

REGULAR MEETING
BOARD OF MAYOR AND ALDERMEN
AUGUST 13, 2013

REFERENCE VIDEO DATED AUGUST 13, 2013

The Board of Mayor and Aldermen of the City of Fayetteville, Lincoln County, Tennessee, met in open, public session at the regular meeting place of said Board in the Municipal Building of said City at 5:00 p.m. on August 13, 2013. Mayor John Ed Underwood, Jr. was present and presiding. The following named Aldermen were present:

Danny Bryant, Marty Pepper, Gwen Shelton, Dorothy Small and Tom Young

Not present was Michael Whisenant

Also, present were Johnny D. Hill, Jr., City Attorney and Scott Collins, City Administrator

The prayer was lead by Alderman Young and the pledge was lead by members of the Boy Scout Troop 357

Approval of Minutes:

1. Motion was made by Dorothy Small, seconded by Gwen Shelton, to approve the minutes of the Public Hearing for July 9, 2013, Meeting. Upon roll call, the following voted:

Aye

Danny Bryant, Tom Young, Dorothy Small, Gwen Shelton and Marty Pepper

Nay

None

Mayor Underwood declared the Public Hearing Minutes approved.

2. Motion was made by Gwen Shelton, seconded by Dorothy Small, to approve the minutes of the July 2013 Meeting. Upon roll call, the following voted:

Aye

Tom Young, Dorothy Small, Gwen Shelton, Marty Pepper and Danny Bryant

Nay

None

Mayor Underwood declared the Minutes approved.

Reports:

Oath of Office:

Police Officer Lucas Steele, was sworn in by Mayor Underwood.

Fire Report:

Fire Chief Danny Travis reported that the Fire Department had 55 calls for service with 38 medical calls and 2 fires with approximately One Hundred Ten Thousand Dollars (\$110,000.00) in property damages.

Police Report:

Police Chief Richard Howell reported that there were 177 incidents with 73 arrests, 51 crashes and 118 citations for a total of 1,808 events.

Recreation Report:

Brenda Sharp, Recreation Clerk, reported that the next "Music in the Park" will be August 29, 2013, and the next "Movie in the Park" will be August 30, 2013.

Public Works:

Eddie Plunkett, Public Works Director, reported that for the month of July 242 tons of trash was picked up, along with 365 tons of brush.

Planning and Codes Report:

Jeff Siefert, Building Inspector, reported for the month of July there were eight (8) building permits issued for approximately Ninety-One Thousand, Five Hundred Ninety-One Dollars (\$91,591.00) in work to be done, with the fees being Nine Hundred Sixty-Six Dollars (\$966.00).

STP Funds:

Motion was made by Danny Bryant, seconded by Gwen Shelton, to rescind the motion to resurface Washington Street and to repair sidewalks starting at First Avenue going east and to allow the Mayor and the City Planner, Ryan Tyhuis, to sign any documents needed. Upon roll call, the following voted:

Aye

Dorothy Small, Gwen Shelton, Marty Pepper, Danny Bryant and Tom Young

Nay

None

Mayor Underwood declared the motion approved.

Motion was made by Danny Bryant, seconded by Marty Pepper, to allow the Mayor and the City Administrator, Scott Collins, to sign any documents needed with the STP Funds and to change the direction of the starting point to resurface and to repair the sidewalks on Washington Street from Main Street to go west. Upon roll call, the following voted:

Aye

Gwen Shelton, Marty Pepper, Danny Bryant, Tom Young and Dorothy Small

Nay

None

Mayor Underwood declared the motion approved.

Stone Bridge Park Amphitheater:

Motion was made by Danny Bryant, seconded by Tom Young, to allow the Art Council to proceed with fundraising for an amphitheater to be built at the Stone Bridge Park. Upon roll call, the following voted:

Aye

Marty Pepper, Danny Bryant, Tom Young, Dorothy Small and Gwen Shelton

Nay

None

Mayor Underwood declared the motion approved.

Ordinance No. 2013-10:

Ordinance No. 2013-10, an ordinance entitled, "An Ordinance Of The City Of Fayetteville, Tennessee Amending The Fayetteville Municipal Code Title 17, Adding Chapter 3, Sections 17-301 Through 17-313 Entitled Refuse and Trash Disposal", was considered. Said Ordinance is as follows:

ORDINANCE NO. 2013-10

**AN ORDINANCE OF THE CITY OF FAYETTEVILLE, TENNESSEE
AMENDING THE FAYETTEVILLE MUNICIPAL CODE TITLE 17,
ADDING CHAPTER 3, SECTIONS 17-301 THROUGH 17-313 ENTITLED
REFUSE AND TRASH DISPOSAL**

WHEREAS, the City of Fayetteville, Tennessee maintains sanitation collection for the City; and

WHEREAS, the Fayetteville Public Works seeks to increase efficiency in the collection of solid waste; and

WHEREAS, the Fayetteville Public Works seeks to improve cost effectiveness of the collection of solid waste.

NOW, THEREFORE, BE IT ORDAINED by the City of Fayetteville Board of Mayor and Alderman that the Municipal Code shall be changed to:

SECTION 1. The Fayetteville Municipal Code Title 17, Refuse and Trash Disposal be amended by adding Chapter 3, Sections 17-301 through 17-313, with the following:

Sec. 17-301. - Definitions.

(1) *Solid waste.* The term "solid waste," as hereinafter referred to in this chapter, shall include garbage, rubbish, and all other putrescible and nonputrescible, combustible and noncombustible materials originating from the preparation, cooking, and consumption of food, market refuse, waste from the handling and sale of produce, and other similar unwanted materials, from residences and establishments, public and private, but shall not include sewage, body waste, recognizable industrial or medical by-products.

(2) *Hazardous refuse.* The term "hazardous refuse" shall mean any chemical compound, mixture, substance or article which may constitute a hazard to health or may cause damage to property by reason of being explosive, flammable, poisonous, corrosive, unstable, irritating, radioactive, infectious, or otherwise harmful.

(3) *Infectious wastes.* The term "infectious waste" means waste which contain pathogens with sufficient virulence and quantity so that exposure to the waste by a susceptible host could result in an infectious disease. For purposes of this policy, the following waste shall be considered to be infectious waste:

- (a) *Isolation wastes.* Wastes contaminated by patients who are isolated due to communicable disease, as provided in the U.S. Centers for Disease Control Guidelines for Isolation Precautions in Hospitals.

- (b) *Cultures and stocks of infectious agents and associated biologicals.* Cultures and stocks of infectious agents, including specimen cultures from medical and pathological laboratories, cultures and stocks of infectious agents from research and industrial laboratories, wastes from the production of biologicals, discarded live and attenuated vaccines, and culture dishes and devices used to transfer, inoculate, and mix cultures.
 - (c) *Human blood and blood products.* Waste human blood and blood products such as serum, plasma, and other blood components.
 - (d) *Pathological wastes.* Pathological wastes, such as tissues, organs, body parts, and body fluids.
 - (e) *Contaminated sharps.* All discarded sharps (e.g. hypodermic needles, syringes, pasteur pipettes, broken glass, scalpel blades) used in patient care or which have come into contact with infectious agents during use in medical, research, or industrial laboratories.
 - (f) *Contaminated animal carcasses, body parts, and bedding.* Contaminated carcasses, body parts (including fluids), and bedding of animals that were intentionally exposed to pathogens in research, in the production of biologicals, or in the in vivo testing of pharmaceuticals.
 - (g) *Facility-specified infectious wastes.* Other wastes determined to be infectious by a written facility policy.
- (4) *Industrial waste.* The term "industrial waste" shall mean all such wastes peculiar to industrial, manufacturing or processing plants and shall include hazardous refuse.
- (5) *Construction waste.* The term "construction waste" shall mean materials from construction, demolition, remodeling, construction site preparation, including but not limited to rocks, trees, debris, dirt, bricks, fill, plaster, and all types of scrap building materials.
- (6) *Commercial solid waste.* The term "commercial solid waste" shall mean solid waste resulting from the operation of any commercial, industrial, institutional or agricultural establishment, and multiple housing facilities.
- (7) *Residential solid waste.* The term "residential solid waste" shall mean solid waste resulting from the maintenance and operation of dwelling units, excluding multiple housing facilities. This also excludes specific wastes defined and/or included in other parts of this chapter.
- (8) *Yard waste.* The term "yard waste" shall mean, leaves, tree and shrubbery trimmings.

(9) *Grass clippings.* The term "grass clippings" shall mean any residue remaining from the cutting, clipping, or trimming of grass from any home, business, or agricultural endeavor.

(10) *Garbage.* The term "garbage" shall include all putrescible waste, except sewage and body waste, including vegetable and animal offal and carcasses of dead domesticated animals at the discretion of the Public Works Director, but excluding recognizable industrial by-products, from all public and private residences.

(11) *Rubbish.* The term "rubbish" shall include all nonputrescible waste materials except ashes from all public and private residences and establishments.

