

REGULAR MEETING
BOARD OF MAYOR AND ALDERMEN
JANUARY 13, 2015

REFERENCE VIDEO DATED JANUARY 13, 2015

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 January 13, 2015. Mayor Jon Law was present and presiding. The following named Aldermen were present:

Danny Bryant, Anna Catherine Cowley, Violet Harry, Gwen Shelton, Dorothy Small and Michael Whisenant

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

The prayer was lead by Alderman Bryant, and the pledge was lead by Alderman Small

Approval of Minutes:

Motion was made by Anna Catherine Cowley, seconded by Michael Whisenant, to approve the minutes of the December 2014 Meeting. Upon roll call, the following voted:

Aye

Danny Bryant, Dorothy Small, Violet Harry, Michael Whisenant, Gwen Shelton and Anna Catherine Cowley

Nay

None

Mayor Law declared the Minutes approved.

Reports:

Fayetteville/Lincoln County Industrial Development Board:

Elaine Middleton, the Executive Director, was not present so no report was presented.

Fayetteville Public Utilities:

Britt Dye, the CEO/General Manager, discussed the on-going work on the water plant on Eldad Road. Mr. Dye explained that sewer rehab work will begin around the Tanyard branch in the next few weeks. Mr. Dye reported that the Telecommunications are having issues with the Fox Network, which is why their customers have not been able to show this channel at this time.

Daikin Closing:

Mayor Law discussed the closing of the Daikin plant stating he would like for the entire community, business owners, governmental agencies and the various civic organizations to work together during this time of transition.

Fire Report:

Fire Chief Danny Travis reported that the Fire Department had 71 calls for service and 53 medical calls.

Police Report:

Police Chief Richard Howell reported that there were 129 incidents with 61 arrests, 58 crashes and 45 citations for a total of 1,771 events.

Recreation Report:

Ricky Honey, Recreation Director, stated that trout fishing was ongoing at Stone Bridge Park. Mr. Honey explained that softball and baseball sign-ups would begin Saturday, January 17, 2015.

Public Works:

Eddie Plunkett, Public Works Director, reported that for the month of December 226 tons of sanitation was picked up, along with 164 tons of brush and 120 tons of leaves.

Planning and Codes Report:

Jeff Siefert, Building Inspector, reported for the month of December there were seven (7) building permits issued for approximately Two Hundred Fifty-Four Thousand, Eight Hundred Twenty-One (\$254,821.00) in work to be done, with the fees being One Thousand, Four Hundred Fifty-Eight Dollars and 87/100 (\$1,458.87).

Administrator's Report:

Mr. Collins reported that the LPR Grant contract was signed by the State Department today. Mr. Collins explained that the annual Board of Mayor and Alderman Strategic Planning meeting will be February 7, 2015, at Henry Horton State Park.

Resolution R-15-01:

Resolution R-15-01, a resolution entitled, "An Initial Resolution Authorizing The Issuance Of Water And Sewer Revenue And Tax Bonds By The City Of Fayetteville In A Par Amount Not To Exceed \$1,900,000.00 To Finance Water System Improvements And Extensions And Related Costs", was considered. Said Resolution is as follows:

#R-15-01

INITIAL RESOLUTION AUTHORIZING THE ISSUANCE OF WATER AND SEWER REVENUE AND TAX BONDS BY THE CITY OF FAYETTEVILLE, TENNESSEE IN A PAR AMOUNT NOT TO EXCEED \$1,900,000 TO FINANCE WATER SYSTEM IMPROVEMENTS AND EXTENSIONS AND RELATED COSTS.

BE IT RESOLVED by the Board of Mayor and Aldermen of the City of Fayetteville, Tennessee (the "Municipality") that for the purpose of financing water system improvements and extensions and related costs, the Municipality shall issue bonds in a par amount not to exceed \$1,900,000, which shall bear interest at a rate or rates not to exceed the maximum rate permitted by Tennessee law, and which shall be payable from revenues of the water and sewer system and, in the event such revenues are insufficient therefor, from ad valorem taxes to be levied on all taxable property within the Municipality.

BE IT FURTHER RESOLVED by the Board of Mayor and Aldermen of the Municipality that the City Administrator/City Clerk is hereby directed to cause this initial resolution to be published once in full in a newspaper having a general circulation in the Municipality, together with the following statutory notice:

NOTICE

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 Administrator/City Clerk protesting the issuance of the bonds, such bonds may be issued as proposed.

BE IT FURTHER RESOLVED by the Board of Mayor and Aldermen of the Municipality that this initial resolution shall take effect from and after its adoption, the welfare of the Municipality requiring it.

ADOPTED AND APPROVED this 13th day of January, 2015.

Mayor

ATTEST:

City Administrator/City Clerk

(SEAL)

STATE OF TENNESSEE)

COUNTY OF LINCOLN)

I, Gregory Scott Collins, hereby certify that I am the duly qualified and acting City Administrator/City Clerk of the City of Fayetteville, Tennessee (the "Municipality") and, as such official, I further certify as follows: (1) that attached hereto is a true, correct and complete copy of a resolution adopted by the Board of Mayor and Aldermen of the Municipality at its January 13, 2015 meeting; and (2) that a quorum of the members of the Board of Mayor and Aldermen was present and acting throughout said meeting.

WITNESS my official signature and the seal of the Municipality, this _____ day of _____, 2015.

City Administrator/City Clerk

(SEAL)

13702135.1

Motion was made by Gwen Shelton, seconded by Dorothy Small, to approve Resolution No. R-15-01. Upon roll call, the following voted:

Aye

Dorothy Small, Violet Harry, Michael Whisenant, Gwen Shelton, Anna Catherine Cowley and Danny Bryant

Nay

None

Mayor Law declared the Resolution adopted.

Resolution R-15-02:

Resolution R-15-02, a resolution entitled, "A Resolution Of The Mayor And Board Of Alderman Of The City Of Fayetteville Authorizing And Providing For The Incurrence Of Indebtedness For The Purpose Of Providing A Portion Of The Cost Of Acquiring, Constructing, Enlarging, Improving And/Or Extending Its Water Facility To Serve An Area Lawfully Within Its Jurisdiction To Serve", was considered. Said Resolution is as follows:

LOAN RESOLUTION
(Public Bodies)

A RESOLUTION OF THE Mayor and Board of Alderman

OF THE FAYETTEVILLE CITY OF

AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING A PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS

Water

FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO SERVE.

WHEREAS, it is necessary for the FAYETTEVILLE CITY OF

(Public Body)

(herein after called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of

ONE MILLION NINE HUNDRED THOUSAND & 00/100

pursuant to the provisions of the laws of the State of Tennessee; and

WHEREAS, the Association intends to obtain assistance from the United States Department of Agriculture, (herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) in the planning, financing, and supervision of such undertaking and the purchasing of bonds lawfully issued, in the event that no other acceptable purchaser for such bonds is found by the Association:

NOW THEREFORE, in consideration of the premises the Association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds containing such items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the Association is able to refinance its bonds by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U.S.C. 1983(c)).
3. To provide for, execute, and comply with Form RD 400-4, "Assurance Agreement," and Form RD 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of \$10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the Association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legal ly permissible source.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Association, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so, without the prior written consent of the Government.
7. Not to defease the bonds, or to borrow money, enter into any contractor agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.
8. To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.
9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.
10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. Revenue accumulated over and above that needed to pay operating and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the facility financed by USDA. No free service or use of the facility will be permitted.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0121. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

11. To acquire and maintain such insurance and fidelity bond coverage as may be required by the Government.
12. To establish and maintain such books and records relating to the operation of the facility and its financial affairs and to provide for required audit thereof as required by the Government, to provide the Government a copy of each such audit without its request, and to forward to the Government such additional information and reports as it may from time to time require.
13. To provide the Government at all reasonable times access to all books and records relating to the facility and access to the property of the system so that the Government may ascertain that the Association is complying with the provisions hereof and of the instruments incident to the making or insuring of the loan.
14. That if the Government requires that a reserve account be established, disbursements from that account(s) may be used when necessary for payments due on the bond if sufficient funds are not otherwise available and prior approval of the Government is obtained. Also, with the prior written approval of the Government, funds may be withdrawn and used for such things as emergency maintenance, extensions to facilities and replacement of short lived assets.
15. To provide adequate service to all persons within the service area who can feasibly and legally be served and to obtain USDA's concurrence prior to refusing new or adequate services to such persons. Upon failure to provide services which are feasible and legal, such person shall have a direct right of action against the Association or public body.
16. To comply with the measures identified in the Government's environmental impact analysis for this facility for the purpose of avoiding or reducing the adverse environmental impacts of the facility's construction or operation.
17. To accept a grant in an amount not to exceed \$ 500,000.00

under the terms offered by the Government: that the Mayor

and City Administrator of the Association are hereby authorized and empowered to take all action necessary or appropriate in the execution of all written instruments as may be required in regard to or as evidence of such grant; and to operate the facility under the terms offered in said grant agreement(s).

The provisions hereof and the provisions of all instruments incident to the making or the insuring of the loan, unless otherwise specifically provided by the terms of such instrument, shall be binding upon the Association as long as the bonds are held or insured by the Government or assignee. The provisions of sections 6 through 17 hereof may be provided for in more specific detail in the bond resolution or ordinance: to the extent that the provisions contained in such bond resolution or ordinance should be found to be inconsistent with the provisions hereof, these provisions shall be construed as controlling between the Association and the Government or assignee.

