REFERENCE VIDEO DATED FEBRUARY 12, 2013

The Board of Mayor and Aldermen of the City of Fayetteville, Lincoln County, Tennessee, met in open, public session at the regular meeting place of said Board in the Municipal Building of said City at 5:00 p.m. on February 12, 2013. Mayor John Ed Underwood, Jr. was present and presiding. The following named Aldermen were present:

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

Not present was Marty Pepper

Also present was James H. Lee, City Administrator and Johnny D. Hill, Jr., City Attorney.

The prayer was lead by Alderman Whisenant and the pledge was lead by Alderman Small.

Approval of Minutes:

Motion was made by Michael Whisenant, seconded by Gwen Shelton, to approve the minutes of the February 2013 Meeting. Upon roll call, the following voted:

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

Nay
None

Mayor Underwood declared the Minutes approved.

Reports:

Industrial Development Board (IDB):
Jim Neale, IDB Board Member, discussed the various projects with the IDB: area promotional brochures, sewer project at the Fayetteville-Lincoln County Industrial Park, expansion project at Franke, Inc., and the continuation of the Frito-Lay, Inc. expansion project.

Fire Report:
Fire Chief Danny Travis reported that the Fire Department had 62 calls for service with 48 medical calls, 1 accident with injuries, 1 extraction and 2 structure fires: a residential fire with loss of property being $12,120.00 and a fire at Copperweld, which at this time the property loss is undetermined.

Police Report:
Police Chief Doug Carver reported that there were 139 incidents with 66 arrests, 42 crashes and 45 citations for a total of 1,534 events.
Recreation Report:
Ricky Honey, Recreation Director, was not present; therefore no report was given.

Public Works:
Eddie Plunkett, Public Works Director, reported that 233 tons of residential trash was picked up, along with 180 tons of brush for the month of January. Mr. Plunkett stated the department is filling-in potholes daily.

Planning and Zoning Report:
Ryan Tyhuis, City Planner, reported that for the month of January there were twelve (12) building permits issued for approximately Five Hundred Thousand Dollars ($500,000.00) in work to be done, with the fees being approximately Two Thousand Dollars ($2,000.00).

Administrator’s Report:
Mr. Lee discussed that the easements for Marty Lane have been delivered to all the parties involved, with one (1) easement signed and returned to the City. Mr. Lee stated the other easements will need some revisions before the parties are willing to sign them.

Fayetteville City School System Budget Amendment #4:

Motion was made by Danny Bryant, seconded by Dorothy Small, to approve Fayetteville City School Budget Amendment #4. Upon roll call, the following voted:

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

Nay
None

Mayor Underwood declared the motion approved.

Financial Advisor Agreement:

Motion was made by Danny Bryant, seconded by Michael Whisenant, to approve the Financial Advisor Agreement between the City of Fayetteville, Tennessee and Cumberland Securities Company, Inc., and to give the Mayor the authority to sign the Agreement. Upon roll call, the following voted:

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

Nay
None

Mayor Underwood declared the motion approved.

Interlocal Agreement with Fayetteville City School:

Motion was made by Dorothy Small, seconded by Danny Bryant, to approve the Interlocal Agreement with the Fayetteville City School System and to give the Mayor the authority to sign the Agreement. Upon roll call, the following voted:
Aye  
Michael Whisenant, Gwen Shelton, Danny Bryant, Tom Young, and Dorothy Small  

Nay  
None  

Mayor Underwood declared the motion approved.  

**Engagement Letter with Jeff Oldham:**  

Motion was made by Danny Bryant, seconded by Gwen Shelton, to give the Mayor the authority to sign the Engagement Letter with Jeff Oldham of Bass, Berry and Simms. Upon roll call, the following voted:  

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

Nay  
None  

Mayor Underwood declared the motion approved.  

**Resolution R-13-04:**  

Resolution R-13-04, a resolution entitled, “A Resolution Authorizing The Issuance Of General Obligation Bonds Of The City Of Fayetteville, Tennessee In The Aggregate Principal Amount Of Not To Exceed Six Million Two Hundred Fifty Thousand Dollars ($6,250,000.00), In One Or More Series; Making Provision For The Issuance, Sale And Payment Of Said Bonds; Establishing The Terms Thereof And The Disposition Of Proceeds Therefrom; Providing For The Levy Of Taxes For The Payment Of Principal Or, Premium, If Any, And Interest On The Bonds”, was considered. Said Resolution is as follows:
Resolution R-13-04

The Board of Mayor and Aldermen of the City of Fayetteville, Tennessee met at the Municipal Building, Fayetteville, Tennessee at 5:00 o'clock, p.m., in a regular scheduled session on February 12, 2013, with the Honorable John Ed Underwood, Jr., Mayor, presiding, and the following members present:

Danny Bryant, Gwen Shelton, Dorothy Small, Tom Young, Sr. and Michael Whisenant.

There were absent:

Marty Pepper.

There were also present James H. Lee, City Administrator/City Clerk, Tonya Steelman, Finance Director, and John Hill, Jr., City Attorney.

It was announced that public notice of the time, place and purpose of the meeting had been given and accordingly, the meeting was called to order.

The following resolution was introduced by Danny Bryant, seconded by Dorothy Small, and after due deliberation, were adopted by the following vote:

AYE:

Danny Bryant, Gwen Shelton, Dorothy Small, Tom Young, Sr. and Michael Whisenant.

NAY:

None.
RESOLUTION NO: R-13-04

A RESOLUTION AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE CITY OF FAYETTEVILLE, TENNESSEE IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED SIX MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS ($6,250,000), IN ONE OR MORE SERIES; MAKING PROVISION FOR THE ISSUANCE, SALE AND PAYMENT OF SAID BONDS; ESTABLISHING THE TERMS THEREOF AND THE DISPOSITION OF PROCEEDS THEREFROM; PROVIDING FOR THE LEVY OF TAXES FOR THE PAYMENT OF PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS.

