

RESOLUTION NO 691

RESOLUTION AUTHORIZING THE EXECUTION, TERMS, ISSUANCE, SALE, AND PAYMENT OF NOT TO EXCEED \$3,150,000 ELECTRIC SYSTEM REVENUE AND TAX REFUNDING BONDS, SERIES 2012, OF THE CITY OF CLINTON, TENNESSEE, AND PROVIDING THE TERMS AND DETAILS THEREOF

WHEREAS, the City of Clinton, Tennessee (the "Municipality"), pursuant to resolutions adopted by the City Council (the "Council") of the Municipality, has heretofore issued those certain Electric System Revenue and Tax Bonds, Series 2001, dated October 1, 2001, in the aggregate principal amount of \$6,000,000 (the "Series 2001 Bonds"), the proceeds of the sale thereof having been used for the purpose of financing the costs of public works projects, including constructing, erecting, repairing, improving, and extending the electrical distribution system of the Municipality (the "System"), the acquisition of all property, real and personal, appurtenant thereto or connected with such work, and paying legal, fiscal, administrative, architectural and engineering costs incident to thereto, and paying costs incident to the issuance and sale of the Series 2001 Bonds;

WHEREAS, the System is operated by the Clinton Utilities Board (the "CUB");

WHEREAS, the Series 2001 Bonds are currently outstanding in the aggregate principal amount of \$3,150,000, and mature October 1, 2012 through October 1, 2016, inclusive;

WHEREAS, the Series 2001 Bonds are subject to redemption prior to maturity at the option of the City at any time at the price of par plus accrued interest to the date of redemption;

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 such Series 2001 Bonds, and paying costs incident to the issuance and sale of the refunding bonds;

WHEREAS, the refunding of the Series 2001 Bonds will cause a reduction of debt service payable by the Municipality over the term of such Series 2001 Bonds, thereby effecting a cost savings and improving the management of the finances of CUB and the Municipality;

WHEREAS, the Council of the Municipality has determined that it is in the best interests of the Municipality to refund the Series 2001 Bonds;

WHEREAS, a plan of refunding for the Series 2001 Bonds and a request to sell the refunding bonds by private negotiated sale have been submitted to the Director of State and Local Finance for review as required by Sections 9-21-903, and 9-21-910, respectively, Tennessee Code Annotated, as amended, and a report thereon has been issued by such Director of State and Local Finance;

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 \$3,150,000 Electric System Revenue and Tax Refunding Bonds, Series 2012 (the "Bonds");

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CLINTON, 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 or the then City 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 Electric System Revenue and Tax Refunding Bonds, Series 2012, of the Municipality authorized by this Resolution of the Council.

"Bond Registrar" means the General Manager of the Clinton Utilities Board of the Municipality, or his or her successor, or successors hereafter appointed in the manner provided in this Resolution.

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

"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 City 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.

"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.

"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.

"System" means the complete electrical distribution system of the Municipality and all electric 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 electric system and including all appurtenances, contracts, leases, franchises, and other intangibles.

Section 3. Authorization. For the purpose of providing funds to refund the Series 2001 Bonds, there is hereby authorized to be issued electric system revenue and tax refunding bonds of the Municipality in the aggregate principal amount of not to exceed Three Million One Hundred

Fifty Thousand Dollars (\$3,150,000), 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 in order to cause a reduction of debt service payable by CUB and the Municipality over the term of such Series 2001 Bonds, thereby effecting a cost savings and improving the management of the finances of CUB and 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. 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 signature of the Mayor and attested with the manual signature of the City Recorder, and with the official seal of the Municipality impressed or imprinted thereon. The Bonds shall not be valid for any purpose unless authenticated by the manual signature of the Bond Registrar on the certificate set forth on the Bonds.

(c) In the event any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such 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 signature of 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 "Electric System Revenue and Tax Refunding Bonds, Series 2012". 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 the price of par; shall bear interest from the date thereof at a rate or rates to be hereafter determined by the officials of the Municipality executing the Bonds when said Bonds are sold, but not exceeding 2.50% per annum, such interest being payable semiannually on the first day of April and October of each year, commencing April 1, 2012; and, shall mature serially on the first day of October in the principal amounts set forth below; provided, however, that the Mayor and the General Manager of CUB are hereby authorized to make such adjustments in principal amounts maturing within each maturity as are necessary to provide the most effective overall debt service for CUB and the Municipality:

<u>Year</u>	<u>Principal Amount</u>
2012	\$ 575,000
2013	600,000
2014	625,000
2015	650,000
2016	700,000

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, 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 the actual number of days elapsed over a year of three hundred sixty (360) days.

