendar day of the month next preceding an Interest Payment Date.

Section 12. Authorization and Preparation of Temporary Bonds. (a) Without unreasonable delay after the sale thereof, the Municipality shall cause definitive Bonds to be prepared, executed, and delivered to the purchaser or purchasers thereof, which Bonds shall be fully engraved (as that term is customarily used) or lithographed or printed on steel engraved borders, or, if acceptable to the purchaser or purchasers of such Bonds (such acceptance to be conclusively evidenced by the acceptance of such Bonds by such purchaser or purchasers), such definitive Bonds may be typewritten, printed, photocopied, or any combination of the foregoing. Until such definitive Bonds are ready for delivery, there may be executed and delivered by the Municipality, and upon the request of an Authorized Representative of the Municipality, the Registration Agent shall also authenticate and deliver, in lieu of definitive Bonds and subject to the same limitations and conditions, temporary typewritten, printed, engraved, lithographed, or photocopied Bonds, or Bonds having any combination of the foregoing, as prepared and executed by the Municipality, which temporary Bonds shall be substantially of the tenor of such definitive Bonds but with such appropriate omissions, insertions, and variations as may be required.

(b) Until definitive Bonds are ready for delivery, any temporary Bond may be exchanged at the principal office of the Registration Agent, without charge to the Owner, for an equal aggregate principal amount of temporary Bonds of like tenor, of the same maturity and bearing interest at the same rate.

(c) When and after definitive Bonds are ready for delivery, the Registration Agent, upon surrender to the Registration Agent at the principal office of the Registration Agent of a temporary Bond or Bonds, shall cancel such temporary Bond or Bonds and deliver in exchange therefor, without

charge to such Owner, a definitive Bond or Bonds in an equal aggregate principal amount, and having the same maturity or maturities, interest rate or rates, and registration and redemption provisions as the temporary Bond or Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security of this Resolution as the definitive Bonds to be issued under this Resolution.

(d) Interest on temporary Bonds, when due and payable, if the definitive Bonds shall not be ready for exchange, shall be paid on presentation of such temporary Bonds and notation of such payment shall be endorsed thereon.

(e) All temporary Bonds surrendered in exchange for a definitive Bond or Bonds shall forthwith be cancelled.

Section 13. Mutilated, Lost, Stolen, or Destroyed Bonds. (a) In the event any Bond is mutilated, lost, stolen, or destroyed, the Municipality may execute, and upon the request of an Authorized Representative of the Municipality, the Registration Agent shall deliver, a new Bond of like maturity, interest rate, and principal amount, and bearing the same number (but with appropriate designation indicating that such new Bond is a replacement Bond) as the mutilated, destroyed, lost, or stolen Bond, in exchange for the mutilated Bond or in substitution for the Bond so destroyed, lost, or stolen. In every case of exchange or substitution, the Bondholder shall furnish to the Municipality and the Registration Agent: (1) such security or indemnity as may be required by an Authorized Representative of the Municipality to save the Municipality and the Registration Agent harmless from all risks, however remote; and, (2) evidence to their satisfaction of the mutilation, destruction, loss, or theft of the subject Bond and the ownership thereof. Upon the issuance of any Bond upon such exchange or substitution, an Authorized Representative of the Municipality and the Registration Agent may require the Owner thereof to pay a sum sufficient to defray any tax or other governmental charge that may be imposed in relation thereto and any other expenses, including printing costs and counsel fees, of the Municipality and the Registration Agent. In the event any Bond which has matured or is about to mature shall become mutilated or be destroyed, lost, or stolen, an Authorized Representative of the Municipality may, instead of issuing a Bond in exchange or substitution therefor, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated Bond) if the Owner thereof shall pay all costs and expenses, including attorneys fees, incurred by the Municipality and the Registration Agent in connection therewith, as well as a sum sufficient to defray any tax or other governmental charge that may be imposed in relation thereto and shall furnish to the Municipality and the Registration Agent such security or indemnity as an Authorized Representative of the Municipality and the Registration Agent may require to save the Municipality and the Registration Agent harmless and evidence to the satisfaction of an Authorized Representative of the Municipality and the Registration Agent, of the mutilation, destruction, loss, or theft of such Bond and of the ownership thereof.

(b) Every Bond issued pursuant to the provisions of this Section shall constitute an additional contractual obligation of the Municipality (whether or not the destroyed, lost, or stolen Bond shall be found at any time to be enforceable) and shall be entitled to all the benefits of this Resolution equally and proportionately with any and all other Bonds duly issued under this Resolution.

(c) All Bonds shall be held and owned upon the express condition that the provisions of this Section are exclusive, with respect to the replacement or payment of mutilated, destroyed, lost, or stolen Bonds, and, to the maximum extent legally permissible, shall preclude all other rights or remedies, notwithstanding any law or statute now existing or hereafter enacted to the contrary.

Section 14. Authentication. Only such of the Bonds as shall have endorsed thereon a certificate of authentication, substantially in the form set forth in Exhibit "A" hereto duly executed by the Registration Agent, shall be entitled to the rights, benefits, and security of this Resolution. No Bond shall be valid or obligatory for any purpose unless, and until, such certificate of authentication shall have been duly executed by the Registration Agent. Such executed certificate of authentication by the Registration Agent upon any such Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Resolution as of the date of authentication. The certificate of authentication of the Registration Agent on any Bond shall be deemed to have been duly executed if manually signed by an authorized officer of the Registration Agent, but it shall not be necessary that the same officer sign and date the certificate of authentication on all Bonds that may be issued hereunder.

Section 15. Source of Payment and Security. The Bonds, including the principal thereof, the premium, if any, and the interest thereon, shall be payable primarily from and be secured by a pledge of the Net Revenues to be derived from the operation of the System, and are hereby declared to be equally and ratably secured, subject to a prior pledge of such Net Revenues to the Prior Outstanding Obligations. In the event of a deficiency in such Net Revenues, the Bonds shall be payable from ad valorem taxes to be levied on all taxable property within the corporate limits of the Municipality without limitation as to time, rate, or amount. Said Bonds shall be a direct general obligation of the Municipality, for which the punctual payment of the principal of, redemption premium, if any, and interest on, the Bonds, the full faith and credit of the Municipality is hereby irrevocably pledged.

Section 16. Levy of Taxes. For the purpose of providing for the payment of the principal of, redemption premium, if any, and interest on, the Bonds, there is hereby pledged for such payment the Net Revenues derived from the operation of the System, subject to the liens of the Prior Outstanding Obligations, in amounts not exceeding the amounts required to make such payments as they come due. In the event of a deficiency in the Net Revenues, there shall be levied in each year in which such Bonds shall be outstanding a direct tax on all taxable property in the Municipality, fully sufficient to pay all such principal and interest falling due prior to the time of collection of the next succeeding tax levy. Said tax shall be assessed, collected, and paid at the time, and in the same manner, as the other taxes of said Municipality, shall be in addition to all other taxes, and shall be without limitation as to time, rate, or amount; provided, however, that the tax so levied in any year may be proportionately reduced by the amount of monies actually on hand from the Net Revenues of the System and available for payment of such principal, interest, and premium, if any. The Council of the Municipality is required by law and shall and does hereby pledge to levy such tax. Principal, redemption premium, if any, or interest, or all of them, falling due at any time when there shall be insufficient funds on hand from such tax levy for the payment thereof shall be paid from the general fund or other available funds of the Municipality, but reimbursement therefor may be made from the taxes herein provided when the same shall have been collected.

Section 17. Equality of Lien. The punctual payment of principal of and interest on the Bonds shall be secured equally and ratably by the Net Revenues of the System without priority by reason of number, time of sale, or execution or delivery, and, subject to the payment of reasonable and necessary costs of operating and maintaining the System and the payment of the Prior Outstanding Obligations, the Net Revenues of the System are hereby irrevocably pledged to the punctual payment of such principal and interest as the same become due.

Section 18. Charges for Services Supplied by the System. While the Bonds remain outstanding and unpaid, the Municipality covenants and agrees that it will permit no free service to be furnished to any consumer or user whatsoever, and the charges for all services supplied through the medium of the System to the Municipality and its residents and to all consumers shall be reasonable and just, taking into account and consideration the cost and value of the System and the cost of maintaining, operating, and insuring the System, and the proper and necessary allowances for the depreciation thereof, and the amounts necessary for the payment of principal of, premium, if any, and interest on, the Bonds payable from such Revenues, and there shall be charged against all users of the services of the System such rates and amounts as shall be fully adequate to meet the debt service requirements of the Bonds.