WHEREAS, pursuant to authority granted by Sections 9-21-101, et seq., inclusive, Tennessee Code Annotated, as amended, and a resolution adopted by the Board of Mayor and Aldermen (the "Governing Body") on August 19, 2011, the City of Fayetteville, Tennessee, Tennessee (the "Municipality") issued its outstanding General Obligation Capital Outlay Notes, Series 2011, dated October 5, 2011, maturing June 1, 2013 through June 1, 2024, inclusive (the "Outstanding Notes"); and

WHEREAS, the Governing Body adopted an initial resolution (the "Initial Resolution") on January 8, 2013 authorizing the issuance of an amount not to exceed $6,250,000 for refinancing, by conversion to general obligation bonds, all or a portion of the Municipality’s Outstanding Notes, the proceeds of which were authorized to be used for financing the costs associated with (a) the design, construction, repair, renovations and equipping of elementary and middle schools and elementary and middle school facilities located in the Municipality including, but not limited to (i) classroom, multipurpose room and cafeteria additions and improvements to Ralph Askins Elementary School; (ii) ancillary space, kitchen and cafeteria additions and improvements to Fayetteville Middle School; (b) payment of legal, fiscal, administrative, architectural and engineering costs incident to any or all of the foregoing; and (c) payment of the costs of issuance of the Outstanding Notes, and for the purpose of financing the costs of issuance and sale of the general obligation bonds authorized therein; and

WHEREAS, the Initial Resolution, together with the notice required by Section 9-21-206, et seq., Tennessee Code Annotated, was published on January 16, 2013, as required by law, twenty days have lapsed since publication of the Initial Resolution, and no petition for a referendum was filed; and

WHEREAS, the Governing Body hereby determines that it is necessary and advisable to issue not to exceed $6,250,000 in aggregate principal amount of general obligation bonds for the purpose of providing funds to (i) refinance the Outstanding Notes by converting the Outstanding Notes to bonds; and (ii) pay costs incurred in connection with the issuance and sale of the bonds authorized herein as permitted under Tennessee Code Annotated, Section 9-21-606; and

WHEREAS, the Municipality and the Fayetteville Board of Education (the "Board of Education") desire to enter into a cooperative agreement (the "Interlocal Agreement"), in the form attached hereto as Exhibit A, whereby the Board of Education will provide for the payment of the bonds authorized herein; and

WHEREAS, it is the intention of the Governing Body to adopt this resolution for the purposes of authorizing not to exceed $6,250,000 in aggregate principal amount of said bonds, providing for the issuance, sale and payment of said bonds, establishing the terms thereof, and the disposition of proceeds therefrom, and providing for the levy of a tax under certain conditions for the payment of principal thereof and interest thereon.
NOW, THEREFORE, BE IT RESOLVED by the Board of Mayor and Aldermen of the City of Fayetteville, Tennessee, as follows:

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

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

(a) "Board of Education" means the Fayetteville Board of Education;

(b) "Bonds" means the not to exceed $6,250,000 General Obligation Bonds of the Municipality, to be dated their date of issuance, and having such series designation or such other dated date as shall be determined by the Mayor pursuant to Section 8 hereof;

(c) "Bond Counsel" means Bass, Berry & Sims, PLC, Nashville, Tennessee;

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

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

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

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

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

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

(j) "Interlocal Agreement" means the cooperative agreement in substantially the form attached hereto as Exhibit A;

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

(l) "Outstanding Notes" shall have the meaning ascribed to it in the preamble hereto;

(m) "Registration Agent" means Regions Bank, Nashville, Tennessee, or any successor designated by the Governing Body.
Section 3. Findings of the Governing Body: Compliance with Debt Management Policy. It is hereby found and determined by the Governing Body as follows: In conformance with the directive of the State Funding Board of the State of Tennessee, the Municipality has heretofore adopted its Debt Management Policy. The Governing Body hereby finds that the issuance and sale of the Bonds, as proposed herein, is consistent with the Municipality’s Debt Management Policy.

Section 4. Authorization and Terms of the Bonds.

(a) For the purpose of providing funds to (i) refinance the Outstanding Notes, or any portion thereof, by converting the Outstanding Notes to Bonds; and (ii) pay costs incident to the issuance and sale of the Bonds, there is hereby authorized to be issued bonds, of the Municipality in the aggregate principal amount of not to exceed $6,250,000. The Bonds shall be issued in fully registered, book-entry form (except as otherwise set forth herein), without coupons, and subject to the adjustments permitted under Section 8, shall be known as “General Obligation Bonds”, shall be dated their date of issuance, and shall have such series designation or such other dated date as shall be determined by the Mayor pursuant to Section 8 hereof. The Bonds shall bear interest at a rate or rates not to exceed 6% per annum, payable (subject to the adjustments permitted under Section 8) semi-annually on June 1 and December 1 in each year, commencing June 1, 2013. The Bonds shall be issued initially in $5,000 denominations or integral multiples thereof, as shall be requested by the original purchaser thereof. Subject to the adjustments permitted pursuant to Section 8 hereof, the Bonds, shall mature serially or be subject to mandatory redemption and shall be payable on June 1 of each year, subject to prior optional redemption as hereinafter provided, either serially or through mandatory redemption, in the years 2014 through 2037, inclusive. Attached hereto as Exhibit B is a preliminary debt service estimate of the amortization of the Bonds; provided, however, such amortization may be adjusted in accordance with Section 8 hereof.

(b) Subject to the adjustments permitted under Section 8 hereof, Bonds maturing on and after June 1, 2022 and thereafter, shall be subject to redemption prior to maturity at the option of the Municipality on June 1, 2021 and thereafter, as a whole or in part at any time at the redemption price of par plus accrued interest to the redemption date.

If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be selected by the Governing Body in its discretion. If less than all of the Bonds within a single maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

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

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

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

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

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

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

(f) The Bonds shall be payable, both principal and interest, in lawful money of the United States of America at the main office of the Registration Agent. The Registration Agent shall make all interest payments with respect to the Bonds by check or draft on each interest payment date directly to the registered owners as shown on the Bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by depositing said payment in the United States mail, postage prepaid, addressed to such owners at their addresses shown on said Bond registration records, without, except for final payment, the presentation or surrender of such registered Bonds, and all such payments shall discharge the obligations of the Municipality in respect of such Bonds to the extent of the payments so made. Payment of principal of and premium, if any, on the Bonds shall be made upon presentation and surrender of such Bonds to the Registration Agent as the same shall become due and payable. All rates of interest specified herein shall be computed on the basis of a three hundred sixty (360) day year composed of twelve (12) months of thirty (30) days each. In the event the Bonds are no longer registered in the name of DTC, or a successor Depository, if requested by the Owner of at least $1,000,000 in aggregate principal amount of the Bonds, payment of interest on such Bonds shall be paid by wire transfer to a bank within the continental United States or deposited to a designated account if such account is maintained with the Registration Agent and written notice of any such election and designated account is given to the Registration Agent prior to the record date.

