

## **MINUTES OF THE MARTIN BOARD OF MAYOR AND ALDERMEN**

**June 20, 2005 5:15 PM City Hall Chambers**

BE IT REMEMBERED the Regular Meeting of the Board of Mayor and Aldermen for the City of Martin, Tennessee, was held Monday, June 20, 2005, at 5:15 pm in the City Hall Chambers, when the following was held to wit:

MEMBERS PRESENT: HONORABLE RANDY BRUNDIGE, MAYOR  
HONORABLE DANNY NANNEY, ALDERMAN WARD I  
HONORABLE BILL HARRISON, ALDERMAN WARD I  
HONORABLE DAVID BELOTE, ALDERMAN WARD II  
HONORABLE JOHNNY TUCK, ALDERMAN WARD II  
HONORABLE NATALIE BOYD, ALDERWOMAN WARD III  
HONORABLE RANDY EDWARDS, ALDERMAN WARD III

MEMBERS ABSENT: NONE

Also present: City Recorder Chris Mathis, Librarian Roberta Peacock, Police Chief David Moore, MEDC Director Hollie Holt, Public Works Director Charles Vowell, Parks and Recreation Director Dennis Suiter, Mr. Jackie Reese, Mr. Tommy Legins, Mr. Terone Hawks, Ms. Hillary Capps Hawks, Mr. David Hawks, and MEDC's Intern.

### **CALL TO ORDER AND INVOCATION**

Mayor Brundige called the June 20, 2005 meeting of the City of Martin Board of Mayor and Aldermen to order. Alderman Edwards gave the invocation.

### **PROCLAMATION FOR MRS. HILLARY HAWKS MAYOR BRUNDIGE**

Mayor Brundige presented a Proclamation of Achievement to Ms. Hillary Capps Hawks. Mrs. Hawks entered and won the MRS. TENNESSEE contest and will be representing the state and the City of Martin in the MRS. AMERICA contest, September 2005 in California. The Proclamation follows:

WHEREAS, Mrs. Hilary Hunt Hawks is a lifetime resident, family woman, and business owner with the City of Martin; and

WHEREAS, Mrs. Hawks was a contestant in the Mrs. Tennessee America Pageant held in Collierville, Tennessee on May 28, 2005; and

WHEREAS, Hilary distinguished herself in all categories of the competition and was chosen as "Mrs. Photogenic;" and

WHEREAS, Mrs. Hilary Hunt Hawks was unanimously selected by the Pageant judges to be “Mrs. Tennessee 2005” and represent the State of Tennessee in the Mrs. America Pageant to be held in Palm Springs, California in September 2005.

NOW, THEREFORE, the Board of Mayor and Aldermen, on behalf of the Citizens of the City of Martin, do hereby present this Proclamation of Achievement to

Mrs. Hilary Hunt Hawks  
Mrs. Tennessee 2005

in honor of her poise, presence, beauty, fitness and intellect and superb presentation.

Signed: Randy Brundige, Mayor  
June 20, 2005

Mrs. Hawks asked to speak to the Board. She asked the board for financial support being as she would lose three weeks of work, would need an extensive wardrobe, plus other expenses.

Alderman Harrison made the motion to donate \$1,500.00 to Mrs. Hawks, seconded by Alderman Tuck.

VOTE:	FOR:	HONORABLE NANNEY HONORABLE HARRISON HONORABLE BELOTE HONORABLE TUCK HONORABLE BOYD HONORABLE EDWARDS
	AGAINST:	NONE

Mayor Brundige declared the motion approved.

## **PLEDGE OF ALLEGIANCE**

Mayor Brundige led the group in the Pledge of Allegiance to the flag.

## **APPROVAL OF MINUTES                      MAY 09, 2005**

Alderman Nanney made the motion to approve the minutes of the May 09, 2005, meetings as written, seconded by Alderman Harrison.

VOTE:                      UNANIMOUS VOICE VOTE OF APPROVAL

**DEPARTMENT HEAD REPORTS:**

**POLICE DEPARTMENT**

**CHIEF DAVID MOORE**

Chief Moore explained the City of Martin made The Tennessee Bureau of Investigation's publication *2004 Crime in Tennessee Book*. The intent of this book is to identify the number of crimes per population, types of crimes committed and the crimes solved. In this report Martin is considered to be a safe city to live in and raise a family.

The police department has also received formal notification of a \$98,000 no match grant to purchase digital equipment.

The police department has purchased a \$40,000 generator with Homeland Security money. This generator will fuel all of the Police Department 911 System, the Police Department building across the alley, and city hall. The city is a hub for the entire county in relation to the 911 systems. If the county system goes out the City of Martin picks up the entire County's Public Safety and possibly the region, therefore, it made sense for them to provide us with a new generator. This was cooperative effort with the city and county. When setting the generator we ran into problems. The trailer that delivered the generator was not the design nor was the generator built the way we anticipated so it caused some problems with off-loading and setting-up. All it took was one call to Steve Baker at MTD. Folks if there is no other example for why MTD is such a good community partner, this is it. When I called he said what do you need and when do you need it. Steve brought a forklift that handles 5,000 pounds and an operator. They set the generator up and did not ask questions. They worked two hours with no charge to the city.

The Police Department would also like to give recognition to the Citizen Police Academy graduation class 16<sup>th</sup> session. I would like to personally recognize Alderman Tuck upon his graduation. We appreciate your participation in this program.

Chief Moore thanked the Mayor and Board of Aldermen for providing a family picnic tomorrow night for all city employees and their families at the Martin Recreation Complex.

**MARTIN ECONOMIC DEVELOPMENT CORPORATION**

**DIRECTOR**

**HOLLIE HOLT**

Director Holt announced there will be a new and exciting event to take place this Friday night in the downtown gazebo area. This is just another way to utilize the gazebo area and get people to visit the community and into the downtown business district. This is our first annual Martin Historic Business District Martin Summer Kick-off Celebration. And we are going to have free watermelon at 6:30 pm, gospel music at 7:00 pm and the merchants will stay open until 6:30 pm.

Also want to remind everyone on Sunday, June 26<sup>th</sup> from 2:00 till 4:00 pm MTD will have an open house. This would be a great time to go out there and thank them for all they do for our community.

**C. E. WELDON PUBLIC LIBRARY    DIRECTOR ROBERTA PEACOCK**

Director Peacock reported she had just returned from the Dolly Parton's Reading Railroad conference. The Reading Railroad program has 500 nation wide communities that are involved. Last month they shipped out 170,000 books to children under school age. It is quickly growing and at this time Weakley County has registered approximately one-half of the eligible children by registering 1,000.

**PARKS AND RECREATION            DIRECTOR DENNIS SUITER**

Director Suiter reported our nine and ten-year old baseball team was runner-up in the district tournaments and now will advance to the area tournament that will be held in Trenton at the end of the week. And, of course, if they can win the area tournament they will advance to the state. We have several tournaments that are getting underway at the park this weekend a Girl's softball tournament, a T-Ball tournament, and two Dixie Majors District tournaments both age divisions. Regular season has worn down and we are very fortunate to be hosting several tournaments.

The Pool operation is going extremely well, swimming lessons and attendance activities are excellent.

We plan to open up the lake at the Martin Recreational Complex to public fishing. Our research shows this would be in order. We have set down certain guidelines for this activity. The proposal will allow fishing year around with the exception of the closure for two weeks prior to the Fishing Derby. This will be another nice amenity to the park. At the Fishing Derby an eleven-year-old gentlemen caught a twenty pound, one ounce, thirty-four inches long catfish, the only catfish caught that day. I don't know if you all are aware of this but TWRA, three or four years ago, did a program with students from the Middle School, they actually released a catfish in the lake that is fifty plus pounds. This fish has been hooked twice.

**CITY OF MARTIN FIRE DEPARTMENT    CHIEF ORAN TRUE**

Mayor Brundige announced Chief True could not be with us tonight because he is in Indiana with his Farther who is having surgery.

The Fire Department has received delivery of the thermal imaging camera. This was purchased by grant funds.

**OLD BUSINESS:**

**SECOND AND FINAL READING AND PUBLIC HEARING OF ORDINANCE O2005-08: AN ORDINANCE TO AMEND THE MUNICIPAL ZONING ORDINANCE AND MAP FOR MARTIN, TENNESSEE, BY REZONING PROPERTY ALONG COURTRIGHT ROAD.**

Mayor Brundige introduced and presented for consideration the second and final reading and public hearing of Ordinance O2005-08: An ordinance to amend the Municipal Zoning Ordinance and Map for Martin, Tennessee, by rezoning property along Courtright Road. This was published in the Weakley County Press, May 28, 2005.

City Recorder Mathis read Ordinance O2005-08. A copy follows:

**ORDINANCE O2005-08**

**AN ORDINANCE TO AMEND THE MUNICIPAL ZONING ORDINANCE AND MAP FOR MARTIN, TENNESSEE, BY REZONING PROPERTY ALONG COURTRIGHT ROAD.**

**WHEREAS**, pursuant to *Tennessee Code Annotated*, Section 13-7-201 through 13-7-211, the City of Martin has adopted a Municipal Zoning Ordinance; and

**WHEREAS**, in accordance with *Tennessee Code Annotated* Sections 13-7-203 and 13-7-204, the Martin Municipal-Regional Planning Commission has recommended the following amendment to the Municipal Zoning Ordinance and Municipal Zoning Map relative to the rezoning of territory; and

**WHEREAS**, the Martin Mayor and Board of Aldermen has deemed such a rezoning of this territory from B-2 (Intermediate Business) to R-1 (Low Density Residential) to be necessary for the welfare of the residents and property owners thereof this City as a whole; and

**WHEREAS**, the Martin Board of Mayor and Aldermen has held a public hearing pursuant to *Tennessee Code Annotated* Section 13-7-203 for the purpose of receiving public comment.

**NOW, THEREFORE, BE IT ORDAINED BY THE MARTIN MAYOR AND BOARD OF ALDERMEN:**

**Section 1.** That the Municipal Zoning Map and Zoning Ordinance for Martin Tennessee be amended by rezoning from B-2 (Intermediate Business) to R-1 (Low Density Residential) property located along Courtright Road, and further described as:

Weakley County Tax Map 73, Parcel 01905.

**Section 2. BE IT FURTHER ORDAINED** that this Ordinance shall become effective immediately upon its passage, after second and final reading, **THE PUBLIC WELFARE REQUIRING IT.**

\_\_\_\_\_  
Date Passed First Reading

\_\_\_\_\_  
Date Passed Second Reading

\_\_\_\_\_  
Date of Public Hearing

ATTESTED:

\_\_\_\_\_  
Chris Mathis, City Recorder

APPROVED:

\_\_\_\_\_  
Randy Brundige, Mayor

**Public Hearing:**

Mayor Brundige asked if there was anyone in attendance wishing to speak for or against Ordinance O2005-08. No one spoke.

Alderman Nanney made the motion to approve on the second and final reading Ordinance O2005-08: An ordinance to amend the Municipal Zoning Ordinance and Map for Martin, Tennessee, by rezoning property along Courtright Road, seconded by Alderman Tuck.

Roll call Vote for Ordinance O2005-08:

VOTE:	FOR:	HONORABLE NANNEY HONORABLE HARRISON HONORABLE BELOTE HONORABLE TUCK HONORABLE BOYD HONORABLE EDWARDS
	AGAINST:	NONE

Mayor Brundige declared Ordinance O2005-08 approved.

**SECOND AND FINAL READING AND PUBLIC HEARING OF ORDINANCE O2005-09: AN ORDINANCE TO INCREASE THE COURT COSTS FEES FOR THE MARTIN CITY COURT**

Mayor Brundige introduced and presented for consideration the second and final reading of Ordinance O2005-09: An ordinance to increase the court costs fees for the Martin City Court.

