

MARTIN BOARD OF MAYOR AND ALDERMEN

DECEMBER 12, 2011 5:15 PM CITY COURTROOM

BE IT REMEMBERED the regular meeting of the Board of Mayor and Aldermen for the City of Martin, Tennessee, was held Monday, December 12, 2011, at 5:15 pm in the City courtroom, 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 TERRY HANKINS, ALDERMAN WARD III
 HONORABLE RANDY EDWARDS, ALDERMAN WARD III

MEMBERS ABSENT: NONE

Also present: City Recorder Chris Mathis, Police Chief David Moore, Director of Parks and Recreation Brian Moore, Public Works Director Billy Wagster, Building Inspector Billy Stout, Human Resources Director Celeste Taylor, Mr. David Sudberry, Mr. Walter Harris, and members of the Media, Mr. Brent Harris, Mr. David Fisher and Ms. Sabrina Bates

CALL TO ORDER AND INVOCATION

Mayor Brundige called the December 12th regular meeting of the City of Martin Board of Mayor and Aldermen to order. Aldermen Edwards gave the invocation.

PLEDGE OF ALLEGIANCE

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

APPROVAL OF MINUTES

NOVEMBER 14, 2011

Mayor Brundige introduced and presented for consideration the minutes of the November 14th regular meeting as written and asked if there were any additions or deletions. There were none. Therefore a motion to approve was requested and follows:

Alderman Harrison made the motion to approve the minutes of the November 14th regular meeting of the City of Martin Board of Mayor and Aldermen as written, seconded by Alderman Hankins.

VOTE: UNANIMOUS VOICE VOTE OF APPROVAL

Mayor Brundige introduced and presented for consideration the minutes of the November 28th special called meeting as written and asked if there were any additions or deletions. There were none. Therefore a motion to approve was requested and follows:

Alderman Nanney made the motion to approve the minutes of the November 28th special called meeting of the City of Martin Board of Mayor and Aldermen as written, seconded by Alderman Harrison.

VOTE: UNANIMOUS VOICE VOTE OF APPROVAL

DEPARTMENT HEAD REPORTS:

FIRE DEPARTMENT

FIRE CHIEF RUSSELL SCHWAHN

Chief Schwahn was not present. The Fire Department's monthly reports were in packets. A copy is attached to the minutes.

PUBLIC WORKS

DIRECTOR BILLY WAGSTER

Director Wagster was present and presented Public Works' monthly reports and asked if there were any questions. There were none. A copy is attached to the minutes.

BUILDING DEPARTMENT

INSPECTOR BILLY STOUT

Inspector Stout was present and asked if there were any questions. There were none.

Inspector Stout commented – I would like to express appreciation for all the hard work the Public Works Department has done putting up the Christmas decorations. They look good.

POLICE DEPARTMENT

CHIEF DAVID MOORE

Chief Moore was present and presented the Police Department's monthly reports and asked if there were any questions. There were none. A copy is attached to the minutes.

Alderman Hankins asked – Could you update us concerning the increased traffic on Hawks Road?

Chief Moore explained - The traffic on Hawks Road has greatly increased due to a detour because of a bridge being reworked on Mt. Pelia Road. The officers have patrolled the area and have given several warning tickets and I believe the traffic has slowed down.

Alderman Hankins stated – Thank you, I appreciate what the department has done. How long will the bridge be out?

Mayor Brundige answered – Approximately a year.

C. E. WELDON PUBLIC LIBRARY DIRECTOR ROBERTA PEACOCK

Director Peacock was not present. The library's reports were in packets. A copy is attached to the minutes.

PARKS AND RECREATION DIRECTOR BRIAN MOORE

Director Moore was present and presented Parks and Recreation's monthly reports and asked if anyone had any questions. There were none. Copies of these reports are attached to the minutes.

Director Moore explained – December 8th -11th was the 27th annual Santa's Village with an attendance of 15,365 persons making it the biggest village yet. Food items of over \$40,000 were donated. The toys have not been sorted and counted. I would like to thank all of the city departments and volunteers for their support of the village. We could not put this on without their help. I would like to express a special thank you to Weakley County Municipal Electric System for placing the huge Christmas tree in the middle of the Ag Pavilion and MTD for their annual train display.

Director Moore further announced – Our Senior Adult Center won first place with their float in the Kiwanis Christmas parade.

HUMAN RESOURCES DIRECTOR CELESTE TAYLOR

Director Taylor was present and asked if there were any questions. There were none.

Director Taylor further explained – The Mayor and I are in the process of conducting thirteen interviews for the Community Development Director. We hope to complete these tomorrow and by the latter part of the week deliver the results to you.

ADMINISTRATION CITY RECORDER CHRIS MATHIS

Recorder Mathis was present and stated he had nothing to report at this time.

OLD BUSINESS:

INTRODUCTION, SECOND AND FINAL READING AND PUBLIC HEARING OF O2011-03: AN ORDINANCE TO AMEND THE MUNICIPAL ZONING ORDINANCE AND MAP FOR MARTIN, TENNESSEE, BY REZONING TWO TRACTS OF LAND LOCATED AT 409 AND 411 LEE STREET FROM R-2 (MEDIUM DENSITY RESIDENTIAL) TO R-3 (HIGH DENSITY RESIDENTIAL) RECOMMENDATION FROM THE PLANNING COMMISSION

Mayor Brundige introduced and presented for consideration the second and final reading of O2011-03: An ordinance to amend the Municipal Zoning Ordinance and Map for Martin, Tennessee, by rezoning two tracts of land located at 409 and 411 Lee Street from R-2 (Medium Density Residential) to R-3 (High Density Residential). This is a recommendation from the Planning Commission and the public hearing.

