

City of Fayetteville Staff Review Form

City Council Agenda Items
and
Contracts, Leases or Agreements

9/17/2013

City Council Meeting Date
Agenda Items Only

Kit Williams

Submitted By

City Attorney

Division

City Attorney

Department

Action Required:

A Resolution ratifying the Resolution of the Fayetteville Public Facilities Board which approved a Revenue Bond (Butterfield Trail Village Project), series 2013 in a principal amount of not to exceed \$8,000,000; and prescribing other matters pertaining thereto

\$0	\$ -	
Cost of this request	Category / Project Budget	Program Category / Project Name
	\$ -	
Account Number	Funds Used to Date	Program / Project Category Name
	\$ -	
Project Number	Remaining Balance	Fund Name

Budgeted Item


Budget Adjustment Attached

Kit Williams Sept 3, 2013 Previous Ordinance or Resolution # _____
Department Director Date

Original Contract Date: _____

Kit Williams Sept. 3, 2013 Original Contract Number: _____
City Attorney Date

Paul A. Beck 9-3-2013
Finance and Internal Services Director Date

Received in City Clerk's Office 

Don Man 9-3-13
Chief of Staff Date

Received in Mayor's Office 

David Jordan 9/4/13
Mayor Date

Comments:



Kit Williams
City Attorney

Jason B. Kelley
Assistant City Attorney

TO: Mayor Jordan
City Council

CC: Paul Becker, Finance Director
Don Marr, Chief of Staff

FROM: Kit Williams, City Attorney

A handwritten signature in blue ink, appearing to read 'Kit Williams', with a long horizontal flourish extending to the right.

DATE: September 3, 2013

RE: Public Facilities Resolution Ratification

The Fayetteville Public Facilities Board is seeking the City Council's approval for its proposed sale of \$8 Million of Public Facilities Bonds to expand and renovate Butterfield Trail Village. The Fayetteville Public Facilities Board was created about 35 years ago primarily to help obtain low interest funding to build Butterfield Trail Village. To my knowledge, this has been the Board's sole project and has proven very successful.

Butterfield Trail Village is an expressly authorized project pursuant to § 33.068 **Powers of the Board (B)** Fayetteville Code of Ordinances:

"(B) The board is expressly authorized to issue revenue bonds for the purpose of financing residential housing, health care and related facilities to serve elderly persons; provided said facilities are owned by nonprofit corporations or associations. The issuance of such revenue bonds shall be accomplished by resolution duly adopted by the city Public Facilities Board and ratified by the City Council."

As you see the Public Facilities Board may only issue bonds for Butterfield after its Resolution has been “ratified by the City Council.” That is their request to you now.

Both state law and the Fayetteville Code make it clear that Public Facility Revenue Bonds (as requested to be issued now) are obligations of the Public Facilities Board only and do not constitute an indebtedness of the City.

“It shall be plainly stated on the face of each bond that it has been issued under the provisions of this chapter, that the bonds are obligations only of the public facilities board, and that in no event shall they constitute an indebtedness for which the faith and credit of the creating municipality or county or any of its revenues are pledged.” A.C.A. § 14-137-120 **Obligations on bonds (a)**.

“Such revenue bonds shall be obligations only of the facilities board and shall not constitute an indebtedness for which the faith and credit of the city or any of its revenues are pledged....” § 33.070 **Issuance of Revenue Bonds (A)** of the Fayetteville Code of Ordinances.

If the City Council determines that the Fayetteville Public Facilities Board’s plan to renovate and enlarge Butterfield Trail Village by issuing \$8 Million in Public Facility Bonds should be ratified and approved, please pass the ratifying Resolution. If you believe the Fayetteville Public Facilities Board’s Resolution should not be ratified for whatever reason, you should explain why it should not be ratified and vote against the ratifying Resolution.