(12) *Ashes.* The term "ashes" shall include the waste products from coal, wood, and other fuels used for cooking and heating from all public and private residences and establishments.

(13) *Collector.* The term "collector" shall mean any person, firm, corporation, or political subdivision that collects, transports, or disposes of any refuse within the corporate limits of the City of Fayetteville.

(14) *Health officer.* The term "health officer" shall mean the Chief of Police of the City of Fayetteville or his authorized representative.

(15) *Bulk container.* The term "bulk container" shall mean steel waste receptacles of not less than two cubic yards and not more than eight cubic yards designed for the storage of solid waste. The containers shall meet industry standards for service.

(16) *Roll out container.* The term "roll out container" shall mean a standard city issued 96-gallon container designed for the storage of solid waste prior to collection.

(17) The pronouns *he*, *him* and *his* shall refer to persons of the female as well as the male gender, as applicable.

(18) *Tipping fees.* The term "tipping fee(s)" shall mean the fee(s) imposed at the City of Fayetteville Transfer Station on all waste brought to the facility for transfer to an appropriate disposal site.

Sec. 17-302. - Responsibility for administration.

(1) The Public Works Director, or his authorized representative, shall have the authority to make and modify regulations as necessary concerning the days of collection, location of containers, and such other matters pertaining to the collection, transporting and disposal of solid waste refuse; provided that such regulations are not in violation of the provisions of this chapter.

(2) The Public Works Director, or his authorized representative, shall be responsible for the enforcement of this chapter.

(3) All refuse (including garbage and rubbish) as heretofore defined shall be collected sufficiently and frequently to prevent the occurrence of nuisances and public health problems. The collection of refuse within the City of Fayetteville shall be under the jurisdiction of the solid waste department.

Sec. 17-303. - Premises to be kept clean.

All persons, firms, and corporations within the corporate limits of the City of Fayetteville are hereby required to keep their premises in a clean and sanitary condition, free from accumulations of refuse, offal, filth, and trash. All persons, firms, and corporations are hereby required to store such refuse in sanitary containers of the type described in this chapter between intervals of collection or to dispose of such material in a manner prescribed by the City of Fayetteville so as not to cause a nuisance or become injurious to the public health and welfare.

Sec. 17-304. - Prohibited practices.

(1) It shall be unlawful for any person, firm, or corporation to dump refuse in any form into any stream, ditch, storm sewer, sanitary sewer, or other drain within the City of Fayetteville.

(2) The disposal of refuse in any quantity by an individual, householder, establishment, firm, or corporation in any place, public or private, other than at the site or sites designated and/or with properly approved permits from the Tennessee Department of Solid Waste Management is expressly prohibited. All disposal of refuse and garbage shall be by methods approved by the solid waste department under Tennessee Department of Solid Waste Management guidelines. Such methods shall include the maximum practical rodent, insect, and nuisance control at the place of disposal.

(3) It shall be unlawful for any person, firm, or corporation to burn or attempt to burn refuse on private or public property within the corporate limits of the City of Fayetteville without first securing the approval of the Fayetteville Fire Department.

Sec. 17-305. - Prohibited substances.

(1) Substances prohibited from pick-up and, which shall not be deposited in garbage containers include, but are not limited to:

(a) Flammable liquids, solids or gases, such as gasoline, benzene, alcohol or other similar substances.

(b) Any material that could be hazardous or injurious to city employees or which could cause damage to city equipment.

- (c) Infectious wastes and hypodermic syringes. Used hypodermic syringes shall not be placed with other waste for collection by the City of Fayetteville, but be disposed of by a licensed medical waste disposal firm.
- (d) "Construction waste" as defined by Section 17-301. The removal and disposal of such materials shall be the responsibility of the construction contractor, developer or property owner.
- (e) Rocks, dirt, bricks, concrete, broken glass unless in approved container, and sharp metal glass.

Sec. 17-306. - Refusal of service.

The City of Fayetteville reserves the right to refuse service to any occupant, tenant, owner, or business guilty of severe or repeated violations of this chapter or for hampering or interfering with employees of the sanitation department in the discharge of their duties hereunder. Should service be refused, the occupant, tenant, owner, or business may, within five working days, submit a written appeal to the city administrator. The city administrator shall, within five working days of receipt of an appeal, issue a written response, upholding, vacating, or modifying the decision.

Sec. 17-307. - Accumulation of refuse.

Each owner, occupant, tenant, subtenant, lessee or others, using or occupying any building, house, structure, or grounds within the corporate limits of the City of Fayetteville where refuse materials or substances as defined in this chapter accumulate, or are likely to accumulate, shall provide an adequate number of suitable containers of a type approved by the Public Works Director for the storage of such refuse.

Sec. 17-308. - Yard waste.

- (1) *Leaves, lawn clippings, etc.*
 - (a) It shall be the responsibility of the sanitation department of the city to shovel or pick up from the ground any loose accumulation of refuse, including leaves, lawn clippings, brush, etc...
 - (b) The collecting agency of the city shall not be responsible to remove any brush, trunks, or limbs of trees unless said brush shall have been cut into lengths of not more than ten feet. The trunks or limbs of trees measuring 15 inches or more in diameter shall be cut into lengths of not more than six feet and of a weight of no more than 75 pounds, and all of said material shall be piled at curbside.

Sec. 17-309. - Residential solid waste.

- (1) All residents shall provide sufficient city issued 96-gallon regulation containers to properly store one week's accumulation of refuse (including garbage and rubbish).
- (2) The Public Works Director may require any residential household regularly exceeding 96 gallons or 200 pounds of garbage in a collection period to purchase a second container from the city, which requires a second monthly payment for collection.
- (3) The containers shall remain the property of the city at the property address where delivered, and are provided and assigned to residences for the health, safety, convenience and general welfare of the occupants. Containers that are damaged, destroyed, or stolen through neglect, improper use or abuse by the occupant-users shall be replaced by the city at the expense of the occupants or the owner of the residence. Containers which are damaged in the course of normal and reasonable usage or which are damaged or destroyed, through no abuse, neglect, or improper use of the occupant-users or residence owner shall be repaired or replaced by the city at no charge to the occupant-users or residence owners. The containers shall not be damaged, destroyed, defaced, or removed from the premises by any person; markings and identification devices on the containers except as placed or specifically permitted by the city are expressly prohibited and shall be regarded as damage to the containers.
- (4) It shall be unlawful for any person, other than the occupant-user, to move, remove, upset, scatter, tamper, use, carry away, deface, mutilate, destroy, damage or interfere with the garbage container, or any refuse left for collection.
- (5) It shall be the responsibility of each occupant, on the scheduled day of collection, to place their container on the property side of the curb or street, or in a city approved location for pick-up. Containers shall be placed in such a location as to be readily accessible for removal by the city. The container shall be placed in such a manner as not to interfere with overhead power lines or tree branches, parked cars, vehicular traffic, or in any other way that would constitute a public hazard or nuisance. Garbage containers shall not be placed, without the express permission of the city, on a public sidewalk, or in a drainage ditch.
- (6) Containers shall be placed for collection no earlier than 7:00 P.M. on the day before collection. Containers must be removed from the curb, street no later than 7:00 P.M. on the day of collection.
- (7) Construction waste and yard waste, as defined in this chapter, are hereby prohibited from being placed in the 96-gallon or other city approved residential garbage collection containers.
- (8) City garbage collectors shall not enter houses, stores, garages, or open gates for the collection of garbage or rubbish, nor shall they accept any money or valuable gifts for their services from persons served.

(9) All garbage or refuse must be drained of all liquids and wrapped in plastic or other equivalent material prior to placing it in any storage receptacle. The containers shall be maintained in a clean and sanitary manner and shall be thoroughly cleaned by washing or other method as often as necessary to prevent the breeding of flies and the occurrences of offensive odors.

(10) Garbage and refuse shall not be stored in close proximity to other personal effects which are not desired to be collected, but shall be reasonably separated in order that the collectors can clearly distinguish between what is to be collected and what is not.

(11) Collection of white goods stoves, refrigerators, freezers, window type air conditioners, shall be collected by the collection agency. Refrigerators and freezers, shall have doors removed or secured in accordance with Tennessee Code Annotated, § 39-6-104, and have all contents removed. White goods shall be stored out of public view until their scheduled collection.

Sec. 17-310. - Commercial solid waste.

(1) Businesses using regulation 96-gallon cans for collection shall provide sufficient containers to properly store one week's accumulation of refuse.

(2) Nothing in this section shall prohibit commercial establishments or private residents from removing their own solid waste. However, private citizens will still be subject to the monthly refuse collection service fee from the city.

(3) In no event shall public or private commercial dumpsters, roll off containers or other bulk containers be placed on a public street, right-of-way or public property:

(i) Without express written consent of the Public Works Director.

(ii) For longer than 30 days unless approved by the Public Works Director.

Sec. 17-311. - Special services.

