

BE IT RESOLVED

That the TOWN OF WADESBORO accepts the conditions set forth in a Letter of Conditions dated JUNE 25, 2018, and RUS Bulletin 1780-27, "Loan Resolution (Public Bodies)" for the SEWER PUMP STATION REPLACEMENT AND FORCEMAIN INSTALLATION PROJECT,

That the MAYOR AND CLERK be authorized to execute all forms necessary to obtain a **loan and grant** from USDA Rural Development, including, but not limited to the following forms:

- | | |
|----------------------|--|
| RUS Bulletin 1780-27 | Loan Resolution |
| RUS Bulletin 1780-12 | Water and Waste System Grant Agreement |
| Form RD 1942-46 | Letter of Intent to Meet Conditions |
| Form RD 1940-1 | Request for Obligation of Funds |
| Form AD-1049 | Certification Regarding Drug-Free Workplace Requirements (Grants) Transactions |

That if the interest rate charged by USDA Rural Development should change between this date and the date of actual approval, MAYOR AND CLERK be authorized to execute new forms reflecting the current interest rate and revised payments as required by USDA Rural Development.

That the TOWN OF WADESBORO elects to have the interest charged by USDA Rural Development to be the lower of the rate in effect at either the time of loan approval or loan closing.

TOWN OF WADESBORO hereby agrees to abide by the mitigation requirements in the Letter of Conditions.

This resolution is to become a part of the official minutes of the TOWN OF WADESBORO'S meeting held on JUNE 25, 2018.

Motion made by Bobby Usrey and seconded by Fred Davis that the resolution be approved

MOTION PASSED with 4 FOR AND 0 AGAINST

BY: [Signature]
BILL THACKER, MAYOR

ATTEST: Jun 25 2018 (Date) BY: [Signature]
CINDI POPE, TOWN CLERK



ATTACHMENT A
JUNE 25, 2018 MINUTES

LOAN RESOLUTION
(Public Bodies)A RESOLUTION OF THE Town CouncilOF THE Town of Wadesboro

AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING A PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS

Sewer Pump Station Replacements and Forcemain Installation

FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO SERVE.

WHEREAS, it is necessary for the Town of Wadesboro*(Public Body)*

(herein after called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of

Two Million One Hundred Eighty-Nine Thousand & 00/100pursuant to the provisions of General Statute 160-A; and**WHEREAS**, the Association intends to obtain assistance from the United States Department of Agriculture, (herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) in the planning, financing, and supervision of such undertaking and the purchasing of bonds lawfully issued, in the event that no other acceptable purchaser for such bonds is found by the Association:**NOW THEREFORE**, in consideration of the premises the Association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds containing such items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the Association is able to refinance its bonds by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U.S.C. 1983(c)).
3. To provide for, execute, and comply with Form RD 400-4, "Assurance Agreement," and Form RD 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of \$10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the Association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legal ly permissible source.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Association, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so, without the prior written consent of the Government.
7. Not to defease the bonds, or to borrow money, enter into any contractor agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.
8. To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.
9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.
10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. Revenue accumulated over and above that needed to pay operating and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the facility financed by USDA. No free service or use of the facility will be permitted.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0121. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

11. To acquire and maintain such insurance and fidelity bond coverage as may be required by the Government.
12. To establish and maintain such books and records relating to the operation of the facility and its financial affairs and to provide for required audit thereof as required by the Government, to provide the Government a copy of each such audit without its request, and to forward to the Government such additional information and reports as it may from time to time require.
13. To provide the Government at all reasonable times access to all books and records relating to the facility and access to the property of the system so that the Government may ascertain that the Association is complying with the provisions hereof and of the instruments incident to the making or insuring of the loan.
14. That if the Government requires that a reserve account be established, disbursements from that account(s) may be used when necessary for payments due on the bond if sufficient funds are not otherwise available and prior approval of the Government is obtained. Also, with the prior written approval of the Government, funds may be withdrawn and used for such things as emergency maintenance, extensions to facilities and replacement of short lived assets.
15. To provide adequate service to all persons within the service area who can feasibly and legally be served and to obtain USDA's concurrence prior to refusing new or adequate services to such persons. Upon failure to provide services which are feasible and legal, such person shall have a direct right of action against the Association or public body.
16. To comply with the measures identified in the Government's environmental impact analysis for this facility for the purpose of avoiding or reducing the adverse environmental impacts of the facility's construction or operation.
17. To accept a grant in an amount not to exceed \$ 902,000.00

under the terms offered by the Government; that the Mayor

and Town Clerk of the Association are hereby authorized and empowered to take all action necessary or appropriate in the execution of all written instruments as may be required in regard to or as evidence of such grant; and to operate the facility under the terms offered in said grant agreement(s).

The provisions hereof and the provisions of all instruments incident to the making or the insuring of the loan, unless otherwise specifically provided by the terms of such instrument, shall be binding upon the Association as long as the bonds are held or insured by the Government or assignee. The provisions of sections 6 through 17 hereof may be provided for in more specific detail in the bond resolution or ordinance; to the extent that the provisions contained in such bond resolution or ordinance should be found to be inconsistent with the provisions hereof, these provisions shall be construed as controlling between the Association and the Government or assignee.

The vote was: Yeas 4 Nays 0 Absent 1

IN WITNESS WHEREOF, the Town Council of the

Town of Wadesboro has duly adopted this resolution and caused it

to be executed by the officers below in duplicate on this June, 25th day of 2018

(SEAL)

By Bill Thacker
 Bill Thacker
 Title Mayor

Attest:
Cindi Pope
 Cindi Pope
 Title Town Clerk



LETTER OF INTENT TO MEET CONDITIONS

Date 06-25-2018

TO: United States Department of Agriculture

Rural Development

(Name of USDA Agency)

847 Curry Drive, Suite 104
Asheboro, NC 27205

(USDA Agency Office Address)

We have reviewed and understand the conditions set forth in your letter dated 06-25-2018 . It is our intent to meet all of them not later than 06-25-2021 .

Town of Wadesboro

BY

Bill Thacker
Bill Thacker, Mayor

(Name of Association)

(Title)

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a persons is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0015 and 0570-0062. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data. needed, and completing and reviewing the collection of information.

LETTER OF INTENT TO MEET CONDITIONS

Date 06-25-2018

TO: United States Department of Agriculture

Rural Development

(Name of USDA Agency)

847 Curry Drive, Suite 104
Asheboro, NC 27205

(USDA Agency Office Address)

We have reviewed and understand the conditions set forth in your letter dated 06-25-2018 . It is our intent to meet all of them not later than 06-25-2021 .

Town of Wadesboro

BY _____

Bill Thacker, Mayor

(Title)

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a persons is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0015 and 0570-0062. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data. needed, and completing and reviewing the collection of information.