The vote was: Yeas _____ Nays _____ Absent _____

IN WITNESS WHEREOF, the Mayor and Board of Alderman of the

FAYETTEVILLE CITY OF _____ has duly adopted this resolution and caused it

to be executed by the officers below in duplicate on this _____, _____ day of _____

FAYETTEVILLE CITY OF

(SEAL)

By _____

Attest:

Title Mayor

Title City Administrator

Motion was made by Dorothy Small, seconded by Michael Whisenant, to approve Resolution No. R-15-02. Upon roll call, the following voted:

Aye

Violet Harry, Michael Whisenant, Gwen Shelton, Anna Catherine Cowley, Danny Bryant and Dorothy Small

Nay

None

Mayor Law declared the Resolution adopted.

Resolution R-15-03:

Resolution R-15-03, a resolution entitled, "A Resolution Authorizing The Issuance, Sale And Payment Of \$1,900,000.00 Of Water And Sewer Revenue And Tax Bonds Of The City Of Fayetteville, Tennessee", was considered. Said Resolution is as follows:

#R-15-03

A RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND PAYMENT OF \$1,900,000 OF WATER AND SEWER REVENUE AND TAX BONDS OF THE CITY OF FAYETTEVILLE, TENNESSEE; AUTHORIZING THE ISSUANCE OF BOND ANTICIPATION NOTES PRIOR TO THE ISSUANCE OF THE BONDS; AND AUTHORIZING THE PLEDGE OF REVENUES OF THE WATER AND SEWER SYSTEM AND THE LEVY OF TAXES TO PAY THE BONDS AND NOTES.

WHEREAS, the Board of Mayor and Aldermen of the City of Fayetteville, Tennessee (the "Municipality") has determined that it is necessary and advisable to authorize the issuance of revenue and tax deficiency bonds of the Municipality for the purpose of financing water system improvements and extensions; and

WHEREAS, the Board of Mayor and Aldermen did on the date hereof adopt an Initial Resolution authorizing the bonds described herein (the "Initial Resolution"); and

WHEREAS, the United States Department of Agriculture, acting through Rural Development ("Rural Development") has issued to the Municipality its Letter of Conditions dated November 5, 2014 (the "Letter of Conditions"), in which it has agreed to purchase bonds on terms and conditions favorable to the Municipality and its citizens; and

WHEREAS, the Board of Mayor and Aldermen wishes to authorize the issuance, sale and payment of the bonds, the issuance of bond anticipation notes prior to the issuance of the bonds and the pledge of revenues of the water and sewer system and the levy of taxes to pay the bonds and notes;

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 and notes authorized by this resolution are issued pursuant to Sections 9-21-101, *et seq.*, Tennessee Code Annotated, and other applicable provisions of law.

Section 2. Definitions. In addition to the capitalized terms defined above, 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 the not to exceed \$1,900,000 Water and Sewer Revenue and Tax Bonds of the Municipality, authorized to be issued by this resolution.

(b) "Current Expenses" shall mean expenses incurred by the Municipality in the operation of the System, determined in accordance with generally accepted accounting principles, including the reasonable and necessary cost of operating, maintaining, repairing and insuring the System, but excluding depreciation and payments of principal, premium and interest when due with respect to all bonds, notes or other obligations of the Municipality.

(c) "Fiscal Year" shall mean the Municipality's fiscal year.

(d) "Governing Body" shall mean the Board of Mayor and Aldermen of the Municipality.

(e) "Gross Earnings" means all revenues, rentals, earnings and income of the Municipality from whatever source, determined in accordance with generally accepted accounting principles, including all revenues derived from the operation of the System and all amounts realized from the investment of funds of the System (excluding any investment earnings from construction or improvement funds created for the deposit of bond proceeds pending use, to the extent such income is applied to the purposes for which the bonds were issued, and funds created to defease any outstanding obligations of the Municipality.

(f) "Net Revenues" shall mean Gross Earnings minus Current Expenses.

(g) "Notes" shall mean the bond anticipation notes authorized to be issued by this Resolution.

(h) "Operation and Maintenance Fund" shall mean the Operation and Maintenance Fund established herein.

(i) "Parity Bonds" shall mean bonds issued on a parity with the Bond herein authorized in accordance with the restrictive provisions hereof.

(j) "Prior Lien Bonds" shall mean the Municipality's outstanding Utility Relocation Loan Program Agreement with the State of Tennessee having an effective date of August 22, 2005; and its Water and Sewer Revenue and Tax Bond, Series 2008, authorized by resolution dated September 9, 2008; and its Water and Sewer Revenue and Tax Bond, Series 2009, dated October 15, 2014.

(k) "Projects" shall mean the public works projects described in the Letter of Conditions, and all capital costs related thereto.

(l) "Revenue Fund" shall mean the revenue fund into which all revenues of the System shall be deposited as provided herein.

(m) "System" shall mean the complete water and sewer system of the Municipality, including all improvements and extensions made by the Municipality while the Bond or Parity Bonds remain outstanding, and including all real and personal property of every nature comprising part of or used or useful in connection with the water and sewer system, and including all appurtenances, contracts, leases, franchises and other intangibles.

Section 3. Authorization of Terms and Sale of the Bond.

(a) **General Terms.** The Governing Body hereby authorizes the issuance of bonds of the Municipality in an aggregate principal amount up to \$1,900,000 (the "Bonds"). The Bonds may be issued as a single bond or in multiple emissions. The Bonds shall be issued to Rural Development in exchange for the payment of a price equal to 100% of the par amount thereof.

1) The Bonds shall be issued to:

a) finance the costs of the Projects;

b) retire the principal of and, with the consent of Rural Development, interest on the Notes; and

c) pay costs of issuing the Bonds.

2) Each Bond shall be known as a "Water and Sewer Revenue and Tax Bonds" or such other name as may be selected by the Mayor. A series designation indicating the year of issuance and such other distinctions as may be directed by the Mayor shall be added to the name of each Bond.

3) Each Bond shall be dated the date of its delivery.

4) Each Bond shall bear interest at a rate not to exceed 3.25% per annum and shall be payable in not more than 456 equal monthly installments of principal and interest in an amount sufficient to fully amortize the Bond over the period of such installments. The annual principal and interest payment on the Bonds at the maximum term, par amount and interest rate is \$87,324. The first installment of debt service on each Bond shall be due and payable one month following the date of its issuance, but in no event later than the 28th day of the month of such first payment, and all subsequent installments shall be due and payable on the same day of each month thereafter. In all events, the final installment shall be in the amount of the entire unpaid balance of principal and interest on the Bond. All payments of principal and interest on each Bond shall be made directly to the registered owner thereof at its address shown on the bond registration records of the Municipality, without, except for final payment, the presentation or surrender of such Bond, and all such payments shall discharge the obligation of the Municipality in respect of such Bond to the extent of the payments so made. The records of the owner of each Bond shall be conclusively presumed to be correct with respect to amounts of payments made and outstanding principal balance. Upon final payment, each Bond shall be submitted to the City Administrator/City Clerk of the Municipality, as bond registrar, for cancellation.

(b) The Mayor is hereby authorized to cause the Bonds to be issued in a principal amount less than \$1,900,000 if it is determined that the full amount of the Bonds is not needed to pay authorized costs. The Mayor and City Administrator/City Clerk of the Municipality are authorized to execute and deliver the Bonds, to execute such certificates and documents and to take such other actions as they shall deem necessary in connection with the sale and delivery of the Bonds.

(c) The Bonds shall not be issued until after the passage of 20 days from the date of publication of the Initial Resolution authorizing the Bonds, and in no event shall the Bonds be issued if a petition signed by at least ten percent of the registered voters in the Municipality is filed protesting the issuance of the Bonds within the statutorily prescribed 20-day period.

(d) The Municipality shall have the right, at its option, to prepay the Bonds or any installment thereof, in whole or in part, at any time, without penalty. Any partial prepayment, after payment of interest, shall be applied to the installments last to become due under the Bonds and shall not affect the obligation of the Municipality to pay the remaining installments as they come due. Notice of prepayment shall be given to the registered owner of the Bonds not less than thirty (30) days prior to the date of prepayment, unless waived by the registered owner.

(e) The Municipality hereby appoints the City Administrator/City Clerk of the Municipality to act on behalf of the Municipality as registrar and paying agent for the Bonds. The Bonds are transferable by the registered owner thereof, or by its attorney duly authorized in writing, on the registration records of the Municipality, upon presentation of the Bonds to the registrar for transfer with the form of assignment attached thereto completed in full and signed with the name of the registered owner. All transferees shall take the Bonds subject to such condition. The Municipality may treat the registered owner as the absolute owner hereof for all purposes and shall not be affected by any notice to the contrary whether or not any payments due on the Bonds shall be overdue.

(f) The Bond shall be signed by the Mayor of the Municipality, shall be attested by the City Administrator/City Clerk and shall have impressed thereon the corporate seal of the Municipality.

Section 4. Authorization of Terms and Sale of Bond Anticipation Notes.

(a) The Board of Mayor and Aldermen hereby authorizes the issuance of one or more revenue and tax deficiency bond anticipation notes in the maximum aggregate principal amount equal to the maximum principal amount of the Bonds (the "Notes"). The proceeds of the Notes shall also be used to pay costs of the Projects, interest during construction of the Project and for six (6) months thereafter, with the consent of Rural Development, and issuance costs of the Notes. Each Note shall be in the form of a fully registered note, without coupons, shall be known as Water and Sewer Revenue and Tax Bonds Anticipation Note, together with a series designation further identifying the Note, as selected by the Mayor, and shall be dated as of the date of its delivery.

