

AN ORDINANCE ADOPTING A SEWER USER RATE
SCHEDULE AND AMENDING TITLE 13 OF THE
SPRING HILL MUNICIPAL CODE BY ADDING
A CHAPTER 2 THERE TO.

BE IT ORDAINED BY THE TOWN OF SPRING HILL, TENNESSEE:

The Spring Hill Municipal Code is hereby amended by

adding a Chapter 2 to Title 13 which shall be as follows:

CHAPTER 2

SEWERS

SECTION

- 13-201. Permit required for sewer connections.
- 13-202. Sewer connection charge.
- 13-203. Sewer service charge.

13-201. Permit required for sewer connections. It shall be unlawful for any person to make or cause, or allow to continue, any connection with any of the sewers of the city without first obtaining a permit from the City Recorder.

13-202. Sewer connection charge. There is hereby imposed a charge of \$100.00 for each connection made to the sanitary sewer system maintained by the Town of Spring Hill.

13-203. Sewer service charge. (1) All persons, firms or others whose property is located within the corporate limits of the Town of Spring Hill and is accessible to the sanitary sewer system, shall be required to pay monthly charges for the use of said system, said rates to be calculated and charged upon the basis of water consumption as follows:

First 4,000 gallons ---\$10.00 minimum bill
All over 4,000 gallons --\$.90 per 1,000 gallons

(2) Said rates shall be billed simultaneously with rates for water service, shall be subject to the same penalties for delayed payment as are imposed in the case of water bills, and shall be paid and collected in the same manner as water bills. Users will not be permitted to pay the water bill without simultaneous payment of the sewer bill, and in the event of nonpayment within thirty (30) days from the date of such bills, water service shall be discontinued.

(3) So that watering of lawns or other uses of water that do not enter the sewer system will not penalize residential users, sewer charges for residential users shall be calculated on the basis of average water consumed in the months of November and December or other winter months if approved by the city recorder, and shall remain constant for each month of the ensuing calendar year. Residential users connected to the system after November 1, shall be billed on the basis of the first full month's water consumption, which charge shall remain constant for each month until the average water consumption in the following months of November and December is determined. Sewer charges for commercial and industrial users shall be calculated on the basis of actual water consumption in each month of the year. Upon request, the city recorder may bill residential users on the basis of actual water consumption.

(4) Special contracts shall be negotiated with any user who discharges into the system, sewage of such characteristics as to require additional treatment above that required for ordinary sewage. Said contracts shall contain such rates and charges as shall compensate the town for the additional costs involved.

(5) Any user who can establish that a substantial part of his water consumption is not discharging into the sewer system shall be entitled to an appropriate adjustment of his sewer bill. Adjustments to the sewer charge shall be made on the basis of appropriate sewerage metering systems, approved by the town, installed at the user's expense, which measure the volume of sewerage.

PASSED AND APPROVED by the Board of Mayor and Aldermen of the Town of Spring Hill, Tennessee, on this the 16TH day of APRIL, 1979.


BEN ANDREWS, MAYOR

ATTEST:


JUNE QUIRK, RECORDER

Passed on 1st reading 1-15-79

Passed on 2nd reading 2-19-79

Passed on 3rd reading 4-16-79

LEGAL NOTICE

ORDINANCE NO. ~~726~~ ⁷²⁸-3

AN ORDINANCE ADOPTING A SEWER USER RATE SCHEDULE AND AMENDING TITLE 13 OF THE SPRING HILL MUNICIPAL CODE BY ADDING A CHAPTER 2 THERETO.

BE IT ORDAINED BY THE TOWN OF SPRING HILL, TENNESSEE:

The Spring Hill Municipal Code is hereby amended by adding a Chapter 2 to Title 13 which shall be as follows:

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SEWERS

SECTION

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13-202. Sewer connection charge.

13-203. Sewer service charge.