Recorder Mathis read Ordinance O2011-03. A copy was available to members of the news media and any interested citizens. A copy follows:

ORDINANCE O2011-03

AN ORDINANCE TO AMEND THE MUNICIPAL ZONING ORDINANCE AND MAP FOR MARTIN, TENNESSEE, BY REZONING TWO TRACTS OF LAND LOCATED AT 409 AND 411 LEE STREET FROM R-2 (MEDIUM DENSITY RESIDENTIAL) TO R-3 (HIGH DENSITY RESIDENTIAL)

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 amendments to the Martin 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 R-2 (Medium Density Residential) to R-3 (High 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 R-2 (Medium Density Residential) to R-3 (High

Density Residential) the following tracts of land located at 409 and 411 Lee Street and further described as:

Weakley County Tax Map 73M, Group B, Parcels 02202 and 02203

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

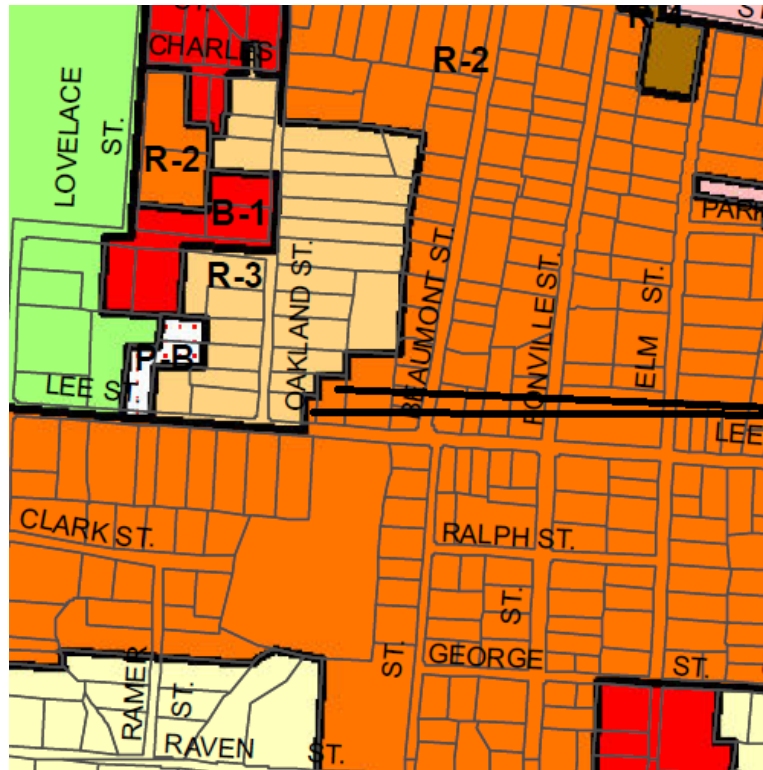
Date of Public Hearing

ATTESTED:

APPROVED:

Chris Mathis, CPA
City Recorder

Randy Brundige,
Mayor



Properties located at 409 & 411 Lee Street to be rezoned from R-2 to R-3

Public Hearing:

Mayor Brundige explained – You have heard the second and final reading of Ordinance O2011-03. I will open the public hearing for this ordinance. Is there anyone present wishing to speak for or against the ordinance?

No one spoke.

Mayor Brundige closed the public hearing.

Reconvene Regular Meeting:

Mayor Brundige explained – You have heard the second and final reading and the public hearing has been conducted for Ordinance O2011-03, is there a motion?

Alderman Harrison made the motion to approve the second and final reading Ordinance O2011-03: An ordinance to amend the Municipal Zoning Ordinance and Map For Martin, Tennessee, by rezoning two tracts of land located at 409 and 411 Lee Street from R-2 (Medium Density Residential) to R-3 (High Density Residential), seconded by Alderman Hankins.

Mayor Brundige explained – we have a motion and second for approval on the second and final reading of the ordinance, is there any discussion? There was none, therefore a roll call vote was requested and follows:

FOR:	ALDERMAN NANNEY ALDERMAN HARRISON ALDERMAN BELOTE ALDERMAN TUCK ALDERMAN HANKINS ALDERMAN EDWARDS
AGAINST:	NONE
ABSENT:	NONE

Mayor Brundige declared the ordinance approved on the second and final reading.

LARRY MERRYMAN PROPERTY LOCATED ON HAMM ROAD

Mayor Brundige presented for consideration a request from Mr. Larry Merryman to remove his property from the City of Martin. This request was tabled at the November City Board meeting. I will ask for a motion to bring this request from the table.

Mayor Brundige asked three times for a motion. No motion was received.

Mayor Brundige declared - The request dies for lack of a motion.

ANY OTHER BUSINESS:

There was none.

NEW BUSINESS:

INTRODUCTION AND PRESENTATION OF RESOLUTION R2011-15: A RESOLUTION ESTABLISHING A WRITTEN DEBT MANAGEMENT POLICY

Mayor Brundige introduced and presented for consideration Resolution R2011-15: A Resolution establishing a written debt management policy.

Recorder Mathis read Resolution R2011-15. A copy was provided for members of the press and any interested citizens. A copy follows:

RESOLUTION 2011-15

A RESOLUTION OF THE CITY OF MARTIN, TENNESSEE, ESTABLISHING A WRITTEN DEBT MANAGEMENT POLICY

WHEREAS, the City of Martin Board of Mayor and Aldermen has determined the need to adopt and implement a modern and consistent policy concerning the incurrence of municipal debt; and

WHEREAS, pursuant to Tennessee Code Annotated § 9-21-151(b)(1), the Tennessee State Funding Board has developed model financial transaction policies which Tennessee municipalities are directed to adopt and enforce.

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

1. **Purpose and goals.** The purpose of this debt policy is to establish a set of parameters by which debt obligations will be undertaken by the City of Martin, TN. This policy reinforces the commitment of the City and its officials to manage the financial affairs of the City so as to minimize risk, avoid conflicts of interest and ensure transparency while still meeting the capital needs of the City. A debt management policy signals to the public and the rating agencies that the City is using a disciplined and defined approach to financing capital needs and fulfills the requirements of the State of Tennessee regarding the adoption of a debt management policy.

The goal of this policy is to assist decision makers in planning, issuing and managing debt obligations by providing clear direction as to the steps, substance and outcomes desired. In addition, greater stability over the long-term will be generated by the use of consistent guidelines in issuing debt.

2. **Definition of debt.** All obligations of the City to repay, with or without interest, in installments and/or at a later date, some amount of money utilized for the purchase, construction, or operation of City resources. This includes but is not limited to notes, bond issues, capital leases, and loans of any type, including loans from another internal fund.

3. **Approval of Debt.** Bond anticipation notes, capital outlay notes, all borrowing from internal funds, grant anticipation notes, and tax and revenue anticipation notes will be submitted to the State of Tennessee Comptroller's Office and the City Council prior to issuance or entering into the obligation. A plan for refunding debt issues will also be submitted to the Comptroller's Office prior to issuance. Capital or equipment leases may be entered into by the City Council; however, details on the lease agreement will be forwarded to the Comptroller's Office on the specified form within 45 days.