(1) *Roll-out commercial excess.* Any waste collected at commercial establishments utilizing city issued 96-gallon roll-out carts that does not fit in the provided number of 96-gallon roll-out carts, will be assessed an extra pick-up fee. Volumes of waste may, at the discretion of the Public Works Director or his designee.

(2) *Residential excess.* Any excess waste collected at residences may, based on volume and at the discretion of the Public Works Director or his designee, be assessed a fee based on the amount of the excess.

Sec. 17-312. - Schedule of fees for disposal of garbage and refuse and frequency of collection.

(1) *Residential.* A fee as specified in Section 17-105, comprehensive fees and penalties, shall be paid to the city for the disposal of solid waste for every household container (once per-week pickup).

Sec. 17-313. - Penalties.

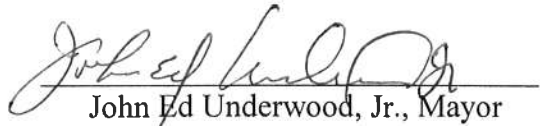
(1) Any person violating any of the provisions of this chapter shall be served by the city with written notice stating the nature of the violation and providing up to 10 days time limit for the satisfactory correction thereof. The offender shall, within the time period stated in such notice, permanently cease all violations. Service will be discontinued until such time as the violation is corrected.

(2) Any person violating any of the provisions of this chapter shall become liable to the city for any expense, loss or damage occasioned by city personnel or equipment by reason of such violation.

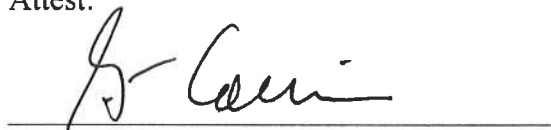
SECTION 2. Any Ordinance or part thereof in conflict with the provisions of this Ordinance are hereby repealed to the extent of such conflict only as pertaining to the subject matter of this Ordinance.

BE IT FURTHER ORDAINED that this amendment shall take effect from and after its, passage, the public welfare requiring it.

Adopted this 13th day of August, 2013


John Ed Underwood, Jr., Mayor

Attest:



Scott Collins, City Clerk

Motion was made by Dorothy Small, seconded by Gwen Shelton, to approve Ordinance 2013-10. Upon roll call, the following voted:

Aye

Danny Bryant, Tom Young, Dorothy Small, Gwen Shelton and Marty Pepper

Nay

None

Mayor Underwood declared the Ordinance adopted.

Financial Advisor Agreement:

Motion was made by Danny Bryant, seconded by Marty Pepper, to approve the Financial Advisor Agreement with Cumberland Securities Company, Inc with the change of one percent (1%) fee charge to half percent (0.50%) fee charge found on page 6. Upon roll call, the following voted:

Aye

Tom Young, Dorothy Small, Gwen Shelton, Marty Pepper and Danny Bryant

Nay

None

Mayor Underwood declared the motion approved.

Resolution R-13-11:

Resolution R-13-11, a resolution entitled, "Initial Resolution Authorizing The Issuance Of Not To Exceed \$1,075,000.00", was considered. Said Resolution is as follows:

The Board of Mayor and Aldermen of the City of Fayetteville, Tennessee, met in regular session on August 13, 2013, at 5:00 p.m. at the Municipal Building, East Side Public Square, Fayetteville, Tennessee, with the Honorable John Ed Underwood, Jr., Mayor, presiding.

The following Aldermen were present:

The following Aldermen were absent:

There were also present Gregory Scott Collins, City Administrator/City Clerk, Tonya Steelman, Finance Director/Assistant City Clerk, and John Hill, Jr., City Attorney.

After the meeting was duly called to order, the following resolution was introduced by _____, seconded by _____ and after due deliberation, was adopted by the following vote:

AYE:

NAY:

RESOLUTION NO.R-13-11

INITIAL RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED
ONE MILLION SEVENTY-FIVE THOUSAND DOLLARS (\$1,075,000) GENERAL
OBLIGATION BONDS OF THE CITY OF FAYETTEVILLE, TENNESSEE

BE IT RESOLVED by the Board of Mayor and Aldermen (the "Board") of the City of Fayetteville, Tennessee (the "Municipality") that for the purpose of financing, in whole or in part, (i) construction, renovation, repair, improvement and equipping of the Municipality's swimming pool and other public buildings and facilities; (ii) acquisition of all property real and personal, appurtenant thereto, or connected with such public works project and construction of related infrastructure; (iii) payment of legal, fiscal, administrative, architectural and engineering costs incident thereto; (iv) reimbursement to the Municipality for funds previously expended for any of the foregoing; and (v) payment of costs incident to the issuance and sale of such bonds therefor, there shall be issued bonds of said Municipality in the aggregate principal amount of not to exceed \$1,075,000, which shall bear interest at a rate or rates not to exceed 5% per annum, and which shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the corporate limits of the Municipality.

BE IT FURTHER RESOLVED by the Board that the City Clerk of the Municipality be, and is, hereby directed and instructed to cause the foregoing initial resolution relative to the issuance of not to exceed \$1,075,000 general obligation bonds to be published in full in a newspaper having a general circulation in the Municipality, for one issue of said paper followed by the statutory notice, to-wit:

N O T I C E

The foregoing resolution has been adopted. Unless within twenty (20) days from the date of publication hereof a petition signed by at least ten percent (10%) of the registered voters of the Municipality shall have been filed with the City Clerk of the Municipality protesting the issuance of the bonds, such bonds will be issued as proposed.

Gregory Scott Collins, City Clerk

Adopted and approved this 13th day of August, 2013.

Mayor

ATTEST:

City Clerk

STATE OF TENNESSEE)

COUNTY OF LINCOLN)

I, Gregory Scott Collins, certify that I am the duly qualified and acting City Clerk of the City of Fayetteville, Tennessee, and as such official I further certify that attached hereto is a copy of excerpts from the minutes of a regular meeting of the governing body of the Municipality held on August 13, 2013; that these minutes were promptly and fully recorded and are open to public inspection; that I have compared said copy with the original minute record of said meeting in my official custody; and that said copy is a true, correct and complete transcript from said original minute record insofar as said original record relates to not to exceed \$1,075,000 General Obligation Bonds of said Municipality.

WITNESS my official signature and seal of said Municipality on this the _____ day of August, 2013.

City Clerk

(SEAL)

12128928.1

Motion was made by Marty Pepper, seconded by Tom Young, to approve Resolution R-13-11. Upon roll call, the following voted:

Aye

Dorothy Small, Gwen Shelton and Marty Pepper, Danny Bryant and Tom Young

Nay

None

Mayor Underwood declared the Resolution adopted.

Resolution R-13-12:

Resolution R-13-12, a resolution entitled, "Resolution Authorizing The Issuance Of Not To Exceed \$1,075,000.00", was considered. Said Resolution is as follows:

The Board of Mayor and Aldermen of the City of Fayetteville, Tennessee, met in regular session on August 13, 2013, at 5:00 p.m. at the Municipal Building, East Side Public Square, Fayetteville, Tennessee, with the Honorable John Ed Underwood, Jr., Mayor, presiding.

The following Aldermen were present:

The following Aldermen were absent:

There were also present Gregory Scott Collins, City Administrator/City Clerk, Tonya Steelman, Finance Director/Assistant City Clerk, and John Hill, Jr., City Attorney.

After the meeting was duly called to order, the following resolution was introduced by _____, seconded by _____ and after due deliberation, was adopted by the following vote:

AYE:

NAY:

RESOLUTION NO. R-13-12

A RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED ONE MILLION SEVENTY-FIVE THOUSAND DOLLARS (\$1,075,000) IN AGGREGATE PRINCIPAL AMOUNT, IN ONE OR MORE SERIES, OF GENERAL OBLIGATION BONDS OF THE CITY OF FAYETTEVILLE, TENNESSEE; MAKING PROVISION FOR THE ISSUANCE, SALE AND PAYMENT OF SAID BONDS; ESTABLISHING THE TERMS THEREOF AND THE DISPOSITION OF PROCEEDS THEREFROM; AND PROVIDING FOR THE LEVY OF TAXES FOR THE PAYMENT OF PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS.