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First 4,000 gallons ... \$10.00 minimum bill

All over 4,000 gallons ... \$.90 per 1,000 gallons

(2) Said rates shall be billed simultaneously with rates for water service, shall be subject to the same penalties for delayed payment as are imposed in the case of water bills, and shall be paid and collected in the same

The Board of Mayor and Aldermen of the Town of Spring Hill, Tennessee, met in a special session on January 22, 1979, pursuant to a call issued by Ben Andrews, Mayor, said call being in the following words, facts and figures, to-wit:

TO: Charles Buford	R. B. Toone
Herbert Shouse	Lawrence Sisk
Eugene Hardison	Ronnie Woody
George Campbell	Steve Bowman

Gentlemen:

Pursuant to the authority vested in me, I hereby call a special session of the Board of Mayor and Aldermen of the Town of Spring Hill, Tennessee, to be held at 7:00 o'clock, P.M. on the 22nd day of January, 1979, at Dr. Woodard Room of the First Farmer's and Merchant's National Bank, Spring Hill, Tennessee.

The purpose of this meeting is to consider, accept or reject bids for a \$600,000 Sewer Revenue and Tax Bond of said municipality, and to take such other action with respect to the authorization and issuance of such bonds as may be deemed appropriate.

Dated this 17th day of January, 1979.

Yours truly,

Ben Andrews, III
Mayor

We hereby acknowledge receipt of the above call for a special session of the Board of Mayor and Aldermen and acknowledge its validity as to the legality and reasonableness of notice, and otherwise, and by our signature accept such notice and agree to transact the business therein described on this 22nd day of January, 1979.

Charles Buford

Lawrence Sisk

W. H. Shouse

Ronnie Woody

Eugene Hardison

Steve Bowman

George Campbell

R. B. Toone

Public notice of the time, place, and purpose of the meeting having been given, upon the coming together at the appointed time at 7:00 o'clock, P.M. at the Dr. Woodard Room of the First Farmers and Merchants National Bank, Spring Hill, Tennessee, there were present: Eugene Hardison, Charles Buford, Ronnie Woody, R. B. Toone, Steve Bowman, George Campbell, Herbert Shouse and Mayor Ben Andrews, III.

There was absent: Lawrence Sisk

After the meeting was duly called to order, bids were received for the purchase of a \$600,000 Sewer Revenue and Tax Bond, pursuant to advertisement of sale. It being determined that no bids were received other than the offer of Farmers Home Administration to purchase the bond at par at a 5% interest rate, the following resolution was introduced by Ronnie Woody and seconded by R. B. Toone.

A RESOLUTION confirming the sale of a \$600,000 Sewer Revenue and Tax Bond of the Town of Spring Hill, Tennessee.

Be it resolved by the Board of Mayor and Aldermen of the Town of Spring Hill, Tennessee that no other acceptable bid having been received at the public sale of a \$600,000 Sewer Revenue and Tax Bond, that such bond be and it is hereby sold to the United States of America, acting through the Farmers Home Administration, at par at a 5% interest rate pursuant to the Loan Agreement with such Agency. After due deliberation the resolution was adopted by the following vote:

AYE: Buford, Woody, Shouse, Toone and Bowman

NAY: Hardison and Campbell

Whereupon the Mayor declared the Ayes to have it, the motion carried, and the resolution adopted.

The following resolution was introduced by R. B. Toone, seconded by Charles Buford and after due deliberation, was adopted by the following vote:

AYE: Buford, Woody, Shouse, Toone and Bowman

NAY: Hardison and Campbell

A RESOLUTION AUTHORIZING AND PROVIDING FOR THE
ISSUANCE OF A REVENUE AND TAX DEFICIENCY BOND
IN THE PRINCIPAL AMOUNT OF \$600,000 FOR THE
PURPOSE OF CONSTRUCTING A SEWERAGE SYSTEM;
PRESCRIBING THE BOND FORM, THE TERMS AND
CONDITIONS OF ISSUE AND RETIREMENT AND MAKING
PROVISIONS FOR PAYMENT AND SECURITY THEREOF.