FAYETTEVILLE CODE OF ORDINANCES
TITLE III ADMINISTRATION

**ARTICLE VI
PUBLIC FACILITIES BOARD**

33.065 Findings

The City of Fayetteville hereby finds and determines:

- (A) There exists within and near the city, including the city's projected growth areas and the city's extraterritorial planning areas, a shortage of decent, safe and sanitary residential housing facilities available for rehabilitation, construction, or purchase on terms that persons and families of low and moderate income can afford to pay.
- (B) Existing economic conditions including high rates of interest on residential mortgage loans, and a shortage of funds within lending institutions in the state for residential mortgage loans are operating to: Further restrict the rehabilitation, construction, and purchase of residential housing by persons of low and moderate income at reasonably affordable costs; create unemployment and hardship within the residential construction industry, adversely affecting residents of the city; and reduce and limit the value of property within the city; all of which adversely affect the city's tax revenues and which, if not alleviated, will lead to further urban blight and decay and result in disproportionately large expenditures for services by the city.
- (C) The availability of mortgage financing to assist such persons and families in the rehabilitation, construction or purchase of decent, safe, and sanitary residential housing facilities will be aided by the providing of funds for mortgage financing of residential housing facilities by the creation of a Public Facilities Board pursuant to the provisions of Act No. 142 of the General Assembly of 1975.
- (D) The providing of financial assistance in order to enable persons and families of low and moderate income to finance the costs of decent, safe and sanitary residential housing facilities is a proper public purpose as declared by the act, and by this determination of the City Council.
- (E) The public purpose of financing residential housing facilities may best be served by establishing a Public Facilities Board to purchase mortgages on such residential housing facilities or make loans to mortgage lenders to provide financing for residential housing facilities as provided in the act.

(F) In addition to all other findings and public purposes stated in this ordinance, the development of housing, health care, and related facilities for elderly persons, regardless of income, serves a substantial public purpose and there is a significant need in the city for such facilities.

(Code 1965, §2-111; Ord. No. 2485, 11-21-78; Ord. No. 2991, 3-20-84; Ord. No. 4021, §1, 2-18-97; Code 1991, §33.065)

State law reference(s)--Public Facilities Board Act, A.C.A. §14-137-101 et seq.

33.066 Establishment

Pursuant to A.C.A. §14-137-107 there is created and established the city Public Facilities Board (hereinafter known as "facilities board") with authority as hereinafter provided to accomplish, finance, contract or purchase mortgage loans concerning, and otherwise act in such manner as may be permitted by the act to provide decent, safe, and sanitary residential housing facilities within or near the city, including the city's projected growth areas and the city's extraterritorial planning areas.

Additional authority has been granted the facilities board by Ordinance No. 2708 and Ordinance No. 2991 and the facilities board's authority may vary as allowed by statute and as provided by further amending ordinances which may be passed by the city in the future.

(Code 1965, §2-112; Ord. No. 2485, 11-21-78; Ord. No. 4021, §2, 2-18-97; Code 1991, §33.066)

33.067 Members Of The Board; Term Of Office; Duration Of The Board

The facilities board shall consist of five persons. The initial members shall, as provided in A.C.A. §14-137-107, be appointed by the mayor of the city to serve for terms of one, two, three, four and five years, respectively. The members of the facilities board shall be residents of the city and shall take and file with the City Clerk the oath of office prescribed by the act.

(Code 1965, §2-113; Ord. No. 2485, 11-21-78; Ord. No. 2991, 3-20-84; Code 1991, §33.067)

State law reference(s)--Creating ordinance-Authority, A.C.A. §14-137-107; Board members, A.C.A. §14-137-108.

33.068 Powers Of The Board

(A) The facilities board is empowered, from time to

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TITLE III ADMINISTRATION

time, to loan, acquire, construct, reconstruct, extend, equip, improve, sell, lease, and contract concerning (which shall include the purchase of mortgage loans and the making of loans to mortgage lenders) residential housing facilities as shall be determined by the facilities board to be necessary to effect the purposes of this article to provide decent, safe and sanitary residential housing facilities within or near the city, including the city's projected growth areas and the city's extraterritorial planning areas. In addition, the facilities board shall have each of the powers set forth in A.C.A. §14-137-111, as amended, and appropriate to the purposes for which the board is created unless otherwise restricted herein. The board may enter into which contractual or cooperative agreements with such persons as may in its discretion be advisable to accomplish the purposes of this article, including, without limitation, departments, agencies, or instrumentalities of the United States of America, the state or the city; for example, the Department of Housing and Urban Development, the Federal Housing Administration, the Veterans' Administration and the Arkansas Housing Development Agency. Prior to the issuance of any such bonds, the facilities board must submit to the City Council for its approval the following information:

- (1) The size of the proposed bond issue and all related details, including, but without limitation:
 - (a) principal amount;
 - (b) date of the bonds;
 - (c) interest payment dates;
 - (d) principal payment dates;
 - (e) numbers;
 - (f) denominations;
 - (g) rates of interest;
 - (h) a schedule reflecting the annual principal maturities;
 - (i) the semiannual interest requirements and the total requirements; and
 - (j) applicable redemption provisions.

- (2) Recommendations for person to serve as underwriter, trustee, and custodian for any such bonds and the mortgage lenders and servicing institutions with which the facilities board shall contract, which the City Council reserves the right to select or approve. The trustee and the custodian shall be institutions located within the city, if such institutions are qualified and such appointments do not otherwise adversely affect the rating of the bonds (if submitted for rating).

- (B) The board is expressly authorized to issue revenue bonds for the purpose of financing residential housing, health care and related facilities to serve elderly persons; provided said facilities are owned by nonprofit corporations or associations. The issuance of such revenue bonds shall be accomplished by resolution duly adopted by the city Public Facilities Board and ratified by the City Council.

(Code 1965, §2-114; Ord. No. 2485, 11-21-78; Ord. No. 2991, 3-10-84; Code 1991, §33.068)

State law reference(s)--Powers generally-bidding and appraisal procedure, A.C.A. §14-137-111.

33.069 Bond Proceeds; Investments

- (A) Any agreements made by the facilities board with mortgage lenders must contain a provision to the effect that such mortgage lenders may only loan the proceeds provided to them to finance housing located within the city's corporate limits and to finance housing located within the city's projected growth area and extraterritorial planning area. A minimum of 75% of the bond proceeds shall be available to finance housing located within the city's corporate limits; and a maximum of 25% of the bond proceeds shall be available to finance existing housing located within the city's projected growth area and extraterritorial planning area. The facilities board shall have the authority, after prior approval of the City Council, to reallocate such percentages.
- (B) This section shall apply only to bonds issued for the purpose of financing owner-occupied housing.
- (C) The facilities board shall offer bond proceeds not otherwise required to be deposited with the custodian to financial institutions which have their principal place of business located within the city and which are qualified for such investments. This section shall apply only to the proceeds of

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bonds issued for the purpose of financing owner-occupied housing.

(Code 1965, §2-115, 2-116; Ord. No. 2485, 11-21-78; Ord. No. 2991, 3-20-84; Code 1991, §33.069)

State law reference(s)--Use of funds and revenue-bonds, A.C.A. §14-137-115.

33.070 Issuance Of Revenue Bonds

(A) The facilities board is authorized and is limited to issue this initial series of revenue bonds, in accordance with the conditions set forth in §33.068, and to use the proceeds, either alone or together with other available funds and revenues, to accomplish the purposes for which the facilities board is created as the same relates to the providing of decent, safe, and sanitary residential housing facilities. Such revenue bonds shall be obligations only of the facilities board and shall not constitute an indebtedness for which the faith and credit of the city or any of its revenues are pledged, and the principal and interest on the bonds shall be payable from and secured by a pledge of revenues derived from residential housing facilities financed, in whole or in part, from bond proceeds and as authorized by, and in accordance with the provisions of law, together with such other collateral as may properly be pledged under the act and as the facilities board in its discretion may determine.

(B) This section shall apply only to the issuance of bonds for the purpose of financing owner-occupied housing. The board is expressly authorized to issue bonds for the purpose of financing housing, health care, and related facilities to serve elderly persons, provided said facilities are owned by nonprofit corporations or associations.