Section 19. Sale of Bonds. The Bonds herein authorized are authorized to be sold by the Mayor at a private negotiated sale at a price of not less than par and accrued interest. The Bonds shall contain such terms, conditions, and provisions other than as expressly provided or limited herein as may be agreed upon by the Mayor of the Municipality and the purchaser of the Bonds.

Section 20. Disposition of Bond Proceeds. The proceeds from the sale of the Bonds shall be paid to the official of the Municipality designated by law as the custodian of the funds thereof. Said proceeds shall be used, together with other available funds of the Municipality (i) to redeem the principal of the Series 1993 Bonds maturing on and after December 1, 2003, and (ii) to prepay the outstanding principal balance of the Loan, such redemption and prepayment to occur on the first available date, but in no event later than eighty-nine (89) days from the date of issuance of the Bonds.

Section 21. Redemption of Series 1993 Bonds and Prepayment of Loan. The Series 1993 Bonds maturing on and after December 1, 2003, are hereby called for redemption by no later than September 1, 2003 and the principal of the Loan maturing after the date of issuance of the Bonds is hereby called for prepayment; provided, however, that in the event the Bonds are not issued and delivered such call for redemption and prepayment shall be of no further force and effect. Notice of call for redemption for the Series 1993 Bonds shall be given in the manner required as set forth in the resolution authorizing the issuance of the Series 1993 Bonds.

Section 22. Non-Arbitrage Certification. The Municipality certifies and covenants with the Owners of the Bonds that so long as the principal of any Bond remains unpaid, monies on deposit in any fund or account in connection with the Bonds, whether or not from any other source, will not be used in a manner which will cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code. The Municipality reserves the right, however, to make any investment of such monies permitted by Tennessee law and this Resolution if, when, and to the extent that said Section 148 or regulations promulgated thereunder shall be repealed or relaxed or shall be held void by final decision of a court of competent jurisdiction, but only if any investment made by virtue of such repeal, relaxation, or decision would not, in the opinion of Bond Counsel, result in making the interest on the Bonds subject to federal income taxation.

The Municipality covenants that it shall comply with Section 148(f) of the Code, unless legally exempted therefrom, and the Municipality represents that in the event it shall be required by Section 148(f) of the Code to pay "Rebatable Arbitrage," as such term is defined and used in the Code, pursuant to the Code, to the United States Government, it will make such payments as and when required by said Section 148(f) and will take such other actions as shall be necessary or permitted to prevent the interest on the Bonds from becoming subject to inclusion in the gross income of the Owners of the Bonds for purposes of federal income taxation.

Section 23. Bonds as Qualified Tax-Exempt Obligations. The Municipality hereby designates the Bonds as "qualified tax-exempt obligations" within the meaning and for the purpose of Section 265(b)(3) of the Code.

Section 24. Resolution a Contract; Amendments. The provisions of this Resolution shall constitute a contract between the Municipality and the Owners of the Bonds and after the issuance of the Bonds, no change, variation, or alteration of any kind in the provisions of this Resolution which would impair the rights of the Owners shall be made in any manner, until such time as all installments of the principal of and interest on the Bonds shall have been paid in full unless the consent of all of the Owners of all then Outstanding Bonds has been obtained; provided, however, that the Municipality is hereby authorized to make such amendments to this Resolution as will not impair the rights of Bondholders. The laws of the State of Tennessee shall govern this Resolution.

Section 25. Remedies. Any Owner of the Bonds shall have such remedies as provided by Title 9, Chapter 21, Section 216, Tennessee Code Annotated, as amended.

Section 26. Failure to Present Bonds. (a) In the event any Bond shall not be presented for payment when the principal becomes due at maturity and in the event monies sufficient to pay such Bond shall be held by the Registration Agent for the benefit of the Owner thereof, all liability of the Municipality to such Owner for the payment of such Bond shall forthwith cease, terminate, and be completely discharged. Thereupon, the Registration Agent shall hold such monies, without liability for interest thereon, for the benefit of the Owner of such Bond who shall thereafter be restricted exclusively to such monies for any claim under this Resolution or on, or with respect to, said Bond.

(b) If any Bond shall not be presented for payment within a period of five years following the date when such Bond becomes due, whether by maturity or otherwise, the Registration Agent shall, subject to the provisions of any applicable escheat or other similar law, pay to the official of the Municipality designated by law as the custodian of such funds, any monies then held by the Registration Agent for the payment of such Bond and such Bond shall (subject to the defense of any applicable statute of limitation) thereafter constitute an unsecured obligation of the Municipality.

Section 27. Payments Due on Saturdays, Sundays, and Holidays. In any case where the date of maturity or interest on or principal of any Bond shall be a Saturday or Sunday or shall be, at the place designated for payment, a legal holiday or a day on which banking institutions similar to the Registration Agent are authorized by law to close, then the payment of the interest on, or the principal of such Bond need not be made on such date but must be made on the next succeeding day not a Saturday, Sunday, or a legal holiday or a day upon which banking institutions similar to the Registration Agent are authorized by law to close, with the same force and effect as if made on the date of maturity and no interest shall accrue for the period after such date.

Section 28. No Action to be Taken Affecting Validity of the Bonds. The Council hereby covenants and agrees that it will not take any action, that would in any manner affect the validity of the Bonds or limit the rights and remedies of the Owners from time to time of such Bonds or affect the exclusion of interest thereon from the gross income of the owners thereof for federal income tax purposes.

Section 29. Miscellaneous Acts. The Mayor and the Recorder, 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, specifically including but not limited to arbitrage certifications and financial advisory agreements, 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, or for the authorization, issuance, and delivery of the Bonds and for the redemption of the Series 1993 Bonds.

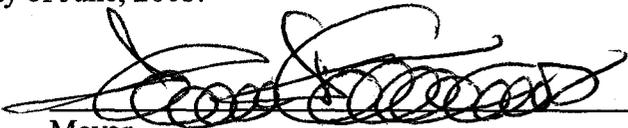
Section 30. No Recourse Under Resolution or on Bonds. All stipulations, promises, agreements, and obligations of the Municipality contained in this Resolution shall be deemed to be the stipulations, promises, agreements, and obligations of the Municipality and not of any officer, director, or employee of the Municipality in his or her individual capacity, and no recourse shall be had for the payment of the principal of or interest on the Bonds or for any claim based thereon or on this Resolution against any officer, director, or employee of the Municipality or against any official or individual executing the Bonds.

Section 31. Partial Invalidity. If any one or more of the provisions of this Resolution, or of any exhibit or attachment hereto, shall be held invalid, illegal, or unenforceable in any respect, by final decree of any court of lawful jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, or of any exhibit or attachment hereto, but this Resolution, and the exhibits and attachments hereto, shall be construed the same as if such invalid, illegal, or unenforceable provision had never been contained herein or therein, as the case may be.

Section 32. Severability. If any section, paragraph, or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or enforceability of such section, paragraph, or provision shall not affect any of the remaining provisions hereof.

Section 33. Repeal of Conflicting Resolutions and Effective Date. All resolutions and orders, or parts thereof, in conflict with the provisions of this Resolution, are, to the extent of such conflict, hereby repealed and this Resolution shall be in immediate effect from and after its adoption, the welfare of the Municipality requiring it.

Approved and adopted this 9th day of June, 2003.



 Mayor

ATTEST:



 Recorder

STATE OF TENNESSEE)
COUNTY OF HAMILTON)

I, Diana Campbell, hereby certify that I am the duly qualified and acting Recorder of the Town of Signal Mountain, 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 Town Council (the "Council") of said Municipality held on June 9, 2003; (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 authorization of the issuance of not to exceed \$500,000 Water Revenue and Tax Refunding Bonds, Series 2003, by said Municipality; (4) that the actions by said Council 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 Council was present and acting throughout said meeting.

WITNESS my official signature and the seal of said Municipality this 9th day of June, 2003.

Recorder

(SEAL)

FORM OF BOND

EXHIBIT "A"

Registered
No. _____Registered
\$ _____

UNITED STATES OF AMERICA
STATE OF TENNESSEE
TOWN OF SIGNAL MOUNTAIN
WATER REVENUE AND TAX REFUNDING BOND,
SERIES 2003

Interest Rate:

Maturity Date:

Dated Date:

Registered Owner:

Principal Amount:

THE TOWN OF SIGNAL MOUNTAIN, TENNESSEE (the "Municipality"), a lawfully organized and existing municipal corporation, for value received, hereby acknowledges itself indebted and promises to pay, as hereinafter provided, to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, upon the presentation and surrender hereof at the principal office of the Recorder of the Municipality, Signal Mountain, Tennessee, or its successor as paying agent and registration agent (the "Registration Agent"), the Principal Amount identified above, in any coin or currency of the United States of America which on the date of payment thereof is legal tender for the payment of public and private debts, and to pay interest on said Principal Amount from the date hereof, or such later date as to which interest has been paid, semiannually on February 1 and August 1 of each year (the "Interest Payment Date"), commencing August 1, 2003, to said Registered Owner hereof by check or other form of draft of the Registration Agent mailed to the Registered Owner at the address shown on the registration books of the Municipality, maintained by the Registration Agent, as of the close of business on the fifteenth (15th) calendar day of the month next preceding an Interest Payment Date, in like coin or currency at the Interest Rate per annum set forth above until payment of said Principal Amount.