WHEREAS, the Board of Mayor and Aldermen of the Town of Spring Hill, Tennessee, (hereinafter referred to as the Town), by a three-fourths (3/4) vote of its members has heretofore adopted an Initial Resolution declaring an emergency and authorizing the issuance of a revenue and tax deficiency bond in the principal amount of \$600,000 for constructing sewerage improvements (hereinafter referred to as the System).

WHEREAS, it is necessary to defray a portion of the cost of constructing said System, including engineering and legal fees and other necessary and related expenses, by obtaining such financial assistance as is available from the United States of America, acting through the Farmers Home Administration, United States Department of Agriculture (hereinafter called the Government), in accordance with the applicable provisions of the Consolidated Farmers Home Administration Act of 1961, it being determined that the Town is unable to obtain sufficient credit elsewhere to finance the construction of the System taking into consideration prevailing private and cooperative rates and terms currently available;

NOW, THEREFORE, BE IT RESOLVED by the Board of Mayor and Aldermen of the Town of Spring Hill, Tennessee:

Section 1. That the Town of Spring Hill, Tennessee proceed with the constuction of the System and for defraying the cost thereof to obtain such financial assistance as is available by a loan or grant, made or insured by the United States of America, acting by and through the Farmers Home Administration, United States

indebted to and for value received promises to pay to the registered owner hereof the principal sum of SIX HUNDRED THOUSAND (\$600,000) DOLLARS, plus interest on the unpaid balance at the rate of Five (5%) percent per annum. Interest only shall be payable on the first day of January 1980, on the first day of July, 1980, and on the first day of January 1981. Installments of principal and interest in the amount of \$17,712 shall be payable on the first day of July, 1981 and semi-annually thereafter on the first day of January, and the first day of July, until the principal and said interest are fully paid, except that the final installment of the entire indebtedness evidenced hereby, if not sooner paid, shall be due and payable forty (40) years from the date of this bond. This bond shall be registered as to principal and interest in a Bond Registration Book, such registration to be noted on the back hereof and no transfer shall be valid unless made on the Bond Registration Book and similarly noted on the back hereof. Thereafter, both the principal and interest shall be payable in lawful money of the United States to such registered owner at his address appearing on the Bond Registration Book.

This bond is issued pursuant to and under the authority provided by Sections 6-1601 to 1631 T.C.A. and a Resolution properly adopted on the 22nd day of January, 1979, by the Board of Mayor and Aldermen of the Town of Spring Hill, Tennessee and is issued to obtain funds to defray the cost of constructing a sewerage system. Both the principal of and interest on this bond are payable from and secured by a pledge of the revenues of the System after provision has first been made for the payment of the costs of operations and maintenance of such System. In the event of a deficiency of such revenues, this bond is payable, both principal and interest, from taxes to be levied on all taxable property within the Town of Spring Hill, Tennessee without limitation as to rate or amount; for the prompt payment of such principal and interest, the full faith, credit and resources of the borrower are hereby irrevocably pledged.

Prepayments may be made at any time of the option of the Borrower. Any such prepayments shall be applied to the installment

Section 4. The bond hereby authorized together with interest thereon shall be payable primarily from the income and revenue to be derived from the operation of the System, and the revenues of the System are hereby irrevocably pledged to the punctual payment of such principal and interest as the same becomes due after the payment of the reasonable and necessary cost of operating and maintaining the System.

Section 5. For the purpose of providing for the payment of the principal of and interest on the bond hereby authorized in the event of a deficiency in the revenues of the System pledged for that purpose, the Town shall annually levy a tax upon all taxable property within said Town, sufficient to pay the principal and interest on said bond as it matures, and it shall be the duty of the Town annually at the time when other annual tax levies are fixed, to determine whether or not the revenues of the System will be adequate to meet in full the requirements of this resolution and thereupon to levy such tax as may be necessary under the provisions of this section. Said taxes shall be assessed, collected and paid at the time and in the manner as the other taxes of the Town, shall be in addition to all other taxes, and shall be without limitation as to rate or amount.