(Code 1965, §2-117; Ord. No. 2485, 11-21-78; Ord. No. 2991, 3-20-84; Code 1991, §33.070)

***Note**--It should be noted that Ord. No. 4021, adopted Feb. 18, 1997, provided in the preamble and §3 that §9 of Ord. No. 2485 provided for the appointment of a bond counsel for the issuance and sale of residential housing facility bonds, and said appointment is only for the residential housing facilities bonds first authorized on Ord. No. 2485 prior to the amendments thereto.

33.071 Organization; Reports

As soon as practicable after the adoption of this article the facilities board shall meet and elect such officers as shall be required by law. The facilities board may adopt such bylaws and other rules and

regulations as shall be necessary for the conduct of its business and consistent with the provisions of the act. The facilities board shall cause to be filed with the City Clerk of the city the annual report.

(Code 1965, §2-118; Ord. No. 2485, 11-21-78; Code 1991, §33.071)

State law reference(s)--Annual reports, A.C.A. §14-137-123.

33.072-33.104 Reserved

ARTICLE VII PLANNING COMMISSION

33.105 Establishment

There is hereby created a city Planning Commission.

(Code 1965, §2-80; Ord. No. 956, 9-12-49)

State law reference(s)--Municipal planning commissions generally, A.C.A., §15-56-401 et seq.

33.106 Composition

The Planning Commission ("commission") shall consist of nine members, all of who shall be citizens of Fayetteville, and at least two-thirds of whom shall not hold any municipal office or appointment. No two members of the commission ("commissioners") shall be related by blood or marriage in the third degree, nor shall any two commissioners have direct financial involvement. All commissioners must disclose annually all real estate holdings in Fayetteville and the Fayetteville planning area, and any business or financial interest which could affect, or be affected by, decisions of the commission. All commissioners shall have a demonstrated interest, experience, or expertise in land use planning.

(Code 1965, §2-81; Ord. No. 956, 9-12-49; Ord. No. 3872, §1, 2-21-95; Code 1991, §33.106)

State law reference(s)--Appointment of members, A.C.A. §14-56-405.

33.107 Terms Of Members

Each commissioner, unless appointed to fill an unexpired term, shall be appointed to serve a term of three years. Such terms shall be staggered, with three commissioners being appointed each year. All terms shall begin on April 1.

(Code 1965, §2-82; Ord. No. 1126, 3-25-57; Ord. No. 2404, 12-6-77; Ord. No. 3872, §1, 2-21-95; Code 1991, §33.107)

33.108 Compensation

14-137-120. Obligations on bonds.

A (a) It shall be plainly stated on the face of each bond that it has been issued under the provisions of this chapter, that the bonds are obligations only of the public facilities board, and that in no event shall they constitute an indebtedness for which the faith and credit of the creating municipality or county or any of its revenues are pledged.

(b) No member of the board shall be personally liable on the bonds or for any damages sustained by anyone in connection with any contracts entered into in carrying out the purpose and intent of this chapter unless he shall have acted with a corrupt intent.

(c) The principal of and interest on the bonds shall be payable from:

(1) Revenues derived from the public facilities project acquired, constructed, reconstructed, equipped, extended, or improved, in whole or in part, with the proceeds of the bonds;

(2) Obligations of:

(A) The owners of public facilities projects; or

(B) Any person with whom the proceeds of the bonds, or a portion thereof, are invested by contract or otherwise;

(3) Any other funds or sources of funds of the board specifically pledged and which are set aside as a special fund or source, other than taxes or assessments for local improvements, for the purpose of paying the principal of and interest on the bonds; or

(4) Any combination of subdivisions (1), (2), and (3) of this subsection.

(d) The board is authorized to pledge those revenues, obligations, other special funds or sources to pay the principal of and interest on the bonds.

History. Acts 1975, No. 142, § 10; 1977, No. 446, § 4; A.S.A. 1947, § 20-1710; Acts 1987, No. 47, § 4.

Publisher's Notes. As to purpose of Acts 1987, No. 47, see Publisher's Notes, § 14-137-111.

CASE NOTES

Cited: Cortez v. Independence County, 287 Ark. 279, 698 S.W.2d 291 (1985).

14-137-121. Mortgage liens — Enforcement.