(b) Interest on the Bonds shall be payable by wire transfer, electronic means, or by check or other form of draft of the Bond Registrar, deposited by the Bond Registrar 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 Bond Registrar as of the close of business fifteen (15) calendar days preceding the next Interest Payment Date. 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 not be subject to redemption prior to maturity. Provided, however, the Municipality may prepay, from time to time, additional principal payments, after giving fifteen (15) calendar days' written notice to the Registered Owner of such intent to pay additional principal.

Section 7. Registration, Negotiability, and Payment. (a) The General Manager of the Clinton Utilities Board is hereby appointed the Bond Registrar and paying agent (the "Bond Registrar"), and as such shall establish and maintain suitable books (the "Registration Books") for recording the registration, conversion, and payment of the Bonds, and shall also perform such other duties as may be required in connection with any of the foregoing. The Bond Registrar is hereby authorized to authenticate and deliver the Bonds 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 Bonds in exchange for Bonds of the same principal amount delivered for transfer upon receipt of the Bonds to be transferred in proper form with proper documentation as herein described. The Bonds shall not be valid for any purpose unless authenticated by the Bond Registrar by the manual signature of the Bond Registrar on the certificate set forth in Exhibit "A" hereto. The Bonds 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 Bonds shall be valid unless such transfer is noted upon the Registration Books and until such Bond is surrendered, cancelled, and exchanged for a new Bond which shall be issued to the transferee, subject to all the conditions contained herein.

(b) The Municipality may from time to time at its discretion remove the Bond Registrar and appoint a successor Bond Registrar to whom all records, documents, and instruments relating to its duties as Bond Registrar shall be delivered. Any successor Bond 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 Fifty Million Dollars (\$50,000,000), and be willing and able to accept the office of Bond Registrar on reasonable and customary terms, and authorized by law to perform all duties imposed upon it by this Resolution.

Section 8. Transfer of Bonds. The Bonds are transferable only by presentation to the Bond Registrar by the registered owner, or legal representative duly authorized in writing, of the registered Bond(s) to be transferred with the form of assignment completed in full and signed with the name of the registered owner as it appears upon the face of the Bond(s) accompanied by appropriate documentation necessary to prove the legal capacity of any legal representative of the registered owner. Upon receipt of the Bond(s) in such form and with such documentation, if any, the Bond Registrar shall issue a new Bond or Bonds to the assignee(s) in \$5,000 denominations, or integral multiples thereof, as requested by the registered owner requesting transfer. The Bond Registrar shall not be required to transfer or exchange any Bond during the period commencing on a Regular or Special Record Date and ending on the corresponding Interest Payment Date of such Bond, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been made, nor to transfer or exchange any Bond during the period following the receipt of instructions from the Municipality to call such Bond for redemption; provided, the Bond Registrar, at its option, may make transfers after any of said dates. No charge shall be made to any registered owner for the privilege of transferring any Bond, provided that any transfer tax relating to such transaction shall be paid by the registered owner requesting transfer. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the Municipality nor the Bond Registrar shall be affected by any notice to the contrary whether or not any payments due on the Bonds shall be overdue. The Bonds, upon surrender to the Bond Registrar, may, at the option of the registered owner, be exchanged for an equal aggregate principal amount of the Bonds of the same maturity in any authorized denomination or denominations.

Section 9. Regulations with Respect to Transfers. In all cases in which the privilege of transferring Bonds is exercised, the Municipality shall execute, and the Bond Registrar shall deliver, Bonds in accordance with the provisions of this Resolution. For every transfer of Bonds, whether

temporary or definitive, the Municipality and the Bond 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 transfer, all of which taxes, fees, and other governmental charges shall be paid by the person or entity requesting such transfer as a condition precedent to the exercise of the privilege of making such transfer.

Section 10. Mutilated, Lost, Stolen, or Destroyed Bonds. In case any Bond shall become mutilated, or be lost, stolen, or destroyed, the Municipality, in its discretion, shall issue, and the Bond Registrar, upon written direction from the Municipality, shall authenticate and deliver, a new Bond of like tenor, amount, maturity, and date, in exchange and substitution for, and upon the cancellation of, the mutilated Bond, or in lieu of and in substitution for such lost, stolen or destroyed Bond, or if any such Bond shall have matured or shall be about to mature, instead of issuing a substituted Bond the Municipality may pay or authorize payment of such Bond without surrender thereof. In every case the applicant shall furnish evidence satisfactory to the Municipality and the Bond Registrar of the destruction, theft, or loss of such Bond, and indemnity satisfactory to the Municipality and the Bond Registrar; and the Municipality may charge the applicant for the issue of such new Bond an amount sufficient to reimburse the Municipality for the expense incurred by it in the issue thereof.