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

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

(i) The Bonds shall be executed in such manner as may be prescribed by applicable law, in the name, and on behalf, of the Municipality with the manual or facsimile signature of the Mayor and with the official seal, or a facsimile thereof, of the Municipality impressed or imprinted thereon and attested by the manual or facsimile signature of the City Clerk or his designee.

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

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

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

In the event that (1) DTC determines not to continue to act as securities depository for the Bonds, or (2) the Municipality determines that the continuation of the Book-Entry System of evidence and transfer of ownership of the Bonds would adversely affect their interests or the interests of the Beneficial Owners of the Bonds, then the Municipality shall discontinue the Book-Entry System with DTC or, upon request of such original purchaser, deliver the Bonds to the original purchaser in the form of fully registered Bonds, as the case may be. If the Municipality fails to identify another qualified securities depository to replace DTC, the Municipality shall cause the Registration Agent to authenticate and deliver replacement Bonds in the form of fully registered Bonds to each Beneficial Owner. If the purchaser(s) certifies that it intends to hold the Bonds for its own account, then the Municipality may issue certificated Bonds without the utilization of DTC and the Book-Entry System.

THE MUNICIPALITY AND THE REGISTRATION AGENT SHALL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY DTC PARTICIPANT OR ANY BENEFICIAL OWNER WITH RESPECT TO (i) THE BONDS; (ii) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (iii) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS; (iv) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY DTC PARTICIPANT OF ANY NOTICE DUE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED UNDER THE TERMS OF THIS RESOLUTION TO BE GIVEN TO BENEFICIAL OWNERS, (v) THE SELECTION OF BENEFICIAL OWNERS TO RECEIVE PAYMENTS IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (vi) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC, OR ITS NOMINEE, CEDE & CO., AS OWNER.

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

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

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

Section 5. Source of Payment. The Bonds shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the corporate limits of the Municipality. For the prompt payment of principal of, premium, if any, and interest on the Bonds, the full faith and credit of the Municipality are hereby irrevocably pledged.

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

(Form of Face of Bond)

REGISTERED
Number ___________________________

REGISTERED
$____________________

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

Interest Rate: ____________________________
Maturity Date: ____________________________
[June] 1, 2013
Date of Bond: ____________________________
CUSIP No.: ____________________________

Registered Owner:

Principal Amount:

KNOW ALL MEN BY THESE PRESENTS: That the City of Fayetteville, Tennessee, a municipal corporation lawfully organized and existing in Lincoln County, Tennessee (the "Municipality"), for value received, hereby promises to pay to the registered owner hereof, hereinafter named, or registered assigns, in the manner hereinafter provided, the principal amount hereinafter set forth on the maturity date hereinafter set forth (or upon earlier redemption as set forth herein), and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on said principal amount at the annual rate of interest hereinafter set forth from the date hereof until said maturity date or redemption date, said interest being payable on [June 1, 2013], and semi-annually thereafter on the first day of [June] and [December] in each year until this Bond matures or is redeemed. The principal hereof and interest hereon are payable in lawful money of the United States of America by check or draft at the principal corporate trust office of Regions Bank, Nashville, Tennessee, as registration agent and paying agent (the "Registration Agent"). The Registration Agent shall make all interest payments with respect to this Bond on each interest payment date directly to the registered owner hereof shown on the Bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by check or draft mailed to such owner at such owner's address shown on said Bond registration records, without, except for final payment, the presentation or surrender of this Bond, and all such payments shall discharge the
obligations of the Municipality to the extent of the payments so made. Any such interest not so punctually paid or duly provided for on any interest payment date shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such defaulted interest shall be payable to the person in whose name this Bond is registered at the close of business on the date (the "Special Record Date") for payment of such defaulted interest to be fixed by the Registration Agent, notice of which shall be given to the owners of the Bonds of the issue of which this Bond is one not less than ten (10) days prior to such Special Record Date. Payment of principal of [and premium, if any, on] this Bond shall be made when due upon presentation and surrender of this Bond to the Registration Agent.

Except as otherwise provided herein or in the Resolution, as hereinafter defined, this Bond shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds of the series of which this Bond is one. One Bond for each maturity of the Bonds shall be issued to DTC and immobilized in its custody. A book-entry system shall be employed, evidencing ownership of the Bonds in $5,000 denominations, or multiples thereof, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants, as defined in the Resolution, pursuant to rules and procedures established by DTC. So long as Cede & Co., as nominee for DTC, is the registered owner of the Bonds, the Municipality and the Registration Agent shall treat Cede & Co., as the only owner of the Bonds for all purposes under the Resolution, including receipt of all principal and maturity amounts of, premium, if any, and interest on the Bonds, receipt of notices, voting and requesting or taking or not taking, or consenting to, certain actions hereunder. Payments of principal, maturity amounts, interest, and redemption premium, if any, with respect to the Bonds, so long as DTC is the only owner of the Bonds, shall be paid directly to DTC or its nominee, Cede & Co. DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners, as defined in the Resolution. Neither the Municipality nor the Registration Agent shall be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants. In the event that (1) DTC determines not to continue to act as securities depository for the Bonds or (2) the Municipality determines that the continuation of the book-entry system of evidence and transfer of ownership of the Bonds would adversely affect its interests or the interests of the Beneficial Owners of the Bonds, the Municipality may discontinue the book-entry system with DTC. If the Municipality fails to identify another qualified securities depository to replace DTC, the Municipality shall cause the Registration Agent to authenticate and deliver replacement Bonds in the form of fully registered Bonds to each Beneficial Owner. Neither the Municipality nor the Registration Agent shall have any responsibility or obligations to any DTC Participant or any Beneficial Owner with respect to (i) the Bonds; (ii) the accuracy of any records maintained by DTC or any DTC Participant; (iii) the payment by DTC or any DTC Participant of any amount due to any Beneficial Owner in respect of the principal or maturity amounts of and interest on the Bonds; (iv) the delivery or timeliness of delivery by DTC or any DTC Participant of any notice due to any Beneficial Owner that is required or permitted under the terms of the Resolution to be given to Beneficial Owners, (v) the selection of Beneficial Owners to receive payments in the event of any partial redemption of the Bonds; or (vi) any consent given or other action taken by DTC, or its nominee, Cede & Co., as owner.

[Bonds maturing on June 1, 2022 and thereafter shall be subject to redemption prior to maturity at the option of the Municipality on ______ and thereafter, as a whole or in part at any time at the redemption price of par plus accrued interest to the redemption date.]