4. **Transparency.** (a) The City shall comply with legal requirements for notice and for public meetings related to debt issuance.

(b) All notices shall be posted in the customary and required posting locations, including as required local newspapers, bulletin boards, and websites.

(c) All costs (including principal, interest, issuance, continuing, and one-time) shall be clearly presented and disclosed to the citizens, the City governing board, and other stakeholders in a timely manner.

(d) The terms and life of each debt issue shall be clearly presented and disclosed to the citizens, the City Council, and other stakeholders in a timely manner.

(e) A debt service schedule outlining the rate of retirement for the principal amount shall be clearly presented and disclosed to the citizens, the City governing board, and other stakeholders in a timely manner.

5. **Role of Debt.** (a) Long-term debt shall not be used to finance current operations. Long-term debt may be used for capital purchases or construction identified through the capital improvement, regional development, transportation, or master process or plan. Short-term debt may be used for certain projects and equipment financing as well as for operational borrowing; however, the City will minimize the use of short-term cash flow borrowings by maintaining adequate working capital and close budget management.

- (b) In accordance with Generally Accepted Accounting Principles and state law,
1. The maturity of the underlying debt will not be more than the useful life of the assets purchased or built with the debt, not to exceed 30 years; however, an exception may be made with respect to federally sponsored loans, provided such an exception is consistent with law and accepted practices.
 2. Debt issued for operating expenses must be repaid within the same fiscal year of issuance or incurrence.

6. **Types and Limits of Debt.** (a) The City will seek to limit total outstanding debt obligations such that the annual cost of all debt retirement payments, including loan service fees, does not exceed 20% of annual General Fund revenues, excluding enterprise debt, and revenue debt.

(b) The limitation on total outstanding debt must be reviewed prior to the issuance of any new debt.

(c) The City's total outstanding debt obligation will be monitored and reported to the governing board by the Finance Officer at such time as the annual budget is presented to the governing board and prior to the issuance of new debt by the City. The Finance Officer shall monitor the maturities and terms and conditions of all obligations to ensure compliance. The Finance Officer shall also report to the governing board any matter that adversely affects the credit or financial integrity of the City.

(d) The City is authorized to issue General Obligation bonds, Revenue bonds, TIFs, inter-fund and other short-term loans, anticipatory notes and other debt allowed by law. The City has determined it currently will not issue private debt (debt from a private individual).

(e) The City will seek to structure debt with level or declining debt service payments over the life of each individual bond issue or loan.

(f) As a rule, the City will not backload, use "wrap-around" techniques, balloon payments or other exotic formats to pursue the financing of projects. When refunding opportunities, natural disasters, other non-general fund revenues, or other external factors occur,

the City may utilize non-level debt methods. However, the use of such methods must be thoroughly discussed in a public meeting and the governing body must determine such use is justified and in the best interest of the City.

(g) The City may use capital leases to finance short-term projects.

(h) Bonds backed with a general obligations pledge often have lower interest rates than revenue bonds. The City may use its General Obligation pledge with revenue bond issues when the populations served by the revenue bond projects overlap or significantly are the same as the property tax base of the City. The City Council and management are committed to maintaining rates and fee structures of revenue supported debt at levels that will not require a subsidy from the City's General Fund.

7. **Use of Variable Rate Debt.** (a) The City recognizes the value of variable rate debt obligations and that cities have greatly benefitted from the use of variable rate debt in the financing of needed infrastructure and capital improvements.

(b) However, the City also recognizes there are inherent risks associated with the use of variable rate debt and will implement steps to mitigate these risks; including:

1. The City will annually include in its budget an interest rate assumption for any outstanding variable rate debt that takes market fluctuations affecting the rate of interest into consideration.
2. Prior to entering into any variable rate debt obligation that is backed by insurance and secured by a liquidity provider, the City governing board shall be informed of the potential affect on rates as well as any additional costs that might be incurred should the insurance fail.
3. Prior to entering into any variable rate debt obligation that is backed by a letter of credit provider, the City governing board shall be informed of the potential affect on rates as well as any additional costs that might be incurred should the letter of credit fail.
4. Prior to entering into any variable rate debt obligation, the City governing board will be informed of any terms, conditions, fees, or other costs associated with the prepayment of variable rate debt obligations.
5. The City shall consult with persons familiar with the arbitrage rules to determine applicability, legal responsibility, and potential consequences associated with any variable rate debt obligation.

8. **Use of derivatives.** The City chooses not to use derivative or other exotic financial structures in the management of the City's debt portfolio. Prior to any reversal of this provision:

(a) A written management report outlining the potential benefits and consequences of utilizing these structures must be submitted to the City governing board; and

(b) The City governing board must adopt a specific amendment to this policy concerning the use of derivatives or interest rate agreements that complies with the State Funding Board Guidelines.

9. **Costs of Debt.** (a) All costs associated with the initial issuance or incurrence of debt, management and repayment of debt (including interest, principal, and fees or charges) shall be disclosed prior to action by the City governing board in accordance with the notice requirements stated above.

(b) In cases of variable interest or non-specified costs, detailed explanation of the assumptions shall be provided along with the complete estimate of total costs anticipated to be incurred as part of the debt issue.

(c) Costs related to the repayment of debt, including liabilities for future years, shall be provided in context of the annual budgets from which such payments will be funded (i.e. General Obligations bonds in context of the General Fund, Revenue bonds in context of the dedicated revenue stream and related expenditures, loans and notes).

10. **Refinancing Outstanding Debt.** The City will refund debt when it is in the best financial interest of the City to do so, and the Chief Financial Officer shall have the responsibility to analyze outstanding bond issues for refunding opportunities. The decision to refinance must be explicitly approved by the governing body, and all plans for current or advance refunding of debt must be in compliance with state laws and regulations. The Chief Financial Officer will consider the following issues when analyzing possible refunding opportunities:

(a) Onerous Restrictions – Debt may be refinanced to eliminate onerous or restrictive covenants contained in existing debt documents, or to take advantage of changing financial conditions or interest rates.