City Recorder Mathis read Ordinance O2005-09. A copy follows:

ORDINANCE NO. 02005-09

AN ORDINANCE TO INCREASE THE COURT COSTS FEES  
FOR THE MARTIN CITY COURT

WHEREAS, the court cost associated with Martin City Court is established to offset the costs of conducting court and the maintenance of all court documents and fees paid to the State of Tennessee; and

WHEREAS, an adjustment in the amount of \$5.00 added to municipal court cost is needed to adjust for increased costs of operating municipal court; and

WHEREAS, the Board of Mayor and Alderman for the City of Martin have determined that Municipal Court cost for the City of Martin shall be adjusted from \$130 to \$135 on Title 11 violations and from \$60 to \$65 on all other municipal court cases; and

NOW THEREFORE BE IT ORDAINED, by the Mayor and Board of Alderman:

Section 1. That the City of Martin Municipal Court cost be raised from \$130 to \$135 on title 11 violations.

Section 2. That the City of Martin Municipal Court cost be raised from \$60 to \$65 on all violations other than Title 11.

BE IT FURTHER ORDAINED that this ordinance shall become effective immediately upon its passage after second and final reading, THE PUBLIC WELFARE REQUIRING IT.

ATTEST:

APPROVED:

\_\_\_\_\_  
City Recorder Chris Mathis, CPA

\_\_\_\_\_  
Randy Brundige, Mayor

Passed First Reading \_\_\_\_\_

Passed Second Reading \_\_\_\_\_

Date of Public Hearing \_\_\_\_\_

**Public Hearing:**

Mayor Brundige asked if there was anyone in attendance wishing to speak for or against Ordinance O2005-09. No one spoke.

Alderman Harrison made the motion to approve the second and final reading Ordinance of O2005-09: An ordinance to increase the court costs fees for the Martin City Court, seconded by Alderman Belote.

Roll call Vote for Ordinance O2005-09:

VOTE:	FOR:	HONORABLE NANNEY
		HONORABLE HARRISON
		HONORABLE BELOTE
		HONORABLE TUCK
		HONORABLE BOYD
		HONORABLE EDWARDS
	AGAINST:	NONE

Mayor Brundige declared Ordinance O2005-09 approved.

**SECOND AND FINAL READING AND PUBLIC HEARING OF ORDINANCE O2005-10: AN ORDINANCE TO AMEND THE CITY OF MARTIN CEMETERY REGULATIONS BY AMENDING ORDINANCE O2002-01**

Mayor Brundige introduced and presented for consideration the second and final reading of Ordinance O2005-10: An ordinance to amend the City of Martin Cemetery Regulation by amending Ordinance O2002-01. This was published in the Weakley County Press, May 28, 2005.

City Recorder Mathis read Ordinance O2005-10. A copy follows:

ORDINANCE NO. 02005-10

AN ORDINANCE TO AMEND THE CITY OF MARTIN CEMETERY REGULATIONS BY AMENDING ORDINANCE O2002-01

WHEREAS, the City of Martin Board of Mayor and Aldermen has established regulations for all city cemeteries; and

WHEREAS, the City of Martin Cemetery Committee has recommended the following amendment to the Regulations for City of Martin Cemeteries.

NOW THEREFORE BE IT ORDAINED, by the Mayor and Board of Alderman:

The following be added:

Section 5. H. 5. Dimensions and Placement of foot markers.

d. Maximum height two (2) inches above ground level in Eastside Cemetery, Sections Twenty (20) through Twenty-five (25) and renumber the succeeding subsections as e. and f.

SECTION 12-A There shall be a five (5) year moratorium on the sale of previously purchased lots in the Martin Memorial Gardens Cemetery

BE IT FURTHER ORDAINED that this ordinance shall become effective immediately upon its passage after second and final reading, THE PUBLIC WELFARE REQUIRING IT.

ATTEST:

SIGNED:

\_\_\_\_\_  
City Recorder Chris Mathis, CPA

\_\_\_\_\_  
Randy Brundige, Mayor

Passed First Reading \_\_\_\_\_

Passed Second Reading \_\_\_\_\_

Date of Public Hearing \_\_\_\_\_

**Public Hearing:**

Mayor Brundige asked if there was anyone in attendance wishing to speak for or against Ordinance O2005-10. No one spoke.

Alderman Harrison made the motion to approve the second and final reading Ordinance of O2005-10: An ordinance to amend the City of Martin Cemetery Regulation by amending Ordinance O2002-01, seconded by Alderwoman Boyd.

Roll call Vote for Ordinance O2005-10:

VOTE:	FOR:	HONORABLE NANNEY HONORABLE HARRISON HONORABLE BELOTE HONORABLE TUCK HONORABLE BOYD HONORABLE EDWARDS
	AGAINST:	NONE

Mayor Brundige declared Ordinance O2005-10 approved.

**NEW BUSINESS:**

**PRESENTATION OF AUDIT FOR THE YEAR ENDING JUNE 30, 2004**

Mayor Brundige Presented Mr. Jackie Reese and Mr. Tommy Legins to present the City of Martin audit for the year ending June 30, 2004.

Mr. Legins spoke. "I would just like to take this opportunity to thank the Mayor and the Board and the City of Martin for letting us perform this service again this year. And there are just a couple of things, I won't keep you too long, I would like to point out in the audit. I would like to point out we issued an unqualified opinion, which means there was not any major departures from GAAP. This was a yellow book circular A1 through 33 single audit because you had more than a half a million dollars in grant money. We are required to do a single audit, which means we have to look at your grant funds a little bit closer. But, everything seems to be fine there. One thing I would like to point out and I know you all have had several weeks to look at this, on page 3 of the audit the city has a thirteen point two million (13.2) dollar positive net assets owned by the city. So, the City is in very good standing. One other point, thing, I would like to point out is on page 66, where the findings are located for this year, in the exit interview with the Mayor and with City Recorder Chris Mathis we discussed these findings in detail and gave suggestions as to how they could be corrected and we were informed that they either were already corrected or would be corrected. There are several suggestions we made about combining some accounts and funds and closing some funds and things like that will take care of the biggest part of these findings that we have so, without any other major problems coming into place. Like I said, I know you have these for several weeks and if you have questions I will entertain those questions now. If not, again I will thank you and just as

soon as we can get the okay from Chris we will be ready to start on this years audit and get it done in a timely manner. Thank you.“

Mayor Brundige asked for a motion to accept the audit ending June 30, 2004.

Alderman Nanney made the motion to accept the audit ending June 30, 2004, seconded by Alderman Harrison.

VOTE: UNANIMOUS VOICE VOTE OF APPROVAL.

**INTRODUCTION, PRESENTATION FOR CONSIDERATION OF RESOLUTION R2005-10: A RESOLUTION APPROPRIATING FUNDS AND ESTABLISHING A PROPERTY TAX RATE FOR THE FISCAL YEAR BEGINNING JULY 01, 2005 AND ENDING JUNE 30, 2006**

Mayor Brundige presentation for consideration Resolution R2005-10: A resolution appropriating funds and establishing a property tax rate for the Fiscal Year beginning July 01, 2005 and ending June 30, 2006. The property tax rate will remain the same, \$1.64.

City Recorder Mathis read Resolution R2005-10. A copy follows:

**RESOLUTION R2005-10**

**A RESOLUTION OF THE CITY OF MARTIN, TENNESSEE APPROPRIATING FUNDS AND ESTABLISHING A PROPERTY TAX RATE FOR THE FISCAL YEAR BEGINNING JULY 1, 2005 AND ENDING JUNE 30, 2006**

SECTION 1. BE IT RESOLVED by the Board of Mayor and Aldermen of Martin, Tennessee, assembled in regular session on the 20<sup>th</sup> day of June, 2005 that the amounts hereafter set out are hereby appropriated for the purpose of meeting the expenses of the various funds of MARTIN, TENNESSEE, for capital projects and for meeting the payment of principal and interest on the City’s debts maturing during the fiscal year beginning July 1, 2005, and ending June 30, 2006, according to the following schedule:

General Fund Expenditures (Including debt payments)	\$ 6,475,639
Water and Sewer Fund Expenses (Including interest expense)	2,842,883
Gas Fund Expenses	4,250,676
Solid Waste Fund Expenditures (Including debt payments)	1,165,612
State Street Aid Expenditures	472,500

SECTION 2. BE IT FURTHER RESOLVED, that expenditures in excess of the above may be made only with an appropriate resolution amending this resolution. Such action shall include a statement as to the source of revenue to finance the proposed expenditures.

SECTION 3. BE IT FURTHER RESOLVED, there is hereby a property tax of \$1.64 per \$100.00 of assessed value for the purpose of funding municipal services.

SECTION 4. BE IT FURTHER RESOLVED, that all unencumbered balances of appropriations remaining at the end of the fiscal year shall lapse, and be of no further effect at the end of the fiscal year, June 30, 2005, except for capital projects.

SECTION 5. BE IT FURTHER RESOLVED, that any motion, resolution part of a motion, or part of a resolution which has been heretofore passed by the Board of Mayor and Aldermen which is in conflict with any provision of this resolution be and the same is hereby repealed.

SECTION 6. BE IT FURTHER RESOLVED, that the unexpended and appropriation balance of utility capital projects for the year June 30, 2005, shall not lapse,

SECTION 7. BE IT FURTHER RESOLVED that the Policy and Procedures adopted by the Martin Board of Mayor and Aldermen on January 11, 1999, for preparing and managing the City of Martin's annual budget, be it adhered to. A copy of these policies and procedures shall be given to each department head upon the adoption of the City of Martin's annual budget.

SECTION 8. BE IT FURTHER RESOLVED. That this resolution shall take effect from and after its passage and its provisions shall be in force from and after July 1, 2005. This resolution shall be spread upon the minutes of the Board of Mayor and Aldermen of the City of Martin, Tennessee.

ATTEST:

SIGNED:

\_\_\_\_\_  
Chris Mathis, City Recorder, CPA

\_\_\_\_\_  
Randy Brundige, Mayor

Motion made by Alderman \_\_\_\_\_ that the foregoing resolution be approved; seconded by Alderman \_\_\_\_\_. Upon being put to a roll call vote, the motion passed. Date approved June 20, 2005. Published in the Weakley County Press on the 9<sup>th</sup> day of June 2005.

Alderman Edwards made the motion to approve Resolution R2005-10: A resolution appropriating funds and establishing a property tax rate for the Fiscal Year beginning July 01, 2005 and ending June 30, 2006, seconded by Alderman Tuck.

Roll call Vote for Resolution R2005-10:

VOTE:	FOR:	HONORABLE NANNEY HONORABLE HARRISON HONORABLE BELOTE HONORABLE TUCK HONORABLE BOYD HONORABLE EDWARDS
	AGAINST:	NONE

Mayor Brundige declared Resolution R2005-10 approved.

**INTRODUCTION, PRESENTATION AND CONSIDERATION FOR THE FIRST READING OF R2005-11: A RESOLUTION MAKING APPROPRIATIONS TO CERTAIN NON-PROFIT CHARITABLE ORGANIZATIONS FOR THE FISCAL YEAR BEGINNING JULY 01, 2005 AND ENDING JUNE 30, 2006**

Mayor Brundige introduced and presented for consideration the first reading Resolution R2005-11: A resolution making appropriations to certain non-profit charitable organizations for the Fiscal Year beginning July 01, 2005 and ending June 30, 2005.

City Recorder Mathis read Resolution R2005-11. A copy follows:

**RESOLUTION R2005-11**

**A RESOLUTION MAKING APPROPRIATIONS TO CERTAIN NON-PROFIT CHARITABLE ORGANIZATIONS, FOR THE FISCAL YEAR BEGINNING JULY 1, 2005 AND ENDING JUNE 30, 2006**

WHEREAS, the Board of Mayor and Aldermen for the City of Martin, Tennessee have determined that it would benefit the general welfare of the residents of Martin if appropriations were made to certain non-profit charitable organizations: and

WHEREAS, Tennessee Code Annotated 6-54-111 allows the legislative body of a municipality to appropriate funds under certain conditions for non-profit charitable organizations.