(b) Each Note shall mature not later than two years from its issuance, shall bear interest at a rate not to exceed the maximum rate permitted by applicable law, payable at such time as the Mayor shall designate, and shall be subject to prepayment upon such terms as the Mayor shall designate.

(c) The Mayor shall select the purchaser(s) of the Notes and cause the Notes to be sold to such purchaser(s) at a price of par. In connection therewith, the Mayor is authorized to establish the remaining terms of the Notes, without further action by the Governing Body. The Mayor and City Administrator/City Clerk of the Municipality are authorized to execute and deliver the Notes, to execute such certificates and documents and to take such other actions as they shall deem necessary to further evidence the Municipality's obligations under the Notes. The Notes may also be issued to Rural Development, upon the terms otherwise provided herein, in which case the Notes shall also bear the designation of "Interim Certificates of Indebtedness". The purchase price paid by Rural Development for the Bonds shall be reduced by the principal amount of Interim Certificates held by it, including accrued interest thereon, and such Interim Certificates shall be delivered by Rural Development to the Municipality at the time of delivery of the Bonds.

(d) The Notes shall not be issued until after the passage of 20 days from the date of publication of the Initial Resolution authorizing the Bonds, and in no event shall the Notes be issued if a petition signed by at least ten percent of the registered voters of the Municipality is filed protesting the issuance of the Bonds within the prescribed 20-day period.

(e) Pursuant to Section 9-21-505, Tennessee Code Annotated, the approval of the Comptroller's office is not required for the issuance of the Notes because the Bonds will be issued to a federal agency.

(f) The Governing Body hereby approves the renewal and extension of any Notes issued hereunder, without further action of the Governing Body, to the extent such Notes have matured (or are scheduled to mature) and the Bonds have not and will not be issued in time to retire the maturing Notes.

Section 5. Security and Source of Payment of the Bonds and Notes. The Bonds shall be payable primarily from and be secured by a pledge of the Net Revenues, subject to the pledge of Net Revenues in favor of the Prior Lien Bonds. In the event such revenues are insufficient therefor, the Bonds shall be payable from ad valorem taxes to be levied on all taxable property within the corporate limits of the Municipality. For the prompt payment of principal of and interest on the Bonds, the full faith, credit and resources of the Municipality are hereby irrevocably pledged. The Notes shall be paid from proceeds

of the Bonds. In the event such proceeds are unavailable, the Notes shall be secured and payable in exactly the same manner as the Bonds.

Section 6. Form of Bond and Notes. The Notes shall be in the form approved by the Mayor consistent with the terms of this Resolution. Each Bond shall be in substantially the following form, the omissions to be appropriately completed when each Bond is prepared and delivered:

(Form of Bond)

UNITED STATES OF AMERICA
STATE OF TENNESSEE
COUNTY OF LINCOLN
CITY OF FAYETTEVILLE, TENNESSEE
WATER AND SEWER REVENUE AND TAX BONDS, SERIES ____

R-1

\$_____

KNOW ALL MEN BY THESE PRESENTS: That the City of Fayetteville, Tennessee (the "Municipality"), for value received hereby promises to pay to the registered owner hereof, or its registered assigns, in the manner and from the sources hereinafter provided, the sum of \$_____, with interest on the unpaid balance hereof at the rate of _____% per annum from the date hereof until the principal amount hereof shall have been fully paid. This Bond is payable in _____ consecutive installments of principal and interest in the amount of \$_____ each. The first installment shall be due and payable on _____, and all subsequent installments shall be due and payable on _____. In all events, the final installment shall be in the amount of the entire unpaid balance of principal and interest on the Bond. Both principal hereof and interest hereon are payable in lawful money of the United States of America by electronic fund transfer or by check or draft mailed to the registered owner at the address shown on the bond registration records of the Municipality, and such payments shall discharge the obligation of the issuer hereof to the extent of the payments so made. Upon final payment, this Bond shall be submitted to the City Administrator/City Clerk of the Municipality, as Bond Registrar, for cancellation.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of the Municipality. Any partial prepayment shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of the Municipality to pay the remaining installments as they come due. Notice of prepayment shall be given to the registered owner hereof not less than thirty (30) days prior to the date of prepayment, unless waived by the registered owner.

This Bond shall be transferable by the registered owner hereof, or by its attorney duly authorized in writing, on the registration records of the City Administrator/City Clerk of the Municipality at the office of the City Administrator/City Clerk of the Municipality, upon presentation of the Bond to the registrar for transfer with the form of assignment attached hereto completed in full and signed with the name of the registered owner. All transferees shall take this Bond subject to such condition. The Municipality may treat the registered owner as the absolute owner hereof for all purposes, and shall not be affected by any notice to the contrary whether or not any payments due on this Bond shall be overdue.

This Bond is issued by the Municipality for the purpose of paying part of the cost of water system improvements and extensions for the Municipality under and in full compliance with the constitution and statutes of the State of Tennessee, including Sections 9-21-101, *et seq.*, Tennessee Code Annotated, and

pursuant to a resolution duly adopted by the Board of Mayor and Aldermen of the Municipality on the _____ day of _____, ____ (the "Resolution").

This Bond is payable primarily from and secured by a pledge of the income and revenues to be derived from the operation of the water and sewer of the Municipality (the "System"), subject only to the payment of the reasonable and necessary costs of operating, maintaining, repairing and insuring said System and to the prior pledge of those revenues in favor of the Municipality's outstanding Utility Relocation Loan Program Agreement with the State of Tennessee having an effective date of August 22, 2005; and its Water and Sewer Revenue and Tax Bond, Series 2008, authorized by resolution dated September 9, 2008; and its Water and Sewer Revenue and Tax Bond, Series 2009, dated October 15, 2014. In the event such revenues are insufficient therefor, this Bond shall be payable from ad valorem taxes to be levied on all taxable property within the corporate limits of the Municipality. For the prompt payment of principal of and interest on this Bond, the full faith, credit and resources of the Municipality are hereby irrevocably pledged. For a more complete statement of the revenues from which and conditions under which this Bond is payable, a statement of the conditions on which obligations may hereafter be issued on a parity with this Bond, the general covenants and provisions pursuant to which this Bond is issued and the terms upon which the above described resolution may be modified, reference is hereby made to the Resolution.

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 general partnership or sole proprietorship, 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 general partnership or sole proprietorship, 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 does not exceed any limitation prescribed by the constitution and statutes of the State of Tennessee.

IN WITNESS WHEREOF, the City of Fayetteville, Tennessee has caused this Bond to be signed by its Mayor and attested by its City Administrator/City Clerk under the corporate seal of the Municipality, all as of this _____ day of _____, ____.

CITY OF FAYETTEVILLE, TENNESSEE

FORM ONLY – DO NOT SIGN
Mayor

ATTEST:

FORM ONLY – DO NOT SIGN
City Administrator/City Clerk

(SEAL)

(End of Form of Bond)

Section 7. Application of Revenues and Levy of Tax. From and after the delivery of the Bonds hereunder, and as long as the Bonds shall be outstanding and unpaid either as to principal or as to interest, the entire income and revenues of the System shall be deposited as collected in the Revenue Fund and used first to satisfy the contractual obligations set forth in any resolution authorizing Prior Lien Bonds, and any funds thereafter shall be used as follows:

(a) Money in the Revenue Fund shall be used first from month to month for the payment of Current Expenses;

(b) The money remaining in the Revenue Fund after payment of Current Expenses shall next be used, if no such fund exists, to fully fund a separate fund to be designated as the Operation and Maintenance Fund which, together with any money already on deposit in said fund, or in any corresponding fund established by the Municipality, will equal one-fourth (1/4th) of the amount budgeted for Current Expenses for the current Fiscal Year by the Governing Body of the Municipality; provided, however, that any excess over such amount at the end of any Fiscal Year shall be returned to the Revenue Fund. If in any month the money in the Revenue Fund shall be insufficient to place the required amount in the Operation and Maintenance Fund, the deficiency shall be made up in the following month or months after payment of Current Expenses. Money on hand in the Operation and Maintenance Fund shall be used only for the payment of Current Expenses as the same become due;

(c) The money remaining in the Revenue Fund after the Operation and Maintenance Fund shall have been fully funded shall next be used to pay principal of and interest on the Bonds and Parity Bonds as the same become due; and

(d) Money thereafter remaining in the Revenue Fund may be used to pay principal of and interest on (including reasonable reserves therefor) any bonds payable from the revenues of the System but junior and subordinate in all respects to the Bonds authorized by this resolution, or may be applied to any other legal purpose.

Money on deposit in the Funds described in this Section may be invested in such investments as shall be permitted by Tennessee law. Funds in the accounts established herein may be pooled with each other and with accounts and funds established pursuant to resolutions authorizing Prior Lien Bonds for investment purposes. Segregated bank accounts need not be maintained for invested funds so long as any accounts and funds are segregated on the books and records of the Municipality and their use restricted to the purposes set forth herein. All income derived from such investments shall be regarded as revenues of the System and shall be deposited in the Revenue Fund.

The Revenue Fund and the Operation and Maintenance Fund shall be held and maintained by the Municipality and, when not invested, kept on deposit with a financial institution regulated by and the deposits of which are insured by the Federal Deposit Insurance Corporation, or similar federal agency. All moneys in such Funds so deposited shall at all times be secured to the extent and in the manner required by applicable Tennessee law.

The Municipality will comply with all provisions of the resolution(s) authorizing Prior Lien Bonds so long as any such bonds are outstanding, and will maintain all funds provided for therein in the maximum amounts required. Any excess amounts after such maximum amounts have been reached and any balance in such funds after such Bonds have been retired shall be transferred to the corresponding funds created by this resolution and used as herein provided.