(b) Restructuring for Economic Purposes – The City will refund debt when it is in the best financial interest of the City to do so. Such refunding may include restructuring to meet unanticipated revenue expectations, achieve cost savings, mitigate irregular debt service payments, or to release reserve funds. Current refunding opportunities may be considered by the Chief Financial Officer if the refunding generates positive present value savings, and the Chief Financial Officer must establish a minimum present value savings threshold for any refinancing.

(c) Term of Refunding Issues – The City will refund bonds within the term of the originally issued debt. However, the Chief Financial Officer may consider maturity extension, when necessary to achieve a desired outcome, provided such extension is legally permissible. The Chief Financial Officer may also consider shortening the term of the originally issued debt to realize greater savings. The remaining useful life of the financed facility and the concept of inter-generational equity should guide this decision.

(d) Escrow Structuring – The City shall utilize the least costly securities available in structuring refunding escrows. Under no circumstances shall an underwriter, agent or financial advisor sell escrow securities to the City from its own account.

(e) Arbitrage – The City shall consult with persons familiar with the arbitrage rules to determine applicability, legal responsibility, and potential consequences associated with any refunding.

11. **Professional services.** (a) The City shall require all professionals engaged in the process of issuing debt to clearly disclose all compensation and consideration received related to services provided in the debt issuance process by both the City and the lender or conduit issuer, if any. This includes “soft” costs or compensations in lieu of direct payments.

(b) Counsel: The City shall enter into an engagement letter agreement with each lawyer or law firm representing the City in a debt transaction; except that no engagement letter is required for any lawyer who is an employee of the City or lawyer or law firm which is under a general appointment or contract to serve as counsel to the City. The City does not need an engagement letter with counsel not representing the City, such as underwriters’ counsel.

(c) Financial Advisor: Should the City decide to retain a financial advisor, the City shall enter into a written agreement with each person or firm serving as financial advisor for debt management and transactions. Whether in a competitive sale or negotiated sale, the financial advisor shall not be permitted to bid on, privately place or underwrite an issue for which they are or have been providing advisory services for the issuance or broker any other debt transactions for the City.

(d) Underwriter: If an underwriter is retained, the City shall require the Underwriter to clearly identify itself in writing (*e.g., in a response to a request for proposals or in promotional materials provided to an issuer*) as an underwriter and not as a financial advisor from the earliest stages of its relationship with the City with respect to that issue. The Underwriter must clarify its primary role as a purchaser of securities in an arm's-length commercial transaction and that it has financial and other interests that differ from those of the Entity. The Underwriter in a publicly offered, negotiated sale shall be required to provide pricing information both as to interest rates and to takedown per maturity to the City governing board in advance of the pricing of the debt.

(e) Conflicts: Professionals involved in a debt transaction hired or compensated by the City shall be required to disclose to the City existing client and business relationships between and among the professionals to a transaction (including but not limited to financial advisor, swap advisor, bond counsel, swap counsel, trustee, paying agent, liquidity or credit enhancement provider, underwriter, counterparty, and remarketing agent), as well as conduit issuers, sponsoring organizations and program administrators. This disclosure shall include that information reasonably sufficient to allow the City to appreciate the significance of the relationships. Professionals who become involved in the debt transaction as a result of a bid submitted in a widely and publicly advertised competitive sale conducted using an industry standard, electronic bidding platform are not subject to this disclosure. No disclosure is required that would violate any rule or regulation of professional conduct.

12. **Review of Policy.** This policy shall be reviewed at least annually by the City governing board with the approval of the annual budget. Any amendments shall be considered and approved in the same process as the initial adoption of this Policy, with opportunity for public input.

13. **Compliance.** The City Finance Officer is responsible for ensuring compliance with this policy.

PASSED AND APPROVED THIS 12TH DAY OF DECEMBER, 2011 BY A ROLL CALL VOTE OF THE CITY OF MARTIN BOARD OF MAYOR AND ALDERMEN.

Mayor

ATTEST: _____
City Recorder

Mayor Brundige explained – You have heard the reading R2011-15, is there a motion?

Alderman Nanney made the motion to approve Resolution R2011-15: A resolution establishing a written debt management policy, seconded by Alderman Belote.

Mayor Brundige explained – we have a motion and second for approval, is there any discussion? There was none, therefore a roll call vote was requested and follows:

FOR:	ALDERMAN NANNEY ALDERMAN HARRISON ALDERMAN BELOTE ALDERMAN TUCK ALDERMAN HANKINS ALDERMAN EDWARDS
AGAINST:	NONE
ABSENT:	NONE

Mayor Brundige declared the resolution approved.

INTRODUCTION AND PRESENTATION OF RESOLUTION R2011-15: A RESOLUTION OF THE CITY OF MARTIN, TENNESSEE, AUTHORIZING THE ISSUANCE OF INTEREST BEARING GENERAL PUBLIC WORKS PROJECTS CAPITAL OUTLAY NOTES, SERIES 2011, IN AN AMOUNT NOT TO EXCEED \$206,000, AND PROVIDING FOR THE PAYMENT OF SAID NOTES

Mayor Brundige introduced and presented for consideration Resolution R2011-16: Resolution of the City of Martin, Tennessee, authorizing the issuance of Interest Bearing General Public Works Projects Capital Outlay Notes, Series 2011, in an amount not to exceed \$206,000, and providing for the payment of said notes.

Recorder Mathis read Resolution R2011-16. A copy was provided for members of the press and any interested citizens. A copy follows:

RESOLUTION 2011-16

RESOLUTION OF THE CITY OF MARTIN, TENNESSEE, AUTHORIZING THE ISSUANCE OF INTEREST BEARING GENERAL PUBLIC WORKS PROJECTS CAPITAL OUTLAY NOTES, SERIES 2011, IN AN AMOUNT NOT TO EXCEED \$206,000, AND PROVIDING FOR THE PAYMENT OF SAID NOTES

WHEREAS, the Board of Mayor and Aldermen (the "Board") of the City of Martin, Tennessee (the "Municipality"), has determined that it is necessary and desirable to authorize, issue, sell, and provide for the payment of its interest bearing capital outlay notes to finance

certain public works projects, consisting of the installation of a storm warning siren for the Municipality, the acquisition and installation of HVAC units for various departments of the Municipality, the acquisition of a pumper unit for the fire department of the Municipality, the construction, equipping, and improvement of parks and recreational facilities within the Municipality, the acquisition of all other property real and personal appurtenant thereto and connected with such work, and to pay all legal, fiscal, administrative, and engineering costs, incident thereto (collectively, the "Project"), and costs incident to the financing thereof;