NOW, THEREFORE, BE IT RESOLVED by the Board of Mayor and Aldermen for the City of Martin, that

SECTION 1. a. That one thousand dollars (\$1,000.00) be appropriated for the Kiwanis Club for the annual Christmas parade.

b. That two thousand two hundred dollars (\$2,200.00) be appropriated to the Northwest Tennessee Development District to benefit the general welfare of the residents of the City of Martin.

c. That five thousand, three hundred dollars (\$5,300.00) be appropriated for the Weakley County Chamber of Commerce to benefit the general welfare of the residents of the City of Martin.

d. That two hundred fifty (\$250.00) be appropriated to the Northwest Tennessee Tourist Promotion Council for the promotion of tourism in northwest Tennessee.

e. That twenty-five thousand dollars (\$25,000.00) be appropriated for the community activity – Soybean Festival.

f. That five hundred dollars (\$500.00) be appropriated to the Young Men’s Business Club (YMBC).

g. That four thousand, five hundred dollars (\$4,500.00) be appropriated to Community Development Services.

SECTION 2. In accordance with T.C.A. 6-65-111, this appropriation is made on the condition that the non-profit charitable organization for which these funds are appropriated shall file with the City Recorder's office a copy of an annual report of its business and transactions, which includes, but is not limited to, a copy of an annual audit, its programs which serve the residents of the City of Martin and the proposed use of the municipal assistance. The City Recorder shall consult with appropriate officials of the organization and auditors for the City to determine the extent of the information, which shall satisfy the requirement of this section.

SECTION 3. It is the expressed intent of the Board of Mayor and Aldermen of the City of Martin in making this appropriation to be fully in compliance with T.C.A. 6-54-111 and Chapter 0380-3-7 of the Rules of the Comptroller of the Treasury, State of Tennessee.

SECTION 4. This resolution shall take effect upon its passage, THE PUBLIC WELFARE REQUIRING IT.

ATTEST:

SIGNED:

\_\_\_\_\_  
Chris Mathis, City Recorder, CPA

\_\_\_\_\_  
Randy Brundige, Mayor

INTRODUCED AND PASSED FIRST READING \_\_\_\_\_

PASSED SECOND READING \_\_\_\_\_

Alderman Belote made the motion to approve on the first reading Resolution R2005-11: A resolution making appropriations to certain non-profit charitable organizations for the Fiscal Year beginning July 01, 2005 and ending June 30, 2005, seconded by Alderman Tuck.

Roll call vote for Resolution R2005-11:

VOTE:	FOR:	HONORABLE NANNEY
		HONORABLE HARRISON
		HONORABLE BELOTE
		HONORABLE TUCK
		HONORABLE BOYD
		HONORABLE EDWARDS
	AGAINST:	NONE

Mayor Brundige declared Resolution R2005-11 approved on the first reading and set the second and final reading and public hearing for July 11, 2005.

**INTRODUCTION AND PRESENTATION OF RESOLUTION R2005-12: A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A CONTRACT ON BEHALF OF THE CITY OF MARTIN AND WEAKLEY COUNTY FOR THE MODIFICATION OF INTERGOVERNMENTAL AGREEMENT FOR THE ALLOCATION OF A PORTION OF ANY ADDITIONAL SALES TAX LEVY**

Mayor Brundige introduced and presented for consideration Resolution R2005-12: A resolution authorizing the Mayor to execute a contract on behalf of the City of Martin and Weakley County for the modification of intergovernmental agreement for the allocation of a portion of any additional sales tax levy.

City Recorder Mathis read Resolution R2005-12. A copy follows:

**RESOLUTION R2005-12**

**A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A CONTRACT ON BEHALF OF THE CITY OF MARTIN AND WEAKLEY COUNTY FOR THE MODIFICATION OF INTERGOVERNMENTAL AGREEMENT FOR THE ALLOCATION OF A PORTION OF ANY ADDITIONAL COUNTY SALES TAX LEVY**

WHEREAS, in 1998, Weakley County and the municipalities of Dresden, Gleason, Greenfield, Martin and Sharon entered into an interlocal agreement pursuant to T.C.A. §67-6-712 regarding the allocation of the one-half of the county local option sales tax increase of .5% adopted by the county legislative body and approved by the voters of Weakley County in 1998 that is not allocated to education according to state law, and

WHEREAS, the above mentioned local governments desire to adequately fund the joint economic development board serving the local governments and people of Weakley County, and

WHEREAS, the most appropriate way to fund the joint economic development board is through an agreement, relying in part on funds derived from the allocation of the one-half of the county local option sales tax increase of .5 % adopted by the county legislative body and approved by the voters of Weakley County in 1998 that is not allocated to education according to state law,

WHEREAS, the Board of Mayor and Aldermen hereby authorize the Mayor of Martin, Tennessee to execute a contract with the county of Weakley County, Tennessee for the purpose of distribution of local sales tax to benefit the payment to fund the joint economic development board serving the local governments and people of Weakley County.

NOW, THEREFORE, THE CITY OF MARTIN AGREES TO THE MODIFICATION OF THEIR INTERGOVERNMENTAL AGREEMENT OF 1998 FOR THE ALLOCATION OF A PORTION OF ANY ADDITIONAL COUNTY SALES TAX LEVY AS FOLLOWS:

SECTION 1. The calendar year 1998 agreement and the municipal allocations to the county debt service fund shall continue in effect according to the original agreement, but said agreement is

modified to further continue in effect according to the terms and allocations described below.

SECTION 2. Beginning September 1, 2010, the county trustee shall deduct monthly an amount equal to the proceeds derived from the additional .5% county local option sales tax levy adopted and approved in calendar year 1998 and allocated to the City of Martin until the total amount of monthly deductions equals the agreed contribution for the city according to the schedule listed in Paragraph 4 of this modification of the original 1998 agreement (Exhibit 1), and the county trustee shall transfer such deducted amounts monthly to the county general fund. However, the county trustee shall not in any twelve-month period deduct more for any one municipality than the amount of annual contribution scheduled for such municipality under Paragraph 4 of the original 1998 agreement. If the full amount obligated by the city under this agreement shall not have been transferred according to the schedule established by this agreement, then each month thereafter, the county trustee shall deduct monthly an amount equal to the proceeds derived from the additional .5% county local option sales tax levy adopted and approved in calendar year 1998 and allocated to such municipality according to the site of collection and transfer such proceeds to the appropriate county fund under this agreement until any arrearage is retired.

SECTION 3. The total contribution for the city shall be \$301,000 for the purpose of reimbursing Weakley County for supporting the activities of the joint economic development board during the period of July 1, 2005 through June 30, 2010.

SECTION 4. Exhibit #1 Intergovernmental Agreement for Weakley follows:

EXHIBIT # 1

MODIFICATION OF INTERGOVERNMENTAL AGREEMENT FOR THE ALLOCATION OF  
A PORTION OF ANY ADDITIONAL  
COUNTY SALES TAX LEVY

WHEREAS, in 1998, Weakley County and the municipalities of Dresden, Gleason, Greenfield, Martin and Sharon entered into an interlocal agreement pursuant to T.C.A. §67-6-712 regarding the allocation of the one-half of the county local option sales tax increase of .5% adopted by the county legislative body and approved by the voters of Weakley County in 1998 that is not allocated to education according to state law, and

WHEREAS, the above mentioned local governments desire to adequately fund the joint economic development board serving the local governments and people of Weakley County, and

WHEREAS, the most appropriate way to fund the joint economic development board is through an agreement, relying in part on funds derived from the allocation of the one-half of the county local option sales tax increase of .5 % adopted by the county legislative body and approved by the voters of Weakley County in 1998 that is not allocated to education according to state law,

NOW, THEREFORE, WEAKLEY COUNTY, TENNESSEE AND THE TENNESSEE MUNICIPALITIES OF DRESDEN, GLEASON, GREENFIELD, MARTIN AND SHARON AGREE TO THE MODIFICATION OF THEIR INTERGOVERNMENTAL AGREEMENT OF 1998 FOR THE ALLOCATION OF A PORTION OF ANY ADDITIONAL COUNTY SALES TAX LEVY AS FOLLOWS:

1. The calendar year 1998 agreement and the municipal allocations to the county debt service fund shall continue in effect according to the original agreement, but said agreement is modified to further continue in effect according to the terms and allocations described below.

2. Weakley County agrees to allocate to the joint economic development board serving the local governments and people of Weakley County \$103,200 annually beginning July 1, 2005 and ending June 30, 2010, being a total allocation over the five year period of \$ 516,000, on behalf of the aforementioned contracting municipalities of Weakley County. These funds shall be in addition to the funds allocated to said joint economic development board by and on behalf of the government of Weakley County.

3. Beginning September 1, 2010, the county trustee shall deduct monthly an amount equal to the proceeds derived from the additional .5% county local option sales tax levy adopted and approved in calendar year 1998 and allocated to each municipality which is a party to this agreement according to the site of collection until the total amount of monthly deductions equals the agreed contribution of each municipality according to the schedule listed in Paragraph 4 of this modification of the original 1998 agreement, and the county trustee shall transfer such deducted amounts monthly to the county general fund. However, the county trustee shall not in any twelve-month period deduct more for any one municipality than the amount of annual contribution scheduled for such municipality under Paragraph 4 of the original 1998 agreement. If the full amount obligated by any municipality under this agreement shall not have been transferred according to the schedule established by this agreement, then each month thereafter, the county trustee shall deduct monthly an amount equal to the proceeds derived from the additional .5% county local option sales tax levy adopted and approved in calendar year 1998 and allocated to such municipality according to the site of collection and transfer such proceeds to the appropriate county fund under this agreement until any arrearage is retired.

4. The total contribution by the municipalities for the purpose of reimbursing Weakley County for supporting the activities of the joint economic development board during the period of July 1, 2005 through June 30, 2010, shall be as follows:

A. Dresden	\$ 82,000
B. Gleason	\$ 42,000
C. Greenfield	\$ 63,000
D. Martin	\$301,000
E. Sharon	\$ 28,000

5. It is understood that the contributions by the municipalities to Weakley County pursuant to Paragraph 4 of this modification agreement shall not relieve said municipalities of their obligation to directly support the joint economic development board beginning July 1, 2010, according to the requirements of state law.

6. Any or all parties to this agreement may opt at any time upon providing thirty days written notice of the desire to discontinue participation in the agreement to all other parties. Any municipality choosing to terminate this agreement shall be required to reimburse Weakley County for any funds advanced to the municipality by the county pursuant to this agreement before such municipality is released from the terms of the agreement.

7. This modification of the original 1998 agreement shall not be effective until approved by the county legislative body of Weakley County and the governing bodies of each of the five incorporated municipalities listed above.

8. It is understood and agreed by the parties to this modification agreement that this agreement is in addition to any previous agreements between Weakley County and the contracting municipalities, and that in the event of a conflict between this agreement as modified and any previous agreement, that this agreement, as modified, shall supersede the previous agreement, but that otherwise any previous agreements shall remain in effect.

WEAKLEY COUNTY

TOWN OF GREENFIELD

\_\_\_\_\_  
Ron Gifford, Weakley County Mayor

\_\_\_\_\_  
Eddie Joe McKelvey, Mayor

CITY OF DRESDEN

CITY OF MARTIN

\_\_\_\_\_  
Danny Forrester, Mayor

\_\_\_\_\_  
Randy Brundige, Mayor

TOWN OF GLEASON

TOWN OF SHARON

\_\_\_\_\_  
Jack Dunning, Mayor

\_\_\_\_\_  
James Gary Roberts, Mayor

SECTION 4. FURTHER BE IT RESOLVED THAT this Resolution shall take effect upon adoption, THE PUBLIC WELFARE REQUIRING IT.

ATTESTED:

APPROVED:

\_\_\_\_\_  
Chris Mathis, City Recorder, CPA

\_\_\_\_\_  
Randy Brundige, Mayor

Date Introduced \_\_\_\_\_

Date Resolution Passed \_\_\_\_\_

Motion made by Alderman \_\_\_\_\_ that the foregoing resolution be approved, seconded by Alderman \_\_\_\_\_. Upon being put to a roll call vote, the motion \_\_\_\_\_.

Alderman Belote made the motion to approve Resolution R2005-12: A resolution authorizing the Mayor to execute a contract on behalf of the City of Martin and Weakley County for the modification of intergovernmental agreement for the allocation of a portion of any additional sales tax levy, seconded by Alderman Tuck.

