

RESOLUTION NO. R2006-31

RESOLUTION TO APPROVE THE EXECUTION AND DELIVERY OF ONE OR MORE LOAN AGREEMENTS FOR THE PURPOSE OF PROVIDING FUNDS FOR FINANCING CERTAIN PUBLIC WORKS PROJECTS, CONSISTING OF THE ACQUISITION, CONSTRUCTION, AND EQUIPPING OF A NEW HIGH SCHOOL/MIDDLE SCHOOL FOR THE TOWN OF SIGNAL MOUNTAIN, TENNESSEE

WHEREAS, the Town Council (the "Council") of the Town of Signal Mountain, Tennessee (the "Municipality"), has determined to incur tax-exempt indebtedness in the amount of not to exceed \$7,700,000, the proceeds of such indebtedness to be used for the purpose of financing a portion of the costs of the acquisition, construction, and equipping of a new high school/middle school in the Town of Signal Mountain, and to pay legal, fiscal, administrative, and engineering costs (collectively, the "Project"), and to pay costs incident to the financing thereof; and

WHEREAS, the Municipality is authorized to incur such indebtedness and enter into the Loan Agreement, as hereinafter defined, pursuant to the provisions of Title 9, Chapter 21, Tennessee Code Annotated, as from time to time amended and supplemented (the "Act"), and Title 12, Chapter 10, Tennessee Code Annotated, as from time to time amended and supplemented; and

WHEREAS, the Municipality will enter into one or more Loan Agreements (collectively, the "Loan Agreement"), such Loan Agreement to be between the Municipality, as borrower, and The Public Building Authority of the City of Clarksville, Tennessee, as lender (the "Issuer"); and

WHEREAS, the Council has taken the necessary steps to arrange for the acquisition, construction, and equipping of the Project.

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

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

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

Section 3. Tax Levy. There shall be levied and collected in the same manner as other ad valorem taxes of the Municipality on all taxable property within the Municipality, without limitation as to time, rate, or amount, to the extent necessary in the event that funds of the Municipality legally available to pay the indebtedness evidenced by the Loan Agreement are insufficient, a tax sufficient to pay when due the amounts payable under the Loan Agreement, as and when they become due, and to pay any expenses of maintaining and operating the Project

required to be paid by the Municipality under the terms and provisions of the Loan Agreement. Subject to the limitation set forth in the preceding sentence, for the prompt payment of the Loan Agreement, both principal and interest, as the same shall become due, the full faith and credit of the Municipality are irrevocably pledged.

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

Section 5. Miscellaneous Acts. The Mayor, the Town 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, in connection with the execution of the Loan Agreement, in addition to those acts, things, documents, instruments, and certifications hereinbefore authorized and approved, as may in their discretion, be necessary or desirable to implement or comply with the intent of this Resolution; or any of the documents herein authorized and approved.

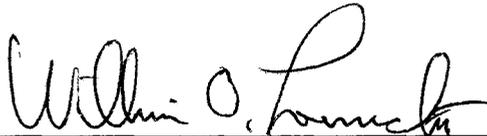
Section 6. Captions. The captions or headings in this Resolution are for convenience only and shall in no way define, limit, or describe the scope or intent of any provision hereof.

Section 7. Severability. Should any provision or provisions of this Resolution be declared invalid or unenforceable in any respect by final decree of any court of competent jurisdiction, the invalidity or unenforceability of such section, paragraph, ordinance, or provisions shall not affect the remaining provisions of such Resolution.

Section 8. Repeal of Conflicting Resolutions. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed.

Section 9. Effective Date. This Resolution shall take effect upon its adoption, the welfare of the Municipality requiring it.

Adopted this 11 day of September, 2006.

  
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MAYOR

(SEAL)

Attest:

  
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TOWN RECORDER