

SPECIAL CALLED MEETING  
BOARD OF MAYOR AND ALDERMEN  
JANUARY 3, 2013

REFERENCE RECORDING DATED JANUARY 3, 2013

The Board of Mayor and Aldermen of the City of Fayetteville, Lincoln County, Tennessee, met in an open, special called session in the Multi-Purpose Room of the Municipal Building of said City at 7:59 a.m. on January 3, 2013. Mayor John Ed Underwood, Jr., was present and presiding. The following named Aldermen were present:

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

Also present were John Hill, Jr., City Attorney, and James H. Lee, City Administrator.

**Resolution R-12-10:**

Motion was made by Gwen Shelton, seconded by Dorothy Small, to rescind Resolution R-12-10, a resolution entitled, "A 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", (\$1,272,360.00), which was approved November 13, 2012. Upon roll call, the following voted:

Aye

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

Nay

None

Mayor Underwood declared the motion approved.

**Resolution R-12-11:**

Motion was made by Dorothy Small, seconded by Gwen Shelton, to rescind Resolution R-12-11, a resolution entitled, "A 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", (\$4,000,000.00), which was approved November 13, 2012. Upon roll call, the following voted:

Aye

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

Nay

None

Mayor Underwood declared the motion approved.

**Resolution R-13-01:**

Resolution R-13-01, a resolution entitled, "A 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", (\$972,360.00) was considered. Said Resolution is as follow:

## AUTHORIZING RESOLUTION R-13-01

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 City of Fayetteville is a public and governmental body in 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 **CW0 2013-315** (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 NINE HUNDRED SEVENTY TWO THOUSAND THREE SIXTY DOLLARS (\$972,360.00) 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 NINE HUNDRED SEVENTY TWO THOUSAND THREE SIXTY DOLLARS (\$972,360.00) for the purpose of funding all or a portion of the total estimated cost of the Project NINE HUNDRED SEVENTY TWO THOUSAND THREE SIXTY DOLLARS (\$972,360.00), by John E. Underwood, Jr., the 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.

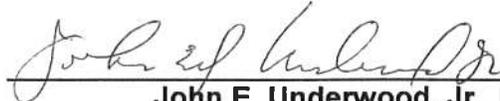
**Section 8.** The Local Government hereby agrees that there are no local pledges of State-Shared Taxes other than those disclosed.

**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 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.

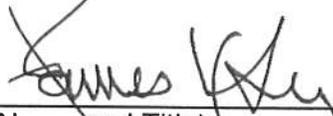
Duly passed and approved this 3<sup>rd</sup> day of January, 2012. 2013

  
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John E. Underwood, Jr., Mayor

WITNESS:



\_\_\_\_\_  
(Affix Seal As Appropriate)

  
\_\_\_\_\_  
(Name and Title)

City Recorder

Motion was made by Danny Bryant, seconded by Gwen Shelton, to approve Resolution R-13-01. Upon roll call, the following voted:

Aye

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

Nay

None

Mayor Underwood declared the Resolution approved.

**Resolution R-13-02:**

Resolution R-13-02, a resolution entitled, "A 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", (\$4,300,000.00) was considered. Said Resolution is as follow:

**AUTHORIZING RESOLUTION R-13-02**

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 City of Fayetteville is a public and governmental body in 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 **CG1 2013-316** (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 THREE HUNDRED THOUSAND DOLLARS (\$4,300,000) 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 THREE HUNDRED THOUSAND DOLLARS (\$4,300,000) for the purpose of funding all or a portion of the total estimated cost of the Project FOUR MILLION THREE HUNDRED THOUSAND DOLLARS (\$4,300,000), by John E. Underwood, Jr., the 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.

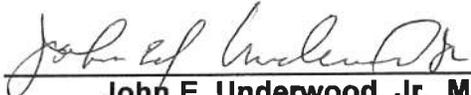
**Section 8.** The Local Government hereby agrees that there are no local pledges of State-Shared Taxes other than those disclosed.

**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 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.

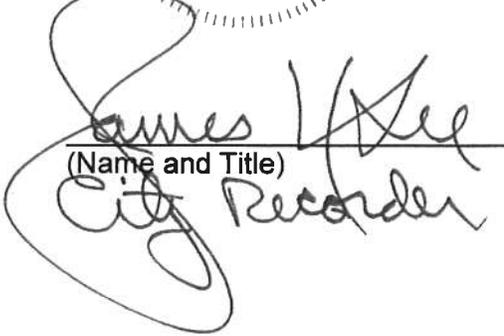
**Section 11.** All orders, resolutions, or ordinances in conflict with this resolution be and the same are repealed insofar as such conflict exists. This resolution shall become effective immediately upon its passage.

Duly passed and approved this 3<sup>rd</sup> day of January, ~~2012~~ 2013

  
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**John E. Underwood, Jr., Mayor**



(Affix Seal As Appropriate)

  
\_\_\_\_\_  
(Name and Title)  
**City Recorder**

Motion was made by Marty Pepper, seconded by Gwen Shelton, to approve Resolution R-13-02. Upon roll call, the following voted:

Aye

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

Nay

None

Mayor Underwood declared the Resolution approved.

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

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Mayor

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Clerk