The Municipality, through its Governing Body, shall annually levy and collect a tax upon all taxable property within the Municipality, in addition to all other taxes authorized by law, sufficient to pay debt service on the Bonds when due, and for that purpose there is hereby levied a direct annual tax in such amount as may be necessary each year to pay debt service coming due on the Bonds in such year. Debt service 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 general funds of the Municipality, including Net Revenues, are applied to the payment of debt service on the Bonds.

Section 8. Equality of Lien; Prohibition of Prior Lien; Parity Bonds. The Municipality will issue no other bonds or obligations of any kind or nature payable from or enjoying a lien on the revenues of the System having priority over the Bonds herein authorized.

Additional bonds may hereafter be issued on parity with the Bonds herein authorized under the following conditions but not otherwise:

(a) Additional bonds may be issued on a parity with the Bonds herein authorized without regard to the requirements of subsection (b) of this section, but solely for the purpose of completing the Projects; and

(b) Additional bonds may also be issued on a parity with the Bonds herein authorized if the Net Revenues of the System for the fiscal year preceding the issuance of such additional bonds are equal to at least 120% of the average annual requirements for principal and interest on all obligations then outstanding and payable from the revenues of the System together with the proposed Parity Bonds; provided, that the limitations of this subsection (b) may be waived or modified by the written consent of the owner of the Bonds.

Section 9. Charges for Services Supplied by the System. While the Bonds remain outstanding and unpaid, the Municipality covenants and agrees that it will permit no free service to be furnished to any consumer or user whatsoever, and the charges for all services supplied through the medium of the System to the Municipality and its residents and to all consumers shall be reasonable and just, taking into account and consideration the cost and value of the System and the cost of maintaining and operating the System, and the proper and necessary allowances for the depreciation thereof, and the amounts necessary for the payment of principal of and interest on the Bonds payable from such revenues, and there shall be charged against all users of the services of the System such rates and amounts as shall be fully adequate to meet the requirements of this resolution.

The Municipality will bill its customers on a monthly basis and will discontinue service to any customer whose bill remains unpaid sixty (60) days following the mailing of such bill, until such bill and penalties shall have been paid in full.

Section 10. Covenants Regarding the Operation of the System. The Municipality hereby covenants and agrees with the owners of the Bonds so long as the Bonds are outstanding:

(a) That the Municipality will maintain the System in good condition in an efficient manner and at reasonable cost;

(b) That the Municipality will maintain insurance on the properties of the System for the benefit of the owner of the Bonds of a kind and in an amount which would normally be carried by private companies engaged in a similar type of business. The proceeds of any such insurance, except public

liability insurance, received by the Municipality shall be used to replace the part or parts of the System damaged or destroyed, or if not so used shall be placed in the Revenue Fund.

(c) That the Municipality will cause to be kept proper books and accounts adapted to the System, and will cause the books and accounts to be audited at the end of each Fiscal Year by an independent certified public accountant. Each such audit, in addition to whatever matters may be thought proper by the accountant to be included therein, shall include the following:

(1) A statement in detail of the revenues and expenditures of the System and the excess of revenues over expenditures for the Fiscal Year;

(2) A statement showing beginning and ending balances of each Fund described herein;

(3) A balance sheet as of the end of the Fiscal Year;

(4) The accountant's comments regarding the manner in which the Municipality has carried out the requirements of this resolution and the accountant's recommendations with respect to any change or improvement in the operation of the System;

(5) A list of insurance policies in force at the end of the Fiscal Year, setting out as to each policy the amount of the policy, the risks covered, the name of the insurer and the expiration date of the policy;

(6) The number and classifications of customer service connections to the System as of the end of the Fiscal Year;

(7) The disposition of any Bond or Parity Bond proceeds during the Fiscal Year.

(8) A statement as to all breaches or defaults hereunder by the Municipality of which the accountants have knowledge or, in the alternative, a statement that they have no knowledge of any such breach or default.

All expenses incurred in the making of the audits required by this subsection shall be regarded and paid as Current Expenses. The Municipality further agrees to furnish copies of such audits to the owner of the Bonds within one hundred fifty (150) days after the close of each Fiscal Year. The owner of the Bonds shall have at all reasonable times the right to inspect the System and the records, accounts and data of the Municipality relating thereto. If the Municipality fails to provide the audits and reports required by this subsection, the owner of the Bonds may cause such audits and reports to be prepared at the expense of the Municipality;

(d) That the Municipality will faithfully and punctually perform all duties with reference to the System required by the constitution and laws of the State of Tennessee, including the making and collecting of reasonable and sufficient rates for services rendered by the System as above provided, and will apply the revenues of the System to the purposes and funds specified in this resolution;

(e) That the Municipality will not sell, lease, mortgage, or in any manner dispose of the System, or any part thereof, including any and all extensions and additions that may be made thereto, or any facility necessary for the operation thereof; provided, however, the use of any of the System facilities may at any time be permanently abandoned or any of the System facilities sold at fair market value, provided that:

(1) The Municipality is in full compliance with all covenants and undertakings in connection with all bonds, notes and other obligations then outstanding and payable from the revenues of the System and any required reserve funds for such bonds, notes and other obligations have been fully established and contributions thereto are current;

(2) Any sale proceeds will be applied either (A) to the purchase or redemption of the Bonds, Prior Lien Bonds and/or Parity Bonds, (B) to the construction or acquisition of facilities in replacement of the facilities so disposed of or other facilities constituting capital improvements to the System, or (C) the deposit to a replacement fund to be used to make capital improvements to the System; and

(3) The abandonment, sale or disposition is for the purpose of disposing of facilities which are no longer necessary or no longer useful to the operation of the System and the operation of the System or revenue producing capacity of the System is not materially impaired by such abandonment, sale or disposition or any facilities acquired in replacement thereof are of equivalent or greater value.

Nothing herein is intended to prohibit the lease purchase of equipment or facilities of the System hereafter to be put in service.

(f) That, prior to the beginning of each Fiscal Year, the Governing Body of the Municipality will prepare, or cause to be prepared, and adopt a budget of estimated Gross Earnings, Current Expenses and capital expenditures for the System for the ensuing Fiscal Year, and will undertake to operate the System within such budget to the best of its ability. Copies of such budgets and amendments thereto will be made available to the owner of the Bonds upon request. The Municipality covenants that Current Expenses and capital expenditures incurred in any Fiscal Year will not exceed the reasonable and necessary amounts therefor and that it will not expend any amounts or incur any obligations in excess of the amounts provided for Current Expenses and capital expenditures in the budget except upon resolution by its Governing Body. It is further covenanted that if the estimated Gross Earnings for the succeeding Fiscal Year shall be insufficient to make all payments and transfers and satisfy all the obligations provided herein, then the Municipality will promptly revise rates charged to users of the System to provide Gross Earnings sufficient for such purpose;

(g) That each officer of the Municipality or person other than banks or other financial institutions having custody of funds of the System shall be under fidelity bond coverage at all times in such amount, if and as may be required by state law or by the holder of the Bonds; and

(h) The Municipality will not construct, finance or grant a franchise for the development or operation of facilities that compete for service with the services to be provided by the System or consent to the provision of any such services in the area currently served by the Municipality by any other public or private entity and will take all steps necessary and proper, including appropriate legal action to prevent any such entity from providing such service.

Section 11. Remedies of Bond Owners. Any owner of the Bond may either at law or in equity, by suit, action, mandamus or other proceedings, in any court of competent jurisdiction enforce and compel performance of all duties imposed upon the Municipality by the provisions of this resolution, including the making and collecting of sufficient rates, the segregation of the income and revenues of the System and proper application thereof, and the levy and collection of ad valorem taxes to meet the obligations of the Municipality under this resolution.

If any default be made in the payment of principal of or interest on the Bonds or Parity Bonds, then upon the filing of suit by any owner of said bonds or coupons appertaining thereto, any court having jurisdiction of the action may appoint a receiver to administer the System on behalf of the Municipality

with power to charge and collect rates sufficient to provide for the payment of all bonds and obligations outstanding against the System and for the payment of operating expenses, and to apply the income and revenues thereof in conformity with the provisions of this resolution.

Section 12. Disposition of the Proceeds of the Notes and Bond. The proceeds of the sale of the Notes shall be applied directly to the costs authorized herein or deposited with a financial institution regulated by and the deposits of which are insured by the Federal Deposit Insurance Corporation or similar federal agency, in a special fund designated so as to identify it with this resolution (the "Construction Fund") and shall be disbursed solely for the payment of Project costs, legal, fiscal and engineering costs incident thereto, interest during construction of the Project and for six (6) months thereafter, with the consent of Rural Development, and bond issuance costs. Money in the Construction Fund shall be secured in the manner prescribed by applicable statutes relative to the securing of public or trust funds, if any, or in the absence of such statutes, by a pledge of readily marketable securities having at all times a market value of not less than the amount in the Construction Fund. Money in the Construction Fund shall be expended only for the purposes authorized by this resolution.

The proceeds of the Bonds shall be used first, to the extent permitted by Rural Development, to retire any outstanding Notes. To the extent that the proceeds of the Bonds are insufficient to retire the Notes, the Municipality shall apply other funds in an amount sufficient to fully retire the Notes. Any remaining proceeds of the Bonds, together with any grant funds received from Rural Development, shall be applied directly to the costs authorized herein or deposited to the Construction Fund. After the Project has been completed, any unspent Bond proceeds shall be used at the earliest practicable date for the prepayment of the Bonds as herein provided. All funds, including both loan and grant funds, provided by Rural Development for Project costs, but not needed to pay Project costs, will be considered to be Rural Development grant funds and returned to the Government Finance Office. If the amount of unused Rural Development funds exceeds Rural Development grant amount, the excess will be considered to be Rural Development loan funds and used to prepay the Bonds as provided above.