In the event that any amount payable hereunder as interest shall at any time exceed the rate of interest lawfully chargeable on this bond under applicable law, any such excess shall, to the extent of such excess, be applied against the principal hereof as a prepayment thereof without penalty, and such excess shall not be considered to be interest. All rates of interest specified herein shall be computed on the basis of a three hundred sixty (360) day year composed of twelve (12) months of thirty (30) days each.

The principal hereof and all installments of interest hereon, shall bear interest from and after their respective due dates at the same rate of interest payable on the principal hereof.

This bond is authorized and issued pursuant to and in full compliance with, the Constitution and the statutes of the State of Tennessee, including, but not limited to, Title 9, Chapter 21, Tennessee Code Annotated, as amended. Section 9-21-117, Tennessee Code Annotated, as amended, provides that this bond and the income therefrom shall be exempt from all state, county, and municipal taxation in the State of Tennessee, except inheritance, transfer, and estate taxes, and except as otherwise provided in said Code.

This Bond is one of a series of bonds known as "Water System Revenue and Tax Refunding Bonds, Series 2003" (the "Bonds"), issued by the Municipality in the aggregate principal amount of \$500,000. The Bonds, which are issued for the purpose of providing funds to redeem the principal of those certain Water and Sewer Revenue and Tax Refunding Bonds, Series 1993, dated October 1, 1993, issued in the original principal amount of \$2,410,000, maturing on and after December 1, 2003, to prepay the outstanding principal of that certain loan from the Tennessee Local Development Authority in the original principal amount of \$600,996, and to pay costs incident to the issuance and sale of the Bonds, are authorized by appropriate resolutions of the Town Council and particularly that certain Resolution of the Town Council, adopted on June 9, 2003, entitled "Resolution Authorizing the Execution, Terms, Issuance, Sale, and Payment of Not to Exceed \$500,000 Water Revenue and Tax Refunding Bonds, Series 2003, of the Town of Signal Mountain, Tennessee, and Providing the Details Thereof", as such resolution may be from time to time amended or supplemented in accordance with its terms (such resolution as so amended or supplemented, being herein called the "Resolution"), and are issued pursuant to, and in full compliance with, the Constitution and the statutes of the State of Tennessee, including, but not limited to, Title 9, Chapter 21, Tennessee Code Annotated, as amended (the "Act"). Copies of said Resolution are on file at the office of the Recorder of the Municipality, and reference is hereby made to said Resolution and the Act, for a more complete statement of the terms and conditions upon which the Bonds are issued thereunder, the rights, duties, immunities, and obligations of the Municipality, and the rights of the Registered Owner hereof.

This bond and interest thereon are secured by a pledge of the income and revenues to be derived from the operation of the water system (the "System") of the Municipality, subject to the payment of reasonable and necessary costs of operating, maintaining, repairing, and insuring said System (the "Net Revenues"), the pledge of such Net Revenues being expressly subject, however, to certain pledges securing the payment of revenue and tax deficiency bonds and other obligations, heretofore issued by the Municipality. In the event of a deficiency in such Net Revenues, this bond is payable from ad valorem taxes to be levied on all taxable property in the Municipality without limitation as to time, rate, or amount. For the prompt payment of this bond, both principal, premium, if any, and interest, as the same shall become due, the full faith, and credit of the Municipality are hereby irrevocably pledged.

The Municipality hereby expressly reserves the right and privilege to hereafter issue and sell bonds payable from the Net Revenues of the System on a parity with the Bonds.

Pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, the Municipality has designated the Bonds as "qualified tax-exempt obligations".

Subject to the provisions for registration and transfer contained herein and in the Resolution, this bond is transferable by the Registered Owner hereof in person or by his, her, or its attorney or legal representative at the principal office of the Registration Agent, but only in the manner and subject to the limitations and conditions provided in the Resolution and upon surrender and cancellation of this bond. Upon any such transfer, the Municipality shall execute and the Registration Agent shall authenticate and deliver in exchange for this bond a new fully registered bond or bonds, registered in the name of the transferee, of authorized denominations, in an aggregate principal amount equal to the principal amount of this bond, of the same maturity and bearing interest at the same rate. For every exchange or transfer of bonds, whether temporary or definitive, the Municipality and the Registration Agent may make a charge, unless otherwise herein to the contrary expressly provided, sufficient to pay for any tax, fee, or other governmental charge required to be paid with respect to such exchange or transfer, all of which taxes, fees, or other governmental charges shall be paid by the person or entity requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making

such exchange or transfer. The Municipality and the Registration Agent, and any other person, may treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment hereof, and for all other purposes, and shall not be affected by any notice to the contrary, whether this bond be overdue or not.

The Municipality and the Registration Agent may deem and treat the person or entity in whose name this bond is registered as the absolute owner hereof, whether such bond shall be overdue or not, for the purpose of receiving payment of the principal of, premium, if any, and interest on, this bond and for all other purposes. All such payments so made shall be valid and effectual to satisfy and discharge the liability upon this bond to the extent of the sum or sums so paid, and neither the Municipality nor the Registration Agent shall be affected by any notice to the contrary.

The Bonds are issuable only as fully registered Bonds, without coupons, in the denomination of \$5,000 or any authorized integral multiple thereof. At the principal office of the Registration Agent, in the manner and subject to the limitations, conditions, and charges provided in the Resolution, Bonds may be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of authorized denominations, and bearing interest at the same rate.

The Bonds shall be subject to redemption, in whole or in part, at the option of the Municipality, at any time, at the price of par plus accrued interest to the date of redemption, upon not less than fifteen (15) calendar days written notice to the Registered Owner.

This Bond shall have all the qualities and incidents of, and shall be a negotiable instrument under, the Uniform Commercial Code of the State of Tennessee, subject only to provisions respecting registration of such Bond. This Bond is issued with the intent that the laws of the State of Tennessee shall govern its construction.

It is hereby certified, recited, and declared that all acts and conditions required to be done and to exist precedent to, and in the issuance of, this bond in order to make this bond a legal, valid, and binding obligation of the Municipality, have been done, and did exist in due time and form as required by the Constitution and statutes of the State of Tennessee, and that this bond and the issue of which it is a part, together with all other indebtedness of such Municipality, does not exceed any limitation prescribed by the Constitution or statutes of the State of Tennessee.

IN WITNESS WHEREOF, THE TOWN OF SIGNAL MOUNTAIN, TENNESSEE, by its Town Council has caused this bond to be executed by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the Recorder, to have its official seal, or a facsimile thereof, to be impressed or imprinted hereon, all as of _____, 2003.

MAYOR

(SEAL)

ATTEST:

RECORDER

Date of Authentication:

CERTIFICATE OF AUTHENTICATION

This bond is one of the Bonds described in the provisions of the within mentioned Resolution and is one of the Water Revenue and Tax Refunding Bonds, Series 2003, of the Town of Signal Mountain, Tennessee.

By: _____
Recorder, as Registration Agent

FORM OF ASSIGNMENT

For value received, the undersigned do(es) hereby sell, assign and transfer unto

(Name, Address and Tax Identification or Social
Security Number of Assignee)

the within-registered Bond and do(es) hereby irrevocably constitute and appoint, attorney, to transfer the same on the registration books of the Registration Agent, with full power of substitution in the premises.

Dated: _____

SIGNATURE GUARANTEED:

SIGNATURE:

NOTICE: Signature(s) must be guaranteed by a member firm of a Medallion Program acceptable to the Registration Agent.

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

ORDINANCE NO. 2003-4

ORDINANCE TO ESTABLISH A REVISED OCCUPATIONAL SAFETY AND HEALTH PROGRAM FOR THE TOWN OF SIGNAL MOUNTAIN, TENNESSEE, DEVISE RULES AND REGULATIONS, AND TO PROVIDE FOR A DIRECTOR AND THE IMPLEMENTATION OF SUCH PROGRAM

WHEREAS, in compliance with Public Chapter 561 of the General Assembly of the State of Tennessee for the year 1972, as amended, the Town of Signal Mountain hereby amends its Occupational Safety and Health Program for the employees of the Town of Signal Mountain, Tennessee found at Signal Mountain Municipal Code §§ 4-101 through 4-104.

