RESOLUTION OF THE GOVERNING BODY OF CITY OF LAKEWOOD AT OLD HICKORY, TENNESSEE, AUTHORIZING THE ISSUANCE OF A LINE-OF-CREDIT NOT TO EXCEED $100,000.00 INTEREST-BEARING FOR THE FISCAL YEAR ENDING JUNE 30, 2003

WHEREAS, the Governing Body of the City of Lakewood at Old Hickory, Tennessee, (the "Local Government") has determined that it may be necessary and desirable to borrow a limited amount of funds for the General Fund (the Fund) to meet projected appropriations/expenditures for the current fiscal year, being July 1, 2002, through June 30, 2003, inclusive, (the "Fiscal Year"), in anticipation of the collection of taxes and revenues; and

WHEREAS, under the provisions of Part I, IV, and VIII of Title 9, Chapter 21, Tennessee Code Annotated (the "Act"), local governments in Tennessee are authorized to issue and sell interest-bearing tax anticipation notes in amounts not exceeding sixty percent (60%) of the projected Fund appropriations/expenditures for the Fiscal Year upon the approval of the State Director of Local Finance; and

NOW, THEREFORE, BE IT RESOLVED, by the Governing Body of the City of Lakewood at Old Hickory, Tennessee, as follows:

Section 1. That, for the purpose of providing funds to meet certain projected appropriations/expenditures for the Fund for the Fiscal Year, the Chief Executive Officer of the Local Government is hereby authorized in accordance with the terms of this Resolution to obtain a line-of-credit not to exceed $100,000.00 from AmSouth Bank at the prime interest rate.

Section 2. That, the sum of the principal amount of the line-of-credit, together with the principal amount or amounts of any prior tax anticipation notes issued during the Fiscal Year, shall not exceed sixty percent (60%) of the Fund appropriation/expenditures for the Fiscal Year.

Section 3. That, the line-of-credit will be used from time to time as needed, and interest will be paid monthly, plus principle as required by the terms of the contract with the bank. If the City overestimates the amount of revenue collected for the Fiscal Year and it becomes impossible to retire the line-of-credit at the close of the Fiscal Year, then the City shall apply to the State Director of Local Finance within ten days prior to the close of the Fiscal Year for permission to renew the line-of-credit to cover unpaid balance, in the manner provided by Title 9, Chapter 11 of Tennessee Code Annotated or as otherwise provided for in a manner approved by the State Director of Local Finance.

Section 4. That, the Line-of-Credit shall be secured by the Fund during the Fiscal Year.

Section 5. That, the Line-of-Credit shall be executed in the name of the Local Government and bear the manual signatures of the Board of Commissioners of the Local Government

Section 6. That, the Line-of-Credit was issued pursuant to Title 9, Chapter 21, Tennessee Code Annotated.

Section 7. That, all orders or resolutions in conflict with this Resolution are hereby repealed insofar as such conflict exists and this Resolution shall become effective immediately upon its passage.

Duly passed and approved this 26th day of August, 2002.

Thomas H. Faulk

(Mayor)

ATTESTED:

Victor Ellis

(City Recorder)

Nita Prince This 30th day of July 2002

Notary

My Commission Expires Nov. 27, 2004