Section 6. The proceeds of the bond hereby authorized, any grant funds and any funds contributed by the Town shall be deposited in the Construction Account which shall be established as a supervised bank account and such proceeds shall be withdrawn only on checks signed by the Treasurer of the Town and countersigned by the County Supervisor of the Farmers Home Administration. Proceeds shall be withdrawn on the order of the Town of Spring Hill, Tennessee only for the purpose or purposes for which said bond was issued and specified in the estimate of costs. The Town's share of any liquidated damages and other monies paid by defaulting contractors or their sureties will be deposited in the Construction Account to assure

completion of the project. When the construction of the System has been completed or all construction costs have been paid in full, any balance of loan funds remaining in the Construction Account shall be applied as an extra payment on the bond. Any excess FHA grant funds shall be returned to the FHA Finance Office. The amount of any excess loan and grant funds will be in direct proportion to the amounts obligated from each source.

Section 7. From and after the delivery of the bond hereunder, and as long as the bond shall be outstanding and unpaid either as to principal or as to interest, or until there shall have been accumulated in the Sinking Fund hereinafter provided an amount sufficient to retire the bond and any outstanding parity bonds, including interest accrued and to accrue thereon to such retirement date, the entire income and revenues of the system shall be deposited as collected with a bank or trust company which is a member of the Federal Deposit Insurance Corporation, in a fund to be known as "Sewerage System Revenue Fund," hereinafter sometimes called the "Revenue Fund." This fund shall be subject to withdrawals upon the order of the Town and shall be used only as follows:

(a) Sewerage Operation and Maintenance Fund. There shall first be paid from the Revenue Fund into a fund which is hereby created and designated "Sewerage Operation and Maintenance Fund" (hereinafter called "Operation Fund") on the first day of each month while the bond issued under and secured by this resolution shall be outstanding, sufficient money to pay all the operating expenses and to make reasonable provisions for the repair and maintenance of the System. Fixed annual charges such as insurance and the cost of major repair and maintenance expenses, may be computed and set up on an annual basis and one-twelfth of the amount thereof may be accumulated in said Operation Fund each month. Disbursements from said fund shall include salaries, wages, cost of maintenance, repair and operation, materials and supplies, pumping costs, and insurance.

If any surplus shall be accumulated in the Operation Fund over and above the amount which shall be necessary to defray the cost of maintaining, repairing, and operating the System during the remainder of the then current fiscal year and the next ensuing fiscal year such surplus shall be returned to the Revenue Fund.

(b) The money remaining in the Revenue Fund after transfers to the Operation and Maintenance Fund shall have been so made shall next be used to make deposits into a separate and special fund held by a bank or trust company which is a member of the Federal Deposit Insurance Corporation, to pay principal of and interest on the bond and parity bonds as the same become due. Said fund shall be known as the "Sewerage Bond and Interest Sinking Fund," herein sometimes referred to as the "Sinking Fund." Such transfers shall be made on or before the fifteenth day of each month, the first such transfer to be made in the month during which interest shall last be payable from the proceeds of the bond. The minimum amount to be deposited into the Bond and Interest Sinking Fund in any such month shall be a sum equal to one-sixth of the interest and principal coming due on the next succeeding interest payment date on the bond and any parity bonds then outstanding. Money in the Sinking Fund shall be used solely and is hereby expressly and exclusively pledged for the purpose of paying principal of and interest and redemption premiums on the bond and parity bonds.