NOW THEREFORE,

Section 1. BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF SIGNAL MOUNTAIN, TENNESSEE that there be and is hereby created an occupational safety and health program for the employees of the Town of Signal Mountain, Tennessee which amends Title 4 of the Signal Mountain Municipal Code to add the following new sections:

§ 4-105. **Establishment and Administration by the Town Manager.** This section shall provide authority for establishing and administering the Occupational Safety and Health Program Plan for the employees of the Town of Signal Mountain, Tennessee by the Town Manager.

§ 4-106. **Purpose.** The Town of Signal Mountain, Tennessee, in electing to update their established program plan will maintain an effective occupational safety and health program for its employees and shall:

- (1) Provide a safe and healthful place and condition of employment that includes:
 - a) Top Management Commitment and Employee Involvement;
 - b) Continually analyze the worksite to identify all hazards and potential hazards;
 - c) Develop and maintain methods for preventing or controlling existing or potential hazards; and
 - d) Train managers, supervisors, and employees to understand and deal with worksite hazards.
- (2) Acquire, maintain and require the use of safety equipment, personal protective equipment and devices reasonably necessary to protect employees.
- (3) Make, keep, preserve, and make available to the Commissioner of Labor and Workforce Development of the State of Tennessee, his designated representatives, or persons within the Tennessee Department of Labor and Workforce Development to whom such responsibilities have been delegated, adequate records of all occupational accidents and illnesses and personal injuries for proper evaluation and necessary corrective action as required.
- 4) Consult with the State Commissioner of Labor and Workforce Development with regard to the adequacy of the form and content of records.

- 5) Consult with the State Commissioner of Labor and Workforce Development, as appropriate, regarding safety and health problems which are considered to be unusual or peculiar and are such that they cannot be achieved under a standard promulgated by the State.
- 6) Provide reasonable opportunity for the participation of employees in the effectuation of the objectives of this program, including the opportunity to make anonymous complaints concerning conditions or practices injurious to employee safety and health.
- 7) Provide for education and training of personnel for the fair and efficient administration of occupational safety and health standards, and provide for education and notification of all employees of the existence of this program.

§ 4-107. **Coverage.** The provisions of the Occupational Safety and Health Program Plan for the employees of the Town of Signal Mountain, Tennessee shall apply to all employees of each administrative department, commission, board, division, or other agency of the Town of Signal Mountain, Tennessee, whether part-time or full-time, seasonal or permanent.

§ 4-108. **Standards Authorized.** The occupational safety and health standards adopted by the Town of Signal Mountain, Tennessee are the same as, but not limited to, the State of Tennessee Occupational Safety and Health Standards promulgated, or which may be promulgated, in accordance with Section 6 of the Tennessee Occupational Safety and Health Act of 1972 (T.C.A. Title 50, Chapter 3).

§ 4-109. Variances from Standards Authorized. The Town of Signal Mountain, Tennessee may, upon written application to the Commissioner of Labor and Workforce Development of the State of Tennessee, request an order granting a temporary variance from any approved standards. Applications for variances shall be in accordance with Rules of Tennessee Department of Labor and Workforce Development, Occupational Safety, Chapter 0800-1-2, as authorized by T.C.A., Title 50. Prior to requesting such temporary variance, the Town of Signal Mountain, Tennessee shall notify or serve notice to employees, their designated representatives, or interested parties and present them with an opportunity for a hearing. The posting of notice on the main bulletin board as designated by the Town of Signal Mountain, Tennessee shall be deemed sufficient notice to employees.

§ 4-110. Administration. For the purposes of this Ordinance, the Town Manager is designated as the Director of Occupational Safety and Health to perform duties and to exercise powers assigned so as to plan, develop, and administer a safety and health program for employees of the Town of Signal Mountain, Tennessee. The Director shall develop a plan of operation for the program and said plan shall be implemented by the Town Manager in a form similar to the Plan of Operation for the Occupational Safety and Health Program for the employees of the Town of Signal Mountain, Tennessee which is attached hereto as Exhibit A, when it satisfies all applicable sections of the Tennessee Occupational Safety and Health Act of 1972 and Part IV of the Tennessee Occupational Safety and Health Plan.

§ 4-111. Funding the Program. Sufficient funds for administering and staffing the program pursuant to this Ordinance shall be made available as authorized by the Town

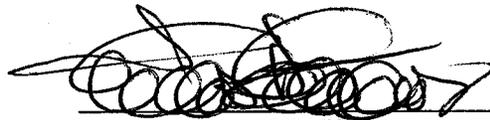
Council for each fiscal year.

§ 4-112. **Severability.** If any section, sub-section, sentence, clause, phrase, or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions hereof.

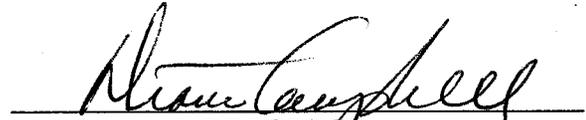
Section 2. BE IT FURTHER ORDAINED that this Ordinance shall take effect from and after the date it shall have been passed by the Town Council, properly signed, certified, and has met all other legal requirements of ordinances required by the Town Charter, and as otherwise provided by law, the general welfare of the citizens of this Town requiring it.

Passed First Reading May 24, _____, 2003.

Passed Second Reading June 9, _____, 2003.



MAYOR



RECORDER

PLAN OF OPERATION FOR THE OCCUPATIONAL SAFETY AND HEALTH PROGRAM FOR THE EMPLOYEES OF THE TOWN OF SIGNAL MOUNTAIN

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I. PURPOSE AND COVERAGE

The purpose of this plan is to provide guidelines and procedures for implementing the Occupational Safety and Health Program for the employees of the Town of Signal Mountain, Tennessee.

This plan is applicable to all employees, part-time or full-time, seasonal or permanent.

The Town of Signal Mountain, Tennessee, in electing to update and maintain an effective occupational safety and health program for its employees,

- a. Provide a safe and healthful place and condition of employment.
- b. Require the use of safety equipment, personal protective equipment, and other devices where reasonably necessary to protect employees.
- c. Make, keep, preserve, and make available to the Commissioner of Labor and Workforce Development, his designated representatives, or persons within the Department of Labor and Workforce Development to whom such responsibilities have been delegated, including the Director of the Division of Occupational Safety and Health, adequate records of all occupational accidents and illnesses and personal injuries for proper evaluation and necessary corrective action as required.
- d. Consult with the Commissioner of Labor and Workforce Development or his designated representative with regard to the adequacy of the form and content of such records.
- e. Consult with the Commissioner of Labor and Workforce Development regarding safety and health problems which are considered to be unusual or peculiar and are

such that they cannot be resolved under an occupational safety and health standard promulgated by the State.

- f. Assist the Commissioner of Labor and Workforce Development or his monitoring activities to determine program effectiveness and compliance with the occupational safety and health standards.
- g. Make a report to the Commissioner of Labor and Workforce Development annually, or as may otherwise be required, including information on occupational accidents, injuries, and illnesses and accomplishments and progress made toward achieving the goals of the occupational and health program.
- h. Provide reasonable opportunity for and encourage the participation of employees in the effectuation of the objectives of this program, including the opportunity to make anonymous complaints concerning conditions or practices which may be injurious to employees' safety and health.

II. DEFINITIONS

For the purposes of this program, the following definitions apply:

- a. **COMMISSIONER OF LABOR AND WORKFORCE DEVELOPMENT** means the chief executive officer of the Tennessee Department of Labor and Workforce Development. This includes any person appointed, designated, or deputized to perform the duties or to exercise the powers assigned to the Commissioner of Labor and Workforce Development.
- b. **EMPLOYER** means the Town of Signal Mountain, Tennessee and includes each administrative department, board, commission, division, or other agency of the Town of

Signal Mountain, Tennessee.

- c. **DIRECTOR OF OCCUPATIONAL SAFETY AND HEALTH** or **DIRECTOR** means the person designated by the establishing Ordinance, or executive order to perform duties or to exercise powers assigned so as to plan, develop, and administer the occupational safety and health program for the employees of the Town of Signal Mountain, Tennessee.
- d. **INSPECTOR(S)** means the individual(s) appointed or designated by the Director of Occupational Safety and Health to conduct inspections provided for herein. If no such compliance inspector(s) is appointed, inspections shall be conducted by the Director of Occupational Safety and Health.
- e. **APPOINTING AUTHORITY** means any official or group of officials of the employer having legally designated powers of appointment, employment, or removal therefrom for a specific department, board, commission, division, or other agency of this employer.
- f. **EMPLOYEE** means any person performing services for this employer and listed on the payroll of this employer, either as part-time, full-time, seasonal, or permanent. It also includes any persons normally classified as volunteers provided such persons received remuneration of any kind for their services. This definition shall not include independent contractors, their agents, servants, and employees.
- g. **PERSON** means one or more individuals, partnerships, associations, corporations, business trusts, or legal representatives of any organized group of persons.
- h. **STANDARD** means an occupational safety and health standard promulgated by the Commissioner of Labor and Workforce Development in accordance with Section VI (6) of the Tennessee Occupational Safety and Health Act of 1972 which requires conditions or the adoption or the use of one or more practices, means, methods, operations, or

processes or the use of equipment or personal protective equipment necessary or appropriate to provide safe and healthful conditions and places of employment.