Section 13. Federal Tax Matters. The Bonds will be issued as federally tax-exempt bonds. At the Mayor's discretion, the Notes may be issued as federally tax-exempt obligations. The Municipality hereby covenants that it will not use, or permit the use of, any proceeds of the Bonds or Notes in a manner that would cause the Bonds or Notes (if applicable) to be subjected to treatment under Section 148 of the Code, and applicable regulations thereunder, as an "arbitrage bond". To that end, the Municipality shall comply with applicable regulations adopted under said Section 148. The Municipality further covenants with the registered owners from time to time of the Bonds and the Notes (if applicable) that it will, throughout the term of the Bonds and Notes and through the date that the final rebate, if any, must be made to the United States in accordance with Section 148 of the Code, comply with the provisions of Sections 103 and 141 through 150 of the Code and all regulations proposed and promulgated thereunder that must be satisfied in order that interest on the Bonds and Notes (if applicable) shall be and continue to be excluded from gross income for federal income tax purposes under Section 103 of the Code.

It is reasonably expected that the Municipality will reimburse itself for certain expenditures made by it in connection with the Project by issuing the Bonds and the Notes. 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.

The Governing Body hereby delegates to the Mayor the authority to designate the Bonds and/or the Notes as "qualified tax-exempt obligations," as defined in Section 265 of the Code, to the extent the Mayor determines such designation to be advantageous to the Municipality and to the extent the Bonds and/or Notes are not deemed designated as such and may be designated as such.

The Mayor is authorized and directed, on behalf of the Municipality, to execute and deliver all such certificates and documents that may be required of the Municipality in order to comply with the provisions of this section.

Section 14. Resolution a Contract. The provisions of this resolution shall constitute a contract between the Municipality and the owner(s) of the Bonds and the Notes, and after the issuance of either the Bonds or Notes, no change, variation or alteration of any kind in the provisions of this resolution shall be made in any manner, except as provided in the following Section, until such time as the Bonds and Notes and interest due thereon shall have been paid in full.

Section 15. Modification of Resolution. The terms, covenants and agreements set forth in this resolution may be modified or amended by resolution of the Governing Body, consented to in writing by the owner of the Bonds and, while any Notes are outstanding, the Notes.

Section 16. Defeasance. So long as Rural Development is the owner of the Bonds herein authorized, the Municipality shall not issue any bonds or other obligations for the purpose of defeasing or otherwise terminating the lien of the Bonds herein authorized without immediately prepaying the Bonds.

Section 17. Compliance with Debt Management Policy. The Governing Body hereby finds that the issuance of the Bonds and the Notes is consistent with the Municipality's debt management policy.

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.

Adopted and approved this 13th day of January, 2015.

CITY OF FAYETTEVILLE, TENNESSEE

Mayor

ATTEST:

City Administrator/City Clerk

STATE OF TENNESSEE

COUNTY OF LINCOLN)

I, Gregory Scott Collins, hereby certify that I am the duly qualified and acting City Administrator/City Clerk of the City of Fayetteville, Tennessee (the "Municipality") and, as such official, I further certify as follows: (1) that attached hereto is a true, correct and complete copy of a resolution adopted by the Board of Mayor and Aldermen of the Municipality at its January 13, 2015 regular meeting; and (2) that a quorum of the members of the Board of Mayor and Aldermen was present and acting throughout said meeting.

WITNESS my official signature and the seal of the Municipality, this ____ day of _____, 2015.

City Administrator/City Clerk

(SEAL)

13707351.1

Motion was made by Michael Whisenant, seconded by Gwen Shelton, to approve Resolution No. R-15-03. Upon roll call, the following voted:

Aye

Michael Whisenant, Gwen Shelton, Anna Catherine Cowley, Danny Bryant, Dorothy Small and Violet Harry

Nay

None

Mayor Law declared the Resolution adopted.

Resolution R-15-04:

Resolution R-15-04, a resolution entitled, "A Resolution Approving And Recommending To The Board Of Mayor And Alderman The Adoption Of A Resolution Authoring And Providing For The Financing Of The Construction Of A Wastewater Facility Project, Including Authorizing The Execution Of Applications, Contractual Agreements, And Other Necessary Documents, And Making Certain Representations, Certification, And Pledges Of Certain Revenue In Connection With Such Financing" (\$1,700,000.00), was considered. Said Resolution is as follows:

AUTHORIZING RESOLUTION No. 15-04

RESOLUTION AUTHORIZING AND PROVIDING FOR THE FINANCING OF THE CONSTRUCTION OF A WASTEWATER FACILITIES PROJECT, INCLUDING AUTHORIZING THE EXECUTION OF APPLICATIONS, CONTRACTUAL AGREEMENTS, AND OTHER NECESSARY DOCUMENTS, AND MAKING CERTAIN REPRESENTATIONS, CERTIFICATIONS, AND PLEDGES OF CERTAIN REVENUE IN CONNECTION WITH SUCH FINANCING.

WHEREAS, the Fayetteville is a public and governmental body in the City of Fayetteville, Tennessee (the "Local Government"); and

WHEREAS, the Local Government has determined that it is necessary and desirable to undertake certain activities or tasks in connection with a wastewater facilities project, Department of Environment and Conservation Number **CG2 2015-351** (the "Project"), in and for the Local Government; and

WHEREAS, Tennessee Code Annotated, Section 68-221-1001 et. seq., provide for the lending of moneys in the wastewater facilities Revolving Loan Fund to Local Governments for the purpose of providing funds for Project Loans; and

WHEREAS, the local Government has determined that it is necessary and advisable to borrow funds for the Project pursuant to these sections.

NOW, THEREFORE, be it resolved as follows:

Section 1. Local Government hereby approves the creation of indebtedness on behalf of the Local Government in the principal amount of ONE MILLION SEVEN HUNDRED THOUSAND Dollars (\$1,700,000) by the obtaining of a Project Loan.

Section 2. The execution and delivery of the Application for a Project Loan in the principal amount of ONE MILLION SEVEN HUNDRED THOUSAND Dollars (\$1,700,000) for the purpose of funding all or a portion of the total estimated cost of the Project FIVE MILLION SEVEN HUNDRED THOUSAND Dollars (\$5,700,000), by Jon Law, Mayor of the Local Government, is hereby ratified and approved in all respects.

Section 3. The form, terms, and provisions of the agreement for the Project Loan among the Local Government, the Tennessee Department of Environment and Conservation and the Tennessee Local Development Authority (the "Loan Agreement"), as presented at this meeting, are hereby approved.

Section 4. The Local Government hereby agrees to honor and accept the method of financing as may be determined by the Authority pursuant to the Loan Agreement.

Section 5. The Local Government hereby agrees to make the monthly payments on the Project Loan in accordance with the Payment Schedule to be attached to the Loan Agreement.

Section 6. The Local Government hereby agrees to levy fees, rates or charges for services provided by the Project and/or to levy ad valorem taxes sufficient to pay the interest on and principal of the Project Loan in accordance with the Loan Agreement. The Local Government also agrees to levy fees, rates, or charges and/or ad valorem taxes sufficient to pay the cost of operation and maintenance of the wastewater system of which the Project is a part, which cost shall include depreciation and all other debt service expense of the system.

Section 7. The Local Government assigns and pledges its State-Shared Taxes to the State and consents to the withholding and application of State-Shared Taxes in the event of failure by the Local Government to remit monthly payments in accordance with the terms of the Loan Agreement, as the Loan Agreement may be supplemented or amended from time to time.

Section 8. The Local Government hereby agrees that there are no local pledges of State-Shared Taxes other than those disclosed.

Section 9. The Local Government hereby agrees to obtain alternative methods of financing for all costs necessary for the completion of the Project which are in excess of the combined financing provided by any agency of the United States Government and by the Tennessee Local Development Authority.

Section 10. The Mayor of the Local Government is authorized and directed to execute the Loan Agreement, and any amendments of supplements to the Loan Agreement, in the name and behalf of the Local Government; to deliver such documents to the other parties to such documents, such execution and delivery to be conclusive proof of the approval of the Local Government of such documents; and to take such further action and to execute and deliver such further instruments or documents as such officer may consider necessary or advisable in connection with the Loan Agreement. Provided, however, this resolution shall not be deemed to grant authority to the named officer to approve any increase in the amount of the Project Loan.

Section 11. All orders, resolutions, or ordinances in conflict with this resolution be and the same are repealed insofar as such conflict exists. This resolution shall become effective immediately upon its passage.

Duly passed and approved this _____ day of _____, 2014.

Jon Law, Mayor

WITNESS:

(Affix Seal As Appropriate)

(Name and Title)

REVOLVING FUND LOAN AGREEMENT

This Agreement is among the Tennessee Department of Environment and Conservation (the "Department"), the Tennessee Local Development Authority (the "Authority") and the City of Fayetteville (the "Local Government"), which is a Tennessee governmental entity authorized to own, operate, and manage (wastewater) facilities. The purpose of this agreement is to provide for the financing of all or a portion of a wastewater facility (the "Project") by the Local Government. The Local Government submitted an application for the financing dated _____ which is made by reference a part of this Agreement.