(c) The next available money in the Revenue Fund shall be used to create and maintain a debt service reserve of at least \$35,424.00. Until the debt service reserve equals at least \$35,424.00, there shall be transferred into the Sinking Fund from the Revenue Fund, in addition to the transfers required by subsection (b) hereof, on or before the fifteenth day of each month, the sum of \$295.00 per month. The total amount in such fund need not exceed \$35,424.00 unless parity bonds are issued, in which event the debt service reserve shall in like manner be built up and maintained in an amount equal to at least the maximum annual debt service requirements on the bond and parity bonds. Money in the debt service reserve shall be held as a

part of the Sinking Fund and used solely for the purpose of paying principal of or interest on the bond and parity bonds for the payment of which no other money is available in the Sinking Fund. All money so taken from the debt service reserve to pay principal and interest shall be replaced therein from the first money in the Revenue Fund thereafter received which shall not then be required to be transferred into the Operation and Maintenance Fund or the Sinking Fund under subsections (a) and (b) hereof.

(d) All the next available money in the Revenue Fund shall be deposited monthly on or before the fifteenth day of each month into a fund, hereby created and designated as the "Sewerage System Repair and Extension Fund," hereinafter referred to as the "Repair and Extension Fund," until there shall be on deposit in such fund at least \$35,424.00 and thereafter in such amounts as will maintain such fund at a level of at least \$35,424.00. There shall also be deposited in the Repair and Extension Fund the proceeds of the sale of any equipment no longer usable or needed, fees or charges collected from potential customers to aid in the financing of the cost of extensions and improvements and the proceeds of any property damage insurance not immediately used to replace the damaged or destroyed property. Money in such fund shall be held in a bank or trust company which is a member of the Federal Deposit Insurance Corporation and shall be used for the payment of principal of and interest on the bond or parity bonds for the payment of which money is not available in the Sinking Fund, including the debt service reserve, or to make up any deficiencies in the Sinking Fund, including the debt service reserve, on any June 15 or December 15, or for extraordinary maintenance, repairs, renewals or replacements to the system which shall be necessary to keep the system in operating condition and for the making of which money shall not have been included in the annual budget, or for paying the cost of constructing improvements or extensions to the system which will either enhance its revenue-producing capacity or provide a higher degree of service.

Money taken from the Repair and Extension Fund for any of the above purposes shall be replaced therein from the first available money in the Revenue Fund thereafter received. Money in the Repair and Extension Fund may be withdrawn by the Town for such extraordinary repairs or replacements or for improvements or extensions upon filing with the depository for said fund a certificate stating fully the necessity therefor.

(e) Money thereafter remaining in the Revenue Fund may be used to pay principal of and interest on (including reasonable reserves therefor) any bonds payable from the revenues of the system but junior and subordinate in all respects to the bond authorized by this resolution.

(f) All remaining revenues in the Revenue Fund at the end of each fiscal year shall be regarded as surplus and the Town shall within sixty days after the end of such fiscal year transfer such surplus into a special account in the Sinking Fund to be known as the Bond Redemption Account. The money in the Bond Redemption Account shall be used for the purpose of prepaying the bond or a portion thereof, or of retiring parity bonds, either or both, by prepayment or redemption or by purchase of such bonds on the open market or upon receipt of tenders at the best price or prices obtainable, provided that the price for bonds so purchased shall at no time exceed the price at which such bonds could be called for redemption on the next succeeding call date. All bonds so purchased or redeemed shall be cancelled.

(g) The money in the Revenue Fund shall be allotted and paid into the various funds hereinbefore established in the order in which said funds are listed on a cumulative basis, and if in any month the money in the Revenue Fund shall be insufficient to place the required amount in any of said funds the deficiency shall be made up in the following month or months after payment into all funds enjoying a prior claim to the revenues shall have been met in full.

(h) The debt service reserve in the Sinking Fund shall at the request of the Town be invested by the depository in direct

obligations of, or obligations the principal of and interest on which are guaranteed by, the United States Government. All income derived from such investments shall be regarded as revenues of the system and shall be deposited in the Revenue Fund. Such investments shall at any time necessary be liquidated and the proceeds thereof applied to the purpose for which the respective funds were created.