(a) The resolution or indenture referred to in § 14-137-116 may, or may not, impose a foreclosable mortgage lien upon or security interest in all or any portion of the lands, buildings, or facilities acquired, constructed, reconstructed, extended, equipped, or improved, in whole or in part, with the proceeds of bonds issued under this chapter, and the nature and extent of the mortgage lien or security interest may be controlled by the resolution or indenture including, without limitation, provisions pertaining to the release of all or part of the lands, buildings, or facilities from the mortgage lien or security interest and the priority of the mortgage lien or security interest in the event of successive bond issues as authorized by § 14-137-116.

RESOLUTION NO. _____

A RESOLUTION RATIFYING THE RESOLUTION OF THE FAYETTEVILLE PUBLIC FACILITIES BOARD WHICH APPROVED A REVENUE BOND (BUTTERFIELD TRAIL VILLAGE PROJECT), SERIES 2013 IN A PRINCIPAL AMOUNT OF NOT TO EXCEED \$8,000,000; AND PRESCRIBING OTHER MATTERS PERTAINING THERETO

WHEREAS, The Fayetteville Public Facilities Board (the "Board"), is a public body politic and corporate with the power of perpetual succession created by Ordinance No. 2485, as amended and codified as Article VI **Public Facilities Board**, §§ 33.065-33.071 of the Code of Fayetteville (collectively, the "Ordinance"), of the City of Fayetteville, Arkansas (the "City") under the constitution and laws of the State of Arkansas (the "State"), including the Public Facilities Boards Act as codified at Arkansas Code Annotated §14-137-101 et seq., as amended (the "Act"); and

WHEREAS, the Board is authorized by the Act and the Ordinance to issue and sell its revenue bonds and to use the proceeds thereof for the purpose of financing housing, health care and related facilities in the City to serve elderly persons so long as such facilities are owned by nonprofit corporations and to secure payment of such revenue bonds as therein provided, all in accordance with the provisions of the Act and the Ordinance; and

WHEREAS, Butterfield Trail Village, Incorporated, an Arkansas nonprofit corporation, owns a residential life care retirement facility for the elderly known as "Butterfield Trail Village" consisting of independent living units, a skilled nursing care center and related facility located on approximately 48 acres of land at 1923 E. Joyce Boulevard in the City ("Butterfield Trail Village"); and

WHEREAS, the Board has determined that the economic interest and public purpose of the Board are served by issuing its Revenue Bond (Butterfield Trail Village Project), Series 2013 (the "Bond") in a principal amount of not to exceed \$8,000,000 for the purpose of providing moneys to finance all or a portion of the costs of (a) acquiring, constructing, equipping and furnishing an assisted living facility at Butterfield Trail Village containing approximately 9,300 square feet, (b) acquiring, constructing, renovating, equipping and furnishing the existing Wellness Center at Butterfield Trail Village and acquiring, constructing, renovating, equipping and furnishing an approximately 6,700 square foot expansion to the Wellness Center and (c) acquiring, constructing, renovating, equipping and furnishing the existing commons area located in the Main Residential Building at Butterfield Trail Village and acquiring, constructing, renovating, equipping and furnishing an approximately 10,000 square foot expansion to the commons area (collectively, the "Project"), to pay the costs of issuing the Bond and for other purposes related thereto; and

WHEREAS, the Bond is not a debt of or pledge of the credit of the City and the City is not obligated to pay debt service on the Bond; and

WHEREAS, pursuant to the provisions of the Ordinance, resolutions adopted by the Board which authorize the approval of bonds for financing residential housing, health care and related facilities for the elderly which are owned by non-profit corporations are required to be ratified by the City prior to issuance; and

WHEREAS, such resolution adopted by the Board on September 3, 2013 (the "Board Resolution"), is attached as Exhibit A and authorizes the issuance of the Bond subject to ratification by the City to finance the Project and authorizes the Chairman and Secretary of the Board to execute and deliver the Bond and documents to effect the issuance of the Bond.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, ARKANSAS:

Section 1. **Recognition of Board's Authority.** The Board is authorized by the Act and the Ordinance to approve the issuance of the Bond in a principal amount of not to exceed \$8,000,000 for the purpose of providing moneys to finance all or a portion of the costs of the Project, to pay the costs of issuing the Bond and for other purposes related thereto and shall comply with other provisions of the Act and the Ordinance. The Bond by statute and intent of this City Council is not a debt of or pledge of the credit of the City and the City is not obligated to pay debt service on the Bond.