Roll call vote for Resolution R2005-12:

VOTE:	FOR:	HONORABLE NANNEY HONORABLE HARRISON HONORABLE BELOTE HONORABLE TUCK HONORABLE BOYD HONORABLE EDWARDS
	AGAINST:	NONE

Mayor Brundige declared Resolution R2005-12 approved

**INTRODUCTION AND PRESENTATION FOR CONSIDERATION OF RESOLUTION R2005-13: A RESOLUTION AUTHORIZING THE EXECUTION, TERMS, ISSUANCE, SALE, AND PAYMENT OF NOT TO EXCEED \$2,295,000 WATER AND SEWER REVENUE AND TAX REFUNDING BONDS, SERIES 2005, OF THE CITY OF MARTIN, TENNESSEE, AND PROVIDING THE DETAILS THEREOF**

Mayor Brundige introduced and presented for consideration Resolution R2005-13: A resolution authorizing the execution, terms, issuance, sale, and payment of not to exceed \$2,295,000 Water and Sewer Revenue and Tax Refunding Bonds, Series 2005, of the City of Martin, Tennessee and providing the details thereof.

City Recorder Mathis read Resolution R2005-13. A copy follows:

**RESOLUTION 2005-13**

**RESOLUTION AUTHORIZING THE EXECUTION, TERMS, ISSUANCE, SALE, AND PAYMENT OF NOT TO EXCEED \$2,295,000 WATER AND SEWER REVENUE AND TAX REFUNDING BONDS, SERIES 2005, OF THE CITY OF MARTIN, TENNESSEE, AND PROVIDING THE DETAILS THEREOF**

WHEREAS, pursuant to a resolution adopted by the Board of Mayor and Aldermen (the "Board") of the City of Martin, Tennessee (the "Municipality"), there have been authorized and issued those certain Water and Sewer Revenue and Tax Bonds, Series 1997, dated March 1, 1997, issued in the original principal amount of \$4,500,000 (the "Series 1997 Bonds");

WHEREAS, the Municipality is authorized by Title 9, Chapter 21, *Tennessee Code Annotated*, as amended (the "Act"), to issue and sell refunding bonds for the purpose of refunding bonds previously authorized and issued in advance of the maturity or redemption date of such bonds and to pay costs incident to the issuance and sale of the refunding bonds;

WHEREAS, the refunding of a portion of the Series 1997 Bonds (the "Refunded Bonds"), will cause a reduction of debt service payable by the Municipality over the term of such Refunded

Bonds, thereby effecting a cost savings and improving the management of the finances of the Municipality;

WHEREAS, the plan of refunding of the Refunded Bonds, a computation of projected cost savings, and a request that the Municipality be permitted to sell the refunding bonds at a private negotiated sale have been submitted to the State Director of Local Finance for review as required by Sections 9-21-903, and 9-21-910, respectively, *Tennessee Code Annotated*, as amended;

WHEREAS, it is necessary to appoint an escrow agent for the purpose of ensuring the payment of the principal of, premium, if any, and interest on, the Refunded Bonds, and to provide for the execution of an escrow agreement between the Municipality and said escrow agent so as to best provide for the payment of the principal of, interest, and premium, if any, on the Refunded Bonds;

WHEREAS, the Board finds that it is now, therefore, necessary and desirable to provide for the execution, terms, issuance, sale, and payment of not to exceed \$2,295,000 Water and Sewer Revenue and Tax Refunding Bonds, Series 2005 (the "Bonds"):

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF MARTIN, TENNESSEE, AS FOLLOWS:

Section 1. Authority. The Bonds herein authorized shall be issued pursuant to Title 9, Chapter 21, *Tennessee Code Annotated*, as amended, and other applicable provisions of law.

Section 2. Definitions. Without limiting any other definitions of terms and words in other sections of this Resolution, the following words and terms shall have the meanings indicated unless otherwise plainly apparent from the context:

"Act" means Title 9, Chapter 21, *Tennessee Code Annotated*, as amended.

"Authorized Representative of the Municipality" means the then Mayor and the then City Administrator, or City Recorder of the Municipality, authorized by resolution or by law to act on behalf of and bind the Municipality.

"Board" means the Board of Mayor and Aldermen of the Municipality.

"Bond" means individually, or "Bonds" means collectively, the Water and Sewer Revenue and Tax Refunding Bonds, Series 2005, of the Municipality authorized by this Resolution of the Board.

"Bond Counsel" means an attorney or firm of attorneys recognized as having experience in matters relating to the issuance of municipal obligations.

"City Administrator" means the duly appointed, qualified, and acting City Administrator of the Municipality, or his or her successors.

"City Attorney" means the duly appointed City Attorney of the Municipality, or his or her successors.

"City Recorder" means the duly appointed, qualified, and acting City Recorder of the Municipality, or his or her successors.

"Closing Date" means the date of delivery and payment of the Bonds.

"Code" means the Internal Revenue Code of 1986, as amended, and the applicable regulations of the United States Department of the Treasury promulgated thereunder, as in effect on the date of issuance of the Bonds and as hereafter amended, supplemented, or revised insofar as such amendments, supplements, or revisions shall pertain to or affect the Bonds.

"Current Expenses" means all expenses incurred by, or on behalf of, the Municipality in connection with the operation, maintenance, repair, insuring, and administration of the System, including, but not necessarily limited to, salaries, wages, the cost of supplies, materials, utilities, and rental payments and the cost of audits, but shall specifically exclude depreciation, amortization, interest on bonds, and expenditures for any capital improvements of the System, the useful life of which is reasonably expected to exceed one year, determined in accordance with generally accepted accounting principles.

"Escrow Agent" means SunTrust Bank, Nashville, Tennessee, as escrow agent under the Escrow Agreement.

"Escrow Agreement" means that certain Escrow Agreement, dated as of the date of execution and delivery, between the Municipality and the Escrow Agent, in substantially the form attached hereto as Exhibit "B" with such changes and revisions as may be deemed necessary by the Authorized Representatives of the Municipality executing the Escrow Agreement.

"Interest Payment Date" means each date on which interest shall be payable on any of the Bonds, according to their respective terms so long as any of the Bonds shall be Outstanding.

"Mayor" means the duly elected, qualified, and acting Mayor of the Municipality, or his or her successors.

"Net Revenues" means for any period, the excess of Revenues of the System over its Current Expenses during such period determined in accordance with generally accepted accounting principles.

"Outstanding," "Bonds Outstanding," or "Outstanding Bonds" means, as of a particular date, all Bonds issued and delivered under this Resolution except: (1) any Bond paid or redeemed or otherwise canceled by the Municipality at or before such date; (2) any Bond for the payment of which cash, equal to the principal amount thereof with interest to date of maturity, shall have theretofore been deposited prior to maturity by the Municipality for the benefit of the Owner thereof; (3) any Bond in lieu of or in substitution for which another Bond shall have been delivered pursuant to this Resolution, unless proof satisfactory to the Municipality is presented that any Bond, for which a Bond in lieu of or in substitution therefor shall have been delivered, is held by a bona fide purchaser, as that term is defined in Article 8 of the Uniform Commercial Code of the State, as amended, in which case both the Bond in lieu of or in substitution for which a new Bond has been delivered and such new Bond so delivered therefor shall be deemed Outstanding; and, (4) any Bond deemed paid under the provisions of this Resolution, except that any such Bond shall be considered

Outstanding until the maturity thereof only for the purposes of being exchanged, transferred, or registered.

"Owner", "Bondholder", or any similar term, when used with reference to the Bonds, means any Person who shall be the registered owner of any then Outstanding Bond or Bonds.

"Person" means an individual, partnership, corporation, trust, or unincorporated organization, or a governmental entity or agency or political subdivision thereof.

"Principal Payment Date" means such date on which principal shall be payable on any of the Bonds, according to their respective terms so long as any of the Bonds shall be Outstanding.

"Prior Outstanding Obligations" means the outstanding bonds of the Municipality which are payable from and secured by, at least in part, a pledge of the Net Revenues of the System, which pledge is prior to the pledge securing the Bonds, unless the documents authorizing such bonds permit additional bonds to be issued on a parity therewith, in which case the Bonds shall be on a parity.

"Refunded Bonds" means the portion of the Series 1997 Bonds to be refunded with the proceeds of the Bonds.

"Registration Agent" means the City Administrator of the Municipality, or his or her successor, or successors hereafter appointed in the manner provided in this Resolution.

"Resolution" means this Resolution, as supplemented and amended.

"Revenues" means all receipts, revenues, income, and other monies received by, or on behalf of, the Municipality from, or for, the operation of the System and all rights to receive such receipts, revenues, income, and other monies, whether in the form of accounts receivable, contract rights, or otherwise, and proceeds from insurance against loss of, or damage to, the System, or from any sale or conveyance, in accordance with the terms hereof, of all or part of the System.

"Series 1997 Bonds" means the Municipality's Water and Sewer Revenue and Tax Bonds, Series 1997, dated March 1, 1997, issued in the original principal amount of \$4,500,000.

"State" means the State of Tennessee.

"System" means the complete water and sewer system of the Municipality and all water and sewer system properties of every nature hereafter owned by the Municipality, including all improvements and extensions made by the Municipality while the Bonds remain outstanding, and including all real and personal property of every nature comprising part of or used or useful in connection with the water and sewer system and including all appurtenances, contracts, leases, franchises, and other intangibles.

Section 3. Authorization. For the purpose of providing funds to redeem the outstanding principal of the Refunded Bonds maturing on and after June 1, 2008, to pay the redemption premium on the Refunded Bonds, and to pay costs incident to the issuance and sale of the Bonds, there is hereby authorized to be issued refunding bonds of the Municipality in the aggregate principal amount of not to exceed Two Million Two Hundred Ninety-Five Thousand Dollars

(\$2,295,000), or such lesser aggregate amount as may be determined by the Authorized Representatives of the Municipality executing the Bonds. No Bonds may be issued under the provisions of this Resolution except in accordance herewith. The Board hereby finds that it is advantageous to the Municipality to issue the Bonds and that the issuance of the Bonds will effect a cost savings to the Municipality.

Section 4. Form of Bonds; Execution. (a) The Bonds are issuable only as fully registered bonds, without coupons, in denominations of \$5,000, or any integral multiple thereof (but no single Bond shall represent installments of principal maturing on more than one date). All Bonds issued under this Resolution shall be substantially in the form set forth in Exhibit "A" attached hereto, and by this reference incorporated herein as fully as though copied, with such appropriate variations, omissions, and insertions as are permitted or required by this Resolution, the blanks therein to be appropriately completed when the Bonds are prepared, and may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law with respect thereto or as otherwise desired by the Municipality. The Bonds shall be numbered consecutively from one upwards.

(b) The Bonds shall be executed in such manner as may be prescribed by applicable law in the name, and on behalf, of the Municipality with the manual signature of the Mayor and attested with the manual of the City Administrator, and with the official seal of the Municipality impressed or imprinted thereon. The Bonds shall not be valid for any purpose unless authenticated by the manual signature of an officer of the Registration Agent on the certificate set forth on the Bonds.

(c) In the event any officer whose manual or facsimile signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such manual or such facsimile signature shall nevertheless be valid and sufficient for all purposes as if he or she had remained in office until such delivery. Any Bond may be manually signed by, such individuals who, at the actual time of the execution of such Bond, were the proper officers of the Municipality to sign such Bond, although on the date of the adoption by the Municipality of this Resolution, such individuals may not have been such officers.