1. **DEFINITIONS.** Unless the context in this Agreement indicates another meaning, the following terms shall have the following meaning:

- (a) "Administrative fee" means the fee to be collected by the Authority for administration of the loan in accordance with TCA Sections 68-221-1004(a) and 68-221-1204(a);
- (b) "Agreement" means this agreement providing financing for the Project from the Fund;
- (c) "Clean Water Act" means the Water Pollution Control Act of 1972, PL 92-500, 33 U.S.C. Sections 1251 et. seq., as amended, and rules and regulations promulgated thereunder;
- (d) "Facility" means either a wastewater facility or a water system;
- (e) "Fund" means:
 - (1) For wastewater projects, the wastewater revolving loan fund created by the Tennessee Wastewater Facilities Act of 1987, TCA Sections 68-221-1001, et seq., and rules and regulations promulgated thereunder, or
 - (2) For water projects, the drinking water revolving loan fund created by the Drinking Water Revolving Loan Fund Act of 1997, TCA Sections 68-221-1201, et seq., and rules and regulations promulgated thereunder;
- (f) "Local Government" means the governmental entity borrowing under this Agreement described in (1) TCA Section 68-221-1003(7)(A), as amended, if a wastewater facility and (2) TCA Section 68-221-1203(6), as amended, if a water system.
- (g) "Program Loan" and "Loan Program Agreement" have the meanings established by TCA Section 4-31-102, as amended;
- (h) "Project" means the activities or tasks concerning a facility described in the Application to be financed pursuant to this Agreement;
- (i) "Project Cost" means the total amount of funds necessary to complete the Project;
- (j) "Project Loan" means the moneys loaned from the fund to finance the Project and required to be repaid pursuant to this Agreement;
- (k) "Safe Drinking Water Act" means the Safe Drinking Water Act, Title XVI of Public Health Service Act, 42 U.S.C. Sections 300f et seq., as amended, and rules and regulations promulgated thereunder;

- (l) "State" shall mean the State of Tennessee acting through the Department and the Authority, jointly or separately, as the context requires;
- (m) "State-Shared Taxes" has the meaning established by TCA Section 4-31-102, as amended; and
- (n) "Unobligated State-Shared Taxes" means State-Shared Taxes which have not been pledged or applied to any other prior indebtedness"

2. PROJECT

- (a) Description. A description of the Project is contained in the Application.
- (b) Funding Sources. The Local Government estimates the Project Cost to be \$5,700,000 which is expected to be funded as follows:

(1) State Revolving Fund (SRF) Loan	\$1,700,000
(2) Principal Forgiveness	\$ -0
(3) Local Funds	-0-
(4) Other Funds (CG4 2015-350)	\$4,000,000
TOTAL	<u>\$5,700,000</u>

3. LOAN

- (a) Loan and use of proceeds. The State shall lend to the Local Government from moneys available in the Fund an aggregate principal amount not to exceed ONE MILLION SEVEN HUNDRED THOUSAND DOLLARS (\$1,700,000) (the "Project Loan") to bear interest as described in (b) below. The loan shall be used by the Local Government for completion of the Project described in the Application and in accordance with plans and specifications and special conditions, approved and required by the Department. Interest on the Project Loan will begin to accrue upon the first disbursement of the Project Loan pursuant to Section 5 hereof.
- (b) Interest rate. The rate of interest for this Project Loan is that rate established by the Authority at the meeting at which this loan is approved and stated on the payment schedule which is incorporated into this Agreement and attached hereto.
- (c) Administrative fee. The Authority shall collect a fee equal to 8 basis points of the total Project Loan, where one basis point is equal to one-hundredth of one percent (0.01%). This fee shall be payable in monthly installments equal to one-twelfth (1/12) of the annual fee amount as stated on the payment schedule.
- (d) Payment schedule. The Local Government expressly agrees to make all payments of principal and interest in accordance with the Payment Schedule, including the form of payment (currently electronic funds transfer), as it is from time to time revised by the State. A revision of the Payment Schedule shall not be deemed to be an amendment of this Agreement.

4. REPAYMENT OF PROJECT LOAN.

(a) Payments. The Local Government promises to repay to the order of the State the Project Loan plus interest, payable in installments on the 20th day of each month in accordance with the Payment Schedule established by the Authority. The Payment Schedule will require payments of interest to begin after the first disbursement pursuant to Section 5 of this Agreement. The Payment Schedule will require repayments of principal to begin either (1) within ninety (90) days after the Project is completed, or, if the Project consists solely of planning, replanning, or design work, after the Project is complete; or (2) within one hundred twenty (120) days after ninety percent (90%) of the Project Loan has been disbursed, whichever event occurs earlier. Provided, however, the Authority may agree in the instance of a newly created water system to defer the commencement of principal repayment for no more than one year after the Project is completed.

(b) Reduction. The Project Loan, and the required payments made pursuant to the Payment Schedule, shall be reduced to reflect:

(1) Funding not listed in Section 2(b) which subsequently becomes available, or

(2) The amount actually disbursed by the State to the Local Government pursuant to the Agreement as the Project Loan.

If any of the conditions set out above shall occur, a new Payment Schedule reflecting such changes shall be submitted to the Local Government to be attached to this Agreement, superseding any previous schedules.

(c) Prepayment. The Local Government, at its option, may prepay all or any portion of the Project Loan.

(c) Principal Forgiven. A portion of the SRF funding for the Project Loan shall be forgiven by the State. The principal forgiven shall be \$ 0.

5. DISBURSEMENT OF PROJECT LOAN. Each request by the Local Government for disbursement of the Project Loan shall constitute a certification by the Local Government that all representations made in this Agreement remain true as of the date of the request and that no adverse developments affecting the financial condition of the Local Government or its ability to complete the Project or to repay the Project Loan plus interest have occurred since the date of this Agreement unless specifically disclosed in writing by the Local Government in the request for disbursement. Submitted requests for disbursement must be supported by proper invoices and other documentation required by and acceptable to the Department and the Authority.

After the Department has certified and the Authority has approved a request for disbursement, the Authority will disburse the Project Loan during the progress of the Project. Each disbursement shall be by electronic funds transfer or such other form of payment as specified in the Payment Schedule and shall be equal to that portion of the unpaid principal amount incurred to the date of the Local Government's request for disbursement. No more than 90% of the Project Loan shall be paid to the Local Government prior to the time the construction of the Project has been completed, the facilities constituting the Project are in the opinion of the Department in proper operation, and the Project has been approved by the Department; at that time the remaining 10% of the Project Loan may be paid to the Local Government. Provided, however, that if this Project Loan is for planning or replanning and design, payments may be made prior to the completion of construction of the Project for the full amount of costs associated with the planning or replanning and design.

6. AMENDMENT.

- (a) Increase in Project Loan. If the final Project Cost is greater than is estimated in Section 2(b), then the Project Loan may be increased by a subsequent agreement executed by the parties hereto (the amount of such increase may be subject to a different interest rate) if the following conditions are fulfilled:
- (1) Amounts in the Fund are authorized and available for such increase;
 - (2) The increased Project Loan otherwise meets the applicable statutory requirements and the regulations adopted thereunder; and
 - (3) Such increase in this Project Loan does not result in any violation or breach of any contract, resolution or ordinance of the Local Government.
- (b) Other Amendments and Modifications. Any other amendment or modification of this Agreement must first be approved by the Authority and must be in writing executed by the parties hereto.

7. REPRESENTATIONS AND COVENANTS OF LOCAL GOVERNMENT. The Local Government hereby represents, agrees and covenants with the State as follows:

- (a) To construct, operate and maintain the Project in accordance, and to comply, with all applicable federal and State statutes, rules, regulations, procedural guidelines, and grant conditions;
- (b) To comply with the Project schedule, plans and specifications, and any and all special conditions established and/or revised by the Department;
- (c) To commence operation of the Project on its completion; and not to contract with others for the operation and management of or to discontinue operation or dispose of the Project without the prior written approval of the Department and the Authority;
- (d) To provide for the Local Government's share of the cost of the Project;
- (e) To advise the Authority before pledging or encumbering its State Shared Taxes;
- (f) To comply with applicable federal requirements including the laws and executive orders listed on Exhibit A to this Agreement;
- (g) To advise the Department before applying for federal or other State assistance for the Project;
- (h) To establish and maintain adequate financial records for the Project in accordance with generally accepted government accounting principles; to cause to be made an annual audit acceptable to the Comptroller of the Treasury of the financial records and transactions covering each fiscal year; and to furnish a copy of such audit to the Authority. In the event of the failure or refusal of the Local Government to have the annual audit prepared, then the Comptroller of the Treasury may appoint an accountant or direct the Department of Audit to prepare the audit at the expense of the Local Government;

- (i) To provide and maintain competent and adequate engineering supervision and inspection of the Project to insure that the construction conforms with the approved Plans and Specifications;
 - (j) To abide by and honor any further guarantees or securities as may be required by the State which are not in conflict with State or federal law;
 - (k) To do, file, or cause to be done or filed, any action or statement required to perfect or continue the lien(s) or pledge(s) granted or created hereunder;
 - (l) To establish and collect, and to increase, user fees and charges and/or increase or levy, as the case may be, ad valorem taxes as needed to pay the monthly installments due under this Agreement, as well as the other costs of operation and maintenance including depreciation and debt service of the system of which the Project is a part.
8. SECURITY AND DEFAULT. As security for payments due under this Agreement, the Local Government pledges users fees and charges and/or ad valorem taxes, and covenants and agrees that it shall increase such fees or increase or levy, as the case may be, ad valorem taxes as needed to pay the monthly installments due here under, as well as the other costs or operation and maintenance of the system, including depreciation. The Local Government covenants to establish and collect such fees and taxes and to make such adjustments to raise funds sufficient to pay such monthly payments and costs but to create only a minimum excess.