(i) All money in excess of \$40,000 in the various funds hereinbefore established shall be continuously secured by a pledge of direct obligations of the United States Government having an equivalent market value or shall be secured by surety bond written by a solvent surety company or companies of recognized standing.

Section 8. The Town covenants and agrees that so long as the bond hereby authorized remains unpaid:

(1) It will comply with applicable State laws and regulations and continually operate and maintain the System in good condition.

(2) It will impose and collect such rates and charges for service rendered by the System that gross revenues will be sufficient at all times to provide for the payment of the operation and maintenance thereof, for debt service on all outstanding bonds, and the maintenance of the various funds herein created, and that no customers of the System, individual, corporate, or municipal shall receive free sewer service or any sewer service without being charged the full rates prescribed in the rules and regulations of the Town.

(3) It will maintain complete books and records relating to the operation of the System and its financial affairs and will cause such books and records to be audited annually at the end of each fiscal year and an audit report prepared, and will furnish Farmers Home Administration, without request, a copy of each annual audit report and, without request, a copy of the annual statement. At all

reasonable times, the Farmers Home Administration shall have the right to inspect the System and the records, accounts and data of the Town relating thereto.

(4) It will maintain such insurance coverage as may be required by Farmers Home Administration.

(5) It will not borrow any money from any source or enter into any contract or agreement or incur any other liabilities in connection with making extensions or improvements other than normal maintenance of the System, or making any extensions or enlargements of the System or permit others to do so, or issue other bonds or obligations of any kind payable from or having a lien on the revenues of the System without obtaining the prior written consent of the Farmers Home Administration.

(6) It will not cause or permit any voluntary dissolution of its organization, dispose of or transfer its title to the System or any part thereof, including lands and interest in lands, by sale, mortgage, lease or other encumbrance, without obtaining the prior written consent of the Farmers Home Administration.

Section 9. The holder of the bond may either at law or in equity, by suit, action, mandamus or other proceedings, in any court of competent jurisdiction enforce and compel performance of all duties imposed upon the Town by the provisions of this resolution, including the making and collecting of sufficient rates, and the segregation of the income and revenues of the System and the proper application thereof.

That if any default be made in the payment of principal of or interest on any of the bonds, then upon the filing of suit by any holder of said bond, any court having jurisdiction of the action may appoint a receiver to administer the System on behalf of the Town with power to charge and collect rates sufficient to provide for the

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

Section 10. The Town will issue no other bonds or obligations of any kind or nature payable from or enjoying a lien on the revenues of the system having priority over the bond herein authorized.

Additional bonds may hereafter be issued on a parity with the bond herein authorized under the following conditions but not otherwise.

(a) The bond herein authorized or any part thereof may be refunded with the consent of the holder thereof and the refunding bonds so issued shall enjoy complete equality of lien with the portion of the bond which is not refunded, if any there be, and the refunding bonds shall continue to enjoy whatever priority of lien over subsequent issues that may have been enjoyed by the bond, provided, however, that if only a portion of the bond shall be so refunded and if such portion shall be refunded in such manner that the interest rate on the refunded portion shall be increased or that any refunding bond shall mature at a date earlier than the maturity date of the corresponding portion of the bond refunded thereby, then such portion may not be refunded without the consent of the holder of the bond issued hereunder.

(b) Additional bonds may also be issued on a parity with the bond herein authorized if all of the following conditions are met:

(i) The net revenues of the system for the fiscal year next preceding the issuance of such additional bonds, as certified by an independent public accountant, must have been equal to at least one and one-half times the average annual requirements for principal and interest on all obligations then outstanding payable from the revenues of the system; and the estimated average annual net

revenues of the system, plus the estimated average annual net revenues to be derived from the improvements to be financed by such additional bonds, all as forecast over a period not exceeding ten years from the date of such additional bonds, estimated in writing by an independent consulting engineer and approved by the Board of Mayor and Alderman of the Town must be equal to at least one and one-half times the average annual requirements for principal and interest, and one and one-fifth times the highest future annual requirement for principal and interest on all obligations then outstanding payable from the revenues of the system and the bonds so proposed to be issued;

(ii) The payments required to be made into the various funds provided in Section 7 hereof must be current;

(iii) The additional bonds must be payable as to principal on January 1 and July 1 of each year in which principal falls due; provided, that the limitations of this subsection (b) may be waived or modified by the written consent of bondholders representing not less than seventy-five percent (75%) of the then outstanding principal bonded indebtedness authorized by this resolution.

