

**RESOLUTION OF THE PUBLIC WORKS COMMISSION OF THE  
CITY OF FAYETTEVILLE, NORTH CAROLINA APPROVING A  
STATE LOAN PROMISSORY NOTE**

**WHEREAS**, on September 8, 2010 and September 27, 2010 the Public Works Commission (COMMISSION) of the City of Fayetteville, NC (CITY), respectively, approved filing applications for state loans under the NC Clean Water Revolving Loan and Grant Act of 1987 to finance the cost of construction of drinking water system improvements, and

**WHEREAS**, in May 2012 the COMMISSION was awarded a low-interest loan offer from the State of North Carolina Department of Environment and Natural Resources ("NCDENR") for construction of the Water Treatment Facility Clearwell and Chemical Feed Improvements (the "PROJECT"), and

**WHEREAS**, on July 11, 2012 and July 23, 2012 the COMMISSION and CITY, respectively, established a capital project fund in accordance with G.S 159-13.2 for the purposes of accounting for and reporting of the PROJECT, and

**WHEREAS**, the COMMISSION intends to execute a 20-year, 0% interest promissory note with the State of North Carolina for \$5,216,071 to fund the PROJECT and the associated 2% closing fee.

**WHEREAS**, the loan is payable solely from the revenues of the COMMISSION and is subordinate to COMMISSION's outstanding revenue bonds.

**NOW, THEREFORE**, be it resolved by the COMMISSION that:

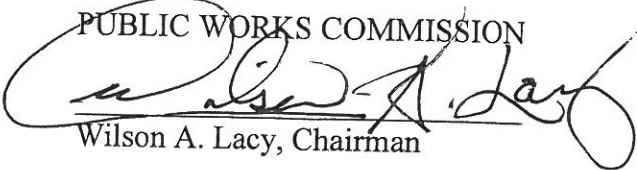
**Section 1.** The COMMISSION hereby authorizes Steven K. Blanchard, General Manager to execute a promissory note with the State of North Carolina in the amount of \$5,216,071.

**Section 2.** The City Council of the City of Fayetteville is hereby requested to adopt this Resolution in the form presented above.


**Section 3.** This Resolution shall become effective upon its adoption.

**ADOPTED**, this the 24<sup>th</sup> day of October, 2012.

PUBLIC WORKS COMMISSION

  
Wilson A. Lacy, Chairman

Attest:

  
Luis J. Olivera, Secretary