The Local Government further pledges such other additional available sources of revenues as are necessary to meet the obligations of the Local Government under this Agreement.

As further security for this Project Loan, the Local Government pledges and assigns subject to the provisions herein its Unobligated State-Shared Taxes in an amount equal to the maximum annual debt service requirements under this Agreement. In the event the Local Government fails to remit the monthly payments as established in the Payment Schedule, the Authority shall deliver by certified mail a written notice of such failure to the Local Government within 5 days of such failure. In the event the Local Government shall fail to cure payment delinquency within 60 days of the receipt of such notice, the Authority shall so notify the Commissioner of Finance and Administration of the State of Tennessee of the default of the Local Government and the assignment of Unobligated State-Shared Taxes under this Agreement. Upon receipt of such notice, the Commissioner shall withhold such sum or part of such sum from any State-Shared Taxes which are otherwise apportioned to the Local Government and pay only such sums necessary to liquidate the delinquency of the Local Government to the Authority for deposit into the fund. The Local Government acknowledges that it has no claim on State-Shared Taxes withheld as permitted under this Agreement.

9. CONDITIONS PRECEDENT. This Agreement is further conditioned on the receipt of the following documents, in form and substance acceptable to the Authority, if applicable, on or before the date of the first disbursement of the Project Loan; each document is to be dated or certified, as the case may be, on or before the date of the first disbursement of the Project Loan:
- (a) A general certificate of the Local Government certifying the resolution or ordinance authorizing the Local Government to enter into this Agreement, the resolution or ordinance authorizing the rate and fee structure for the users of the system, and other matters;
 - (b) An opinion of the Attorney or Special Counsel to the Local Government to the effect that:

- (1) The Local Government has been duly created and is validly existing and has full power and authority (under its Charter and By-laws or general law, if applicable, and other applicable statutes) to enter into and carry out the terms of this Agreement;
 - (2) This Agreement is duly executed and constitutes a valid and binding contract of the Local Government, enforceable in accordance with its terms except as the enforceability thereof may be limited by bankruptcy, reorganization, insolvency, moratorium or similar laws affecting the enforcement of creditors rights generally;
 - (3) This Agreement is not in conflict in any material way with any contracts or ordinances of the Local Government; and
 - (4) There is no litigation materially adversely affecting this Agreement or the financial condition of the Local Government.
 - (c) An opinion of a licensed engineer or certified public accountant as to the sufficiency of the rates, fees and charges to meet costs of operation and maintenance, including depreciation and all debt service of the Local Government in Paragraph 7(l);
 - (d) An opinion of a licensed engineer as to the reasonableness of the project costs and as to the estimated completion date of the Project; and
 - (e) A representation of the Local Government as to loans and state shared taxes.
10. SEVERABILITY. In the event any covenant, condition or provision of this Agreement is held to be invalid or unenforceable by a final judgment of a court of competent jurisdiction, the invalidity thereof shall in no way affect any of the other covenants, conditions or provisions hereof.
11. NOTICES. Any notice shall be delivered to the parties at the addresses below (or such other addresses as the parties shall specify to each other in writing):

To Department: Tennessee Department of Environment and Conservation
312 Rosa L. Parks Avenue, 12th Floor
Nashville, TN 37243
ATTN: State Revolving Fund Loan Program

To Authority: Tennessee Local Development Authority
Suite 1600, James K. Polk Building
Nashville, TN 37243-0273
ATTN: Assistant Secretary

To Local Government: City of Fayetteville
Attn: The Honorable Jon Law, Mayor
110 Elk Avenue South
Fayetteville, TN 37334

12. SECTION HEADINGS. Section headings are provided for convenience of reference only and shall not be considered in construing the intent of the parties to this Agreement.
13. EFFECTIVE DATE. The effective date of this Agreement shall be the date on which the Authority approves this Agreement as indicated below.

IN WITNESS WHEREOF, the parties to this Agreement have caused the Agreement to be executed by their respective duly authorized representatives.

LOCAL GOVERNMENT

NAME City of Fayetteville
(City)

BY: _____
Jon Law, Mayor

DATE: _____

**TENNESSEE LOCAL DEVELOPMENT
AUTHORITY**

BY: _____

TITLE: _____

MEETING APPROVAL DATE: _____

INTEREST RATE: _____

APPROVED AS TO FUNDING:

**COMMISSIONER, DEPARTMENT OF
ENVIRONMENT AND CONSERVATION**

BY: _____

DATE: _____

**COMMISSIONER OF FINANCE AND
ADMINISTRATION**

BY: _____

DATE: _____

Motion was made by Dorothy Small, seconded by Gwen Shelton, to approve Resolution R-15-04. Upon roll call the following voted:

Aye

Gwen Shelton, Anna Catherine Cowley, Danny Bryant, Dorothy Small, Violet Harry and Michael Whisenant

Nay

None

Mayor Law declared the Resolution adopted.

Resolution R-15-05:

Resolution R-15-05, a resolution entitled, "A Resolution Approving And Recommending To The Board Of Mayor And Alderman The Adoption Of A Resolution Authoring And Providing For The Financing Of The Construction Of A Wastewater Facility Project, Including Authorizing The Execution Of Applications, Contractual Agreements, And Other Necessary Documents, And Making Certain Representations, Certification, And Pledges Of Certain Revenue In Connection With Such Financing" (\$4,000,000.00), was considered. Said Resolution is as follows:

AUTHORIZING RESOLUTION No. R-1505

RESOLUTION AUTHORIZING AND PROVIDING FOR THE FINANCING OF THE CONSTRUCTION OF A WASTEWATER FACILITIES PROJECT, INCLUDING AUTHORIZING THE EXECUTION OF APPLICATIONS, CONTRACTUAL AGREEMENTS, AND OTHER NECESSARY DOCUMENTS, AND MAKING CERTAIN REPRESENTATIONS, CERTIFICATIONS, AND PLEDGES OF CERTAIN REVENUE IN CONNECTION WITH SUCH FINANCING.

WHEREAS, the Fayetteville is a public and governmental body in the City of Fayetteville, Tennessee (the "Local Government"); and

WHEREAS, the Local Government has determined that it is necessary and desirable to undertake certain activities or tasks in connection with a wastewater facilities project, Department of Environment and Conservation Number **CG4 2015-350** (the "Project"), in and for the Local Government; and

WHEREAS, Tennessee Code Annotated, Section 68-221-1001 et. seq., provide for the lending of moneys in the wastewater facilities Revolving Loan Fund to Local Governments for the purpose of providing funds for Project Loans; and

WHEREAS, the local Government has determined that it is necessary and advisable to borrow funds for the Project pursuant to these sections.

NOW, THEREFORE, be it resolved as follows:

Section 1. Local Government hereby approves the creation of indebtedness on behalf of the Local Government in the principal amount of FOUR MILLION Dollars (\$4,000,000) by the obtaining of a Project Loan.

Section 2. The execution and delivery of the Application for a Project Loan in the principal amount of FOUR MILLION Dollars (\$4,000,000) for the purpose of funding all or a portion of the total estimated cost of the Project FIVE MILLION SEVEN HUNDRED THOUSAND Dollars (\$5,700,000), by Jon Law, Mayor of the City Of Fayetteville, is hereby ratified and approved in all respects.

Section 3. The form, terms, and provisions of the agreement for the Project Loan among the Local Government, the Tennessee Department of Environment and Conservation and the Tennessee Local Development Authority (the "Loan Agreement"), as presented at this meeting, are hereby approved.

Section 4. The Local Government hereby agrees to honor and accept the method of financing as may be determined by the Authority pursuant to the Loan Agreement.

Section 5. The Local Government hereby agrees to make the monthly payments on the Project Loan in accordance with the Payment Schedule to be attached to the Loan Agreement.

Section 6. The Local Government hereby agrees to levy fees, rates or charges for services provided by the Project and/or to levy ad valorem taxes sufficient to pay the interest on and principal of the Project Loan in accordance with the Loan Agreement. The Local Government also agrees to levy fees, rates, or charges and/or ad valorem taxes sufficient to pay the cost of operation and maintenance of the wastewater system of which the Project is a part, which cost shall include depreciation and all other debt service expense of the system.

Section 7. The Local Government assigns and pledges its State-Shared Taxes to the State and consents to the withholding and application of State-Shared Taxes in the event of failure by the Local Government to remit monthly payments in accordance with the terms of the Loan Agreement, as the Loan Agreement may be supplemented or amended from time to time.

Section 8. The Local Government hereby agrees that there are no local pledges of State-Shared Taxes other than those disclosed.

Section 9. The Local Government hereby agrees to obtain alternative methods of financing for all costs necessary for the completion of the Project which are in excess of the combined financing provided by any agency of the United States Government and by the Tennessee Local Development Authority.

Section 10. The Mayor of the Local Government is authorized and directed to execute the Loan Agreement, and any amendments or supplements to the Loan Agreement, in the name and behalf of the Local Government; to deliver such documents to the other parties to such documents, such execution and delivery to be conclusive proof of the approval of the Local Government of such documents; and to take such further action and to execute and deliver such further instruments or documents as such officer may consider necessary or advisable in connection with the Loan Agreement. Provided, however, this resolution shall not be deemed to grant authority to the named officer to approve any increase in the amount of the Project Loan.

Section 11. All orders, resolutions, or ordinances in conflict with this resolution be and the same are repealed insofar as such conflict exists. This resolution shall become effective immediately upon its passage.

Duly passed and approved this _____ day of _____, 2014.