- i. **IMMINENT DANGER** means any conditions or practices in any place of employment which are such that a hazard exists which could reasonably be expected to cause death or serious physical harm immediately or before the imminence of such hazard can be eliminated through normal compliance enforcement procedures.
- j. **ESTABLISHMENT** or **WORKSITE** means a single physical location under the control of this employer where business is conducted, services are rendered, or industrial type operations are performed.
- k. **SERIOUS INJURY** or **HARM** means that type of harm that would cause permanent or prolonged impairment of the body in that:
 1. a part of the body would be permanently removed (e.g., amputation of an arm, leg, finger(s); loss of an eye) or rendered functionally useless or substantially reduced in efficiency on or off the job (e.g., leg shattered so severely that mobility would be permanently reduced), or
 2. a part of an internal body system would be inhibited in its normal performance or function to such a degree as to shorten life or cause reduction in physical or mental efficiency (e.g., lung impairment causing shortness of breath).

On the other hand, simple fractures, cuts, bruises, concussions, or similar injuries would not fit either of these categories and would not constitute serious physical harm.

1. **ACT** or **TOSHAct** shall mean the Tennessee Occupational Safety and Health Act of 1972.

- m. **GOVERNING BODY** means the County Quarterly Court, Board of Aldermen, Board of Commissioners, City or Town Council, Board of Governors, etc., whichever may be applicable to the local government, government agency, or utility to which this plan applies.
- n. **CHIEF EXECUTIVE OFFICER** means the chief administrative official, County Judge, County Chairman, Mayor, Town Manager, General Manager, etc., as may be applicable.

III. EMPLOYERS RIGHTS AND DUTIES

Rights and duties of the employer shall include, but are not limited to, the following provisions:

- a. Employer shall furnish to each employee conditions of employment and a place of employment free from recognized hazards that are causing or are likely to cause death or serious injury or harm to employees.
- b. Employer shall comply with occupational safety and health standards and regulations promulgated pursuant to Section VI (6) of the Tennessee Occupational Safety and Health Act of 1972.
- c. Employer shall refrain from and unreasonable restraint on the right of the Commissioner of Labor and Workforce Development to inspect the employers place(s) of business. Employer shall assist the Commissioner of Labor and Workforce Development in the performance of their monitoring duties by supplying or by making available information, personnel, or aids reasonably necessary to the effective conduct of the monitoring activity.
- d. Employer is entitled to participate in the development of standards by submission of

comments on proposed standards, participation in hearing on proposed standards, or by requesting the development of standards on a given issue under Section 6 of the Tennessee Occupational Safety and Health Act of 1972.

- e. Employer is entitled to request an order granting a variance from an occupational safety and health standard.
- f. Employer is entitled to protection of its legally privileged communication.
- g. Employer shall inspect all worksites to insure the provisions of this program are complied with and carried out.
- h. Employer shall notify and inform any employee who has been or is being exposed in a biologically significant manner to harmful agents or material in excess of the applicable standard and of corrective action being taken.
- i. Employer shall notify all employees of their rights and duties under this program.

IV. EMPLOYEES RIGHTS AND DUTIES

Rights and duties of employees shall include, but are not limited to, the following provisions:

- a. Each employee shall comply with occupational safety and health act standards and all rules, regulations, and orders issued pursuant to this program and the Tennessee Occupational Safety and Health Act of 1972 which are applicable to his or her own actions and conduct.
- b. Each employee shall be notified by the placing of a notice upon bulletin boards, or other places of common passage, of any application for a permanent or temporary order granting the employer a variance from any provision of the TOSHAct or any standard or regulation promulgated under the Act.

- c. Each employee shall be given the opportunity to participate in any hearing which concerns an application by the employer for a variance from a standard or regulation promulgated under the Act.
- d. Any employee who may be adversely affected by a standard or variance issued pursuant to the Act or this program may file a petition with the Commissioner of Labor and Workforce Development or whoever is responsible for the promulgation of the standard or the granting of the variance.
- e. Any employee who has been exposed or is being exposed to toxic materials or harmful physical agents in concentrations or at levels in excess of that provided for by any applicable standard shall be provided by the employer with information on any significant hazards to which they are or have been exposed, relevant symptoms, and proper conditions for safe use or exposure. Employees shall also be informed of corrective action being taken.
- f. Subject to regulations issued pursuant to this program, any employee or authorized representative of employees shall be given the right to request an inspection and to consult with the Director or Inspector at the time of the physical inspection of the worksite.
- g. Any employee may bring to the attention of the Director any violation or suspected violations of the standards or any other health or safety hazards.
- h. No employee shall be discharged or discriminated against because such employee has filed any complaint or instituted or caused to be instituted any proceeding or inspection under or relating to this program.
- i. Any employee who believes that he or she has been discriminated against or discharged

in violation of subsection (h) of this section may file a complaint alleging such discrimination with the Director. Such employee may also, within thirty (30) days after such violation occurs, file a complaint with the Commissioner of Labor and Workforce Development alleging such discrimination.

- j. Nothing in this or any other provisions of this program shall be deemed to authorize or require any employee to undergo medical examination, immunization, or treatment for those who object thereto on religious grounds, except where such is necessary for the protection of the health or safety of others or when a medical examination may be reasonably required for performance of a specific job.
- k. Employees shall report any accident, injury, or illness resulting from their job, however minor it may seem to be, to their supervisor or the Director within twenty-four (24) hours after the occurrence.

V. ADMINISTRATION

- a. The Director of Occupational Safety and Health is designated to perform duties or to exercise powers assigned so as to administer this Occupational Safety and Health Program.
 - 1. The Director may designate person or persons as he deems necessary to carry out his powers, duties, and responsibilities under this program.
 - 2. The Director may delegate the power to make inspections, provided procedures employed are as effective as those employed by the Director.
 - 3. The Director shall employ measures to coordinate, to the extent possible, activities of all departments to promote efficiency and to minimize any

inconveniences under this program.

4. The Director may request qualified technical personnel from any department or section of government to assist him in making compliance inspections, accident investigations, or as he may otherwise deem necessary and appropriate in order to carry out his duties under this program.
 5. The Director shall prepare the report to the Commissioner of Labor and Workforce Development required by subsection (g) of Section 1 of this plan.
 6. The Director shall make or cause to be made periodic and follow-up inspections of all facilities and worksites where employees of this employer are employed. He shall make recommendations to correct any hazards or exposures observed. He shall make or cause to be made any inspections required by complaints submitted by employees or inspections requested by employees.
 7. The Director shall assist any officials of the employer in the investigation of occupational accidents or illnesses.
 8. The Director shall maintain or cause to be maintained records required under Section VIII of this plan.
 9. The Director shall, in the eventuality that there is a fatality or an accident resulting in the hospitalization of three or more employees insure that the Commissioner of Labor and Workforce Development receives notification of the occurrence within eight (8) hours.
- b. The administrative or operational head of each department, division, board, or other agency of this employer shall be responsible for the implementation of this occupational

safety and health program within their respective areas.

1. The administrative or operational head shall follow the directions of the Director on all issues involving occupational safety and health of employees as set forth in this plan.
2. The administrative or operational head shall comply with all abatement orders issued in accordance with the provisions of this plan or request a review of the order with the Director within the abatement period.
3. The administrative or operational head should make periodic safety surveys of the establishment under his jurisdiction to become aware of hazards or standards violations that may exist and make an attempt to immediately correct such hazards or violations.
4. The administrative or operational head shall investigate all occupational accidents, injuries, or illnesses reported to him. He shall report such accidents, injuries, or illnesses to the Director along with his findings and/or recommendations in accordance with APPENDIX V of this plan.

VI. STANDARDS AUTHORIZED

The standards adopted under this program are the applicable standards developed and promulgated under Section VI (6) of the Tennessee Occupational Safety and Health Act of 1972 or which may, in the future, be developed and promulgated. Additional standards may be promulgated by the governing body of this employer as that body may deem necessary for the safety and health of employees.