WHEREAS, pursuant to Sections 9-21-101, et seq., Tennessee Code Annotated, as amended, municipalities in Tennessee are authorized through their respective governing bodies to issue and sell bonds of said municipalities to finance public works projects; and

WHEREAS, the Board of Mayor and Aldermen (the "Governing Body") of the Municipality hereby determines that it is necessary and desirable to issue General Obligation Bonds of the Municipality to provide the funds necessary to finance, in whole or in part, (i) construction, renovation, repair, improvement and equipping of the Municipality's swimming pool and other public buildings and facilities; (ii) acquisition of all property real and personal, appurtenant thereto, or connected with such public works project and construction of related infrastructure; (iii) payment of legal, fiscal, administrative, architectural and engineering costs incident thereto; (iv) reimbursement to the Municipality for funds previously expended for any of the foregoing; and (v) payment of costs incident to the issuance and sale of such bonds; and

WHEREAS, an Initial Resolution proposing the issuance of not to exceed \$1,075,000 in aggregate principal amount of General Obligation Bonds, the proceeds of which shall be used for the purposes set forth above, has been adopted by the Governing Body on the date hereof, and, together with the statutory notice required by Section 9-21-206, Tennessee Code Annotated, as amended, will be published as required by law; and

WHEREAS, it is the intention of the Governing Body to adopt this Resolution for the purpose of authorizing not to exceed \$1,075,000 in aggregate principal amount of its General Obligation Bonds, in one or more series, providing for the issuance, sale and payment of said bonds, establishing the terms thereof and the disposition of proceeds therefrom and providing for the levy of a tax for the payment of principal thereof, premium, if any, and interest thereon.

NOW, THEREFORE, BE IT RESOLVED by the Board of Mayor and Aldermen of the City of Fayetteville, Tennessee, as follows:

Section 1. Authority. The bonds authorized by this resolution are issued pursuant to Sections 9-21-101 et seq., Tennessee Code Annotated, as amended, and other applicable provisions of law.

Section 2. Definitions. The following terms shall have the following meanings in this resolution unless the text expressly or by necessary implication requires otherwise:

(a) "Bonds" shall mean not to exceed \$1,075,000 in aggregate principal amount of General Obligation Bonds of the Municipality, to be dated their date of delivery, with such series designation and such other dated date as the Mayor shall determine pursuant to Section 8 hereof;

(b) "Book-Entry Form" or "Book-Entry System" means a form or system, as applicable, under which physical bond certificates in fully registered form are issued to a Depository, or to its nominee as Registered Owner, with the certificate of bonds being held by and "immobilized" in the custody of such Depository, and under which records maintained by persons, other than the Municipality or the Registration Agent, constitute the written record that identifies, and records the transfer of, the beneficial "book-entry" interests in those bonds;

(c) "Code" means the Internal Revenue Code of 1986, as amended, and all regulations promulgated thereunder;

(d) "Debt Management Policy" means the Debt Management Policy adopted by the Governing Body as required by the State Funding Board of the State of Tennessee;

(e) "Depository" means any securities depository that is a clearing agency under federal laws operating and maintaining, with its participants or otherwise, a Book-Entry System, including, but not limited to, DTC;

(f) "DTC" means The Depository Trust Company, a limited purpose company organized under the laws of the State of New York, and its successors and assigns;

(g) "DTC Participant(s)" means securities brokers and dealers, banks, trust companies and clearing corporations that have access to the DTC System;

(h) "Financial Advisor" means Cumberland Securities Company, Inc.;

(i) "Governing Body" means the Board of Mayor and Aldermen of the Municipality;

(j) "Municipality" means the City of Fayetteville, Tennessee;

(k) "Projects" means (i) construction, renovation, repair, improvement and equipping of the Municipality's swimming pool and other public buildings and facilities; (ii) acquisition of all property real and personal, appurtenant thereto, or connected with such public works project and construction of related infrastructure; and (iii) payment of legal, fiscal, administrative, architectural and engineering costs incident thereto; and

(k) "Registration Agent" means Regions Bank, Nashville, Tennessee, or any successor designated by the Governing Body.

Section 3. Findings of the Governing Body: Compliance with Debt Management Policy. It is hereby found and determined by the Governing Body as follows: In conformance with the directive of the State Funding Board of the State of Tennessee, the Municipality has heretofore adopted its Debt Management Policy. The Governing Body hereby finds that the issuance and sale of the Bonds, as proposed herein, is consistent with the Municipality's Debt Management Policy.

Section 4. Authorization and Terms of the Bonds.

(a) For the purpose of providing funds to finance the cost of the Projects, to reimburse the Municipality for funds previously expended for the Projects, if any, and to pay the costs incident to the issuance and sale of the Bonds, there is hereby authorized to be issued General Obligation Bonds, in one or more series, of the Municipality in the aggregate principal amount of not to exceed \$1,075,000. The Bonds shall be issued in fully registered, book-entry form (except as otherwise provided herein), without

coupons, shall be known as "General Obligation Bonds, Series 2013B" and shall be dated their date of issuance, or such other series designation and dated date as shall be determined by the Mayor pursuant to Section 8 hereof. Subject to adjustments permitted pursuant to Section 8 hereof, the Bonds shall bear interest at a rate or rates not exceeding 5% per annum, payable semi-annually on June 1 and December 1 in each year, commencing June 1, 2014. Subject to adjustments permitted in Section 7 hereof, the Bonds shall be issued initially in \$5,000 denominations or integral multiples thereof, as shall be requested by the purchaser thereof, and shall mature on June 1 of each year, subject to prior optional redemption as hereinafter provided, either serially or through mandatory redemption, in the years and amounts provided in Exhibit A attached hereto.

(b) Subject to adjustments permitted in Section 8 hereof, Bonds maturing on or before June 1, 2020 shall mature without option of prior redemption and Bonds maturing June 1, 2021 and thereafter, shall be subject to redemption prior to maturity at the option of the Municipality on June 1, 2020 and thereafter, as a whole or in part at any time at the redemption price of par plus accrued interest to the redemption date.

If less than all of the Bonds within a single maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

(i) if the Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

(ii) if the Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

(c) Pursuant to Section 8 hereof, the Mayor of the Municipality is authorized to sell the Bonds, or any maturities thereof, as term bonds ("Term Bonds") with mandatory redemption requirements corresponding to the maturities set forth herein or as determined by the Mayor of the Municipality. In the event any or all the Bonds are sold as Term Bonds, the Municipality shall redeem Term Bonds on redemption dates corresponding to the maturity dates set forth in Exhibit A, in aggregate principal amounts equal to the maturity amounts established pursuant to Section 7 hereof for each redemption date, as such maturity amounts and dates may be adjusted pursuant to Section 8 hereof, at a price of par plus accrued interest thereon to the date of redemption. The Term Bonds to be redeemed within a single maturity shall be selected in the manner described in subsection (b) above.

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such mandatory redemption date, the Municipality may (i) deliver to the Registration Agent for cancellation Bonds to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the Municipality on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Bonds to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced. The Municipality shall on or before the forty-fifth (45th) day next preceding each payment date furnish the Registration Agent with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this subsection are to be availed of with respect

to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.

(d) Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent on behalf of the Municipality not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for redemption of any of the Bonds for which proper notice was given. As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the Municipality nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant or Beneficial Owner will not affect the validity of such redemption. The Registration Agent shall mail said notices as and when directed by the Municipality pursuant to written instructions from an authorized representative of the Municipality (other than for a mandatory sinking fund redemption, notices of which shall be given on the dates provided herein) given at least forty-five (45) days prior to the redemption date (unless a shorter notice period shall be satisfactory to the Registration Agent). From and after the redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth herein.

(e) The Registration Agent is hereby authorized and directed to maintain Bond registration records with respect to the Bonds, to authenticate and deliver the Bonds as provided herein, either at original issuance or upon transfer, to effect transfers of the Bonds, to give all notices of redemption as required herein, to make all payments of principal and interest with respect to the Bonds as provided herein, to cancel and destroy Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer, to furnish the Municipality at least annually a certificate of destruction with respect to Bonds canceled and destroyed, and to furnish the Municipality at least annually an audit confirmation of Bonds paid, Bonds outstanding and payments made with respect to interest on the Bonds. The Mayor is hereby authorized to execute and the City Administrator/City Clerk is hereby authorized to attest such written agreement between the Municipality and the Registration Agent as they shall deem necessary and proper with respect to the obligations, duties and rights of the Registration Agent. The payment of all reasonable fees and expenses of the Registration Agent for the discharge of its duties and obligations hereunder or under any such agreement is hereby authorized and directed.

(f) The Bonds shall be payable, both principal and interest, in lawful money of the United States of America at the main office of the Registration Agent. The Registration Agent shall make all interest payments with respect to the Bonds by check or draft on each interest payment date directly to the registered owners as shown on the Bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by depositing said payment in the United States mail, postage prepaid, addressed to such owners at their addresses shown on said Bond registration records, without, except for final payment, the presentation or surrender of such registered Bonds, and all such payments shall discharge the obligations of the Municipality in respect of such Bonds to the extent of the payments so made. Payment of principal of and premium, if any, on the Bonds shall be made upon presentation and surrender of such Bonds to the Registration Agent as the same shall become due and payable. 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. In the event the Bonds are no longer registered in the name of DTC, or a successor Depository, if requested by the Owner of at least \$1,000,000 in aggregate

principal amount of the Bonds, payment of interest on such Bonds shall be paid by wire transfer to a bank within the continental United States or deposited to a designated account if such account is maintained with the Registration Agent and written notice of any such election and designated account is given to the Registration Agent prior to the record date.