Jon Law, Mayor

WITNESS:

(Affix Seal As Appropriate)

(Name and Title)

Motion was made by Gwen Shelton, seconded by Michael Whisenant, to approve Resolution No. R-15-05. Upon roll call, the following voted:

Aye

Anna Catherine Cowley, Danny Bryant, Dorothy Small, Violet Harry, Michael Whisenant and Gwen Shelton

Nay

None

Mayor Law declared the Resolution adopted.

Resolution R-15-06:

Resolution R-15-06, a resolution entitled, "A Resolution Of The City Of Fayetteville For Administrative Services", was considered. Said Resolution is as follows:

RESOLUTION NO. R-15-06
CITY OF FAYETTEVILLE, TENNESSEE
FOR
ADMINISTRATIVE SERVICES

WHEREAS, the City of Fayetteville, Tennessee desires to apply for financial grant assistance as provided under the State of Tennessee's FY 2015 Small Cities Community Development Block Grant (CDBG) Program; and

WHEREAS, the Board of Aldermen of the City of Fayetteville finds it in the City's best interest to secure the assistance of an experienced and qualified administrative management services firm to assist in preparing and administering the City's 2015 Community Development Block Grant Application; and

WHEREAS, in compliance with pertinent State regulations, the City has solicited and evaluated statements of qualifications of interested professional CDBG administrative assistance firms; and

WHEREAS, the Board of Aldermen has determined that Community Development Partners, LLC has the most appropriate experience, background and qualifications to provide said services; and

WHEREAS, Community Development Partners, LLC will conduct the work necessary to complete the CDBG application on a no-cost basis, and in the event the project is successfully funded Community Development Partners, LLC will assist in the administration of the project.

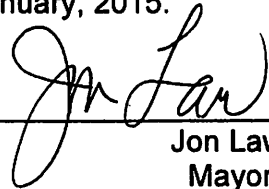
NOW, THEREFORE BE IT RESOLVED that the Board of Aldermen of the City of Fayetteville hereby selects Community Development Partners, LLC to provide assistance in the preparation and administration of the City's 2015 CDBG grant application.

READ AND ADOPTED this the 13th day of January, 2015.

ATTEST:



Scott Collins
City Administrator



Jon Law
Mayor

Motion was made by Violet Harry, seconded by Anna Catherine Cowley, to approve Resolution No. R-15-06. Upon roll call, the following voted:

Aye

Danny Bryant, Dorothy Small, Violet Harry, Michael Whisenant, Gwen Shelton and Anna Catherine Cowley

Nay

None

Mayor Law declared the Resolution adopted.

Resolution R-15-07:

Resolution R-15-07, a resolution entitled, "A Resolution Authorizing The Execution And Submission Of An Application To The Fiscal Year 2015 Community Development Block Grant Not To Exceed \$300,000.00 For Fire Protection", was considered. Said Resolution is as follows:

RESOLUTION NO. R-15-07
FAYETTEVILLE, TENNESSEE

WHEREAS, the Tennessee Community Development Block Grant Program has been established to assist local governments in meeting community development and housing needs consistent with the objectives as set forth in Title I of the Housing and Community Development Act of 1974, as amended; and

WHEREAS, the City of Fayetteville acting by and through its Board of Aldermen proposes to apply for Community Development Block Grant (CDBG) funds for the purpose of performing eligible community development activities that will benefit the majority of the residents in Fayetteville.

WHEREAS, the City of Fayetteville will provide local financial support in conjunction with the CDBG funds to complete the above project; and

WHEREAS, under the terms and provisions of Title I of the Housing and Community Development Act of 1974, as amended, Fayetteville as a recipient is required to designate and appoint a Financial Officer to perform certain duties in the administration of said grant.

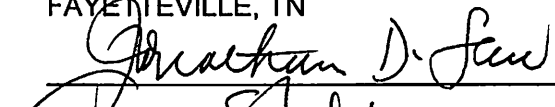
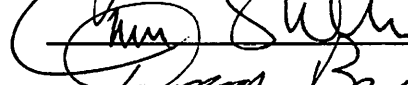
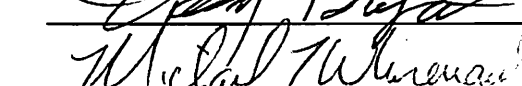
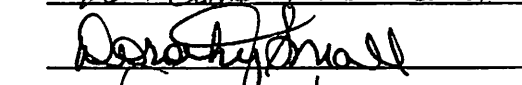
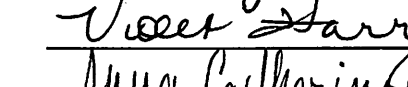
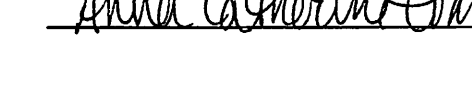

NOW, THEREFORE, BE IT RESOLVED by the Board of Aldermen of the City of Fayetteville as follows:

THAT, Jon Law, Mayor, is hereby authorized to execute and submit an application with appropriate assurances to the State of Tennessee, Department of Economic and Community Development, Office of Program Management, requesting Fiscal Year 2015 Community Development Block Grant funds in the amount not to exceed \$300,000, plus any eligible Three-Star bonus allowance, for a Fire Protection Project; and

THAT, Jon Law, Mayor, be and is hereby designated and appointed as Financial Officer under the terms and pursuant to the provisions of Title I of the Housing and Community Development Act of 1974, as amended, and to perform on behalf of Fayetteville, Tennessee, those acts and assume such duties as are consistent with said position.

READ AND ADOPTED this the 13th day of January, 2015.

FAYETTEVILLE, TN

ATTEST:



Motion was made by Gwen Shelton, seconded by Dorothy Small, to approve Resolution R-15-07. Upon roll call, the following voted:

Aye

Dorothy Small, Violet Harry, Michael Whisenant, Gwen Shelton, Anna Catherine Cowley and Danny Bryant

Nay

None

Mayor Law declared the Resolution adopted.

DEA Certification Reimbursement to Humane Society:

Motion was made by Gwen Shelton, seconded by Michael Whisenant, to approve the reimbursement of Three Hundred Sixty-Five Dollars and 50/100 (\$365.50) to the Humane Society for the cost of DEA Certification. Upon roll call, the following voted:

Aye

Violet Harry, Michael Whisenant, Gwen Shelton, Anna Catherine Cowley, Danny Bryant and Dorothy Small

Nay

None

Mayor Law declared the motion approved.

Training Classes for ICC Regulations:

Motion was made by Dorothy Small, seconded by Gwen Shelton, to approve Four Thousand, Eight Hundred Dollars (\$4,800.00) for two (2) training classes on the 2012 ICC Regulations. Upon roll call, the following voted:

Aye

Michael Whisenant, Gwen Shelton, Anna Catherine Cowley, Danny Bryant, Dorothy Small and Violet Harry

Nay

None

Mayor Law declared the motion approved.

CEC Project at Landfill:

Motion was made by Danny Bryant, seconded by Anna Catherine Cowley, to approve One Hundred Fifteen Thousands, Five Hundred Dollars (\$115,500.00) for engineering and environmental fees for work to be done at the landfill located on Koonce Lane. Upon roll call, the following voted:

Aye

Gwen Shelton, Anna Catherine Cowley, Danny Bryant, Dorothy Small, Violet Harry and Michael Whisenant

Nay

None

Mayor Law declared the motion approved.

Appropriate Remaining Pool Bond Proceeds:

Motion was made by Gwen Shelton, seconded by Anna Catherine Cowley, to appropriate the remaining pool bond proceeds for the LPR Grant Match. Upon roll call, the following voted:

Aye

Anna Catherine Cowley, Danny Bryant, Dorothy Small, Violet Harry, Michael Whisenant and Gwen Shelton

Nay

None

Mayor Law declared the motion approved.

Traffic Signal at Goodman:

Motion was made by Danny Bryant, seconded by Dorothy Small, to postpone indefinitely this discussion. Upon roll call, the following voted:

Aye

Danny Bryant, Dorothy Small, Violet Harry, Michael Whisenant, Gwen Shelton and Anna Catherine Cowley

Nay

None

Mayor Law declared the motion approved.

Parade Permit:

Motion was made by Michael Whisenant, seconded by Violet Harry, to approve the parade permit for the Martin Luther King Celebration March. Upon roll call, the following voted:

Aye

Dorothy Small, Violet Harry, Michael Whisenant, Gwen Shelton, Anna Catherine Cowley and Danny Bryant

Nay

None

Mayor Law declared the motion approved.

Board Appointment – Fayetteville Housing Authority Board:

Motion was made by Dorothy Small, seconded by Gwen Shelton, to reappoint William McKinn to the Fayetteville Housing Authority Board. Upon roll call, the following voted:

Aye

Violet Harry, Michael Whisenant, Gwen Shelton, Anna Catherine Cowley, Danny Bryant and Dorothy Small

Nay

None

Mayor Law declared the motion approved.

Board Appointment – Board of Zoning and Appeals:

Motion was made by Gwen Shelton, seconded by Dorothy Small, to reappoint Toddy Layne to the Board of Zoning and Appeals. Upon roll call, the following voted:

Aye

Michael Whisenant, Gwen Shelton, Anna Catherine Cowley, Dorothy Small and Violet Harry

Nay

Danny Bryant

Mayor Law declared the motion approved.

Notification of Recreation Board Appointments:

Mayor Law announced the recommendation to reappoint Jackie Hamlin and Brad Boles to the Recreation Board during February's Board Meeting.

Notification of Bond Closing:

For a matter of information only, the City of Fayetteville has closed on the Bond for the new Public Safety Building as of December 19, 2014.

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

Mayor

City Clerk