(c) Additional bonds may also be issued on a parity with the bond herein authorized without regard to the requirements of subsection (b) of this section, but solely for the purpose of completing the system improvements.

(d) If parity bonds issued hereunder are subject to redemption prior to maturity, and if the Town undertakes to prepay or redeem the bond or any parity bonds in advance of maturity, the bond and parity bonds will be prepaid or called for redemption on a pro rata basis; i.e., in proportion to the principal amount of the bond and parity bonds outstanding at the time of call. However, the Town shall have the right, subject to the call provisions of the respective bond series, to prepay or redeem any portion or all of the outstanding bond or parity bonds which may be prepaid or called at par prior to calling any parity bonds which are callable at a premium.

Section 11. If at any time it shall appear to the Government that the Town is able to refund the amount of the bond then outstanding, in whole or in part, by obtaining a loan for such purpose from responsible cooperative or private credit source, at reasonable rates and terms for loans for similar purposes and periods of time, the Town will, upon request of the Government, apply for and accept such loan in sufficient amount to repay the Government and will take all such actions as may be required in connection with such loan.

Section 12. Pending delivery of the bond, interim certificates of indebtedness ("interim certificates") or bond anticipation notes ("bond anticipation notes") may be issued for the purpose of providing funds in anticipation of the issuance of the bond. Interim certificates may be issued to the original purchaser to evidence receipt of partial advances of the purchase price of the bond, and bond anticipation notes may be issued to evidence funds obtained on an interim basis from sources other than the original purchaser. The interim certificates and bond anticipation notes shall be payable within two (2) years from their date of issuance, shall be executed by the officials authorized to execute the bond, and shall be in such form as said officials shall approve, their execution thereof being conclusive evidence of their approval. The interim certificates shall bear interest from their date at the bond rate, and the bond anticipation notes shall bear interest at such rate or rates as may be negotiated with the purchaser thereof, not to exceed ___% per annum.

The combined principal amount of interim certificates and bond anticipation notes authorized hereby shall be an amount equal to the principal amount of the bond authorized by this resolution.

The purchase price paid by the Government shall be reduced by the principal amount of interim certificates held by it, including accrued interest thereon, and such interim certificates shall be delivered by the Government to the Town at the time of delivery of the bond.

The proceeds of the sale of interim certificates or bond anticipation notes shall be deposited in the Construction Fund hereinafter created.

Section 13. The Mayor and Recorder be and they are hereby authorized and directed to execute for and on behalf of the Town Form FHA 400-1 entitled "Equal Opportunity Agreement" to which is attached and made a part thereof an "Equal Opportunity Clause" designated as form FHA 400-2 to be incorporated in or attached as a rider to each construction contract involving \$10,000 or more, and Form FHA 400-4, entitled "Nondiscrimination Agreement."

Section 14. This resolution shall take effect and be in force immediately upon its passage.

Section 15. That the provisions of this resolution shall constitute a contract between the Town and the holder of the bond herein authorized to be issued, and that after the issuance of any such bond, 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 bond herein authorized and interest due thereon has been paid in full.

ADOPTED AND APPROVED this 22nd day of January,
19 79.

(SEAL)
ATTEST:


Recorder


Mayor

There being no further business to come before the Board,
the meeting was adjourned on motion duly made, seconded and unanimously
adopted.

Bar A. Adams III
MAYOR

ATTEST:

Chad Farmer
RECORDER