VII. VARIANCE PROCEDURE

The Director may apply for a variance as a result of a complaint from an employee or of his knowledge of certain hazards or exposures. The Director should definitely believe that a variance is needed before the application for a variance is submitted to the Commissioner of Labor and Workforce Development.

The procedure for applying for a variance to the adopted safety and health standards is as follows:

- a. The application for a variance shall be prepared in writing and shall contain:
 1. A specification of the standard or portion thereof from which the variance is sought.
 2. A detailed statement of the reason(s) why the employer is unable to comply with the standard supported by representations by qualified personnel having first-hand knowledge of the facts represented.
 3. A statement of the steps employer has taken and will take (with specific date) to protect employees against the hazard covered by the standard.
 4. A statement of when the employer expects to comply and what steps have or will be taken (with dates specified) to come into compliance with the standard.
 5. A certification that the employer has informed employees, their authorized representative(s), and/or interested parties by giving them a copy of the request, posting a statement summarizing the application (to include the location of a copy available for examination) at the places where employee notices are normally posted and by other appropriate means. The certification shall contain a

description of the means actually used to inform employees and that employees have been informed of their right to petition the Commissioner of Labor and Workforce Development for a hearing.

- b. The application for a variance should be sent to the Commissioner of Labor and Workforce Development by registered or certified mail.
- c. The Commissioner of Labor and Workforce Development will review the application for a variance and may deny the request or issue an order granting the variance. An order granting a variance shall be issued only if it has been established that:
 - 1. The employer
 - i. Is unable to comply with the standard by the effective date because of unavailability of professional or technical personnel or materials and equipment required or necessary construction or alteration of facilities or technology.
 - ii. Has taken all available steps to safeguard employees against the hazard(s) covered by the standard.
 - iii. Has as effective program for coming into compliance with the standard as quickly as possible.
 - 2. The employee is engaged in an experimental program as described in subsection (b), section 13 of the Act.
- d. A variance may be granted for a period of no longer than is required to achieve compliance or one (1) year, whichever is shorter.
- e. Upon receipt of an application for an order granting a variance, the Commissioner to whom such application is addressed may issue an interim order granting such a variance

for the purpose of permitting time for an orderly consideration of such application. No such interim order may be effective for longer than one hundred eighty (180) days.

- f. The order or interim order granting a variance shall be posted at the worksite and employees notified of such order by the same means used to inform them of the application for said variance (see subsection (a)(5) of this section).

VIII. RECORDKEEPING AND REPORTING

- a. Recording and reporting of all occupational accident, injuries, and illnesses shall be in accordance with instructions and on forms prescribed in the booklet, RECORDKEEPING REQUIREMENTS UNDER THE OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970 (Revised 2003) or as may be prescribed by the Tennessee Department of Labor and Workforce Development.
- b. The position responsible for recordkeeping is shown on the SAFETY AND HEALTH ORGANIZATIONAL CHART, Appendix V to this plan.
- c. Details of how reports of occupational accidents, injuries, and illnesses will reach the recordkeeper are specified by ACCIDENT REPORTING PROCEDURES, Appendix V to this plan.

IX. EMPLOYEE COMPLAINT PROCEDURE

If any employee feels that he is assigned to work in conditions which might affect his health, safety, or general welfare at the present time or at any time in the future, he should report the condition to the Director of Occupational Safety and Health.

- a. The complaint should be in the form of a letter and give details on the condition(s) and how the employee believes it affects or will affect his health, safety, or general welfare.

The employee should sign the letter but need not do so if he wishes to remain anonymous (see subsection (h) of Section 1 of this plan).

- b. Upon receipt of the complaint letter, the Director will evaluate the condition(s) and institute any corrective action, if warranted. Within ten (10) working days following the receipt of the complaint, the Director will answer the complaint in writing stating whether or not the complaint is deemed to be valid and if no, why not, what action has been or will be taken to correct or abate the condition(s), and giving a designated time period for correction or abatement. Answers to anonymous complaints will be posted upon bulletin boards or other places of common passage where the anonymous complaint may be reasonably expected to be seen by the complainant for a period of three (3) working days.
- c. If the complainant finds the reply not satisfactory because it was held to be invalid, the corrective action is felt to be insufficient, or the time period for correction is felt to be too long, he may forward a letter to the Chief Executive Officer or to the governing body explaining the condition(s) cited in his original complaint and why he believes the answer to be inappropriate or insufficient.
- d. The Chief Executive Officer or a representative of the governing body will evaluate the complaint and will begin to take action to correct or abate the condition(s) through arbitration or administrative sanctions or may find the complaint to be invalid. An answer will be sent to the complainant within ten (10) working days following receipt of the complaint or the next regularly scheduled meeting of the governing body following receipt of the complaint explaining decisions made and action taken or to be taken.
- e. After the above steps have been followed and the complainant is still not satisfied with the results, he may then file a complaint with the Commissioner of Labor and Workforce

Development. Any complaint filed with the Commissioner of Labor and Workforce Development in such cases shall include copies of all related correspondence with the Director and the Chief Executive Officer or the representative of the governing body.

- f. Copies of all complaint and answers thereto will be filed by the Director who shall make them available to the Commissioner of Labor and Workforce Development or his designated representative upon request.

X. EDUCATION AND TRAINING

a. Director and/or Compliance Inspector(s):

1. Arrangements will be made for the Director and/or Compliance Inspector(s) to attend training seminars, workshops, etc., conducted by the State of Tennessee or other agencies.
2. Reference materials, manuals, equipment, etc., deemed necessary for use in conducting compliance inspections, conducting local training, wiring technical reports, and informing officials, supervisors, and employees of the existence of safety and health hazards will be furnished.

b. All Employees (including Managers and Supervisory personnel):

A suitable safety and health training program for employees will be established. This program will, as a minimum:

1. Instruct each employee in the recognition and avoidance of hazards or unsafe conditions and of standards and regulations applicable to the employees work environment to control or eliminate any hazards, unsafe conditions, or other exposures to occupational

illness or injury (such as falls, electrocution, crushing injuries (e.g., trench cave-ins), and being struck by material or equipment).

2. Instruct employees who are required to handle poisons, acids, caustics, explosives, and other harmful or dangerous substances (including carbon monoxide and chlorine) in the safe handling and use of such items and make them aware of the potential hazards, proper handling procedures, personal protective measures, person hygiene, etc., which may be required.
3. Instruct employees who may be exposed to environments where harmful plants or animals are present of the hazards of the environment, how to best avoid injury or exposure, and the first aid procedures to be followed in the event of injury or exposure.
4. Instruct employees required to handle or use flammable liquids, gases, or toxic materials in their safe handling and use and make employees aware of specific requirements contained in Subparts H and M and other applicable subparts of TOSHAct standards (1910 and/or 1926).
5. Instruct employees on hazards and dangers of confined or enclosed spaces.
 - i. Confined or enclosed space means space having a limited means of egress and which is subject to the accumulation of toxic or flammable contaminants or has an oxygen deficient atmosphere. Confined or enclosed spaces include, but are not limited to, storage tanks, boilers, ventilation or exhaust ducts, sewers, underground utility accesses, tunnels, pipelines, and open top spaces more than four feet (4') in depth such as pits, tubs, vaults, and vessels.
 - ii. Employees will be given general instruction on hazards involved, precautions to be taken, and on use of personal protective and emergency equipment required.

They shall also be instructed on all specific standards or regulations that apply to work in dangerous or potentially dangerous areas.

- iii. The immediate supervisor of any employee who must perform work in a confined or enclosed space shall be responsible for instructing employees on danger of hazards which may be present, precautions to be taken, and use of personal protective and emergency equipment, immediately prior to their entry into such an area and shall require use of appropriate personal protective equipment.

XI. GENERAL INSPECTION PROCEDURES

It is the intention of the governing body and responsible officials to have an occupational safety and health program that will insure the welfare of employees. In order to be aware of hazards, periodic inspections must be performed. These inspections will enable the finding of hazards or unsafe conditions or operations that will need correction in order to maintain safe and healthful worksites. Inspections made on a pre-designated basis may not yield the desired results. Inspections will be conducted, therefore, on a random basis at intervals not to exceed thirty (30) calendar days.

- a. In order to carry out the purposes of this program, the Director and/or Compliance Inspector(s), if appointed, is authorized:
 1. To enter at any reasonable time, any establishment, facility, or worksite where work is being performed by an employee when such establishment, facility, or worksite is under the jurisdiction of the employer and;
 2. To inspect and investigate during regular working hours and at other reasonable times, within reasonable limits, and in a reasonable manner, any such place of

employment and all pertinent conditions, processes, structures, machines, apparatus, devices, equipment, and materials therein, and to question privately any supervisor, operator, agent, or employee working therein.