If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be designated by the Board of Mayor and Aldermen of the Municipality, in its discretion. If less than all the principal amount of the Bonds of a maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:
(i) if the Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the amount of the interest of each DTC Participant in the Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

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

[Subject to the credit hereinafter provided, the Municipality shall redeem Bonds maturing on the redemption dates set forth below opposite the maturity dates, in aggregate principal amounts equal to the respective dollar amounts set forth below opposite the respective redemption dates at a price of par plus accrued interest thereon to the date of redemption. DTC, as securities depository for the series of Bonds of which this Bond is one, or such Person as shall then be serving as the securities depository for the Bonds, shall determine the interest of each Participant in the Bonds to be redeemed using its procedures generally in use at that time. If DTC, or another securities depository is no longer serving as securities depository for the Bonds, the Bonds to be redeemed within a maturity shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall select. The dates of redemption and principal amount of Bonds to be redeemed on said dates are as follows:

<table>
<thead>
<tr>
<th>Final Maturity</th>
<th>Redemption Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Principal Amount of Bonds Redeemed</td>
</tr>
</tbody>
</table>

*Final Maturity*

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

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

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

This Bond is one of a total authorized issue aggregating $_______ and issued by the Municipality for the purpose of providing funds to (i) refinance the Municipality’s outstanding General Obligation Capital Outlay Notes, Series 2011, dated October 5, 2011 (the “Outstanding Notes”) by converting the Outstanding Notes to Bonds; and (ii) pay costs incurred in the issuance and sale of the Bonds of the issue of which this Bond is one, pursuant to Sections 9-21-601 et seq., Tennessee Code Annotated, as amended, and pursuant to a resolution duly adopted by the Board of Mayor and Aldermen of the Municipality on the 12th day of February, 2013 (the "Resolution").

This Bond is payable from unlimited ad valorem taxes to be levied on all taxable property within the corporate limits of the Municipality. For the prompt payment of principal of, premium, if any, and interest on the Bonds, the full faith and credit of the Municipality are irrevocably pledged. For a more complete statement of the general covenants and provisions pursuant to which this Bond is issued, 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 sole proprietorship or general partnership, doing business in the State of Tennessee, and (c) Tennessee franchise taxes by reason of the inclusion of the book value of the Bond in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

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

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

CITY OF FAYETTEVILLE

BY: [Signature]

Mayor

ATTESTED:

[Signature]

City Clerk

Transferable and payable at the principal corporate trust office of:

Regions Bank
Nashville, Tennessee

Date of Registration: ____________________

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

REGIONS BANK
Registration Agent

By: [Signature]

Authorized Officer
(FORM OF ASSIGNMENT)

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

Dated: ________________

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

Signature guaranteed:

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

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

Section 8. Sale of Bonds.

(a) The Bonds shall be offered for public sale, as required by law, in one or more emissions, at a price of not less than ninety-eight percent (98%) of par, plus accrued interest as shall be determined by the Mayor, in consultation with the City Administrator/City Clerk and the Director of Schools, or either of them, and the Financial Advisor.

(b) The Bonds shall be sold by delivery of bids via physical delivery, mail, fax, or telephone or by electronic bidding means of an Internet bidding service as shall be determined by the Mayor, in consultation with the City Administrator/City Clerk and Director of Schools, or either of them, and the Financial Advisor.

(c) The Mayor, in consultation with the City Administrator/ City Clerk and Director of Schools, or either of them, and the Financial Advisor, is further authorized to:
(1) change the dated date of the Bonds, to a date other than the date of issuance of the Bonds;

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

(3) change the first interest payment date on the Bonds or any emission thereof to a date other than June 1, 2013, provided that such date is not later than twelve months from the dated date of such emission of Bonds;

(4) adjust the principal and interest payment dates and the maturity amounts of the Bonds, provided that (A) the total principal amount of the Bonds does not exceed the total amount of Bonds authorized herein; and (B) the final maturity date of each emission shall not extend beyond June 1, 2037;

(5) adjust or remove the Municipality's optional redemption provisions of the Bonds, provided that the premium amount to be paid on Bonds or any emission thereof does not exceed two percent (2%) of the principal amount thereof;

(6) refinance less than all of the Outstanding Notes to maximize the objectives of refinancing the Outstanding Notes;

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

(8) cause all or a portion of the Bonds to be insured by a bond insurance policy issued by a nationally recognized bond insurance company if such insurance is requested and paid for by the winning bidder of the Bonds, or any emission thereof.

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

(e) The Mayor, in consultation with the City Administrator/City Clerk and the Director of Schools, or either of them, and the Financial Advisor, is authorized to award the Bonds, in consultation in each case to the bidder whose bid results in the lowest true interest cost to the Municipality, provided the rate or rates on the Bonds does not exceed the maximum rate permitted by applicable Tennessee law at the time of the issuance of the Bonds or any emission thereof. The award of the Bonds by the Mayor to the lowest bidder shall be binding on the Municipality, and no further action of the Governing Body with respect thereto shall be required. The form of the Bond set forth in Section 6 hereof, shall be conformed to reflect any changes made pursuant to this Section 8 hereof.
(f) The Mayor and the City Clerk are authorized to cause the Bonds, in book-entry form (except as otherwise permitted herein), to be authenticated and delivered by the Registration Agent to the successful bidder and to execute, publish, and deliver all certificates and documents, including an official statement and closing certificates, as they shall deem necessary in connection with the sale and delivery of the Bonds. The Mayor, the City Administrator/City Clerk and the Finance Director, or any of them, is hereby authorized to enter into a contract with the Financial Advisor, for financial advisory services in connection with the sale of the Bonds and to enter into a contract with Bass, Berry & Sims PLC to serve as bond counsel in connection with the Bonds.

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

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

(b) an amount, which together with investment earnings thereon and legally available funds of the Municipality, if any, will be sufficient to pay principal and interest on the Outstanding Notes shall either be (i) transferred to an escrow agent under a refunding escrow agreement, in a form satisfactory to the Mayor, in consultation with the City Administrator/City Clerk and the Director of Schools, or either of them, to be deposited in an escrow fund established thereunder to be held and applied as provided therein; or (ii) transferred to the paying agent of the Outstanding Notes to be used to pay the Outstanding Notes on the earliest practicable redemption date following delivery of the Bonds; and

(c) the remainder of the proceeds of the sale of the Bonds, if any, shall be paid used to pay costs of issuance of the Bonds and, if not needed for such purposes, shall be used to pay principal and interest on the Bonds on the first interest payment date following delivery of the Bonds.