WHEREAS, the Municipality estimates that the economic life of the storm warning siren is at least 12 years, the economic life of the HVAC units is at least 12 years, the economic life of the pumper unit is at least 12 years, and the economic life of the parks and recreational facilities is at least 15 years;

WHEREAS, the Municipality finds and determines that the Project will promote or provide a traditional governmental activity or otherwise fulfill a public purpose;

WHEREAS, in order to proceed as expeditiously as possible with such an essential Project, it is necessary that interest bearing capital outlay notes be issued for the purpose of providing funds to finance the Project; and,

WHEREAS, the Municipality is authorized by the provisions of Title 9, Chapter 21, Tennessee Code Annotated, as amended, to issue such notes for said purposes upon the approval of the Director of the Office of State and Local Finance:

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

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

Section 2. Authorization. For the purpose of providing funds to finance the costs of the Project there shall be issued pursuant to, and in accordance with, the provisions of Title 9, Chapter 21, Tennessee Code Annotated, as amended, and other applicable provisions of law, the interest bearing capital outlay notes of the Municipality, in the aggregate principal amount of not to exceed \$206,000, or such lesser amount as may be determined by the Mayor of the Municipality (the "Mayor") at the time of sale (collectively, the "Notes", individually, the "Note"). The term of the Notes shall not exceed the reasonably expected economic life of the Project which is hereby certified to exceed the term of the Notes.

Section 3. Terms of the Notes. The Notes shall be designated "General Public Works Projects Capital Outlay Notes, Series 2011". The Notes shall be issued in registered form, without coupons, in minimum denominations of \$5,000. The Notes shall be numbered from 1 upwards, shall be dated the date of issuance and delivery, shall be sold at not less than the par amount thereof, shall bear interest at a rate or rates not to exceed 4% per annum, such interest being payable at such times as agreed upon with the purchaser of such Notes, but in no event less than semiannually each year commencing six months from the dated date or such date as shall be

designated by the Mayor (the "Interest Payment Date"), and shall mature not later than the end of the twelfth fiscal year following the fiscal year in which the notes are issued. Each year the Notes are outstanding the Municipality shall retire principal on the Notes in an amount that is estimated to be at least equal to an amortization which reflects level debt service on the Notes. The Notes 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 Notes.

Interest on the Notes shall be payable by wire transfer, electronic means, or by check or other form of draft of the "Note Registrar," as such term is hereinafter defined, deposited by the Note Registrar in the United States mail, first class postage prepaid, in sealed envelopes, addressed to the owners of such Notes, as of the applicable Interest Payment Date, at their respective addresses as shown on the registration books of the Municipality maintained by the Note Registrar as of the close of business fifteen (15) calendar days preceding the next Interest Payment Date. The principal of all Notes shall be payable upon presentation and surrender of such Notes at the principal office of the Note Registrar. All payments of the principal of and interest on the Notes 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 4. Redemption. The Notes shall have such redemption provisions as may be determined at the time of the sale of the Notes by the Mayor and the purchaser of the Notes; provided, however, that no redemption premium shall be great than 1%.

Section 5. Execution. The Notes shall be executed in the name of the Municipality; shall bear the manual signature of the Mayor; shall be countersigned by the City Recorder of the Municipality (the "City Recorder") with his or her manual signature; and, shall have printed or impressed thereon the official seal of the Municipality. In the event any officer whose signature appears on the Notes shall cease to be such officer, such signature shall nevertheless be valid and sufficient for all purposes. The Notes shall be issued in typed, printed, or photocopied form, or any combination thereof, substantially in the form attached hereto as Exhibit "A", with such minor changes therein or such variations thereof as the Mayor may deem necessary or desirable, the blanks to be appropriately completed by the Mayor prior to the issuance of the Notes.

Section 6. Registration, Negotiability, and Payment. (a) The City Recorder of the Municipality is hereby appointed the note registrar and paying agent (the "Note Registrar"), and as such shall establish and maintain suitable books (the "Registration Books") for recording the registration, conversion, and payment of the Notes, and shall also perform such other duties as may be required in connection with any of the foregoing. The Note Registrar is hereby authorized to authenticate and deliver the Notes to the original purchaser thereof, or as he or she may designate, upon receipt by the Municipality of the proceeds of the sale thereof and to authenticate and deliver Notes in exchange for Notes of the same principal amount delivered for transfer upon receipt of the Notes to be transferred in proper form with proper documentation as herein described. The Notes shall not be valid for any purpose unless authenticated by the Note Registrar by the manual signature of the Note Registrar on the certificate set forth in Exhibit "A" hereto. The Notes shall be fully registered as to both principal and interest and shall be fully

negotiable upon proper endorsement by the registered owner thereof. No transfer of any Notes shall be valid unless such transfer is noted upon the Registration Books and until such Note is surrendered, cancelled, and exchanged for a new Note which shall be issued to the transferee, subject to all the conditions contained herein.

(b) The Municipality may from time to time at its discretion remove the Note Registrar and appoint a successor Note Registrar to whom all records, documents, and instruments relating to its duties as Note Registrar shall be delivered. Any successor Note Registrar shall be appointed by resolution of the Municipality, and shall be a trust company or bank having the powers of a trust company, having, at the time of such appointment, a combined capital, surplus, and undivided profits aggregating at least Ten Million Dollars (\$10,000,000), and be willing and able to accept the office of Note Registrar on reasonable and customary terms, and authorized by law to perform all duties imposed upon it by this Resolution.

(c) In the event that any amount payable on any Note 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 Note 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.

Section 7. Transfer of Notes. Each Note shall be transferable only on the registration books maintained by the Note Registrar at the principal office of the Note Registrar, upon the surrender for cancellation thereof at the principal office of the Note Registrar, together with an assignment of such Note 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 Note, the Note Registrar shall, in exchange for the surrendered Note or Notes, deliver in the name of the transferee or transferees a new Note or Notes of authorized denominations, of the same aggregate principal amount, maturity, and rate of interest as such surrendered Note or Notes, and the transferee or transferees shall take such new Note or Notes subject to all of the conditions herein contained.