- b. If an imminent danger situation is found, alleged, or otherwise brought to the attention of the Director or Inspector during a routine inspection, he shall immediately inspect the imminent danger situation in accordance with Section XII of this plan before inspecting the remaining portions of the establishment, facility, or worksite.
- c. An administrative representative of the employer and a representative authorized by the employees shall be given an opportunity to consult with and/or to accompany the Director or Inspector during the physical inspection of any worksite for the purpose of aiding such inspection.
- d. The right of accompaniment may be denied any person whose conduct interferes with a full and orderly inspection.
- e. The conduct of the inspection shall be such as to preclude unreasonable disruptions of the operation(s) of the workplace.
- f. Interviews of employees during the course of the inspection may be made when such interviews are considered essential to investigative techniques.
- g. Advance Notice of Inspections.
 - 1. Generally, advance notice of inspections will not be given as this precludes the opportunity to make minor or temporary adjustments in an attempt to create misleading impression of conditions in an establishment.
 - 2. There may be occasions when advance notice of inspections will be necessary in order to conduct an effective inspection or investigation. When advance notice of

inspection is given, employees or their authorized representative(s) will also be given notice of the inspection.

- h. The Director need not personally make an inspection of each and every worksite once every thirty (30) days. He may delegate the responsibility for such inspections to supervisors or other personnel provided:
 - 1. Inspections conducted by supervisors or other personnel are at least as effective as those made by the Director.
 - 2. Records are made of the inspections and of any discrepancies found and are forwarded to the Director.
- i. The Director shall maintain records of inspections to include identification of worksite inspected, date of inspection, description of violations of standards or other unsafe conditions or practices found, and corrective action taken toward abatement. Said inspection records shall be subject to review by the Commissioner of Labor and Workforce Development or his authorized representative.

XII. IMMINENT DANGER PROCEDURES

- a. Any discovery, any allegation, or any report of imminent danger shall be handled in accordance with the following procedures:
 - 1. The Director shall immediately be informed of the alleged imminent danger situation and he shall immediately ascertain whether there is a reasonable basis for the allegation.
 - 2. If the alleged imminent danger situation is determined to have merit by the Director, he shall make or cause to be made an immediate inspection of the

alleged imminent danger location.

3. As soon as it is concluded from such inspection that conditions or practices exist which constitutes an imminent danger, the Director or Compliance Inspector shall attempt to have the danger corrected. All employees at the location shall be informed of the danger and the supervisor or person in charge of the worksite shall be requested to remove employees from the area, if deemed necessary.
 4. The administrative or operational head of the workplace in which the imminent danger exists, or his authorized representative, shall be responsible for determining the manner in which the imminent danger situation will be abated. This shall be done in cooperation with the Director or Compliance Inspector and to the mutual satisfaction of all parties involved.
 5. The imminent danger shall be deemed abated if:
 - i. The imminence of the danger has been eliminated by removal of employees from the area of danger.
 - ii. Conditions or practices which resulted in the imminent danger have been eliminated or corrected to the point where an unsafe condition or practice no longer exists.
 6. A written report shall be made by or to the Director describing in detail the imminent danger and its abatement. This report will be maintained by the Director in accordance with subsection (i) of Section XI of this plan.
- b. Refusal to Abate.
1. Any refusal to abate an imminent danger situation shall be reported to the

Director and Chief Executive Officer immediately.

2. The Director and/or Chief Executive Officer shall take whatever action may be necessary to achieve abatement.

XIII. ABATEMENT ORDERS AND HEARINGS

- a. Whenever, as a result of an inspection or investigation, the Director or Compliance Inspector(s) finds that a worksite is not in compliance with the standards, rules or regulations pursuant to this plan and is unable to negotiate abatement with the administrative or operational head of the worksite within a reasonable period of time, the Director shall:
 1. Issue an abatement order to the head of the worksite.
 2. Post, or cause to be posted, a copy of the abatement order at or near each location referred to in the abatement order.
- b. Abatement orders shall contain the following information:
 1. The standard, rule, or regulation which was found to violated.
 2. A description of the nature and location of the violation.
 3. A description of what is required to abate or correct the violation.
 4. A reasonable period of time during which the violation must be abated or corrected.
- c. At any time within ten (10) days after receipt of an abatement order, anyone affected by the order may advise the Director in writing of any objections to the terms and conditions of the order. Upon receipt of such objections, the Director shall act promptly to hold a hearing with all interested and/or responsible parties in an effort to resolve any objections. Following such hearing, the Director shall, within three (3) working days,

issue an abatement order and such subsequent order shall be binding on all parties and shall be final.

XIV. PENALTIES

- a. No civil or criminal penalties shall be issued against any official, employee, or any other person for failure to comply with safety and health standards or any rules or regulations issued pursuant to this program.
- b. Any employee, regardless of status, who willfully and/or repeatedly violates, or causes to be violated, any safety and health standard, rule, or regulation or any abatement order shall be subject to disciplinary action by the appointing authority. It shall be the duty of the appointing authority to administer discipline by taking action in one of the following ways as appropriate and warranted:
 1. Oral reprimand.
 2. Written reprimand.
 3. Suspension for three (3) or more working days.
 4. Termination of employment.

XV. CONFIDENTIALITY OF PRIVILEGED INFORMATION

All information obtained by or reported to the Director pursuant to this plan of operation or the legislation (Ordinance, or executive order) enabling this occupational safety and health program which contains or might reveal information which is otherwise privileged shall be considered confidential. Such information may be disclosed to other officials or employees concerned with carrying out this program or when relevant in any proceeding under this program. Such information may also be disclosed to the Commissioner of Labor and Workforce

Development or their authorized representatives in carrying out their duties under the Tennessee Occupational Safety and Health Act of 1972.

XVI. COMPLIANCE WITH OTHER LAWS NOT EXCUSED

- a. Compliance with any other law, statute, Ordinance, or executive order, as applicable, which regulates safety and health in employment and places of employment shall not excuse the employer, the employee, or any other person from compliance with the provisions of this program.
- b. Compliance with any provisions of this program or any standard, rule, regulation, or order issued pursuant to this program shall not excuse the employer, the employee, or any other person from compliance with the law, statute, Ordinance, or executive order, as applicable, regulating and promoting safety and health unless such law, statute, Ordinance, or executive order, as applicable, is specifically repealed.

HERSHEL DICK, *Town Manager*

OCCUPATIONAL SAFETY AND HEALTH PROGRAM PLAN - APPENDIX I

ORGANIZATIONAL CHART

{For this section make a list of each work location wherein city employees work, such as Town Hall, Water Plant, Police Department, Town Garage, etc.), the address for the workplace, phone number at that workplace, and number of employees who work there.}

Town Hall Building – 14 employees
 1111 Ridgeway Avenue
 Signal Mountain, TN 37377
 (423) 886-2177

Engineering Office – 3 employees
 611 Timberlinks
 Signal Mountain, TN 37377
 (423) 886-4333

Swimming Pool – 40 employees
 1111 Ridgeway Avenue
 Signal Mountain, TN 37377
 (423) 886-2177

Police/Fire Departments – 38 employees
 1111 Ridgeway Complex
 Signal Mountain, TN 37377
 Police (423) 886-2123/Fire (423) 886-3314

Library – 6 employees
 1114 James Boulevard
 Signal Mountain, TN 37377
 (423) 886-7323

Tennis Courts Building – 3 employees
 1111 Ridgeway Complex
 Signal Mountain, TN 37377
 (423) 886-5202

MACC – 3 employees
 809 Kentucky Avenue
 Signal Mountain, TN 37377
 (423) 886-2177

Water Maintenance Shop – 8 employees
 1111 Ridgeway Complex
 Signal Mountain, TN 37377
 (423) 886-3243

Transfer Station – 18 employees
 714 Mississippi Avenue
 Signal Mountain, TN 37377
 (423) 886-3301

Recycle Center – 2 employees
 1151 Ridgeway Avenue
 Signal Mountain, TN 37377
 (423) 886-4341

TOTAL NUMBER OF EMPLOYEES: 135

{Once each work location has been listed, record the total number of employees that the city employees.}

OCCUPATIONAL SAFETY AND HEALTH PROGRAM PLAN - APPENDIX II

SAFETY AND HEALTH ORGANIZATIONAL CHART

OCCUPATIONAL SAFETY AND HEALTH PROGRAM PLAN APPENDIX III

NOTICE TO ALL EMPLOYEES OF TOWN OF SIGNAL MOUNTAIN, TENNESSEE:

The Tennessee Occupational Safety and Health Act of 1972 provides job safety and health protection for Tennessee workers through the promotion of safe and healthful working conditions. Under a plan reviewed by the Tennessee Department of Labor and Workforce Development, this government, as an employer, is responsible for administering the Act to its employees. Safety and health standards are the same as State standards and jobsite inspections will be conducted to insure compliance with the Act.