Section 10. Official Statement. The Mayor, the City Administrator/City Clerk and the Finance Director, or any of them, are hereby authorized and directed to provide for the preparation and distribution, which may include electronic distribution, of a Preliminary Official Statement describing the Bonds. After bids have been received and the Bonds have been awarded, the Mayor, the City Administrator/City Clerk and the Finance Director, or any of them, shall make such completions, omissions, insertions and changes in the Preliminary Official Statement not inconsistent with this resolution as are necessary or desirable to complete it as a final Official Statement for purposes of Rule 15c2-12(e)(3) of the Securities and Exchange Commission. The Mayor, the City Administrator/City Clerk and the Finance Director, or any of them, shall arrange for the delivery to the successful bidder on the Bonds of a reasonable number of copies of the Official Statement within seven business days after the Bonds have been awarded for delivery, by the successful bidder on the Bonds, to each potential investor requesting a copy of the Official Statement and to each person to whom such bidder and members of his bidding group initially sell the Bonds.

The Mayor, the City Administrator/City Clerk and the Finance Director, or any of them, are authorized, on behalf of the Municipality, to deem the Preliminary Official Statement and the Official Statement in final form, each to be final as of its date within the meaning of Rule 15c2-12(b)(1), except for the omission in the Preliminary Official Statement of certain pricing and other information allowed to be omitted pursuant to such Rule 15c2-12(b)(1). The distribution of the Preliminary Official Statement and the Official Statement in final form shall be conclusive evidence that each has been deemed in final form as of its date by the Municipality except for the omission in the Preliminary Official Statement of such pricing and other information.
Notwithstanding the foregoing, no Official Statement is required to be prepared if the Bonds, or any emission thereof, are purchased by a purchaser that certifies that such purchaser intends to hold the Bonds, or any emission thereof, for its own account and has no present intention to reoffer the Bonds, or any emission thereof.

Section 11. Discharge and Satisfaction of Bonds. If the Municipality shall pay and discharge the indebtedness evidenced by any emission of the Bonds in any one or more of the following ways, to wit:

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

(b) By depositing or causing to be deposited with any trust company or financial institution whose deposits are insured by the Federal Deposit Insurance Corporation or similar federal agency and which has trust powers ("an Agent"); which Agent may be the Registration Agent in trust or escrow, on or before the date of maturity or redemption, sufficient money or Federal Obligations, as hereafter defined, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Bonds and to pay interest thereon when due until the maturity or redemption date (provided, if such Bonds are to be redeemed prior to maturity thereof, proper notice of such redemption shall have been given or adequate provision shall have been made for the giving of such notice);

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

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

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

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

Section 12. Federal Tax Matters Related to the Bonds. The Municipality recognizes that the purchasers and holders of the Bonds will have accepted them on, and paid therefor a price that reflects, the understanding that interest thereon is excluded from gross income for purposes of federal income taxation under laws in force on the date of delivery of the Bonds. Accordingly, the Municipality agrees that it shall take no action that may render the interest on any of said Bonds subject to federal income taxation. It is the reasonable expectation of the Governing Body that the proceeds of the Bonds will not be used in a manner which will cause the Bonds to be “arbitrage bonds” within the meaning of Section 148(a) of the Internal Revenue Code of 1986, as amended (the “Code”), including any lawful regulations promulgated or proposed thereunder, and to this end the said proceeds of the Bonds and other related funds established for the purposes herein set out, shall be used and spent expeditiously for the purposes described herein. The Governing Body further covenants and represents that in the event it shall be required by Section 148(f) of the Code to pay any investment proceeds of the Bonds to the United States government, it will make such payments as and when required by said Section and will take such other actions as shall be necessary or permitted to prevent the interest on the Bonds from becoming subject to inclusion in the gross income for purposes of federal income taxation. The Mayor, the City Administrator/City Clerk and the Finance Director, or any of them, are authorized and directed to make such certifications in this regard in connection with the sale of the Bonds as any or all shall deem appropriate, and such certifications shall constitute a representation and certification of the Municipality. Following the issuance of the Bonds, the Finance Director is directed to administer the Municipality’s Federal Tax Compliance Policies and Procedures with respect to the Bonds.

Section 13. Continuing Disclosure. The Municipality hereby covenants and agrees that it will provide annual financial information and material event notices if and as required by Rule 15c2-12 of the Securities Exchange Commission for the Bonds. The Mayor is authorized to execute at the Closing of the sale of the Bonds, an agreement for the benefit of and enforceable by the owners of the Bonds specifying the details of the financial information and material event notices to be provided and its obligations relating thereto. Failure of the Municipality to comply with the undertaking herein described and to be detailed in said closing agreement, shall not be a default hereunder, but any such failure shall entitle the owner or owners of any of the Bonds to take such actions and to initiate such proceedings as shall be necessary and appropriate to cause the Municipality to comply with their undertaking as set forth herein and in said agreement, including the remedies of mandamus and specific performance.

Section 14. Interlocal Agreement. The form of the Interlocal Agreement presented to this meeting and attached hereto as Exhibit A is hereby in all respects approved, and the Mayor and the City Administrator/City Clerk are hereby authorized and directed to execute and deliver the same on behalf of the Municipality in substantially the form thereof presented to this meeting, whether preceding or following the issuance of the Notes, together with such changes as may be approved by the Mayor and the City Administrator/City Clerk, their execution thereof to constitute conclusive evidence of their approval of all such changes.

Section 15. Qualified Tax-Exempt Obligations. The Governing Body hereby designates any the Bonds, or any series thereof, as "qualified tax-exempt obligations", to the extent the Bonds, or any series thereof, may be so designated, within the meaning of and pursuant to Section 265 of the Internal Revenue Code of 1986, as amended.
Section 16. Resolution a Contract. The provisions of this resolution shall constitute a contract between the Municipality and the registered owners of the Bonds, and after the issuance of the Bonds, no change, variation or alteration of any kind in the provisions of this resolution shall be made in any manner until such time as the Bonds and interest due thereon shall have been paid in full.

Section 17. 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 18. 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.

Duly adopted and approved this 12th day of February, 2013.

