

**RESOLUTION OF THE CITY OF DADEVILLE, ALABAMA
RESCINDING RESOLUTION NO. 14-10 AND
AUTHORIZING AND DIRECTING PAYMENT OF A PORTION
OF THE CITY'S SALES TAX REVENUES FOR SEWER PURPOSES**

Resolution No. 14-11

WHEREAS, the City of Dadeville, Alabama (the "City") has regularly allocated and paid a percentage of the City's sales tax revenues for sewer purposes; and

WHEREAS, the City determined that it was in order to formalize and make permanent the payment so that sewer system operations could be placed on a sound financial footing; and

WHEREAS, on May 13, 2014, the City Council adopted Resolution No. 14-10 providing for future payments for such sewer purposes; and

WHEREAS, it has been determined that the formula for the payments was in error based upon a misunderstanding of the amount of the payments historically made; and

WHEREAS, the City desires to correct the error in the former resolution and accurately set forth the formula for calculation of the payments for sewer purposes; and

WHEREAS, the City has determined that the sum paid monthly for such purposes has been and should be calculated by dividing the total amount of sales tax collected by 0.017 and multiplying that amount by 0.002.(the resulting payment amount is herein referred to as the "Sewer Payment"); and

WHEREAS, The Water Works and Sewage Board of the City of Dadeville (the "Board") has undertaken the responsibility for providing sewer service to residents of the City; and

WHEREAS, in order to assume the debt applicable to sewer service in the City, the Board issued its Water and Sewer Revenue Refunding Bonds, Series 2012A and its Water and Sewer Revenue Refunding Bonds, Series 2012B (collectively, the "Series 2012 Bonds") to provide funds for the refunding of prior debt issued for sewer purposes; and

WHEREAS, the Board has applied the Sewer Payment to the payment of debt service on the Series 2012 Bonds and would like to continue to do so; and

WHEREAS, the City has determined that it is beneficial to the City, its residents, and economic development in the City for the Board to manage and operate the sewer system and for the Board to maintain its ability to service the debt issued for sewer purposes; and

WHEREAS, in order to allow the Board to continue its operations on a sound financial footing, to encourage economic development, and to continue to provide adequate sewer services

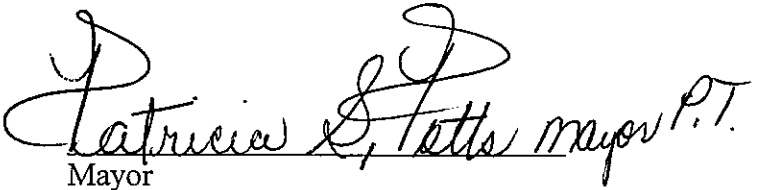
to the residents of the City at an economical price, the City desires to formalize its commitment to make the Sewer Payment to the Board.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF DADEVILLE, ALABAMA, as follows:

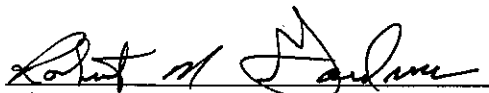
1. The City hereby rescinds Resolution No. 14-10.
2. The City hereby agrees and pledges that it will continue to make the Sewer Payment to the Board each month for a period continuing until the City adopts a resolution terminating such payment, which termination shall not occur before the Series 2012 Bonds (or any obligations issued in replacement or refunding thereof or in addition thereto) are paid in full. The Board shall be entitled to rely on the continued payment of the Sewer Payment for the period described.

Upon presentation of the foregoing Resolution in writing to the City Council, Councilperson TARPLEY moved for its adoption, Councilperson FOSTER seconded the motion, the Resolution was passed by majority vote, and the Mayor declared the Resolution passed.

Adopted this 27 day of May, 2014.


Patricia S. Fatts Mayor P.T.
Mayor

ATTEST:


Robert M. Malone
City Clerk

Billy Manace
Randy Foster
James H. Tarpley
Patricia S. Fatts