Employees shall be furnished conditions of employment and a place of employment free from recognized hazards that are causing or are likely to cause death or serious injury or harm to employees.

Each employee shall comply with occupational safety and health standards and all rules, regulations, and orders issued pursuant to this program which are applicable to his or her own actions and conduct.

Each employee shall be notified by the placing upon bulletin boards or other places of common passage of any application for a temporary variance from any standard or regulation.

Each employee shall be given the opportunity to participate in any hearing which concerns an application for a variance from a standard.

Any employee who may be adversely affected by a standard or variance issued pursuant to this program may file a petition with the Director or Town Recorder.

Any employee who has been exposed or is being exposed to toxic materials or harmful

physical agents in concentrations or at levels in excess of that provided for by an applicable standard shall be notified by the employer and informed of such exposure and corrective action being taken.

Subject to regulations issued pursuant to this program, any employee or authorized representative(s) of employees shall be given the right to request an inspection.

No employee shall be discharged or discriminated against because such employee has filed any complaint or instituted or caused to be instituted any proceedings or inspection under, or relating to, this program.

Any employee who believes he or she has been discriminated against or discharged in violation of these sections may, within thirty (30) days after such violation occurs, have an opportunity to appear in a hearing before the Town Council for assistance in obtaining relief or to file a complaint with the Commissioner of Labor and Workforce Development alleging such discrimination.

A copy of the Occupational Safety and Health Program for the Employees of the Town of Signal Mountain, Tennessee is available for inspection by any employee at Signal Mountain Town Hall, 1111 Ridgeway Avenue, Signal Mountain, TN 37377 during regular office hours.

HERSHEL DICK, *Town Manager*

OCCUPATIONAL SAFETY AND HEALTH PLAN

APPENDIX IV

PROGRAM BUDGET

1. Prorated portion of wages, salaries, etc., for program administration and support.
2. Office space and office supplies.
3. Safety and health educational materials and support for education and training.
4. Safety devices for personnel safety and health.
5. Equipment modifications.
6. Equipment additions (facilities)
7. Protective clothing and equipment (personnel)
8. Safety and health instruments
9. Funding for projects to correct hazardous conditions.
10. Reserve fund for the program.
11. Contingencies and miscellaneous,

TOTAL ESTIMATED PROGRAM FUNDING: _____

ESTIMATE OF TOTAL BUDGET FOR: _____

OCCUPATIONAL SAFETY AND HEALTH PROGRAM PLAN

ACCIDENT REPORTING PROCEDURES

Note: All fatalities or accidents involving the hospitalization of three (3) or more employees shall be reported by phone to the Commissioner of Labor and Workforce Development within eight (8) hours.

There are five important steps required by the OSHA recordkeeping system:

1. Obtain a report on every injury requiring medical treatment (other than first aid).
2. Record each injury on the OSHA Form No. 300 according to the instructions provided.
3. Prepare a supplementary record of occupational injuries and illnesses for recordable cases either on OSHA Form No. 301 or on worker's compensation reports giving the same information.
4. Every year, prepare the annual summary (OSHA Form No. 300); post it no later than February 1, and keep it posted until April 30.
5. Retain these records for at least 5 years.

The four (4) procedures listed below are based upon the size of the work force and relative complexity of the organization. The approximate size of the organization for which each procedure is suggested is indicated in parenthesis in the left hand margin at the beginning, i.e., (1-15), (16-50), (51-250), and (251 Plus), and the figures relate to the total number of employees including the Chief Executive Officer but excluding the governing body (County Court, City Council, Board of Directors, etc.).

- (1-15) Employees shall report all accidents, injuries, or illnesses directly to the Director as soon as possible, but not later than twenty-four (24) hours, of their occurrence. Such reports may be verbal or in writing. All fatalities or accidents involving the hospitalization of three (3) or more employees shall be reported to the Director and/or recordkeeper immediately, either by telephone or verbally, and will be followed by a written report within four (4) hours after their occurrence. The Director will insure completion of required reports and records in accordance with Section VIII of the basic plan.
- (16-50) Employees shall report all accidents, injuries, or illnesses to their supervisor as soon as possible, but not later than two (2) hours after their occurrence. All fatalities or accidents involving the hospitalization of three (3) or more employees shall be reported to the Director and/or recordkeeper immediately, either by telephone or verbally, and will be followed by a written report within four (4) hours after their occurrence. The supervisor will investigate the accident or illness, complete an accident report, and forward the accident report to the Director and/or recordkeeper within twenty-four (24) hours of the time the accident or injury occurred or the time of the first report of the illness.
- (51-250) Employees shall report all accidents, injuries, or illnesses to their supervisor as soon as possible, but not later than two (2) hours, after their occurrence. The supervisor will provide the Director and/or recordkeeper with the name of the injured or ill employee and a brief description of the accident or illness by telephone as soon as possible, but not later than four (4) hours, after the accident or injury occurred or the time of the first report of the illness. All fatalities or accidents involving the

hospitalization of three (3) or more employees shall be reported to the Director and/or recordkeeper immediately, either by telephone or verbally, and will be followed by a written report within four (4) hours after their occurrence. The supervisor will then make a thorough investigation of the accident or illness (with the assistance of the Director or Compliance Inspector, if necessary) and will complete a written report on the accident or illness and forward it to the Director within seventy-two (72) hours after the accident, injury, or first report of illness and will provide one (1) copy of the written report to the recordkeeper.

(51-Plus) Employees shall report all accidents, injuries, or illnesses to their supervisors as soon as possible, but not later than two (2) hours after their occurrence. The supervisor will provide the administrative head of the department with a verbal or telephone report of the accident as soon as possible, but not later than four (4) hours, after the accident. If the accident involves loss of consciousness, a fatality, broken bones, severed body member, or third degree burns, the Director will be notified by telephone immediately and will be given the name of the injured, a description of the injury, and a brief description of how the accident occurred. The supervisor or the administrative head of the accident within seventy-two (72) hours after the accident occurred (four (4) hours in the event of accidents involving a fatality or the hospitalization of three (3) or more employees).

Since a Workers Compensation Form C20 or OSHA NO. 301 Form must be completed, all reports submitted in writing to the person responsible for recordkeeping shall include the following information as a minimum:

1. Accident location, if different from employers mailing address and state whether accident occurred on premises owned or operated by employer.
2. Name, social security number, home address, age, sex, and occupation (regular job title) of injured or ill employee.
3. Title of the department or division in which the injured or ill employee is normally employed.
4. Specific description of what the employee was doing when injured.
5. Specific description of how the accident occurred.
6. A description of the injury or illness in detail and the part of the body affected.
7. Name of the object or substance which directly injured the employee.
8. Date and time of injury or diagnosis of illness.
9. Name and address of physician, if applicable.
10. If employee was hospitalized, name and address of hospital.
11. Date of report.

NOTE: A procedure such as one of those listed above or similar information is necessary to satisfy Item Number 6 listed under **PROGRAM PLAN** in Chapter IV, Part IV of the Tennessee Occupational Safety and Health Plan. This information may be submitted in flow chart form instead of in narrative form if desired. These procedures may be modified in any way to fit local situations as they have been prepared as a guide only.

Generally, the more simple an accident reporting procedure is, the more effective it is. Please select the **one** procedure listed above, or prepare a similar procedure or flow chart, which most nearly fits what will be the most effective for your local situation.

Date: June 9, 2003

| NAME | ADDRESS |
|----------------------------|---------------------|
| 1. Bethany Reyna | Signal Mtn Post |
| 2. John Houstrup | 509 Brady Pt. Rd |
| 3. MARK AND PRIS SHARTZ | 501 JAMES BLVD |
| 4. Gaby Park | 105 Mountain Court |
| 5. Jean Dolan | 1004 LADDER |
| 6. Lou Clephant | Cherokee |
| 7. Coughlin and Jed Cooper | 918 James Blvd |
| 8. JOEL AND MEGAN DUBOIS | 36 NTH ORCHARD PATH |
| 9. Joe Dumas | 1111 James Blvd. |
| 10. Laura Peice | 914 Shady Circle |
| 11. JF | 715 Kentucky Ave |
| 12. Beth Rucker | Times Free Press |
| 13. | |
| 14. | |
| 15. | |
| 16. | |
| 17. | |
| 18. | |
| 19. | |
| 20. | |
| 21. | |