[Signature]
Mayor

Attested
[Signature]
City Clerk
STATE OF TENNESSEE  )
COUNTY OF LINCOLN  )

I, Jim Lee, certify that I am the duly qualified and acting City Clerk of the City of Fayetteville, Tennessee, and as such official I further certify that attached hereto is a copy of excerpts from the minutes of a regular meeting of February 12, 2013 of the governing body of the Municipality; that these minutes were promptly and fully recorded and are open to public inspection; that I have compared said copy with the original minute record of said meeting in my official custody; and that said copy is a true, correct and complete transcript from said original minute record insofar as said original record relates to not to exceed $6,250,000 General Obligation Bonds of said Municipality.

WITNESS my official signature and seal of said Municipality this 12th day of February, 2013.

/s/ James Y. Lee
City Clerk
EXHIBIT A

INTERLOCAL AGREEMENT
INTERLOCAL AGREEMENT

This Interlocal Agreement (the "Agreement") is made and entered into this \( \frac{1}{2} \) day of \( \text{February} \), 2013 by and between the City of Fayetteville, Tennessee (the "Municipality") and the Fayetteville Board of Education (the "Board"), pursuant to Tennessee Code Annotated, Section 12-9-104, and resolutions of the County and of the Board.

WITNESSETH:

WHEREAS, on October 5, 2011, the Municipality issued $6,000,000 in aggregate principal amount of General Obligation Capital Outlay Notes, Series 2011 (the "Notes") to fund capital improvements to the Board's elementary and middle school facilities (the "School Projects") and pledged the Municipality's ad valorem taxing power to the payment of the Notes; and

WHEREAS, in consideration of the Municipality's agreement to issue the Notes to fund the School Projects, and in order to provide for the payment of debt service on the Notes, the Board agreed to transfer to the Municipality funds available to the Board for capital purposes by entering into an Interlocal Agreement, dated September 13, 2011 by and between Municipality and the Board;

WHEREAS, the Municipality and the Board have determined it advantageous to refinance all or a portion of the Notes by the conversion of the Notes to bonds; and

WHEREAS, the Board of Mayor and Aldermen of the Municipality did, on January 8, 2013, adopt an initial resolution authorizing the issuance of not to exceed $6,250,000 in aggregate principal amount of general obligation bonds for the purpose of refinancing the Notes and payment of the costs of issuance of said bonds (the "Bonds").

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of all of which is hereby acknowledged, the Municipality and the Board agree as follows:

1. Agreement to Transfer and Apply Funds. The Board hereby agrees that it will transfer to the Municipality such funds as it may hold and which are legally available to be applied by it for capital purposes, as and when needed to pay debt service on the Bonds. The Municipality shall apply all such funds received from the Board to the payment of debt service on the Bonds.

2. Term of Agreement. The term of this Agreement, and the duties and responsibilities of the parties hereunder, shall commence upon the issuance of the Bonds and shall continue until the payment in full of the Bonds or the earlier termination of this Agreement by mutual written consent of the parties hereto.

3. Entire Agreement; Controlling Agreement. This Agreement contains the entire understanding among the parties with respect to the matters contained herein, and supersedes any prior understanding and agreements between them respecting the within subject matter. There
are no representations, agreements, arrangements, or understandings, oral or written, between or among the parties hereto relating to the subject matter of this Agreement which are not fully expressed herein.

IN WITNESS WHEREOF, the parties hereby have caused this Agreement to be executed by their respective duly authorized corporate officers, as of the day and year first above written.

CITY OF FAYETTEVILLE, TENNESSEE

By: [Signature]
Title: Mayor

ATTEST:

[Signature]
City Administrator/City Clerk

FAYETTEVILLE BOARD OF EDUCATION

By: [Signature]
Title: Chairman

ATTEST:

[Signature]
Secretary

11562582.1
EXHIBIT B
PRELIMINARY DEBT SERVICE ESTIMATE

$6,125,000
City of Fayetteville, Tennessee
General Obligation Bonds, Series 2013

Debt Service

<table>
<thead>
<tr>
<th>Date</th>
<th>Principal</th>
<th>Coupon</th>
<th>Interest</th>
<th>Total P+I</th>
</tr>
</thead>
<tbody>
<tr>
<td>06/01/2013</td>
<td>-</td>
<td>-</td>
<td>43,640.63</td>
<td>43,640.63</td>
</tr>
<tr>
<td>06/01/2014</td>
<td>180,000.00</td>
<td>2.85%</td>
<td>174,562.50</td>
<td>354,622.50</td>
</tr>
<tr>
<td>06/01/2015</td>
<td>185,000.00</td>
<td>2.85%</td>
<td>169,432.50</td>
<td>354,432.50</td>
</tr>
<tr>
<td>06/01/2016</td>
<td>190,000.00</td>
<td>2.85%</td>
<td>164,160.00</td>
<td>354,160.00</td>
</tr>
<tr>
<td>06/01/2017</td>
<td>200,000.00</td>
<td>2.85%</td>
<td>158,745.00</td>
<td>358,745.00</td>
</tr>
<tr>
<td>06/01/2018</td>
<td>205,000.00</td>
<td>2.85%</td>
<td>153,045.00</td>
<td>358,045.00</td>
</tr>
<tr>
<td>06/01/2019</td>
<td>210,000.00</td>
<td>2.85%</td>
<td>147,202.50</td>
<td>357,202.50</td>
</tr>
<tr>
<td>06/01/2020</td>
<td>215,000.00</td>
<td>2.85%</td>
<td>141,217.50</td>
<td>356,217.50</td>
</tr>
<tr>
<td>06/01/2021</td>
<td>220,000.00</td>
<td>2.85%</td>
<td>135,090.00</td>
<td>355,090.00</td>
</tr>
<tr>
<td>06/01/2022</td>
<td>225,000.00</td>
<td>2.85%</td>
<td>128,820.00</td>
<td>353,820.00</td>
</tr>
<tr>
<td>06/01/2023</td>
<td>235,000.00</td>
<td>2.85%</td>
<td>122,407.50</td>
<td>357,407.50</td>
</tr>
<tr>
<td>06/01/2024</td>
<td>240,000.00</td>
<td>2.85%</td>
<td>115,710.00</td>
<td>355,710.00</td>
</tr>
<tr>
<td>06/01/2025</td>
<td>245,000.00</td>
<td>2.85%</td>
<td>108,870.00</td>
<td>353,870.00</td>
</tr>
<tr>
<td>06/01/2026</td>
<td>255,000.00</td>
<td>2.85%</td>
<td>101,887.50</td>
<td>356,887.50</td>
</tr>
<tr>
<td>06/01/2027</td>
<td>260,000.00</td>
<td>2.85%</td>
<td>94,620.00</td>
<td>354,620.00</td>
</tr>
<tr>
<td>06/01/2028</td>
<td>270,000.00</td>
<td>2.85%</td>
<td>87,210.00</td>
<td>357,210.00</td>
</tr>
<tr>
<td>06/01/2029</td>
<td>275,000.00</td>
<td>2.85%</td>
<td>79,515.00</td>
<td>354,515.00</td>
</tr>
<tr>
<td>06/01/2030</td>
<td>285,000.00</td>
<td>2.85%</td>
<td>71,677.50</td>
<td>356,677.50</td>
</tr>
<tr>
<td>06/01/2031</td>
<td>295,000.00</td>
<td>2.85%</td>
<td>63,555.00</td>
<td>358,555.00</td>
</tr>
<tr>
<td>06/01/2032</td>
<td>300,000.00</td>
<td>2.85%</td>
<td>55,147.50</td>
<td>355,147.50</td>
</tr>
<tr>
<td>06/01/2033</td>
<td>310,000.00</td>
<td>2.85%</td>
<td>46,597.50</td>
<td>356,597.50</td>
</tr>
<tr>
<td>06/01/2034</td>
<td>320,000.00</td>
<td>2.85%</td>
<td>37,762.50</td>
<td>357,762.50</td>
</tr>
<tr>
<td>06/01/2035</td>
<td>325,000.00</td>
<td>2.85%</td>
<td>28,642.50</td>
<td>353,642.50</td>
</tr>
<tr>
<td>06/01/2036</td>
<td>335,000.00</td>
<td>2.85%</td>
<td>19,380.00</td>
<td>354,380.00</td>
</tr>
<tr>
<td>06/01/2037</td>
<td>345,000.00</td>
<td>2.85%</td>
<td>9,832.50</td>
<td>354,832.50</td>
</tr>
</tbody>
</table>