(g) Any interest on any Bond that is payable but is not punctually paid or duly provided for on any interest payment date (hereinafter "Defaulted Interest") shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such Defaulted Interest shall be paid by the Municipality to the persons in whose names the Bonds are registered at the close of business on a date (the "Special Record Date") for the payment of such Defaulted Interest, which shall be fixed in the following manner: the Municipality shall notify the Registration Agent in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment, and at the same time the Municipality shall deposit with the Registration Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Registration Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this Section provided. Thereupon, not less than ten (10) days after the receipt by the Registration Agent of the notice of the proposed payment, the Registration Agent shall fix a Special Record Date for the payment of such Defaulted Interest which Date shall be not more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment to the registered owners. The Registration Agent shall promptly notify the Municipality of such Special Record Date and, in the name and at the expense of the Municipality, not less than ten (10) days prior to such Special Record Date, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each registered owner at the address thereof as it appears in the Bond registration records maintained by the Registration Agent as of the date of such notice. Nothing contained in this Section or in the Bonds shall impair any statutory or other rights in law or in equity of any registered owner arising as a result of the failure of the Municipality to punctually pay or duly provide for the payment of principal of, premium, if any, and interest on the Bonds when due.

(h) The Bonds are transferable only by presentation to the Registration Agent by the registered owner, or his legal representative duly authorized in writing, of the registered Bond(s) to be transferred with the form of assignment on the reverse side thereof 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 Registration Agent shall issue a new Bond or the Bond to the assignee(s) in \$5,000 denominations, or integral multiples thereof, as requested by the registered owner requesting transfer. The Registration Agent 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 the 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 Registration Agent, 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 Registration Agent 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 Registration Agent, 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.

(i) 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 with the official seal, or a facsimile thereof, of the Municipality impressed or imprinted thereon and attested by the manual or facsimile signature of the City Clerk.

(j) Except as otherwise provided in this resolution, the Bonds shall be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Bonds. References in this Section to a Bond or the Bonds shall be construed to mean the Bond or the Bonds that are held under the Book-Entry System. One Bond for each maturity shall be issued to DTC and immobilized in its custody. A Book-Entry System shall be employed, evidencing ownership of the Bonds in authorized denominations, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants pursuant to rules and procedures established by DTC.

Each DTC Participant shall be credited in the records of DTC with the amount of such DTC Participant's interest in the Bonds. Beneficial ownership interests in the Bonds may be purchased by or through DTC Participants. The holders of these beneficial ownership interests are hereinafter referred to as the "Beneficial Owners." The Beneficial Owners shall not receive the Bonds representing their beneficial ownership interests. The ownership interests of each Beneficial Owner shall be recorded through the records of the DTC Participant from which such Beneficial Owner purchased its Bonds. Transfers of ownership interests in the Bonds shall be accomplished by book entries made by DTC and, in turn, by DTC Participants acting on behalf of Beneficial Owners. SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE REGISTERED OWNER OF THE BONDS, THE REGISTRATION AGENT SHALL TREAT CEDE & CO., AS THE ONLY HOLDER OF THE BONDS FOR ALL PURPOSES UNDER THIS RESOLUTION, INCLUDING RECEIPT OF ALL PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS, RECEIPT OF NOTICES, VOTING AND REQUESTING OR DIRECTING THE REGISTRATION AGENT TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THIS RESOLUTION.

Payments of principal, interest, and redemption premium, if any, with respect to the Bonds, so long as DTC is the only owner of the Bonds, shall be paid by the Registration Agent directly to DTC or its nominee, Cede & Co. as provided in the Letter of Representation relating to the Bonds from the Municipality and the Registration Agent to DTC (the "Letter of Representation"). DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners. The Municipality and the Registration Agent shall not be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants.

In the event that (1) DTC determines not to continue to act as securities depository for the Bonds or (2) the Municipality determines that the continuation of the Book-Entry System of evidence and transfer of ownership of the Bonds would adversely affect their interests or the interests of the Beneficial Owners of the Bonds, the Municipality shall discontinue the Book-Entry System with DTC. If the Municipality fails to identify another qualified securities depository to replace DTC, the Municipality shall cause the Registration Agent to authenticate and deliver replacement Bonds in the form of fully registered Bonds to each Beneficial Owner.

THE MUNICIPALITY AND THE REGISTRATION AGENT SHALL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY DTC PARTICIPANT OR ANY BENEFICIAL OWNER WITH RESPECT TO (i) THE BONDS; (ii) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (iii) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS; (iv) THE DELIVERY OR TIMELINESS OF

DELIVERY BY DTC OR ANY DTC PARTICIPANT OF ANY NOTICE DUE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED UNDER THE TERMS OF THIS RESOLUTION TO BE GIVEN TO BENEFICIAL OWNERS, (v) THE SELECTION OF BENEFICIAL OWNERS TO RECEIVE PAYMENTS IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (vi) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC, OR ITS NOMINEE, CEDE & CO., AS OWNER.

If the Bonds are sold to a single purchaser that certifies that it does not intend to re-offer the Bonds to the public, then the Registration Agent may deliver fully registered Bonds to the purchaser without utilizing the Book-Entry System and the form of the Bond in Section 5 hereof shall be so conformed.

(k) The Registration Agent is hereby authorized to take such action as may be necessary from time to time to qualify and maintain the Bonds for deposit with DTC, including but not limited to, wire transfers of interest and principal payments with respect to the Bonds, utilization of electronic book-entry data received from DTC in place of actual delivery of Bonds and provision of notices with respect to Bonds registered by DTC (or any of its designees identified to the Registration Agent) by overnight delivery, courier service, telegram, telecopy or other similar means of communication. No such arrangements with DTC may adversely affect the interest of any of the owners of the Bonds, provided, however, that the Registration Agent shall not be liable with respect to any such arrangements it may make pursuant to this section.

(l) The Registration Agent is hereby authorized to authenticate and deliver the Bonds to the original purchaser, 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 Bond(s) to be transferred in proper form with proper documentation as hereinabove described. The Bonds shall not be valid for any purpose unless authenticated by the Registration Agent by the manual signature of an officer thereof on the certificate set forth herein on the Bond form.

(m) In case any Bond shall become mutilated, or be lost, stolen, or destroyed, the Municipality, in its discretion, shall issue, and the Registration Agent, 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 Registration Agent of the destruction, theft or loss of such Bond, and indemnity satisfactory to the Municipality and the Registration Agent; 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 5. Source of Payment. The Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the corporate limits of the Municipality. For the prompt payment of principal of, premium, if any, and interest on the Bonds, the full faith and credit of the Municipality are hereby irrevocably pledged.

Section 6. Form of Bonds. The Bonds shall be in substantially the following form, the omissions to be appropriately completed when the Bonds are prepared and delivered:

REGISTERED
Number

REGISTERED
\$

UNITED STATES OF AMERICA
STATE OF TENNESSEE
COUNTY OF LINCOLN
CITY OF FAYETTEVILLE
GENERAL OBLIGATION BOND, SERIES 2013B

Interest Rate: Maturity Date: Date of Bond: CUSIP No.:
_____, 2013

Principal Amount:

FOR VALUE RECEIVED, the City of Fayetteville, a municipal corporation lawfully organized and existing in Lincoln County, Tennessee (the "Municipality") hereby promises to pay to the registered owner hereof, hereinabove named, or registered assigns, in the manner hereinafter provided, the principal amount hereinabove set forth on the maturity date hereinabove set forth [(or upon earlier redemption as set forth herein)], and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on said principal amount at the annual rate of interest hereinabove set forth from the date hereof until said maturity date [or redemption date,] said interest being payable on [June 1, 2014], and semi-annually thereafter on the first day of June and December in each year until this Bond matures [or is redeemed]. Both principal hereof and interest hereon are payable in lawful money of the United States of America at the principal corporate trust office of Regions Bank, Nashville, Tennessee, as registration and paying agent (the "Registration Agent"). The Registration Agent shall make all interest payments with respect to this Bond on each interest payment date to the registered owner hereof shown on the Bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by check or draft mailed to such owner at such owner's address shown on said Bond registration records, without, except for final payment, the presentation or surrender of this Bond, and all such payments shall discharge the obligations of the Municipality to the extent of the payments so made. Any such interest not so punctually paid or duly provided for on any interest payment date shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such defaulted interest shall be payable to the person in whose name this Bond is registered at the close of business on the date (the "Special Record Date") for payment of such defaulted interest to be fixed by the Registration Agent, notice of which shall be given to the owners of the Bonds of the issue of which this Bond is one not less than ten (10) days prior to such Special Record Date. Payment of principal of [and premium, if any,] on this Bond shall be made when due upon presentation and surrender of this Bond to the Registration Agent.