Section 8. Regulations with Respect to Transfers. In all cases in which the privilege of transferring Notes is exercised, the Municipality shall execute, and the Note Registrar shall deliver, Notes in accordance with the provisions of this Resolution. For every transfer of Notes, whether temporary or definitive, the Municipality and the Note Registrar 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 transfer, all of which taxes, fees, and other governmental charges shall be paid to the Municipality by the person or entity requesting such transfer as a condition precedent to the exercise of the privilege of making such transfer. Neither the Municipality nor the Note Registrar shall be obligated to transfer any Note during the fifteen (15) calendar days next preceding the maturity date of the Notes or any call for redemption.

Section 9. Mutilated, Lost, Stolen, or Destroyed Notes. In the event any Note issued hereunder shall become mutilated, or be lost, stolen, or destroyed, such note shall, at the written request of the registered owner, be cancelled on the Registration Books and a new Note shall be authenticated and delivered, corresponding in all aspects but number to the mutilated, lost, stolen, or destroyed Note. Thereafter, should such mutilated, lost, stolen, or destroyed Note or Notes come into possession of the registered owner, such Notes shall be returned to the Note Registrar for destruction by the Note Registrar. If the principal on said mutilated, lost, stolen, or destroyed Note shall be due within fifteen (15) calendar days of receipt of the written request of the registered owner for authentication and delivery of a new Note, payment therefor shall be made as scheduled in lieu of issuing a new Note. In every case the registered owner shall certify in writing as to the destruction, theft, or loss of such Note, and shall provide indemnification satisfactory to the Municipality and to the Note Registrar, if required by the Municipality and the Note Registrar.

Any notice to the contrary notwithstanding, the Municipality and all of the officials, employees, and agents thereof, including the Note Registrar, may deem and treat the registered owners of the Notes as the absolute owners thereof for all purposes, including, but not limited to, payment of the principal thereof, and the interest thereon, regardless of whether such payment shall then be overdue.

Section 10. Authentication. Only such of the Notes as shall have endorsed thereon a certificate of authentication, substantially in the form set forth in Exhibit "A" hereto duly executed by the Note Registrar shall be entitled to the rights, benefits, and security of this Resolution. No Note shall be valid or obligatory for any purpose unless, and until, such certificate of authentication shall have been duly executed by the Note Registrar. Such executed certificate of authentication by the Note Registrar upon any such Note shall be conclusive evidence that such Note has been duly authenticated and delivered under the Resolution as of the date of authentication.

Section 11. Source of Payment and Security. The Notes, as to both principal and interest, shall be payable from funds of the Municipality legally available therefor and to the extent necessary 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 Notes shall be a direct general obligation of the Municipality, for which the punctual payment of the principal of and interest on the Notes, the full faith and credit of the Municipality is irrevocably pledged.

Section 12. Levy of Taxes. For the purpose of providing for the payment of the principal of and interest on the Notes, to the extent required, there shall be levied in each year in which such Notes 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, and for that purpose there is hereby levied a direct annual tax in such amount as may be found necessary each year to pay said principal of and interest on the Notes maturing in said year. Principal or interest 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. Such taxes levied and collected therefor shall be deposited in the general debt service fund of the Municipality (the "Note Fund"), which is hereby authorized to be created, and used solely for the payment of principal of and interest on the Notes as the same shall become due.

Section 13. Approval of Director of Office of State and Local Finance. Anything herein contained to the contrary notwithstanding, no Notes authorized under this Resolution shall be issued, sold, or delivered, unless and until such Notes shall first have been duly approved by the Director of the Office of State and Local Finance as provided by Section 9-21-601 et. seq., Tennessee Code Annotated, as amended. The Mayor, City Recorder, City Attorney, and Bond Counsel are hereby authorized to take or cause to be taken such steps as are necessary to obtain such approval. After the issuance and sale of the Notes, and for each year that any of the Notes are outstanding, the Municipality shall submit its annual budget to the Director of the Office of State and Local Finance for approval immediately upon the Municipality's adoption of the budget.

Section 14. Sale of Notes. The Notes herein authorized are authorized to be sold by the Mayor by the informal bid process at a price of not less than par and accrued interest.

Section 15. Disposition of Note Proceeds. The proceeds from the sale of the Notes shall be paid to the official of the Municipality designated by law as the custodian of the funds thereof to be deposited in a special fund known as the "General Public Works Projects Capital Outlay Notes, Series 2011 Project Fund" (the "Project Fund"), which is hereby authorized to be created, to be kept separate and apart from all other funds of the Municipality. The monies in the Project Fund shall be disbursed solely to finance the Project and to pay the costs of issuance of the Notes. Monies in the Project Fund may be invested and shall be secured in the manner prescribed by applicable statutes relative to the investment and securing of public or trust funds. Any monies remaining in the Project Fund after completion of the Project shall be transferred to the Note Fund.

Section 16. Non-Arbitrage Certification. The Municipality certifies and covenants with the owners of the Notes that so long as the principal of any Note remains unpaid, monies on deposit in any fund or account in connection with the Notes, whether or not such monies were derived from the proceeds of the sale of the Notes or from any other source, will not be used in a manner which will cause the Notes to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and any lawful regulations promulgated thereunder, as the same presently exist, or may from time to time hereafter be amended, supplemented, or revised. 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 counsel of recognized competence in such matters, result in making the interest on the Notes subject to inclusion in gross income of the owners thereof for federal income tax purposes.

The Municipality covenants that it shall comply with Section 148(f) of the Code, unless legally exempted therefrom and it represents that in the event it shall be required by Section 148(f) of the Code to pay "Rebatable Arbitrage," as defined in the regulations promulgated under 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 Notes from becoming subject to inclusion in federal gross income of the owners of the Notes for purposes of federal income taxation.

Section 17. Designation of Notes as Qualified Tax-Exempt Obligations. The Municipality hereby designates the Notes as "qualified tax-exempt obligations" within the meaning and for the purpose of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. The Municipality reasonably anticipates that the amount of tax-exempt obligations (other than obligations described in Section 265(b)(3)(C)(ii)) which will be issued during the calendar year by the Municipality (i) any issuer with respect to which the Municipality is deemed to be an "on behalf of" issuer, and (ii) all subordinate entities which are treated as one issuer under Section 265(b)(3)(E) of the Code, will not exceed \$10,000,000, and not more than \$10,000,000 of obligations issued by the Municipality (together with those issued by any other issuers that are treated as on issuer under such Section 265(b)(3)) during the 2011 calendar year will be designated as "qualified tax-exempt obligations".