Total: $6,125,000.00 - $2,458,730.63 = $8,583,730.63
Motion was made by Danny Bryant, seconded by Dorothy Small, to adopt Resolution R-13-04. Upon roll call, the following voted:

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

Nay
None

Mayor Underwood declared the Resolution adopted.

Resolution R-13-05:

Resolution R-13-05, a resolution entitled, “A Resolution Of The Board Of Mayor And Alderman Of The City Of Fayetteville, Tennessee Approving To Submit For Funds For The Tanyard Branch Basin Sewer System”, was considered. Said Resolution is as follows:
CITY OF FAYETTEVILLE
RESOLUTION NO. R-13-05

A RESOLUTION OF THE BOARD OF MAYOR AND ALDERMAN OF THE
CITY OF FAYETTEVILLE, TENNESSEE APPROVING TO SUBMIT FOR
FUNDS FOR THE TANYARD BRANCH BASIN SEWER SYSTEM

WHEREAS, the City of Fayetteville, Tennessee is eligible for funds under the State of
Tennessee “Small Cities” Community Development Block Grant Program; and

WHEREAS, there exists a need to rehabilitate the Tanyard Branch Basin area of the
Fayetteville Public Utilities sewer system; and

WHEREAS, the City of Fayetteville wishes to make an application for said project;

NOW, THEREFORE, BE IT RESOLVED, THAT

(1) The Mayor be authorized and directed to execute and submit an
application for funds to the Tennessee Department of Economic and
Community Development in the amount of $450,000.

(2) The Mayor be authorized and directed to enter into all necessary
agreements to receive and administer such grant funds.

(3) The total cost of the project is $584,416. The balance of $134,416 in local
matching contribution will be provided by funds from the Fayetteville Public
Utilities.

PASSED AND SO ORDERED THIS 12TH DAY OF FEBRUARY, 2013.

[Signature]
John Ed Underwood, Jr.,
Mayor

Attest:
[Signature]
James H. Lee,
City Administrator/Clerk
Motion was made by Gwen Shelton, seconded by Dorothy Small, to adopt Resolution R-13-05. Upon roll call, the following voted:

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

Nay
None

Mayor Underwood declared the Resolution adopted.

Rescind Resolution R-09-12:

Motion was made by Gwen Shelton, seconded by Danny Bryant, to rescind Resolution R-09-12 entitled “A Resolution To Prohibit Handguns In Public Municipal Parks, Natural Areas, Historic Parks, Nature Trails, Campgrounds, Forests, Greenways, Waterways, Or Other Similar Public Places”. Upon roll call, the following voted:

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

Nay
None

Mayor Underwood declared the motion approved.

Said Resolution is as follows:
CITY OF FAYETTEVILLE
Resolution No. R-09-12

A RESOLUTION TO PROHIBIT HANDGUNS IN PUBLIC MUNICIPAL PARKS, NATURAL AREAS, HISTORIC PARKS, NATURE TRAILS, CAMPGROUNDS, FORESTS, GREENWAYS, WATERWAYS, OR OTHER SIMILAR PUBLIC PLACES.

WHEREAS, prior to September 1, 2009, Tennessee Code Annotated § 39-17-1311, essentially made carrying weapons in municipally owned parks, playgrounds, civic centers, or other building facilities a Class A misdemeanor; and

WHEREAS, Public Chapter No. 428 (House Bill 716 and Senate Bill 976) of the 106th General Assembly, as adopted, removed the above mentioned prohibitions in public parks for persons authorized to carry handguns pursuant to Tennessee Code Annotated § 39-17-1351; and

WHEREAS, Public Chapter No. 428 of the 106th General Assembly permits municipal and county governments to prohibit, by resolution, the carrying of handguns while within a public park that is owned or operated by a county, a municipality, or their instrumentalities; and

WHEREAS, the changes effected by Public Chapter No. 428, if the City does not act to opt out of its provisions, could result in inconsistent application of the law due to the various statutes governing handguns on school property, within recreational facilities and on playgrounds, and otherwise, thus potentially creating confusion among citizens and causing difficulty in enforcement; and

WHEREAS, the Mayor and Board of Aldermen of the City of Fayetteville, Tennessee, desire to continue prohibiting the carrying of handguns in municipal parks and other similar public places owned or operated by the City due to the use of these areas by large numbers of children and the safety issues created; and due to the burden that would otherwise be placed upon law.

