

RESOLUTION NO _____

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

WHEREAS, the City of Chattanooga is a public and governmental body in Chattanooga, 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 SRF 2013-318 (the “Project”), in and for the Local Government; and

WHEREAS, Tennessee Code Annotated, Section 68-221-1001 *et seq.* provide for the lending of monies 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 SIXTY-SIX MILLION EIGHT HUNDRED THOUSAND DOLLARS (\$66,800,000.00), 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 SIXTY-SIX MILLION EIGHT HUNDRED THOUSAND DOLLARS (\$66,800,000.00), for the purpose of funding all or a portion of the total estimated cost of the Project SIXTY-SIX MILLION EIGHT HUNDRED THOUSAND DOLLARS (\$66,800,000.00), by City Finance Officer 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 amount 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 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 City Finance Officer 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.

ADOPTED: _____, 2014

/mem

The governing body and the executive officials of the City of Chattanooga agree that they are bound by the terms of this resolution.

Council Chairman Chip Henderson

Mayor Andy Berke



Chattanooga Clerk of the City Council

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Chattanooga, Tennessee 37402

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Sandra L. Freeman
Clerk of the Council

Nicole S. Guyon
Deputy Clerk of the Council

NOTICE OF CERTIFICATION

I, Sandra L. Freeman, Clerk of the City Council of Chattanooga, Tennessee, and as such keeper of the records of the City Council of said City, do hereby certify that the foregoing is a true, compared and correct copy of Resolution 27870 adopted at the City Council meeting on May 27, 2014.

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

WITNESS my hand and the Seal of the City of Chattanooga, Tennessee on this 27th day of May, 2014.

Sandra L. Freeman
Clerk of the City Council