Section 18. Reimbursement Provisions. The Municipality is in the process of causing certain capital expenditures to be made with respect to the Project, including, but not necessarily limited to, planning, design, and architectural expenses, and the Municipality desires to establish its official intent that certain of the expenditures related to the Project and certain other related expenditures be reimbursed from the proceeds of the Notes. Therefore, the Board of the Municipality finds and determines, as follows:

- (a) that it is in the best interest of the Municipality to proceed immediately with the Project, thereby incurring certain capital expenditures;
- (b) that the Municipality has certain funds available which may be used temporarily for this purpose, pending the issuance of the Notes;
- (c) that pursuant to the provisions of this Resolution, the Board anticipates that the Municipality will issue the Notes for the purpose of financing the Project;
- (d) that the Board reasonably expects to reimburse such amounts to such fund or source from which such expenditures may be made on a temporary basis as soon as proceeds from the issuance of such Notes are available; and,
- (e) that this declaration of official intent is consistent with the budgetary and financial circumstances of the Municipality.

The Board of the Municipality by this Resolution hereby establishes its official intent to issue the Notes to finance the costs of the Project and other related expenditures in an amount not to exceed \$206,000. Pending the issuance of such Notes, funds necessary to finance such costs

shall be advanced from such source of funds on hand and available for such purpose, and any amounts so advanced shall be reimbursed from the proceeds of the Notes.

Section 19. Resolution a Contract. The provisions of this Resolution shall constitute a contract between the Municipality and the owners of the Notes, and after the issuance of the Notes, no change, variation, or alteration of any kind in the provisions of this Resolution shall be made in any manner, until such time as all installments of the principal of and interest on the Notes shall have been paid in full or the consent of the registered owners of the Notes has been obtained; provided, however, that the Municipality is hereby authorized to make such amendments to this Resolution as will not impair the rights or security of the owners of the Notes

Section 20. No Action to be Taken Affecting Validity of the Notes. The Municipality hereby covenants and agrees that it will not take any action, that would in any manner affect the validity of the Notes or limit the rights and remedies of the owners from time to time of such Notes. The Municipality further covenants that it will not take any action that will cause the interest on the Notes to be subject to inclusion in gross income of the owners thereof for purposes of federal income taxation.

Section 21. Miscellaneous Acts. The Mayor, the City Recorder, 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, making arbitrage certifications and executing a note purchase agreement in connection with the purchase of the Notes, 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 Notes.

Section 22. Failure to Present Notes. Subject to the provisions of Section 3 hereof, in the event any Note shall not be presented for payment when the principal becomes due at maturity and in the event monies sufficient to pay such Note shall be held by the Note Registrar for the benefit of the owner thereof, all liability of the Municipality to such owner for the payment of such Note shall forthwith cease, terminate, and be completely discharged. Thereupon, the Note Registrar shall hold such monies, without liability for interest thereon, for the benefit of the owner of such Note who shall thereafter be restricted exclusively to such monies for any claim under this Resolution or on, or with respect to, said Note, subject to escheat or other similar law, and any applicable statute of limitation.

Section 23. Payments Due on Saturdays, Sundays, and Holidays. Whenever the interest on or principal of any Note is due on a Saturday or Sunday or, at the place designated for payment, a legal holiday or a day on which banking institutions are authorized by law to close, then the payment of the interest on, or the principal of, such Note 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 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 24. No Recourse Under Resolution or on Notes. 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 Notes or for any claim based thereon or under this Resolution against any officer, director, or employee of the Municipality or against any official or individual executing the Notes.

Section 25. Severability. If any section, paragraph, or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, or provision shall not affect any of the remaining provisions hereof.

Section 26. 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 effect as of the date of its adoption the welfare of the Municipality requiring it.

Approved and adopted this 12th day of December, 2011.

Mayor

Attest:

City Recorder

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 December 12, 2011; (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 of the issuance of not to exceed \$206,000 General Public Works Projects Capital Outlay Notes, Series 2011, by 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 purpose; 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 12th day of December, 2011.

City Recorder

(SEAL)

EXHIBIT A
FORM OF NOTE

Registered
No. _____

Registered
\$ _____

UNITED STATES OF AMERICA
STATE OF TENNESSEE
CITY OF MARTIN
GENERAL PUBLIC WORKS PROJECTS CAPITAL OUTLAY NOTE,
SERIES 2011

Interest Rate:

Maturity Date:

Dated Date:

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 set forth, in the manner 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 office of the City Recorder, City Hall, Martin, Tennessee, or its successor as registrar and paying agent (the "Note Registrar"), the Principal Amount identified above, and to pay interest on said Principal Amount from the date hereof, or such later date as to which interest has been paid, to the Maturity Date, semi-annually on _____ and _____ of each year, commencing _____, 2012, at the Interest Rate per annum set forth above, by check, draft, or warrant to the Registered Owner hereof at the address shown on the registration books of the Note Registrar on the fifteenth (15th) calendar day next preceding an interest payment date, 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.

In the event that any amount payable hereunder as interest shall at any time exceed the rate of interest lawfully chargeable on this note 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 interest hereon shall bear interest from and after their respective due dates (whether by acceleration, demand, or otherwise) at the same rate of interest payable on the principal hereof.

Section 9-21-117, Tennessee Code Annotated, as amended, provides that this note and the income therefrom is exempt from all state, county, and municipal taxation in the State of Tennessee, except inheritance, estate, and transfer taxes and except as otherwise provided in said Code.

This note is one of a series of notes known as "General Public Works Projects Capital Outlay Notes, Series 2011" (the "Notes"), issued by the Municipality in the aggregate principal amount of \$206,000. The Notes which are issued for the purpose of financing certain public works projects, consisting of the installation of a storm warning siren for the Municipality, the acquisition and installation of HVAC units for various departments of the Municipality, the acquisition of a pumper unit for the fire department of the Municipality, the construction, equipping, and improvement of parks and recreational facilities within the Municipality, the acquisition of all other property real and personal appurtenant thereto and connected with such work, and to pay all legal, fiscal, administrative, and engineering costs, incident thereto, and costs incident to the financing thereof, are authorized by an appropriate resolution of the Board of Mayor and Aldermen and particularly that certain Resolution of the Board of Mayor and Aldermen adopted on December 12, 2011, 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 the Resolution are on file at the office of the City Recorder of the Municipality, and reference is hereby made to the Resolution and the Act, for a more complete statement of the terms and conditions upon which the Notes are issued thereunder, the rights, duties, immunities, and obligations of the Municipality, and the rights of the Registered Owner hereof.