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

SECTION 1. Any person authorized to carry a handgun under Tennessee Code Annotated § 39-17-1351, is prohibited from possessing any handgun while within a public park, natural area, historic park, nature trail, campground, forest, greenway, waterway, or other similar public place that is owned or operated by the City of Fayetteville, Tennessee, or any of its instrumentalities. This prohibition of handguns within any municipal park applies to the entire park, notwithstanding the provisions of Tennessee Code Annotated § 39-17-1311(b)(1)(I). However, this resolution does not prohibit lawful possession of any handgun in accordance with Tennessee Code Annotated § 39-17-1311(b)(1)(A)-(H), including, but not limited to, lawful possession in conjunction with lawful use of the Gun Range.
SECTION 2. The City of Fayetteville, Tennessee, shall display signs in prominent locations about the public recreational property, at least six inches (6") high and fourteen inches (14") wide, stating:

MISDEMEANOR. STATE LAW PRESCRIBES A MAXIMUM PENALTY OF ELEVEN (11) MONTHS AND TWENTY-NINE (29) DAYS AND A FINE NOT TO EXCEED TWO THOUSAND FIVE HUNDRED DOLLARS ($2,500) FOR CARRYING WEAPONS ON OR IN PUBLIC RECREATIONAL PROPERTY.

SECTION 3. If a part of this Resolution is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of this Resolution is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.

SECTION 4. This resolution takes effect from and after its passage, the welfare of the City of Fayetteville, Tennessee, requiring it; provided, however, this resolution shall not take effect on property owned jointly with Lincoln County, Tennessee, until such time as a similar resolution is passed by its Board of Commissioners.

BE IT FURTHER RESOLVED that a copy of this Resolution be delivered to the Mayor of Lincoln County, Tennessee, forthwith.

Passed this the 11th day of August, 2009.

ATTEST:

James H. Lee, City Clerk

Gwen Shelton, Mayor
Ordinance No. 2013-02:

Motion was made by Danny Bryant, seconded by Tom Young, to rescind the motion made last month "to defer (postpone) a Sanitation Rate Increase to be discussed at the February 23, 2013, Strategic Planning Session, then to be taken up at March’s Board of Mayor and Alderman Meeting". Upon roll call, the following voted:

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

Nay
None

Mayor Underwood declared the motion approved.

Ordinance No. 2013-02, an ordinance entitled, "An Ordinance Of The City Of Fayetteville, Tennessee Amending The Fayetteville Municipal Code Title 17, Chapter 1, Section 17-105 Entitled Collection Fees And Special Rules", was considered. Said Ordinance is as follows:
ORDINANCE NO. 2013-02

AN ORDINANCE OF THE CITY OF FAYETTEVILLE, TENNESSEE AMENDING THE FAYETTEVILLE MUNICIPAL CODE TITLE 17, CHAPTER 1, SECTION 17-105 ENTITLED COLLECTION FEES AND SPECIAL RULES

WHEREAS, the City of Fayetteville, Tennessee maintains sanitation collection for the City and is experiencing increases in operating costs; and

WHEREAS, the sanitation fees must pay for all related expenses incurred with collection and disposing of refuse; and

WHEREAS, an adjustment of the collection fee is necessary to insure the financial security of this Special Revenue Fund to provide for the future operations, and

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

SECTION 1. The Fayetteville Municipal Code Title 17, Chapter 1, Section 17-105, entitled Collection Fees and Special Rules is hereby deleted and replaced with the following:

17-105. Collection fee and special rules. (1) Service fees for collection, removal and disposal. Monthly fees for the collection, removal and disposal of refuse are based on the number of carts utilized at each residence or commercial establishment with a one-cart minimum charge for each residence or commercial establishment with an active electrical meter according to the records of Fayetteville Public Utilities. The following monthly fees are established for the collection, removal and disposal of refuse:

<table>
<thead>
<tr>
<th>RESIDENTIAL</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Per Household</td>
<td>$14.00</td>
</tr>
<tr>
<td>Per apartment</td>
<td>$14.00</td>
</tr>
<tr>
<td>Each Additional Cart</td>
<td>$10.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>COMMERCIAL AND INDUSTRIAL</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1 CART Twice/Week</td>
<td>$38.00</td>
</tr>
<tr>
<td>1 CART Once/week</td>
<td>$19.00</td>
</tr>
<tr>
<td>2 CARTS Twice/Week</td>
<td>$68.00</td>
</tr>
<tr>
<td>2 CARTS Once/Week</td>
<td>$34.00</td>
</tr>
<tr>
<td>3 CARTS Twice/Week</td>
<td>$98.00</td>
</tr>
<tr>
<td>3 CARTS Once/Week</td>
<td>$49.00</td>
</tr>
<tr>
<td>4 CARTS Twice/Week</td>
<td>$128.00</td>
</tr>
<tr>
<td>4 CARTS Once/Week</td>
<td>$64.00</td>
</tr>
<tr>
<td>6 CARTS Twice/Week</td>
<td>$188.00</td>
</tr>
<tr>
<td>6 CARTS Once/Week</td>
<td>$94.00</td>
</tr>
</tbody>
</table>
Churches will be charged the commercial fees
Hardship rate will be $10.00 per month

The Public Works Director will work with commercial establishments to provide the collection services they need per week at the rate listed above. The Public Works Director may change routes and adjust rates as needed to conform to the schedule listed above.

Users who are aggrieved by the sanitation fee(s) assessed them may submit a request for a fee reduction or waiver to the City Administrator who shall place the matter on the next meeting of the Public Works Committee for consideration of the particular circumstances involved. After the Public Works Committee makes its determination, the City Administrator shall inform the party seeking relieve of the Committee’s decision. However, any user submitting a request for fee reduction or waiver under this section shall continue to pay the regular rates until the decision is rendered by the committee.

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

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

Adopted this 12th day of February, 2013

Attest:

James H. Lee, City Clerk

John Ed Underwood, Jr., Mayor
Motion was made by Dorothy Small, seconded by Danny Bryant, to approve Ordinance No. 2013-02.

Motion was made by Dorothy Small, seconded by Danny Bryant, to amend the main motion by adding the new fees to go into effect as of April 1, 2013. Upon roll call, the following voted on the amendment:

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

Nay
None

Mayor Underwood declared the motion approved.

Upon roll call, the following voted on the main motion:

Aye
Danny Bryant, Tom Young, Dorothy Small, and Michael Whisenant

Nay
Gwen Shelton

Mayor Underwood declared the motion approved.

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

Mayor

Clerk