Section 2. **Ratification of Board's Resolution.** The provisions of the Board Resolution, a copy of which is filed with the Clerk of the City and attached as Exhibit A, are hereby ratified by the City to the extent they are in agreement with this Resolution.

Section 3. **Severability.** If any provision of this Resolution shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

Section 4. **Repeal of Resolutions in Conflict.** All resolutions and parts of resolutions in conflict herewith are hereby repealed to the extent of such conflict.

PASSED and APPROVED this the 17th day of September, 2013.

APPROVED:

ATTEST:

By: _____
LIONELD JORDAN, Mayor

By: _____
SONDRA E. SMITH, City Clerk/Treasurer

RESOLUTION

RESOLUTION AUTHORIZING THE ISSUANCE OF THE ISSUER'S REVENUE BOND (BUTTERFIELD TRAIL VILLAGE PROJECT), SERIES 2013 IN A PRINCIPAL AMOUNT NOT TO EXCEED \$8,000,000 (THE "BOND") TO PROVIDE FUNDS TO FINANCE IMPROVEMENTS TO A RESIDENTIAL LIFE CARE RETIREMENT FACILITY IN FAYETTEVILLE, ARKANSAS FOR ELDERLY PERSONS; AUTHORIZING A LOAN AGREEMENT BETWEEN THE BOARD AND BUTTERFIELD TRAIL VILLAGE, INCORPORATED; AUTHORIZING THE SALE OF THE BOND AND THE EXECUTION OF A BOND PURCHASE AGREEMENT IN CONNECTION THEREWITH; AND AUTHORIZING AND PRESCRIBING OTHER MATTERS PERTAINING THERETO.

WHEREAS, The Fayetteville Public Facilities Board (the "Issuer") has been organized and exists under the laws of the State of Arkansas as a public facilities board; and

WHEREAS, the Issuer is a public body corporate and politic duly organized and validly existing under the Constitution and laws of the State of Arkansas (the "State"), including the Arkansas Code Annotated §§ 14-137-101, et seq., as amended (the "Act"), and by Ordinance No. 2485, as amended (collectively, the "Ordinance"), of the City Council of the City of Fayetteville, Arkansas (the "City"), adopted on November 21, 1978; and

WHEREAS, the Ordinance and the Act authorized the Issuer to issue revenue bonds to finance residential housing, health care and related facilities to serve elderly persons so long as such facilities are secured by nonprofit corporations; and

WHEREAS, for the purposes set forth in the Ordinance, the Issuer desires to issue not to exceed \$8,000,000 in principal amount of its Revenue Bond (Butterfield Trail Village Project), Series 2013 (the "Bond") to provide funds to finance all or a portion of the costs of (a) acquiring, constructing, equipping and furnishing an assisted living facility containing approximately 9,300 square feet, (b) acquiring, constructing, renovating, equipping and furnishing the existing Wellness Center and acquiring, constructing, renovating, equipping and furnishing an approximately 6,700 square foot expansion to the Wellness Center and (c) acquiring, constructing, renovating, equipping and furnishing the existing commons area located in the Main Residential Building and acquiring, constructing, renovating, equipping and furnishing an approximately 10,000 square foot expansion to the commons area (collectively, the "Project") for Butterfield Trail Village, Incorporated, an Arkansas nonprofit corporation (the "Borrower"), which operates a residential life care retirement facility for the elderly, known as "Butterfield Trail Village" consisting of independent living units, a skilled nursing care center and related facilities located on approximately 48 acres at 1923 E. Joyce Boulevard, Fayetteville, Arkansas, 72703; and