Section 5. Terms, Payment, and Certain Other Provisions of the Bonds. (a) The Bonds shall be designated "Water and Sewer Revenue and Tax Refunding Bonds, Series 2005". Each Bond shall be dated the date of issuance and delivery, or such other date as the Authorized Representatives of the Municipality executing the Bonds shall determine; shall be sold at not less than the par amount thereof; shall bear interest from the date thereof at a rate or rates to be hereafter determined by the Municipality when said Bonds are sold, but not exceeding 4.00% per annum, such interest being payable semiannually on the first day of June and December of each year, commencing December 1, 2005; and, shall mature serially on the first day of June in the years and in the aggregate principal amounts set forth below; provided, however, that the Mayor and the City Administrator are hereby authorized to make such adjustments in principal amounts maturing within each maturity as are necessary to maximize the cost savings from the refunding of the Series 1997 Bonds, including a reduction in the aggregate principal amount of such Bonds:

<u>Year</u>	<u>Principal Amount</u>
2006	\$ 30,000
2007	25,000
2008	245,000
2009	260,000
2010	265,000
2011	280,000
2012	285,000
2013	295,000
2014	310,000
2015	325,000
2016	330,000
2017	345,000

In the event that any amount payable on any Bond as interest shall at any time exceed the rate of interest lawfully chargeable thereon under applicable law, then any such excess shall, to the extent of such excess, be applied against the principal of such Bond as a prepayment thereof without penalty, and such excess shall not be considered to be interest.

The principal of, and all installments of interest on, any Bond shall bear interest from and after their respective due dates at a rate of interest equal to the rate of interest payable on the principal of such Bond. All rates of interest specified herein shall be computed on the basis of a three hundred sixty (360) day year composed of twelve (12) months of thirty (30) days each.

(b) Interest on the Bonds shall be payable by wire transfer or by check or other form of draft of the Registration Agent, deposited by the Registration Agent in the United States mail, first class postage prepaid, in sealed envelopes addressed to the Owners of such Bonds, as of the applicable Interest Payment Date at their respective addresses as shown on the registration books of the Municipality maintained by the Registration Agent as of the close of business on the fifteenth (15th) calendar day of the month next preceding the applicable Interest Payment Date (the "Regular Record Date"). The principal or redemption price, if any, of all Bonds shall be payable upon presentation and surrender of such Bonds at the principal office of the Registration Agent. All payments of the principal of, and interest on, the Bonds shall be made in any coin or currency of the United States of America which, on the date of payment thereof, shall be legal tender for the payment of public and private debts.

Section 6. Redemption. The Bonds shall be subject to redemption, in whole or in part, at the option of the Municipality, at any time, at a price of par plus accrued interest to the date of redemption, upon not less than fifteen (15) calendar days written notice to the registered owner.

Section 7. Negotiability of Bonds. All Bonds issued under this Resolution shall be negotiable, subject to the provisions for registration and transfer contained in this Resolution and in the Bonds.

Section 8. Registration Books and Bond Registrar. The Municipality hereby appoints the City Administrator of the Municipality as bond registrar and paying agent (the "Registration Agent") with respect to the Bonds and authorizes the Registration Agent so long as any of the Bonds shall remain Outstanding, to maintain at the principal office of the Registration Agent, books for the registration and transfer of the Bonds on behalf of the Municipality. The Registration Agent shall

register in such books and permit to be transferred thereon, under such reasonable regulations as it may prescribe, any Bond entitled to registration or transfer and to authenticate and deliver the Bonds either at original issuance, upon transfer, or as otherwise directed by the Municipality. The Registration Agent is authorized to make all payments of principal and interest with respect to the Bonds.

Section 9. Exchange of Bonds. Bonds upon surrender thereof at the principal office of the Registration Agent, together with an assignment of such Bonds duly executed by the Owner thereof, or his, her, or its attorney or legal representative, may be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of any denomination or denominations authorized by this Resolution, and bearing interest at the same rate as the Bonds surrendered for exchange.

Section 10. Transfer of Bonds. (a) Each Bond shall be transferable only on the registration books maintained by the Registration Agent at the principal office of the Registration Agent, upon the surrender for cancellation thereof at the principal office of the Registration Agent, together with an assignment of such Bond duly executed by the Owner thereof or his, her, or its attorney or legal representative, and upon payment of the charges hereinafter provided, and subject to such other limitations and conditions as may be provided therein or herein. Upon the cancellation of any such Bond, the Registration Agent shall, in exchange for the surrendered Bond or Bonds, deliver in the name of the transferee or transferees a new Bond or Bonds of authorized denominations, of the same aggregate principal amount and maturity and rate of interest as such surrendered Bond or Bonds, and the transferee or transferees shall take such new Bond or Bonds subject to all of the conditions herein contained.

(b) The Municipality and the Registration Agent may deem and treat the Person in whose name any Bond shall be registered upon the registration books maintained by the Registration Agent as the absolute owner thereof, whether such Bond shall be overdue or not, for the purpose of receiving payment of the principal of, and the interest on, such Bond and for all other purposes. All such payments so made to the registered Owner thereof shall be valid and effectual to satisfy and discharge the liability of the Municipality or the Registration Agent upon such Bond to the extent of the sum or sums so paid. Neither the Municipality nor the Registration Agent shall be affected by any notice to the contrary.

Section 11. Regulations with Respect to Exchanges and Transfers. (a) In all cases in which the privilege of exchanging or transferring Bonds is exercised, the Municipality shall execute, and the Registration Agent shall deliver, Bonds in accordance with the provisions of this Resolution. For every exchange or transfer of Bonds, whether temporary or definitive, the Municipality and the Registration Agent may make a charge, unless otherwise herein to the contrary expressly provided, sufficient to pay for any tax, fee, or other governmental charge required to be paid with respect to such exchange or transfer, all of which taxes, fees, and other governmental charges shall be paid by the person or entity requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer.

(b) Neither the Municipality nor the Registration Agent shall be obligated to exchange or transfer any Bond after the fifteenth (15th) calendar day of the month next preceding an Interest Payment Date or any call for redemption.

Section 12. Mutilated, Lost, Stolen, or Destroyed Bonds. (a) In the event any Bond is mutilated, lost, stolen, or destroyed, the Municipality may execute, and upon the request of an Authorized Representative of the Municipality, the Registration Agent shall deliver, a new Bond of like maturity, interest rate, and principal amount, and bearing the same number (but with appropriate designation indicating that such new Bond is a replacement Bond) as the mutilated, destroyed, lost, or stolen Bond, in exchange for the mutilated Bond or in substitution for the Bond so destroyed, lost, or stolen. In every case of exchange or substitution, the Bondholder shall furnish to the Municipality and the Registration Agent: (1) such security or indemnity as may be required by an Authorized Representative of the Municipality to save the Municipality and the Registration Agent harmless from all risks, however remote; and, (2) evidence to their satisfaction of the mutilation, destruction, loss, or theft of the subject Bond and the ownership thereof. Upon the issuance of any Bond upon such exchange or substitution, an Authorized Representative of the Municipality and the Registration Agent may require the Owner thereof to pay a sum sufficient to defray any tax or other governmental charge that may be imposed in relation thereto and any other expenses, including printing costs and counsel fees, of the Municipality and the Registration Agent. In the event any Bond which has matured or is about to mature shall become mutilated or be destroyed, lost, or stolen, an Authorized Representative of the Municipality may, instead of issuing a Bond in exchange or substitution therefor, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated Bond) if the Owner thereof shall pay all costs and expenses, including attorneys fees, incurred by the Municipality and the Registration Agent in connection therewith, as well as a sum sufficient to defray any tax or other governmental charge that may be imposed in relation thereto and shall furnish to the Municipality and the Registration Agent such security or indemnity as an Authorized Representative of the Municipality and the Registration Agent may require to save the Municipality and the Registration Agent harmless and evidence to the satisfaction of an Authorized Representative of the Municipality and the Registration Agent, of the mutilation, destruction, loss, or theft of such Bond and of the ownership thereof.

(b) Every Bond issued pursuant to the provisions of this Section shall constitute an additional contractual obligation of the Municipality (whether or not the destroyed, lost, or stolen Bond shall be found at any time to be enforceable) and shall be entitled to all the benefits of this Resolution equally and proportionately with any and all other Bonds duly issued under this Resolution.

(c) All Bonds shall be held and owned upon the express condition that the provisions of this Section are exclusive, with respect to the replacement or payment of mutilated, destroyed, lost, or stolen Bonds, and, to the maximum extent legally permissible, shall preclude all other rights or remedies, notwithstanding any law or statute now existing or hereafter enacted to the contrary.

Section 13. Authentication. Only such of the Bonds as shall have endorsed thereon a certificate of authentication, substantially in the form set forth in Exhibit "A" hereto duly executed by the Registration Agent, shall be entitled to the rights, benefits, and security of this Resolution. No Bond shall be valid or obligatory for any purpose unless, and until, such certificate of authentication shall have been duly executed by the Registration Agent. Such executed certificate of authentication by the Registration Agent upon any such Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Resolution as of the date of authentication. The certificate of authentication of the Registration Agent on any Bond shall be deemed to have been duly executed if manually signed by an authorized officer of the Registration

Agent, but it shall not be necessary that the same officer sign and date the certificate of authentication on all Bonds that may be issued hereunder.

Section 14. Source of Payment and Security. The Bonds, including the principal thereof, and the interest thereon, shall be payable primarily from and be secured by a pledge of the Net Revenues to be derived from the operation of the System, and are hereby declared to be equally and ratably secured, subject to a prior pledge of such Net Revenues to the Prior Outstanding Obligations. In the event of a deficiency in such Net Revenues, the Bonds shall be payable from ad valorem taxes to be levied on all taxable property within the corporate limits of the Municipality without limitation as to time, rate, or amount. Said Bonds shall be a direct general obligation of the Municipality, for which the punctual payment of the principal of, and interest on, the Bonds, the full faith and credit of the Municipality is hereby irrevocably pledged.

Section 15. Levy of Taxes. For the purpose of providing for the payment of the principal of, and interest on, the Bonds, there is hereby pledged for such payment the Net Revenues derived from the operation of the System, subject to the liens of the Prior Outstanding Obligations, in amounts not exceeding the amounts required to make such payments as they come due. In the event of a deficiency in the Net Revenues, there shall be levied in each year in which such Bonds shall be outstanding a direct tax on all taxable property in the Municipality, fully sufficient to pay all such principal and interest falling due prior to the time of collection of the next succeeding tax levy. Said tax shall be assessed, collected, and paid at the time, and in the same manner, as the other taxes of said Municipality, shall be in addition to all other taxes, and shall be without limitation as to time, rate, or amount; provided, however, that the tax so levied in any year may be proportionately reduced by the amount of monies actually on hand from the Net Revenues of the System and available for payment of such principal and interest. The Board of the Municipality is required by law and shall and does hereby pledge to levy such tax. Principal or interest, or either of them, falling due at any time when there shall be insufficient funds on hand from such tax levy for the payment thereof shall be paid from the general fund or other available funds of the Municipality, but reimbursement therefor may be made from the taxes herein provided when the same shall have been collected.

Section 16. Equality of Lien. The punctual payment of principal of and interest on the Bonds shall be secured equally and ratably by the Net Revenues of the System without priority by reason of number, time of sale, or execution or delivery, and, subject to the payment of reasonable and necessary costs of operating and maintaining the System and the payment of the Prior Outstanding Obligations, the Net Revenues of the System are hereby irrevocably pledged to the punctual payment of such principal and interest as the same become due.

Section 17. Charges for Services Supplied by the System. While the Bonds remain outstanding and unpaid, the Municipality covenants and agrees that it will permit no free service to be furnished to any consumer or user whatsoever, and the charges for all services supplied through the medium of the System to the Municipality and its residents and to all consumers shall be reasonable and just, taking into account and consideration the cost and value of the System and the cost of maintaining, operating, and insuring the System, and the proper and necessary allowances for the depreciation thereof, and the amounts necessary for the payment of principal of, and interest on, the Bonds payable from such Revenues, and there shall be charged against all users of the services of the System such rates and amounts as shall be fully adequate to meet the debt service requirements of the Bonds.

Section 18. Sale of Bonds. The Bonds herein authorized are authorized to be sold by the Mayor at a private negotiated sale at a price of not less than par and accrued interest. The Bonds shall contain such terms, conditions, and provisions other than as expressly provided or limited herein as may be agreed upon by the Mayor of the Municipality and the purchaser of the Bonds.

Section 19. Disposition of Bond Proceeds and Other Funds. The proceeds of the sale of the Bonds together with certain other funds shall be used and applied as follows:

(a) Such amount as is necessary from the principal proceeds from the sale of the Bonds, together with amounts contributed by the Municipality, if any, shall be deposited with the Escrow Agent under the Escrow Agreement to be invested as set forth therein to provide for the payment of principal of, interest on, and redemption premium, if any, in connection with the Refunded Bonds.