Except as otherwise provided herein or in the Resolution, as hereinafter defined, this Bond shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds of the series of which this Bond is one. One Bond for each maturity of the Bonds shall be issued to DTC and immobilized in its custody, or a custodian of DTC. The Registrar is a custodian and agent for DTC and the Bonds will be immobilized in its custody. A book-entry system shall be employed, evidencing ownership of the Bonds in \$5,000 denominations, or multiples thereof, with transfers of beneficial ownership effected on the records of

DTC and the DTC Participants, as defined in the Resolution, pursuant to rules and procedures established by DTC. So long as Cede & Co., as nominee for DTC, is the registered owner of the Bonds, the Municipality and the Registration Agent shall treat Cede & Co., as the only owner of the Bonds for all purposes under the Resolution, including receipt of all principal and maturity amounts of [, premium, if any,] and interest on the Bonds, receipt of notices, voting and requesting or taking or not taking, or consenting to, certain actions hereunder. Payments of principal[, and] interest, [and redemption premium, if any,] with respect to the Bonds, so long as DTC is the only owner of the Bonds, shall be paid directly to DTC or its nominee, Cede & Co. DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners, as defined in the Resolution. Neither the Municipality nor the Registration Agent shall be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants. In the event that (1) DTC determines not to continue to act as securities depository for the Bonds or (2) the Municipality determines that the continuation of the book-entry system of evidence and transfer of ownership of the Bonds would adversely affect its interests or the interests of the Beneficial Owners of the Bonds, the Municipality may discontinue the book-entry system with DTC. If the Municipality fails to identify another qualified securities depository to replace DTC, the Municipality shall cause the Registration Agent to authenticate and deliver replacement Bonds in the form of fully registered Bonds to each Beneficial Owner. Neither the Municipality nor the Registration Agent shall have any responsibility or obligations to any DTC Participant or any Beneficial Owner with respect to (i) the Bonds; (ii) the accuracy of any records maintained by DTC or any DTC Participant; (iii) the payment by DTC or any DTC Participant of any amount due to any Beneficial Owner in respect of the principal or maturity amounts of and interest on the Bonds; (iv) the delivery or timeliness of delivery by DTC or any DTC Participant of any notice due to any Beneficial Owner that is required or permitted under the terms of the Resolution to be given to Beneficial Owners, (v) the selection of Beneficial Owners to receive payments in the event of any partial redemption of the Bonds; or (vi) any consent given or other action taken by DTC, or its nominee, Cede & Co., as owner.

[Bonds of the issue of which this Bond is one maturing on or before [June 1, 2020], shall mature without option of prior redemption and Bonds maturing [June 1, 2021] and thereafter, shall be subject to redemption prior to maturity at the option of the Municipality on [June 1, 2020] and thereafter, as a whole or in part at any time at the redemption price of par plus accrued interest to the redemption date.

If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be designated by the Board of Mayor and Aldermen of the Municipality. If less than all the principal amount of the Bonds of a maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

(i) if the Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the amount of the interest of each DTC Participant in the Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

(ii) if the Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

Subject to the credit hereinafter provided, the Municipality shall redeem Bonds maturing _____ on the redemption dates set forth below opposite the maturity dates, in aggregate principal amounts equal to the respective dollar amounts set forth below opposite the respective redemption dates at a price of par plus accrued interest thereon to the date of redemption. DTC, as securities depository for the series of Bonds of which this Bond is one, or such

Person as shall then be serving as the securities depository for the Bonds, shall determine the interest of each Participant in the Bonds to be redeemed using its procedures generally in use at that time. If DTC, or another securities depository is no longer serving as securities depository for the Bonds, the Bonds to be redeemed within a maturity shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall select. The dates of redemption and principal amount of Bonds to be redeemed on said dates are as follows:

<u>Final</u> <u>Maturity</u>	<u>Redemption</u> <u>Date</u>	<u>Principal Amount</u> <u>of Bonds</u> <u>Redeemed</u>
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***Final Maturity**

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such redemption date, the Municipality may (i) deliver to the Registration Agent for cancellation Bonds to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the Municipality on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Bonds to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced. The Municipality shall on or before the forty-fifth (45th) day next preceding each payment date furnish the Registration Agent with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this subsection are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.]

Notice of call for redemption[, whether optional or mandatory,] shall be given by the Registration Agent not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any such defect in any such notice so mailed shall affect the sufficiency of the proceedings for the redemption of any of the Bonds for which proper notice was given. As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the Municipality nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant will not affect the validity of such redemption. From and after any redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth in the Resolution, as hereafter defined.]

This Bond is transferable by the registered owner hereof in person or by such owner's attorney duly authorized in writing at the principal corporate trust office of the Registration Agent set forth on the front side hereof, but only in the manner, subject to limitations and upon payment of the charges provided in the Resolution, as hereafter defined, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds of authorized denominations of the same maturity and interest rate for the same aggregate principal amount will be issued to the transferee in exchange therefor. The person in whose name this Bond is registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the Municipality nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Bond shall be overdue. Bonds, upon surrender to the Registration Agent, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of the Bonds of the same maturity in authorized denomination or denominations, upon the terms set forth in the Resolution. The Registration Agent shall not be required to transfer or exchange any Bond during the period commencing on a Regular Record Date or Special Record Date and ending on the corresponding interest payment date of such Bond[, nor to transfer or exchange any Bond after the notice calling such Bond for redemption has been made, nor during a period following the receipt of instructions from the Municipality to call such Bond for redemption].

This Bond is one of a total authorized issue aggregating \$_____ and issued by the Municipality for the purpose of providing funds to finance, in whole or in part, (i) construction, renovation, repair, improvement and equipping of the Municipality's swimming pool and other public buildings and facilities; (ii) acquisition of all property real and personal, appurtenant thereto, or connected with such public works project and construction of related infrastructure; (iii) payment of legal, fiscal, administrative, architectural and engineering costs incident thereto; [(iv) reimbursement to the Municipality for funds previously expended for any of the foregoing; and (v)] payment of costs incident to the issuance and sale of the Bonds of which this Bond is one, pursuant to Sections 9-21-101 et seq., Tennessee Code Annotated, as amended, and pursuant to a resolution duly adopted by the Board of Mayor and Aldermen of the Municipality on the 13th day of August, 2013 (the "Resolution")..

This Bond is payable from unlimited ad valorem taxes to be levied on all taxable property within the corporate limits of the Municipality. For the prompt payment of principal of, [premium, if any,] and interest on this Bond, the full faith and credit of the Municipality are irrevocably pledged.

This Bond and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) inheritance, transfer and estate taxes, (b) Tennessee excise taxes on interest on the Bond during the period the Bond is held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee, and (c) Tennessee franchise taxes by reason of the inclusion of the book value of the Bond in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

It is hereby certified, recited, and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other indebtedness of the Municipality, does not exceed any limitation prescribed by the constitution and statutes of the State of Tennessee.

IN WITNESS WHEREOF, the Municipality has caused this Bond to be signed by its Mayor with his [manual or] [facsimile] signature and attested by its City Clerk/ with his [manual or] [facsimile] signature under an [impression or] facsimile of the corporate seal of the Municipality, all as of the date hereinabove set forth.

CITY OF FAYETTEVILLE

BY: _____
Mayor

(SEAL)

ATTESTED:

City Clerk

Transferable and payable at the
principal corporate trust office of:

Regions Bank
Nashville, Tennessee

Date of Registration: _____

This Bond is one of the issue of Bonds issued pursuant to the Resolution hereinabove described.

REGIONS BANK
Registration Agent

By: _____
Authorized Representative

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns, and transfers unto _____, whose address is _____ (Please insert Social Security or Federal Tax Identification Number _____) the within Bond of the City of Fayetteville, Tennessee, and does hereby irrevocably constitute and appoint _____, attorney, to transfer the said Bond on the records kept for registration thereof with full power of substitution in the premises.

Dated: _____

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

Signature guaranteed:

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

[End of Bond Form]

Section 7. Levy of Tax. The Municipality, through its Governing Body, shall annually levy and collect a tax upon all taxable property within the corporate limits of the Municipality, in addition to all other taxes authorized by law, sufficient to pay principal of, premium, if any, and interest on the Bonds when due, and for that purpose there is hereby levied a direct annual tax in such amount as may be found necessary each year to pay principal of, premium, if any, and interest coming due on the Bonds in said year. Principal, premium, if any, and interest falling due at any time when there are insufficient funds from this tax levy on hand shall be paid from the current funds of the Municipality and reimbursement therefor shall be made out of the taxes hereby provided to be levied when the same shall have been collected. The tax herein provided may be reduced to the extent of any appropriations from other funds, taxes and revenues of the Municipality to the payment of debt service on the Bonds.