WHEREAS, the proceeds of the Bond will be loaned by the Issuer to the Borrower, pursuant to a Loan Agreement, to be dated as of the dated date of the Bond (the "Loan Agreement"), providing for payments by the Borrower, as a repayment of the loan in amounts sufficient to provide for the payment of the principal of and premium, if any, and interest on the Bond as due and payable;

WHEREAS, the Bond will be sold to Arvest Bank (the "Purchaser"), pursuant to a Bond Purchase, Assignment and Security Agreement to be dated as of the dated date of the Bond (the "Bond Purchase Agreement"), setting forth the terms of the Bond; and

WHEREAS, there has been presented to this meeting the form of the following instruments which the Issuer proposes to execute to carry out the transaction described above, copies of which instruments shall be filed with the records of the Issuer:

- (a) the Bond Purchase Agreement; and
- (b) the Loan Agreement; and

WHEREAS, it appears that each of the instruments above referred to, which are now before the Issuer, are in appropriate form and are appropriate instruments for the purpose intended;

NOW, THEREFORE, BE IT RESOLVED BY THE FAYETTEVILLE PUBLIC FACILITIES BOARD, AS FOLLOWS:

Section 1. The Issuer hereby finds that the issuance of the Bond to finance all or a portion of the costs of the Project will assist in providing residential care facilities for the elderly in the City and, therefore, should be accomplished.

Section 2. The issuance of the Bond in the principal amount of not to exceed \$8,000,000 is hereby authorized. The Bond shall be designated "The Fayetteville Public Facilities Board Revenue Bond (Butterfield Trail Village Project), Series 2013" and shall be issued in the form, shall be dated, shall be numbered, shall bear interest (provided such interest rate shall not exceed 3.75% per annum), and shall be subject to redemption prior to maturity, upon the terms and conditions set forth in the Bond Purchase Agreement. The principal of and interest on the Bond shall be payable in monthly installments, as provided in the Bond Purchase Agreement, with the final installment due not later than ten (10) years after the date of issuance of the Bond.

Section 3. To prescribe the terms and conditions upon which the Bond is to be executed, issued, purchased, accepted, held and secured, the Chairman and Secretary of the Issuer are hereby authorized and directed to execute and deliver the Bond Purchase Agreement to the Purchaser.

Section 4. There is hereby authorized the loaning of the proceeds of the Bond to the Borrower in accordance with the provisions of the Loan Agreement. The Chairman and Secretary of the Issuer are hereby authorized and directed to execute and deliver the Loan Agreement to the Borrower.

Section 5. The Chairman and Secretary of the Issuer are hereby authorized and directed to execute the Bond and to cause the Bond so executed and authenticated to be delivered to the Purchaser upon payment of the purchase price.

Section 6. The Bond Purchase Agreement and the Loan Agreement shall be in substantially the forms submitted to this meeting, which are hereby approved, with such omissions, insertions and changes as may be approved by the officers executing them, their execution to constitute conclusive evidence of their approval of any such omissions, insertions and changes.

Section 7. The Chairman, Secretary and other officers of the Issuer, for and on behalf of the Issuer, are hereby authorized and directed to do any and all things necessary to effect the execution and delivery of the instruments approved by this Resolution and the performance of all obligations of the Issuer thereunder, the issuance, execution and delivery of the Bond, and the performance of all acts of whatever nature necessary to effect and carry out the authority conferred by this Resolution. The Chairman, Secretary and other officers of the Issuer are hereby further authorized and directed, for and on behalf of the Issuer, to execute all papers, documents, certificates and other instruments that may be required for the carrying out of such authority or to evidence the exercise thereof.

Section 8. The Secretary shall maintain, as a part of the minutes of the meeting at which this Resolution is adopted and the permanent records of the Issuer, for inspection by any interested person, copies of the Bond Purchase Agreement and the Loan Agreement.