(b) Any amounts remaining from the principal proceeds of the sale of the Bonds shall be used for the purpose of paying the costs incurred in connection with the issuance of the Bonds.

Section 20. Escrow Agreement; Appointment of Escrow Agent. The Escrow Agreement between the Municipality and the Escrow Agent in the form hereto attached as Exhibit "B" is hereby approved, and the Mayor and City Administrator are hereby authorized and directed to execute such Escrow Agreement, in substantially such form with such changes as may be approved by the Mayor and City Administrator, their execution of such Escrow Agreement to be conclusive evidence of their approval of such changes, and to make provision for the execution of such Escrow Agreement by the appropriate officials of the Escrow Agent. SunTrust Bank, Nashville, Tennessee, is hereby appointed as Escrow Agent under the Escrow Agreement.

Section 21. Redemption of Refunded Bonds. The Refunded Bonds maturing on and after June 1, 2008, are hereby called for redemption on June 1, 2007; provided, however, that in the event the Bonds are not issued and delivered such call for redemption shall be of no further force and effect. Notice of call for redemption shall be given in the manner required as set forth in the resolution authorizing the issuance of the Refunded Bonds.

Section 22. Non-Arbitrage Certification. The Municipality certifies and covenants with the Owners of the Bonds that so long as the principal of any Bond remains unpaid, monies on deposit in any fund or account in connection with the Bonds, whether or not from any other source, will not be used in a manner which will cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code. The Municipality reserves the right, however, to make any investment of such monies permitted by Tennessee law and this Resolution if, when, and to the extent that said Section 148 or regulations promulgated thereunder shall be repealed or relaxed or shall be held void by final decision of a court of competent jurisdiction, but only if any investment made by virtue of such repeal, relaxation, or decision would not, in the opinion of Bond Counsel, result in making the interest on the Bonds subject to federal income taxation.

The Municipality covenants that it shall comply with Section 148(f) of the Code, unless legally exempted therefrom, and the Municipality represents that in the event it shall be required by Section 148(f) of the Code to pay "Rebatable Arbitrage," as such term is defined and used in the Code, pursuant to the Code, to the United States Government, it will make such payments as and when required by said Section 148(f) and will take such other actions as shall be necessary or permitted to

prevent the interest on the Bonds from becoming subject to inclusion in the gross income of the Owners of the Bonds for purposes of federal income taxation.

Section 23. Qualified Tax-Exempt Obligations. The Municipality hereby designates the Bonds as "qualified tax-exempt obligations" within the meaning and for the purpose of Section 265(b)(3) of the Code.

Section 24. Resolution a Contract; Amendments. The provisions of this Resolution shall constitute a contract between the Municipality and the Owners of the Bonds and after the issuance of the Bonds, no change, variation, or alteration of any kind in the provisions of this Resolution which would impair the rights of the Owners shall be made in any manner, until such time as all installments of the principal of and interest on the Bonds shall have been paid in full unless the consent of all of the Owners of all then Outstanding Bonds has been obtained; provided, however, that the Municipality is hereby authorized to make such amendments to this Resolution as will not impair the rights of Bondholders. The laws of the State of Tennessee shall govern this Resolution.

Section 25. Remedies. Any Owner of the Bonds shall have such remedies as provided by Title 9, Chapter 21, Section 216, *Tennessee Code Annotated*, as amended.

Section 26. Failure to Present Bonds. (a) In the event any Bond shall not be presented for payment when the principal becomes due at maturity and in the event monies sufficient to pay such Bond shall be held by the Registration Agent for the benefit of the Owner thereof, all liability of the Municipality to such Owner for the payment of such Bond shall forthwith cease, terminate, and be completely discharged. Thereupon, the Registration Agent shall hold such monies, without liability for interest thereon, for the benefit of the Owner of such Bond who shall thereafter be restricted exclusively to such monies for any claim under this Resolution or on, or with respect to, said Bond.

(b) If any Bond shall not be presented for payment within a period of five years following the date when such Bond becomes due, whether by maturity or otherwise, the Registration Agent shall, subject to the provisions of any applicable escheat or other similar law, pay to the official of the Municipality designated by law as the custodian of such funds, any monies then held by the Registration Agent for the payment of such Bond and such Bond shall (subject to the defense of any applicable statute of limitation) thereafter constitute an unsecured obligation of the Municipality.

Section 27. Payments Due on Saturdays, Sundays, and Holidays. In any case where the date of maturity or interest on or principal of any Bond shall be a Saturday or Sunday or shall be, at the place designated for payment, a legal holiday or a day on which banking institutions similar to the Registration Agent are authorized by law to close, then the payment of the interest on, or the principal of such Bond need not be made on such date but must be made on the next succeeding day not a Saturday, Sunday, or a legal holiday or a day upon which banking institutions similar to the Registration Agent are authorized by law to close, with the same force and effect as if made on the date of maturity and no interest shall accrue for the period after such date.

Section 28. No Action to be Taken Affecting Validity of the Bonds. The Board hereby covenants and agrees that it will not take any action, that would in any manner affect the validity of the Bonds or limit the rights and remedies of the Owners from time to time of such Bonds or affect

the exclusion of interest thereon from the gross income of the owners thereof for federal income tax purposes.

Section 29. Miscellaneous Acts. The Mayor, the City Administrator, the City Recorder, the City Attorney, and all other appropriate officials of the Municipality, are hereby authorized, empowered, and directed to do any and all such acts and things, and to execute, acknowledge, and deliver all such documents, instruments, and certifications, specifically including but not limited to arbitrage certifications and financial advisory agreements, in addition to those acts, things, documents, instruments, and certifications hereinbefore authorized and approved, as may in their discretion, be necessary or desirable to implement or comply with the intent of this Resolution; or any of the documents herein authorized and approved, or for the authorization, issuance, and delivery of the Bonds and for the redemption of the Refunded Bonds.

Section 30. No Recourse Under Resolution or on Bonds. All stipulations, promises, agreements, and obligations of the Municipality contained in this Resolution shall be deemed to be the stipulations, promises, agreements, and obligations of the Municipality and not of any officer, director, or employee of the Municipality in his or her individual capacity, and no recourse shall be had for the payment of the principal of or interest on the Bonds or for any claim based thereon or on this Resolution against any officer, director, or employee of the Municipality or against any official or individual executing the Bonds.

Section 31. Partial Invalidity. If any one or more of the provisions of this Resolution, or of any exhibit or attachment hereto, shall be held invalid, illegal, or unenforceable in any respect, by final decree of any court of lawful jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, or of any exhibit or attachment hereto, but this Resolution, and the exhibits and attachments hereto, shall be construed the same as if such invalid, illegal, or unenforceable provision had never been contained herein or therein, as the case may be.

Section 32. Severability. If any section, paragraph, or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or enforceability of such section, paragraph, or provision shall not affect any of the remaining provisions hereof.

Section 33. Repeal of Conflicting Resolutions and Effective Date. All resolutions and orders, or parts thereof, in conflict with the provisions of this Resolution, are, to the extent of such conflict, hereby repealed and this Resolution shall be in immediate effect from and after its adoption, the welfare of the Municipality requiring it.

Approved and adopted this 20<sup>th</sup> day of June 2005.

ATTEST:

SIGNED:

\_\_\_\_\_  
Chris Mathis, City Recorder

\_\_\_\_\_  
Randy Brundige, Mayor

STATE OF TENNESSEE  
COUNTY OF WEAKLEY

I, Chris Mathis, hereby certify that I am the duly qualified and acting City Recorder of the City of Martin, Tennessee (the "Municipality"), and, as such official, I further certify as follows: (1) that attached hereto is a copy of a resolution excerpted from the minutes of the meeting of the Board of Mayor and Aldermen (the "Board") of said Municipality held on June 20, 2005; (2) that I have compared said copy with the original minute record of said meeting in my official custody; (3) that said copy is a true, correct, and complete transcript from said original record insofar as said original record relates to, among other matters, the authorization, issuance, and sale of not to exceed \$2,295,000 Water and Sewer Revenue and Tax Refunding Bonds, Series 2005, of said Municipality; (4) that the actions by said Board including the aforementioned, at said meeting were promptly and duly recorded by me in a book kept for such purposes; and, (5) that a quorum of the members of said Board was present and acting throughout said meeting.

WITNESS my official signature and the seal of said Municipality this 20<sup>th</sup> day of June 2005.

---

CHRIS MATHIS, CITY RECORDER

(SEAL)

FORM OF BOND

EXHIBIT "A"

Registered  
No. \_\_\_\_\_

Registered  
\$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF TENNESSEE  
CITY OF MARTIN  
WATER AND SEWER REVENUE AND TAX REFUNDING BOND,  
SERIES 2005

Interest Rate:            Maturity Date:            Dated Date:            CUSIP:

Registered Owner:

Principal Amount:

THE CITY OF MARTIN, TENNESSEE (the "Municipality"), a lawfully organized and existing municipal corporation, for value received, hereby acknowledges itself indebted and promises to pay, as hereinafter provided, to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, upon the presentation and surrender hereof at the principal office of the City Administrator of the Municipality, Martin, Tennessee, or its successor as paying agent and registration agent (the "Registration Agent"), the Principal Amount identified above, in any coin or currency of the United States of America which on the date of payment thereof is legal tender for the payment of public and private debts, and to pay interest on said Principal Amount from the date hereof, or such later date as to which interest has been paid, semiannually on June 1 and December 1 of each year (the "Interest Payment Date"), commencing December 1, 2005, to said Registered Owner hereof by check or other form of draft of the Registration Agent mailed to the Registered Owner at the address shown on the registration books of the Municipality, maintained by the Registration Agent, as of the close of business on the fifteenth (15th) calendar day of the month next preceding an Interest Payment Date, in like coin or currency at the Interest Rate per annum set forth above until payment of said Principal Amount.

In the event that any amount payable hereunder as interest shall at any time exceed the rate of interest lawfully chargeable on this bond under applicable law, any such excess shall, to the extent of such excess, be applied against the principal hereof as a prepayment thereof without penalty, and such excess shall not be considered to be interest. All rates of interest specified herein shall be computed on the basis of a three hundred sixty (360) day year composed of twelve (12) months of thirty (30) days each.

The principal hereof and all installments of interest hereon, shall bear interest from and after their respective due dates at the same rate of interest payable on the principal hereof.

This bond is authorized and issued pursuant to and in full compliance with, the Constitution and the statutes of the State of Tennessee, including, but not limited to, Title 9, Chapter 21, *Tennessee Code Annotated*, as amended. Section 9-21-117, *Tennessee Code Annotated*, as amended, provides that this bond and the income therefrom shall be exempt from all state, county, and municipal taxation in the State of Tennessee, except inheritance, transfer, and estate taxes, and except as otherwise provided in said Code.

This Bond is one of a series of bonds known as "Water and Sewer Revenue and Tax Refunding Bonds, Series 2005" (the "Bonds"), issued by the Municipality in the aggregate principal amount of \$2,295,000. The Bonds, which are issued for the purpose of providing funds to redeem the portion of those certain Water and Sewer Revenue and Tax Bonds, Series 1997, dated March 1, 1997, issued in the original principal amount of \$4,500,000 (the "Series 1997 Bonds"), maturing on and after June 1, 2008, to pay the redemption premium on such Series 1997 Bonds, and to pay costs incident to the issuance and sale of the Bonds, are authorized by appropriate resolutions of the Board of Mayor and Aldermen and particularly that certain Resolution of the Board of Mayor and Aldermen, adopted on June 20, 2005, entitled "Resolution Authorizing the Execution, Terms, Issuance, Sale, and Payment of Not to Exceed \$2,295,000 Water and Sewer System Revenue and Tax Refunding Bonds, Series 2005, of the City of Martin, Tennessee, and Providing the Details Thereof", as such resolution may be from time to time amended or supplemented in accordance with its terms (such resolution as so amended or supplemented, being herein called the "Resolution"), and are issued pursuant to, and in full compliance with, the Constitution and the statutes of the State of Tennessee, including, but not limited to, Title 9, Chapter 21, *Tennessee Code Annotated*, as amended (the "Act"). Copies of said Resolution are on file at the office of the City Administrator of the Municipality, and reference is hereby made to said Resolution and the Act, for a more complete statement of the terms and conditions upon which the Bonds are issued thereunder, the rights, duties, immunities, and obligations of the Municipality, and the rights of the Registered Owner hereof.