Section 8. Sale of Bonds. (a) The Bonds shall be offered for public sale, in one or more series, as required by law at a price of not less than ninety-nine percent (99%) of par exclusive of original issue discount, and accrued interest, if any, as a whole or in part, from time to time, as shall be determined by the Mayor in consultation with the City Administrator/City Clerk and the Finance Director/Assistant City Clerk, or either of them, and the Financial Advisor. The Bonds shall be sold at public sale by physical delivery of bids or by electronic bidding by means of an Internet bidding service as shall be determined by the Mayor in consultation with the City Administrator/City Clerk and the Finance Director/Assistant City Clerk, or either of them, and the Financial Advisor. The Mayor is authorized to award the Bonds to the bidder whose bid results in the lowest true interest cost to the Municipality, provided the rate or rates on none of the Bonds exceeds 5% per annum. The award of the Bonds by the Mayor to the lowest bidder shall be binding on the Municipality, and no further action of the Governing Body with respect thereto shall be required.

(b) The Mayor, in consultation with the City Administrator/City Clerk and the Finance Director/Assistant City Clerk, or either of them, and the Financial Advisor, is further authorized with respect to Bonds, or any emission thereof:

(1) change the dated date of the Bonds, to a date other than the date of issuance of the Bonds;

(2) change the designation of the Bonds, or any series thereof, to a designation other than "General Obligation Bonds" and to specify the series designation of the Bonds, or any series thereof;

(3) change the first interest payment date on the Bonds or any series thereof to a date other than June 1, 2014, provided that such date is not later than twelve months from the dated date of such series of Bonds;

(4) adjust the principal and interest payment dates and the maturity amounts of the Bonds, or any series thereof, provided that (A) the total principal amount of all series of the Bonds does not exceed the total amount of Bonds authorized herein; and (B) the final maturity date of each series shall not exceed the twentieth fiscal year following the fiscal year of such series;

(5) adjust or remove the Municipality's optional redemption provisions of the Bonds including, but limited to, making the Bonds non-callable or making the first optional redemption date earlier than set forth herein, provided that the premium amount to be paid on Bonds or any series thereof does not exceed two percent (2%) of the principal amount thereof;

(6) sell the Bonds, or any series thereof, or any maturities thereof as Term Bonds with mandatory redemption requirements corresponding to the maturities set forth herein or as otherwise determined by the Mayor, as he shall deem most advantageous to the Municipality; and

(7) to cause all or a portion of the Bonds to be insured by a bond insurance policy issued by a nationally recognized bond insurance company if such insurance (a) is determined to be advantageous to the Municipality and such premium to be paid by the Municipality or (b) is requested and paid for by the winning bidder of the Bonds, or any series thereof, and to enter into an agreement with such bond insurance company with respect to such bond insurance on terms not inconsistent with the provisions of this resolution.

(b) The Mayor, in consultation with the City Administrator/City Clerk and the Finance Director/Assistant City Clerk, or either of them, and the Financial Advisor, is authorized to sell the Bonds, or any series thereof, simultaneously with any other bonds or notes authorized by resolution or resolutions of the Governing Body. The Mayor is further authorized to sell the Bonds, or any series thereof, as a single issue of bonds with any other bonds with substantially similar terms authorized by resolution or resolutions of the Governing Body, in one or more series as he shall deem to be advantageous to the Municipality and in doing so, the Mayor is authorized to change the designation of the Bonds to a designation other than "General Obligation Bonds"; provided, however, that the total aggregate principal amount of combined bonds to be sold does not exceed the total aggregate principal amount of Bonds authorized by this resolution or bonds authorized by any other resolution or resolutions adopted by the Governing Body.

(c) The Mayor, in consultation with the City Administrator/City Clerk and the Finance Director/Assistant City Clerk, or either of them, and the Financial Advisor, is authorized to award the Bonds, or any series thereof, in each case to the bidder whose bid results in the lowest true interest cost to the Municipality, provided the rate or rates on the Bonds does not exceed 5% per annum. The award of the Bonds by the Mayor to the lowest bidder shall be binding on the Municipality, and no further action of the Governing Body with respect thereto shall be required. The form of the Bond set forth in Section 8 hereof, shall be conformed to reflect any changes made pursuant to this Section 8 hereof.

(d) The Mayor, the City Administrator/City Clerk and the Finance Director/Assistant City Clerk, or any of them, are authorized to cause the Bonds, in book-entry form (except as otherwise permitted herein), to be authenticated and delivered by the Registration Agent to the successful bidder and to execute, publish, and deliver all certificates and documents, including an official statement and closing certificates, as they shall deem necessary in connection with the sale and delivery of the Bonds. The Mayor is hereby authorized to enter into a contract with the Financial Advisor, for financial advisory services in connection with the sale of the Bonds and to enter into a contract with Bass, Berry & Sims PLC to serve as bond counsel in connection with the Bonds.

(e) No Bonds shall be issued until publication of the Initial Resolution in a newspaper of general circulation in the Municipality and the passage of twenty (20) days from the date of publication thereof,

Section 9. Disposition of Bond Proceeds. The proceeds of the sale of the Bonds shall be disbursed as follows:

(a) accrued interest, if any, shall be deposited to the appropriate fund of the Municipality to be used to pay interest on the Bonds on the first interest payment date following delivery of the Bonds; and

(b) the remainder of the proceeds of the sale of the Bonds shall be paid to the Finance Director/Assistant City Clerk to be deposited with a financial institution regulated by the Federal Deposit Insurance Corporation or similar or successor federal agency in a special fund known as the 2013B Construction Fund (the "Construction Fund"), or such other designation as shall be determined by the Mayor, in consultation with the City Administrator/City Clerk and the Finance Director/Assistant City Clerk, or either of them, to be kept separate and apart from all other funds of the Municipality. The funds in the Construction Fund shall be disbursed solely to pay the costs of the Projects (or reimburse the Municipality for the prior payment thereof), including necessary legal, accounting, engineering, architectural and fiscal expenses, printing, engraving, advertising and similar expenses, administrative and clerical costs, rating agency fees, Registration Agent fees, bond insurance premiums (if any) and other necessary miscellaneous expenses incurred in connection with the Projects, and the costs of issuance and sale of the Bonds. Moneys in the Construction Fund shall be invested as directed by the City Clerk/Finance Director in such investments as shall be permitted by applicable law and the earnings thereon may either be retained in the Construction Fund and used for the same purposes as all other funds in the Construction Fund or paid to the debt service fund to be used to pay interest on the Bonds, as the Mayor, in consultation with the Finance Director/Assistant City Clerk, shall determine.

Section 10. Official Statement. The Mayor, the City Administrator/City Clerk and the Finance Director/Assistant City Clerk, or any of them, working with the Financial Advisor, are hereby authorized and directed to provide for the preparation and distribution, which may include electronic distribution, of a Preliminary Official Statement describing the Bonds. After bids have been received and the Bonds have been awarded, the Mayor, the City Administrator/City Clerk and the Finance Director/Assistant City Clerk, or any of them, shall make such completions, omissions, insertions and changes in the Preliminary

Official Statement not inconsistent with this resolution as are necessary or desirable to complete it as a final Official Statement for purposes of Rule 15c2-12(e)(3) of the Securities and Exchange Commission. The Mayor, the City Administrator/City Clerk, and the Finance Director/Assistant City Clerk, or any of them, shall arrange for the delivery to the successful bidder on the Bonds of a reasonable number of copies of the Official Statement within seven (7) business days after the Bonds have been awarded for delivery, by the successful bidder on the Bonds, to each potential investor requesting a copy of the Official Statement and to each person to whom such bidder and members of his bidding group initially sell the Bonds.

The Mayor, the City Administrator/City Clerk, the Finance Director/Assistant City Clerk, or any of them, are authorized, on behalf of the Municipality, to deem the Preliminary Official Statement and the Official Statement in final form, each to be final as of its date within the meaning of Rule 15c2-12(b)(1), except for the omission in the Preliminary Official Statement of certain pricing and other information allowed to be omitted pursuant to such Rule 15c2-12(b)(1). The distribution of the Preliminary Official Statement and the Official Statement in final form shall be conclusive evidence that each has been deemed in final form as of its date by the Municipality except for the omission in the Preliminary Official Statement of such pricing and other information.

No final Official Statement shall be required if the Bonds are sold to a purchaser that certifies that it does not intend to re-offer the Bonds to the public.

Section 11. Tax Matters. The Municipality recognizes that the purchasers and owners of each series 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 such Bonds. In this connection, the Municipality agrees that it shall take no action which may cause the interest on any Bonds to be included in gross income for federal income taxation. It is the reasonable expectation of the Governing Body 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 each series 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 Governing Body 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, the City Administrator/City Clerk, and the Finance Director/Assistant City Clerk, or any of them, are authorized and directed to make such certifications in this regard in connection with the sale of the Bonds as any or all of them shall deem appropriate, and such certifications shall constitute a representation and certification of the Municipality. Following the issuance of the Bonds, the Finance Director/Assistant City Clerk is directed to administer the Municipality's Federal Tax Compliance Policies and Procedures with respect to the Bonds.