Section 9. The Issuer will restrict the use of the proceeds of the Bond in such manner and to such extent, if any, as may be necessary, after taking into account reasonable expectations at the time the Bond is delivered to the Purchaser, so that they will not constitute an arbitrage bond under Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"). The Chairman or any other officer having responsibility with respect to the issuance of the Bond, is authorized and directed, alone or in conjunction with the Borrower or any officer, employee, consultant or agent of the Borrower, to deliver a certificate for inclusion in the transcript of proceedings for the Bond, setting forth the facts, estimates and circumstances and reasonable expectations pertaining to said Section 148 and regulations thereunder. In its performance of these covenants, and other covenants of the Issuer pertaining to federal income tax laws, the Issuer may rely upon the written advice of nationally recognized bond counsel which is provided to the Borrower.

Section 10. The Chairman and the Secretary of the Issuer be and they hereby are authorized to execute and deliver for and on behalf of the Issuer any and all additional certificates, documents, opinions, agreements or other papers and perform all other acts (including without limitation the filing of any financing statements or any other documents to create and maintain a security interest in the collateral pledged under the Bond Purchase Agreement) as they may deem necessary or appropriate in order to implement and carry out the intent and purposes of this Resolution.

Section 11. The Chairman of the Issuer is hereby authorized and directed to work with Friday, Eldredge & Clark, LLP, as Bond Counsel, and officials of the Borrower to develop, adopt and implement written procedures to assist the Borrower in monitoring compliance with federal tax requirements with respect to tax-exempt obligations issued by the Issuer for the benefit of the Borrower. It is understood that the policies to be adopted and established by such written procedures will be adopted and established by the Borrower on behalf of the Issuer for tax-exempt obligations issued by the Issuer for the benefit of the Borrower.

Section 12. The Bond shall not be issued and delivered by the Issuer unless and until the City Council of the City shall have adopted a resolution ratifying the adoption by the Issuer of this Resolution.

Section 13. The provisions of this Resolution are hereby declared to be separable and, if any section, phrase or provisions shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases or provisions.

Section 14. All prior resolutions or portions thereof of the Issuer which are inconsistent with the contents hereof are hereby repealed.

Section 15. This Resolution shall become effective immediately upon its passage and approval.

Adopted and approved this 3rd day of September, 2013.

THE FAYETTEVILLE PUBLIC FACILITIES
BOARD

By 
Chairman

ATTEST:



ACTING Secretary

(SEAL)

RECEIVED

SEP 04 2013

CITY OF FAYETTEVILLE
CITY CLERK'S OFFICE

**Fayetteville Public Facilities Board
September 3, 2013**

The Fayetteville Public Facilities Board (the "PFB") met on September 3, 2013 at 4:00 p.m. in the Conference Room of Suite 102 in The Fulbright Building where the law office of Board Counsel James N. McCord is located. Present: Board members Steve Adams, Phil Taylor and Tommy Deweese and Board Counsel James N. McCord. Absent: Board members Steve Cosby and Steve Clark.. Also present: Dennis Hunt from Stephens Inc., Financial Advisor to Butterfield Trail Village, Inc.

Chairman Steve Adams called the meeting to order and stated that a quorum (three PFB members) is present. He then stated that the first item of business was the election of an Acting Secretary, because Steve Cosby, Secretary for the PFB is absent. Tommy Deweese moved that Phil Taylor be elected Acting Secretary for the PFB The motion was seconded by Steve Adams and passed unanimously.

Chairman Adams then recognized Dennis Hunt from Stephens Inc., Financial Advisor to Butterfield Trail Village, Inc. ("BTV"). Mr. Hunt explained that BTV is requesting the PFB to approve a Resolution authorizing the issuance of a Bond not to exceed 8,000,000 to finance improvements to the BTV residential life care facility in the City of Fayetteville for elderly persons; the Bond will have a ten year maturity, will bear interest at approximately 3.49 % per annum and will be purchased by Arvest Bank.

Board Counsel James N. McCord presented a Resolution prepared by Friday, Eldredge & Clark, Bond Counsel, authorizing the PFB to issue the Bond as requested by BTV. He had e-mailed the Resolution to all PFB members before the meeting. Phil Taylor moved approval of the Resolution. The motion was seconded by Tommy Deweese and passed unanimously.

Chairman Adams then adjourned the meeting.

Respectfully submitted,



Phillip Taylor, Acting Secretary