This bond and interest thereon are secured by a pledge of the income and revenues to be derived from the operation of the water and sewer system (the "System") of the Municipality, subject to the payment of reasonable and necessary costs of operating, maintaining, repairing, and insuring said System (the "Net Revenues"), the pledge of such Net Revenues being expressly subject, however, to certain pledges securing the payment of revenue and tax deficiency bonds and other obligations, heretofore issued by the Municipality. In the event of a deficiency in such Net Revenues, this bond is payable from ad valorem taxes to be levied on all taxable property in the Municipality without limitation as to time, rate, or amount. For the prompt payment of this bond, both principal, premium, if any, and interest, as the same shall become due, the full faith, and credit of the Municipality are hereby irrevocably pledged.

The Municipality hereby expressly reserves the right and privilege to hereafter issue and sell bonds payable from the Net Revenues of the System on a parity with the Bonds.

Pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, the Municipality has designated the Bonds as "qualified tax-exempt obligations".

Subject to the provisions for registration and transfer contained herein and in the Resolution, this bond is transferable by the Registered Owner hereof in person or by his, her, or its attorney or legal representative at the principal office of the Registration Agent, but only in the manner and subject to the limitations and conditions provided in the Resolution and upon surrender and cancellation of this bond. Upon any such transfer, the Municipality shall execute and the Registration Agent shall authenticate and deliver in exchange for this bond a new fully registered bond or bonds, registered in the name of the transferee, of authorized denominations, in an aggregate principal amount equal to the principal amount of this bond, of the same maturity and bearing interest at the same rate. For every exchange or transfer of bonds, whether temporary or definitive, the Municipality and the Registration Agent may make a charge, unless otherwise herein to the contrary expressly provided, sufficient to pay for any tax, fee, or other governmental charge required to be paid with respect to such exchange or transfer, all of which taxes, fees, or other governmental charges shall be paid by the person or entity requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The Municipality and the Registration Agent, and any other person, may treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment hereof, and for all other purposes, and shall not be affected by any notice to the contrary, whether this bond be overdue or not.

The Municipality and the Registration Agent may deem and treat the person or entity in whose name this bond is registered as the absolute owner hereof, whether such bond shall be overdue or not, for the purpose of receiving payment of the principal of, premium, if any, and interest on, this bond and for all other purposes. All such payments so made shall be valid and effectual to satisfy and discharge the liability upon this bond to the extent of the sum or sums so paid, and neither the Municipality nor the Registration Agent shall be affected by any notice to the contrary.

The Bonds are issuable only as fully registered Bonds, without coupons, in minimum denominations of \$5,000 or any authorized integral multiple thereof. At the principal office of the Registration Agent, in the manner and subject to the limitations, conditions, and charges provided in the Resolution, Bonds may be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of authorized denominations, and bearing interest at the same rate.

The Bonds shall be subject to redemption, in whole or in part, at the option of the Municipality, at any time, at the price of par plus accrued interest to the date of redemption, upon not less than fifteen (15) calendar days written notice to the Registered Owner.

This Bond shall have all the qualities and incidents of, and shall be a negotiable instrument under, the Uniform Commercial Code of the State of Tennessee, subject only to provisions respecting registration of such Bond. This Bond is issued with the intent that the laws of the State of Tennessee shall govern its construction.

It is hereby certified, recited, and declared that all acts and conditions required to be done and to exist precedent to, and in the issuance of, this bond in order to make this bond a legal, valid, and binding obligation of the Municipality, have been done, and did exist in due time and form as required by the Constitution and statutes of the State of Tennessee, and that this bond and the issue of which it is a part, together with all other indebtedness of such Municipality, does not exceed any limitation prescribed by the Constitution or statutes of the State of Tennessee.

IN WITNESS WHEREOF, THE CITY OF MARTIN, TENNESSEE, by its Board of Mayor and Aldermen has caused this bond to be executed by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the City Administrator, to have its official seal, or a facsimile thereof, to be impressed or imprinted hereon, all as of June 20, 2005.

\_\_\_\_\_  
RANDY BRUNDIGE MAYOR

(SEAL)

ATTEST:

\_\_\_\_\_  
CHRIS MATHIS CITY RECORDER

Date of Authentication:

CERTIFICATE OF AUTHENTICATION

This bond is one of the Bonds described in the provisions of the within mentioned Resolution and is one of the Water and Sewer System Revenue and Tax Refunding Bonds, Series 2005, of the City of Martin, Tennessee.

By: \_\_\_\_\_  
Chris Mathis City Recorder

**FORM OF ASSIGNMENT**

For value received, the undersigned do(es) hereby sell, assign and transfer unto

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(Name, Address and Tax Identification or Social Security Number of Assignee)

the within-registered Bond and do(es) hereby irrevocably constitute and appoint, attorney, to transfer the same on the registration books of the Registration Agent, with full power of substitution in the premises.

Dated: \_\_\_\_\_

**SIGNATURE GUARANTEED:**

**SIGNATURE:**

NOTICE: Signature(s) must be guaranteed by a bank or by a brokerage firm having a membership in one of the major stock exchanges

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

FORM OF ESCROW AGREEMENT

EXHIBIT "B"

ESCROW AGREEMENT

This Escrow Agreement (the "Escrow Agreement"), dated as of \_\_\_\_\_, 2005, between SUNTRUST BANK, Nashville, Tennessee, a banking corporation having full trust powers and a member of the Federal Deposit Insurance Corporation, and having its principal office in Nashville, Tennessee (the "Escrow Agent"), and the CITY OF MARTIN, TENNESSEE (the "Municipality").

WITNESSETH:

**WHEREAS**, the Municipality has heretofore issued \$4,500,000 Water and Sewer Revenue and Tax Bonds, Series 1997, dated March 1, 1997 (the "Series 1997 Bonds"); which Series 1997 Bonds are now outstanding in the principal amount of \$3,235,000, which mature June 1, 2006 through June 1, 2013, inclusive, and June 1, 2017, with the principal amount of \$410,000 maturing June 1, 2006 and June 1, 2007, and the principal amount of \$2,825,000 maturing June 1, 2008 through June 1, 2013, inclusive, and June 1, 2017, subject to redemption prior to maturity on June 1, 2007, at par and accrued interest plus a premium for each Series 1997 Bond so redeemed in the amount of 2% of the par value thereof;

**WHEREAS**, the Municipality has pursuant to a resolution adopted on June 20, 2005 (the "Resolution"), authorized the issuance of not to exceed \$2,995,000 Water and Sewer Revenue and Tax Refunding Bonds, Series 2005 (the "Bonds"), dated as of the date of issuance and delivery, the proceeds thereof to be used for the purpose of providing funds (i) to redeem on June 1, 2007, the principal of the Series 1997 Bonds, maturing June 1, 2008 through June 1, 2013, inclusive, and June 1, 2017 (the "Refunded Bonds"), (ii) to pay the applicable redemption premium on the Refunded Bonds, and (iii) to pay costs of issuance incurred in connection with the issuance of the Bonds; and,

**WHEREAS**, pursuant to the Resolution, the Escrow Agent has been appointed Escrow Agent by the Municipality for the purpose of assuring the payment of the principal of, interest, and premium, if any, on the Refunded Bonds, and the Mayor and the City Administrator of the Municipality have been authorized and directed to execute this Escrow Agreement.

**NOW, THEREFORE**, in consideration of the premises and the mutual covenants and agreements hereinafter set forth, the Municipality and the Escrow Agent have agreed and hereby agree as follows for the equal and proportionate benefit and security of the owners of the Refunded Bonds:

Section 1. The Municipality will hereafter cause to be deposited with the Escrow Agent for the account of the Municipality from the proceeds of the Bonds the sum of \$\_\_\_\_\_, such amounts together with the investment income from all such monies is herein referred to as the Escrow Fund.

Section 2. The Municipality has called the Refunded Bonds maturing June 1, 2008 through June 1, 2013, inclusive, and June 1, 2017, for redemption on June 1, 2007. Notice of call for redemption with respect to such Refunded Bonds shall be given by the Escrow Agent on behalf of

the Municipality to the paying agent for the Refunded Bonds and request that such paying agent give notice to the owners of the Refunded Bonds, as required in the resolution authorizing said Refunded Bonds.

Section 3. The Escrow Fund shall be immediately invested in direct obligations of the United States of America ("Investment Securities") in the following manner:

The amount of \$\_\_\_\_\_ shall be invested in the Investment Securities described in Exhibit "B" attached hereto at the prices therein stated (which will result in the yield to the County from such Investment Securities being \_\_\_\_\_% per annum), all as more fully described in Exhibit "B" hereto attached, resulting in an initial cash balance in said fund from such proceeds of \$\_\_\_\_\_.

The investment income from the Investment Securities in the Escrow Fund shall be credited to such fund and shall not be reinvested. The Escrow Agent shall not sell or request the redemption of any Investment Security; provided, that Investment Securities in the Escrow Fund may be replaced by the County when and only when (i) the Escrow Agent receives an opinion of counsel of recognized experience in matters under Section 148 of the Internal Revenue Code of 1986, as amended, relating to arbitrage bonds, that such replacement will not cause the Bonds or the Refunded Bonds to be arbitrage bonds, (ii) the Escrow Agent receives a verification report from an independent firm of certified public accountants that the Investment Securities, as substituted, will be sufficient to pay the principal of, interest on, and premium, if any, on the Refunded Bonds and that such substitution is permitted pursuant to the provision hereof, and (iii) such replacement will not reduce the amount of money available to pay principal of, interest, and premium on the Refunded Bonds when due below the amount necessary to make such payment. Any replacement Investment Securities shall be direct obligations of the United States of America. All monies not invested as herein provided shall be held by the Escrow Agent as a demand deposit which deposit (to the extent not insured by the Federal Deposit Insurance Corporation) shall be continuously secured with noncallable direct obligations of the United States of America in an amount having a market value at all times at least equal to the amount of such deposit.

Section 4. The Escrow Agent shall without further authorization or direction from the Municipality collect the principal of and interest on the Investment Securities promptly as the same shall fall due and, to the extent that Investment Securities and monies are sufficient for such purpose, shall make timely payments out of the Escrow Fund to the proper paying agent or agents or their successors for the Refunded Bonds, or monies sufficient for the payment of the principal of, premium, and interest on such Refunded Bonds as the same shall become due and payable. The payments so forwarded or transferred shall be made in sufficient time to permit the payment of such principal and interest (and premium) by such paying agent or agents without default. The Municipality represents and warrants that the Escrow Fund, if held, invested, and disposed of by the Escrow Agent in accordance with the provisions of this Escrow Agreement, will be sufficient to make the foregoing and all other payments required under this Escrow Agreement. When the aggregate total amount required for the payment of principal of and interest (and premium) on the Refunded Bonds has been paid to the paying agent bank as hereinabove provided, the Escrow Agent shall transfer monies or Investment Securities then held hereunder to the Municipality and this Escrow Agreement shall cease.

Section 5. The Escrow Agent and the Municipality recognize that the owners from time to time of the Refunded Bonds have a beneficial and vested interest in the Escrow Fund and monies to be held by the Escrow Agent as herein provided and in the provisions of this Escrow Agreement. It is, therefore, recited, understood, and agreed that this Escrow Agreement shall not be subject to revocation or amendment until its provisions have been fully carried out.