Section 12. Discharge and Satisfaction of Bonds. If the Municipality shall pay and discharge the indebtedness evidenced by any of the Bonds in any one or more of the following ways, to wit:

(a) By paying or causing to be paid, by deposit of sufficient funds as and when required with the Registration Agent, the principal of and interest on such Bonds as and when the same become due and payable;

(b) By depositing or causing to be deposited with any trust company or financial institution whose deposits are insured by the Federal Deposit Insurance Corporation or similar federal agency and

which has trust powers (an "Agent"; which Agent may be the Registration Agent) in trust or escrow, on or before the date of maturity or redemption, sufficient money or Federal Obligations, as hereafter defined, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Bonds and to pay interest thereon when due until the maturity or redemption date (provided, if such Bonds are to be redeemed prior to maturity thereof, proper notice of such redemption shall have been given or adequate provision shall have been made for the giving of such notice);

(c) By delivering such Bonds to the Registration Agent, for cancellation by it;

and if the Municipality shall also pay or cause to be paid all other sums payable hereunder by the Municipality with respect to such Bonds, or make adequate provision therefor, and by resolution of the Governing Body instruct any such Escrow Agent to pay amounts when and as required to the Registration Agent for the payment of principal of and interest on such Bonds when due, then and in that case the indebtedness evidenced by such Bonds shall be discharged and satisfied and all covenants, agreements and obligations of the Municipality to the holders of such Bonds shall be fully discharged and satisfied and shall thereupon cease, terminate and become void.

If the Municipality shall pay and discharge the indebtedness evidenced by any of the Bonds in the manner provided in either clause (a) or clause (b) above, then the registered owners thereof shall thereafter be entitled only to payment out of the money or Federal Obligations deposited as aforesaid.

Except as otherwise provided in this Section, neither Federal Obligations nor moneys deposited with the Registration Agent pursuant to this Section nor principal or interest payments on any such Federal Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal, premium, if any, and interest on said Bonds; provided that any cash received from such principal or interest payments on such Federal Obligations deposited with the Registration Agent, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to the Municipality as received by the Registration Agent and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Federal Obligations maturing at times and in amounts sufficient to pay when due the principal, premium, if any, and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the Municipality, as received by the Registration Agent. For the purposes of this Section, Federal Obligations shall mean direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, or any agency thereof, obligations of any agency or instrumentality of the United States or any other obligations at the time of the purchase thereof are permitted investments under Tennessee law for the purposes described in this Section, which bonds or other obligations shall not be subject to redemption prior to their maturity other than at the option of the registered owner thereof.

Section 13. Reasonably Expected Economic Life. The "reasonably expected economic life" of the Projects within the meaning of Sections 9-21-101 *et seq.*, Tennessee Code Annotated, is greater than twenty (20) years. In no event shall the term of any Bond exceed the reasonably expected economic life of the Projects financed by the proceeds of such Bond.

Section 14. Qualified Tax-Exempt Obligations. The Mayor is hereby authorized to designate the Bonds as "qualified tax-exempt obligations," within the meaning of Section 265 of the Internal Revenue Code of 1986, as amended, to the extent the Bonds may be so designated and to the extent not "deemed designated".

Section 15. Continuing Disclosure. The Municipality hereby covenants and agrees that it will provide annual financial information and material event notices if and as required by Rule 15c2-12 of the

Securities Exchange Commission for the Bonds. The Mayor is authorized to execute at the Closing of the sale of the Bonds, an agreement for the benefit of and enforceable by the owners of the Bonds specifying the details of the financial information and material event notices to be provided and its obligations relating thereto, if any. Failure of the Municipality to comply with the undertaking herein described and to be detailed in said closing agreement, shall not be a default hereunder, but any such failure shall entitle the owner or owners of any of the Bonds to take such actions and to initiate such proceedings as shall be necessary and appropriate to cause the Municipality to comply with their undertaking as set forth herein and in said agreement, including the remedies of mandamus and specific performance.

Section 16. Resolution a Contract. 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 shall be made in any manner until such time as the Bonds and interest due thereon shall have been paid in full.

Section 17. Reimbursement. It is reasonably expected that the Municipality will reimburse itself for certain expenditures made by it in connection with the Projects by issuing the Bonds. This resolution shall be placed in the minutes of the Governing Body and shall be made available for inspection by the general public at the office of the Governing Body. This resolution constitutes a declaration of official intent under Treas. Reg. §1.150-2.

Section 18. Separability. 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 of this resolution.

Section 19. Repeal of Conflicting Resolutions and Effective Date. All other 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.

[signature page follows]

Adopted and approved this 13th day of August, 2013.

Mayor

ATTEST:

City Clerk

STATE OF TENNESSEE)
COUNTY OF LINCOLN)

I, Gregory Scott Collins, certify that I am the duly qualified and acting City Clerk of the City of Fayetteville, Tennessee, and as such official I further certify that attached hereto is a copy of excerpts from the minutes of a regular meeting of the governing body of the Municipality held on August 13, 2013, that these minutes were promptly and fully recorded and are open to public inspection; that I have compared said copy with the original minute record of said meeting in my official custody; and that said copy is a true, correct and complete transcript from said original minute record insofar as said original record relates to an amount not to exceed \$1,075,000 General Obligation Bonds of said Municipality.

WITNESS my official signature and seal of said Municipality this _____ day of August, 2013.

City Clerk

(SEAL)

12128828.1

EXHIBIT A

ESTIMATED AMORTIZATION SCHEDULE

\$1,060,000
City of Fayetteville, Tennessee
General Obligation Bonds, Series 2013B

Estimated Debt Service

Date	Principal	Est Coupon	Interest	Total P+I
06/01/2014	55,000.00	0.400%	19,296.67	74,296.67
06/01/2015	45,000.00	0.700%	28,725.00	73,725.00
06/01/2016	45,000.00	1.050%	28,410.00	73,410.00
06/01/2017	45,000.00	1.350%	27,937.50	72,937.50
06/01/2018	45,000.00	1.650%	27,330.00	72,330.00
06/01/2019	45,000.00	1.900%	26,587.50	71,587.50
06/01/2020	45,000.00	2.200%	25,732.50	70,732.50
06/01/2021	45,000.00	2.450%	24,742.50	69,742.50
06/01/2022	50,000.00	2.700%	23,640.00	73,640.00
06/01/2023	50,000.00	2.750%	22,290.00	72,290.00
06/01/2024	50,000.00	2.950%	20,915.00	70,915.00
06/01/2025	50,000.00	3.050%	19,440.00	69,440.00
06/01/2026	55,000.00	3.200%	17,915.00	72,915.00
06/01/2027	55,000.00	3.400%	16,155.00	71,155.00
06/01/2028	60,000.00	3.500%	14,285.00	74,285.00
06/01/2029	60,000.00	3.600%	12,185.00	72,185.00
06/01/2030	60,000.00	3.700%	10,025.00	70,025.00
06/01/2031	65,000.00	3.800%	7,805.00	72,805.00
06/01/2032	65,000.00	3.900%	5,335.00	70,335.00
06/01/2033	70,000.00	4.000%	2,800.00	72,800.00
Total	\$1,060,000.00	-	\$381,551.67	\$1,441,551.67

Date And Term Structure

Date	10/01/2013
First Coupon Date	12/01/2013
Frequency of Interest Payments	2 Per Year
First Serial Maturity Date	6/01/2014

Yield Statistics

Average Coupon	3.3044313%
Average Life	10.893 Years
True Interest Cost (TIC)	3.4262880%
Bond Yield for Arbitrage Purposes	3.2547276%
Bond Year Dollars	\$11,546.67

Motion was made by Marty Pepper, seconded by Danny Bryant, to approve Resolution R-13-12. Upon roll call, the following voted:

Aye

Gwen Shelton, Marty Pepper, Danny Bryant, Tom Young and Dorothy Small

Nay

None

Mayor Underwood declared the Resolution adopted.

Authorizing Swimming Pool Bid Process:

Motion was made by Gwen Shelton, seconded by Marty Pepper, to authorize the bid process to begin on the swimming pool project. Upon roll call, the following voted:

Aye

Marty Pepper, Danny Bryant, Tom Young, Dorothy Small and Gwen Shelton

Nay

None

Mayor Underwood declared the motion approved.

Police Grant and Matching Funds:

Motion was made by Gwen Shelton, seconded by Marty Pepper, to allow the Police Chief to move forward with the Law Enforcement Equipment Grant. Upon roll call, the following voted:

Aye

Danny Bryant, Tom Young, Dorothy Small, Gwen Shelton and Marty Pepper

Nay

None

Mayor Underwood declared the motion approved.

Parade Permit:

Motion was made by Marty Pepper, seconded by Gwen Shelton, to approve the parade permit for the "Host of Christmas Past" for November 8th – 9th, 2013. Upon roll call, the following voted:

Aye

Tom Young, Dorothy Small, Gwen Shelton, Marty Pepper and Danny Bryant

Nay

None

Mayor Underwood declared the motion approved.

Motion was made, seconded, and unanimously adopted to adjourn.

Mayor

City Clerk