Section 11. 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 Bond Registrar, 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 Bond Registrar. Such executed certificate of authentication by the Bond Registrar 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 Bond Registrar on any Bond shall be deemed to have been duly executed if manually signed by an authorized officer of the Bond Registrar, 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 12. 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 13. Levy of Taxes. For the purpose of providing for the payment of the principal of, 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 within the corporate limits of 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 and interest. The Council of the Municipality is required by law and does hereby pledge to levy such tax. Principal or interest, or either 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 14. 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 15. 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 16. 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. 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, the General Manager of CUB, and the purchaser of the Bonds. The Mayor, upon consultation with the General Manager of CUB, is further hereby authorized, prior to the sale of the Bonds, to make such changes in the structuring of the terms of the Bonds as the Mayor shall deem necessary to provide for the most efficient refunding of the Series 2001 Bonds, as may be in the best interests of the Municipality, including reducing the principal amount of the Bonds to be sold to less than that authorized herein, to make adjustments to the maturity schedule set forth in Section 5 hereof, and to change the redemption provisions set forth in this Resolution.

Section 17. Disposition of Bond Proceeds. The proceeds from the sale of the Bonds shall be paid to the official of CUB designated by law as the custodian of the funds thereof. Said proceeds shall be used, together with other available funds of CUB, to refund the Series 2001 Bonds on the earliest practicable date, but in no event later than eighty-nine (89) days from the date of issuance of the Bonds.

Section 18. Redemption of Series 2001 Bonds. Upon the issuance of the Bonds, the Series 2001 Bonds maturing on and after October 1, 2012, are hereby called for redemption on the earliest practicable date, but in no event later than eighty-nine (89) days from the date of issuance of the Bonds; provided, however, that in the event the Bonds are not issued and delivered such call for redemption shall be of no further force and effect. Notice of call for redemption shall be given in the manner required as set forth in the resolution authorizing the issuance of the Series 2001 Bonds.

Section 19. Arbitrage Certification. The Municipality recognizes that the purchasers and owners of the Bonds will have accepted them on, and paid therefor a price that reflects the understanding that interest thereon is excludable from gross income for purposes of federal income taxation under laws in force on the date of delivery of the Bonds. In this connection, the Municipality agrees that it shall take no action which may cause the interest on any of said Bonds to be included in gross income for federal income taxation. It is the reasonable expectation of the Council of the Municipality that the proceeds of the Bonds 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, and to this end the said proceeds of the Bonds and other related funds established for the purposes herein set out shall be used and spent expeditiously for the purposes described herein. The Council further covenants and represents that in the event it shall be required by Section 148(f) of the Code to pay any investment proceeds of the Bonds 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 taxable. The Mayor and City Recorder, or either of them, are authorized and directed to make such certifications in this regard in connection with the sale of the Bonds as either or both shall deem appropriate, and such certifications shall constitute a representation and certification of the Municipality.

Section 20. Designation of Bonds 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. The Municipality reasonably anticipates that the amount of tax-exempt obligations (other than obligations described in Section 265(b)(3)(C)(ii)) which will be issued during the calendar year by the Municipality (i) any issuer with respect to which the



Municipality is deemed to be an "on behalf of" issuer, and (ii) all subordinate entities which are treated as one issuer under Section 265(b)(3)(E) of the Code, will not exceed \$10,000,000, and not more than \$10,000,000 of obligations issued by the Municipality (together with those issued by any other issuers that are treated as an issuer under such Section 265(b)(3)) during the 2012 calendar year will be designated as "qualified tax-exempt obligations".

Section 21. Resolution a Contract; Amendments. The provisions of this Resolution shall constitute a contract between the Municipality and the registered 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 registered 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 registered owners of all then Bonds outstanding 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 the registered owners. The laws of the State of Tennessee shall govern this Resolution.

Section 22. 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 23. Failure to Present Bonds. 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 Bond Registrar 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 Bond Registrar 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, subject to escheat or other similar law, and any applicable statute of limitation.

Section 24. 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 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 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 25. 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 26. Miscellaneous Acts. The Mayor and the City 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 refunding of the Series 2001 Bonds.

Section 27. 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 28. 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 29. 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 30. 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 28th day of November, 2011.

  
\_\_\_\_\_  
Mayor

Attest:

  
\_\_\_\_\_  
City Recorder



STATE OF TENNESSEE)  
COUNTY OF ANDERSON)

I, Regina Ridenour, hereby certify that I am the duly qualified and acting City Recorder of the City of Clinton, 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 City Council (the "Council") of said Municipality held on November 28, 2011; (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 issuance of Electric System Revenue and Tax Refunding Bonds, Series 2001, in the amount of not to exceed \$3,150,000, 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 28th day of November, 2011.

  
\_\_\_\_\_  
CITY RECORDER

(SEAL)