Section 6. The Escrow Agent shall be under no obligation to inquire into or be in any way responsible for the performance or nonperformance by the Municipality or any paying agent of any of its obligations, or to protect any of the Municipality's rights under any bond proceeding or any of the Municipality's other contracts with or franchises or privileges from any state, Municipality, municipality or other governmental agency or with any person. The Escrow Agent shall not be liable for any act done or step taken or omitted by it, or for any mistake of fact or law, or for anything which it may do or refrain from doing, except for its negligence or its default in the performance of any obligation imposed upon it hereunder. The Escrow Agent shall not be responsible in any manner whatsoever for the recitals or statements contained herein, or in the Refunded Bonds or the Bonds or in any proceedings taken in connection therewith, but they are made solely by the Municipality. The Escrow Agent shall not be liable or responsible for any loss resulting from any investment made pursuant to this Escrow Agreement and in full compliance with the provisions hereof.

Section 7. None of the provisions contained in this Escrow Agreement shall require the Escrow Agent to use or advance its own funds or otherwise incur personal financial liability in the performance of any of its duties or the exercise of any of its rights or powers hereunder. The Escrow Agent shall be under no liability for interest on any fund or other property received by it hereunder, except as herein expressly provided.

Section 8. If any provision of this Escrow Agreement shall be held or deemed to be invalid 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 9. This Escrow Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee.

Section 10. The Escrow Agent agrees with the Municipality that the fees of the Escrow Agent throughout the term of this Escrow Agreement shall be the sum of \$\_\_\_\_ payable in advance, the receipt of which sum is hereby acknowledged by the Escrow Agent.

Section 11. Any notice, request, communication, or other paper shall be sufficiently given and shall be deemed given when delivered or mailed, by registered or certified mail, postage prepaid or sent by telegram as follows:

To the Municipality:  
City of Martin, Tennessee  
P. O. Box 290  
Martin, Tennessee 38237  
Attention: City Administrator

To the Escrow Agent:

SunTrust Bank  
201 Fourth Avenue North, 8<sup>th</sup> Floor  
Nashville, Tennessee 37219  
Attention: Corporate Trust Department.

The Municipality and the Escrow Agent may designate any further or different addresses to which subsequent notices; requests, communications or other papers shall be sent.

Section 12. This Escrow Agreement may be executed in counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**IN WITNESS WHEREOF**, the Municipality has caused this Escrow Agreement to be signed in its name by its Mayor and attested by its City Recorder and the official seal of the Municipality to be impressed hereon, and the Escrow Agent has caused this Escrow Agreement to be signed in its corporate name by its duly authorized officer and its corporate seal to be impressed hereon, all as of the date first above written.

CITY OF MARTIN, TENNESSEE

(SEAL)

By:

\_\_\_\_\_  
Randy Brundige, Mayor

ATTEST:

By: \_\_\_\_\_  
Chris Mathis, City Recorder

SUNTRUST BANK,  
As Escrow Agent

By:

(SEAL)

\_\_\_\_\_  
Title:

EXHIBIT "A"

Escrow Agreement, dated \_\_\_\_\_, 2005  
City of Martin, Tennessee  
\$4,500,000 Water and Sewer Revenue and Tax Bonds, Series 1997  
dated March 1, 1997

<u>Payment</u> <u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Called</u> <u>Principal</u>	<u>Premium</u>	<u>Total</u> <u>Amount Due</u>
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Paying Agent:

EXHIBIT "B"

Escrow Agreement, dated \_\_\_\_\_, 2005  
City of Martin, Tennessee

Investment Securities to be acquired pursuant  
to the Escrow Agreement for \$ \_\_\_\_\_

DESCRIPTION OF SECURITIES

Initial Cash Balance = \$ \_\_\_\_\_

Alderman Harrison made the motion to approve Resolution R2005-13: A resolution authorizing the execution, term, sale, and payment of not to exceed \$2,295,000 Water and Sewer Refunding Bonds, Series 2005, of the City of Martin, Tennessee, and providing the details thereof, seconded by Alderman Belote.

Mayor Brundige explained this resolution will save the city approximately \$135,000 over a twelve period.

Roll call vote for Resolution R2005-13:

VOTE:	FOR:	HONORABLE NANNEY
		HONORABLE HARRISON
		HONORABLE BELOTE
		HONORABLE TUCK
		HONORABLE BOYD
		HONORABLE EDWARDS
	AGAINST:	NONE

Mayor Brundige declared Resolution R2005-13 approved.

**INTRODUCTION AND PRESENTATION FOR CONSIDERATION OF RESOLUTION R2005-14: RESOLUTION AUTHORIZING BUDGET AMENDMENT TO THE CITY OF MARTIN, TENNESSEE GENERAL FUND, DEBT SERVICE FUND, SOLID WASTE FUND, CEMETERY FUND, AND DRUG FUND FOR THE FISCAL YEAR ENDING JUNE 30, 2004**

Mayor Brundige introduced and presented for consideration Resolution R2005-14: Resolution authorizing budget amendments to the City of Martin, Tennessee General Fund, Debt Service Fund, Solid Waste Fund, Cemetery Fund and Drug Fund for the Fiscal Year ending June 30, 2005.

City Recorder Mathis read Resolution R2005-14. A Copy follows:

RESOLUTION 2005-14

RESOLUTION AUTHORIZING BUDGET AMENDMENT TO THE CITY OF MARTIN, TENNESSEE GENERAL FUND, DEBT SERVICE FUND, SOLID WASTE FUND, CEMETERY FUND, AND DRUG FUND FOR THE FISCAL YEAR ENDING JUNE 30, 2004

WHEREAS, monies are needed to fund miscellaneous expenses for various governmental finds the City of Martin; and

WHEREAS, it is the wishes of the Board of Mayor and Aldermen of the City of Martin that funds be transferred to cover these requirements.

NOW THEREFORE BE IT RESOLVED, the Board of Mayor and Aldermen of Martin, Tennessee, assembled in regular session on the 20<sup>th</sup> day of June 2005 this resolution is hereby approved.

SECTION 1. The City of Martin General Fund, Debt Service Fund, Solid Waste Fund, Cemetery Fund and Drug Fund are hereby amended (Per Exhibit #1):

SECTION 2. BE IT FURTHER RESOLVED, that all resolutions of the Board of Mayor and Aldermen of the City of Martin, which conflict with this resolution, are hereby repealed.

SECTION 3. BE IT FURTHER RESOLVED, that the resolution takes effect from and after its passage, THE PUBLIC WELFARE REQUIRING IT.

ATTESTED:

SIGNED:

\_\_\_\_\_  
Chris Mathis, City Recorder, CPA

\_\_\_\_\_  
Randy Brundige, Mayor

Exhibit #1

<u>Account Number</u>	<u>Account Description</u>	<u>Budget</u>	<u>Amendment</u>	<u>Budget</u>
110-33420	Youth Alcohol Grant	-	13,300.00	13,300.00
110-33425	Small Communities Grant	-	7,200.00	7,200.00
110-33440	Allstate Grant	3,750.00	500.00	4,250.00
110-36330	Sale of Equipment	-	1,770.00	1,770.00
110-36350	Insurance Recoveries	-	14,297.00	14,297.00
110-36360	Employee Insurance Pymts	-	7,515.00	7,515.00
110-36510	Sale of Land	-	22,700.00	22,700.00
110-36520	Sale of Stock	-	108,010.00	108,010.00
110-36930	Note Proceeds	249,314.00	(151,314.00)	98,000.00
110-37810	In Lieu of Taxes - Utilities	165,000.00	36,300.00	201,300.00
110-37815	Transfers from Other Funds	170,000.00	(5,000.00)	165,000.00
110-37820	Engineering Revenues	30,000.00	(30,000.00)	-
110-37850	Administrative Revenues	450,000.00	(65,000.00)	385,000.00
110-42100-799-1	Kathy Halter Lawsuit	-	65,667.00	65,667.00
110-42100-902	Equipment Reserve	2,500.00	15,500.00	18,000.00
110-42200-329	Other Operating Supplies	3,750.00	500.00	4,250.00
110-43800-930	New Construction	151,314.00	(151,314.00)	-
110-45000-798	EDA RR Spur Grant Expense	553,000.00	(523,750.00)	29,250.00

Alderman Belote made the motion to approve Resolution R2005-14: Resolution authorizing budget amendments to the City of Martin, Tennessee General Fund, Debt Service Fund, Solid Waste Fund, Cemetery Fund and Drug Fund for the Fiscal Year ending June 30, 2005, seconded by Alderman Nanney.

Roll call Vote for Resolution R2005-14:

VOTE:	FOR:	HONORABLE NANNEY HONORABLE HARRISON HONORABLE BELOTE HONORABLE TUCK HONORABLE BOYD HONORABLE EDWARDS
	AGAINST:	NONE

Mayor Brundige declared Resolution R2005-14 approved.

**APPROVAL OF HIGHWAY 431 SANITARY SEWER PIPELINE IMPROVEMENTS BID OF \$282,886 (BASE BID OF \$274,518 PLUS SMITH AND LOVELACE PUMP STATION, COST OF \$8,368). LOW BIDDER WAS J & R CONSTRUCTION, MASON, TENNESSEE**

Mayor Brundige presented the approval of Highway 431 Sanitary Sewer Pipeline Improvements Bid of \$282,886 (Base bid of \$274,518 plus Smith and Lovelace pump station, cost of \$8,368). Low bidder was J & R Construction, Mason, Tennessee.

Alderman Nanney made the motion to approve the Highway 431 Sanitary Sewer Pipeline Improvements Bid of \$282,886 (Base bid of \$274,518 plus Smith and Lovelace pump station, cost of \$8,368). Low bidder was J & R Construction, Mason, Tennessee, seconded by Alderman Harrison.

Roll call Vote for Resolution R2005-14:

VOTE:	FOR:	HONORABLE NANNEY HONORABLE HARRISON HONORABLE BELOTE HONORABLE TUCK HONORABLE BOYD HONORABLE EDWARDS
	AGAINST:	NONE

Mayor Brundige declared the motion approved.

**APPROVAL TO TAKE BIDS ON SEWER PROJECT ON SKYHAWK PARKWAY (TO PROPERTY LINE OF NEW SAVE-A-LOT BUILDING SITE)**

Mayor Brundige introduced the proposal to approve taking bids on a sewer project on Skyhawk Parkway (to property line of the new Save-A-Lot building site).

Alderman Edwards made the motion to approve taking bids on a sewer project on Skyhawk Parkway (to property line of the new Save-A-Lot building site), seconded by Alderman Tuck.

Mayor Brundige asked do we want an alternate bid to take this all the way to Air-Vac?

Board agreed.

VOTE: UNANIMOUS VOICE VOTE OF APPROVAL

**APPROVAL TO TAKE BIDS ON THE REWORK OF CRAWFORD DRIVE AND MT. PELIA INTERSECTION.**

Mayor Brundige presented the discussion of approval to take bids on the rework of Crawford Drive and Mt. Pelia Road intersection.

Alderman Edwards made the motion to seek bids on the rework of Crawford Drive and Mt. Pelia Road intersection, seconded by Alderwoman Boyd.

VOTE: UNANIMOUS VOICE VOTE OF APPROVAL

**CITY PICNIC AT MARTIN RECREATIONAL COMPLEX**

Mayor Brundige explained the city has planned a citywide picnic on Tuesday, June 21, 2005, 5:30 pm at the MRC. About 150 people have signed up to attend. We are planning an exciting time with plenty of food.

**THANK YOU TO MTD FOR HELP IN INSTALLATION OF GENERATOR**

The Board directed Recorder Mathis to write a thank you note to MTD for the helping install the generator at City Hall. The Mayor and all aldermen will sign this note.

**BID FOR SOCCER PAVILION**

Mayor Brundige announced the bids came in on the Soccer Pavilion at the Martin Recreational Complex and the low bid was over the projected costs. We want to do some change orders before we rebid the project. We will negotiate this out and possibly call a Special Called Meeting to handle this.

**ADJOURN**

Alderman Harrison made the motion to adjourn, seconded by Alderman Tuck.

VOTE: UNANIMOUS VOICE VOTE OF APPROVAL

ATTEST:

SIGNED:

\_\_\_\_\_  
City Recorder Chris Mathis, CPA

\_\_\_\_\_  
Mayor Randy Brundige

RB: CM/bh

Saved "June 20, 2005", Tape #260 (1 of 1)