This note and interest hereon is payable from funds of the Municipality legally available therefor and to the extent necessary 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 note, both principal and interest, as the same shall become due, the full faith and credit of the Municipality are hereby irrevocably pledged.

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

This note is transferable by the Registered Owner hereof in person or by his, her, or its attorney or legal representative at the office of the Note Registrar, but only in the manner and subject to the limitations and conditions provided in the Resolution and upon surrender and cancellation of this note. Upon any such transfer, the Municipality shall execute, and the Note Registrar shall authenticate and deliver in exchange for this note, a new fully registered note or notes, registered in the name of the transferee, in authorized denominations, in an aggregate principal amount equal to the principal amount of this note, of the same maturity and bearing

interest at the same rate. For every transfer of notes, whether temporary or definitive, the Municipality and the Note Registrar 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 transfer, all of which taxes, fees, or other governmental charges shall be paid to the Municipality by the person or entity requesting such transfer as a condition precedent to the exercise of the privilege of making such transfer.

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

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

[Redemption provisions – to be supplied]

This note 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 note. This note 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 the issuance of, this note in order to make this note 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 note 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 BOARD OF MAYOR AND ALDERMEN OF THE CITY OF MARTIN, TENNESSEE, has caused this note to be signed by the manual or facsimile signatures of the Mayor and the City Recorder and its official seal, or a facsimile thereof, to be impressed or imprinted hereon, all as of _____, 2011.

Mayor Brundige stated – you have heard the reading of the Resolution R2011-16, do I have a motion to adopt?

Alderman Edwards made the motion to approve Resolution R2011-16: Resolution of the City Of Martin, Tennessee, authorizing the issuance of Interest Bearing General Public Works Projects Capital Outlay Notes, Series 2011, in an amount not to exceed \$206,000, and providing for the payment of said notes, seconded by Alderman Hankins.

Mayor Brundige explained – we have a motion and second for approval, is there any discussion? There was none, therefore a roll call vote was requested and follows:

FOR:	ALDERMAN NANNEY ALDERMAN HARRISON ALDERMAN BELOTE ALDERMAN TUCK ALDERMAN HANKINS ALDERMAN EDWARDS
AGAINST:	NONE
ABSENT:	NONE

Mayor Brundige declared the resolution approved.

RESOLUTION R2011-17: RESOLUTION OF THE CITY OF MARTIN, TENNESSEE, AUTHORIZING THE ISSUANCE OF INTEREST BEARING EQUIPMENT ACQUISITION AND LIBRARY CAPITAL OUTLAY NOTES, SERIES 2011, IN AN AMOUNT NOT TO EXCEED \$231,500, AND PROVIDING FOR THE PAYMENT OF SAID NOTES

Mayor Brundige introduced and presented for consideration Resolution R2011-17: Resolution of the City Of Martin, Tennessee, authorizing the issuance of Interest Bearing Equipment Acquisition and Library Capital Outlay Notes, Series 2011, in an amount not to exceed \$231,500, and providing for the payment of said notes.

Recorder Mathis read Resolution R2011-17. A copy was made available for the members of the press and any interested citizens. A copy follows:

RESOLUTION 2011-17

RESOLUTION OF THE CITY OF MARTIN, TENNESSEE, AUTHORIZING THE ISSUANCE OF INTEREST BEARING EQUIPMENT ACQUISITION AND LIBRARY CAPITAL OUTLAY NOTES, SERIES 2011, IN AN AMOUNT NOT TO EXCEED \$231,500, AND PROVIDING FOR THE PAYMENT OF SAID NOTES

WHEREAS, the Board of Mayor and Aldermen (the "Board") of the City of Martin, Tennessee (the "Municipality"), has determined that it is necessary and desirable to authorize, issue, sell, and provide for the payment of its interest bearing capital outlay notes to finance certain public works projects, consisting of the acquisition of equipment for the administration department of the Municipality the acquisition and equipping of patrol vehicles for the police department of the Municipality, the acquisition of equipment for the parks and recreation department of the Municipality, the renovation and improvement of the municipal library, and the acquisition of equipment for the street department of the Municipality, the acquisition of all

other property real and personal appurtenant thereto and connected with such work, and to pay all legal, fiscal, administrative, and engineering costs, incident thereto (collectively, the "Project"), and costs incident to the financing thereof;

WHEREAS, the Municipality estimates that the economic life of the equipment and vehicles for the administration department, the police department, the street department, and the parks and recreation department is at least 5 years, and that the economic life of the library project is at least 5 years;

WHEREAS, the Municipality finds and determines that the Project will promote or provide a traditional governmental activity or otherwise fulfill a public purpose;

WHEREAS, in order to proceed as expeditiously as possible with such an essential Project, it is necessary that interest bearing capital outlay notes be issued for the purpose of providing funds to finance the Project; and,

WHEREAS, the Municipality is authorized by the provisions of Title 9, Chapter 21, Tennessee Code Annotated, as amended, to issue such notes for said purposes upon the approval of the Director of the Office of State and Local Finance:

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

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

Section 2. Authorization. For the purpose of providing funds to finance the costs of the Project there shall be issued pursuant to, and in accordance with, the provisions of Title 9, Chapter 21, Tennessee Code Annotated, as amended, and other applicable provisions of law, the interest bearing capital outlay notes of the Municipality, in the aggregate principal amount of not to exceed \$231,500, or such lesser amount as may be determined by the Mayor of the Municipality (the "Mayor") at the time of sale (collectively, the "Notes", individually, the "Note"). The term of the Notes shall not exceed the reasonably expected economic life of the Project which is hereby certified to exceed the term of the Notes.

Section 3. Terms of the Notes. The Notes shall be designated "Equipment Acquisition and Library Capital Outlay Notes, Series 2011". The Notes shall be issued in registered form, without coupons, in minimum denominations of \$5,000. The Notes shall be numbered from 1 upwards, shall be dated the date of issuance and delivery, shall be sold at not less than the par amount thereof, shall bear interest at a rate or rates not to exceed 3% per annum, such interest being payable at such times as agreed upon with the purchaser of such Notes, but in no event less than semiannually each year commencing six months from the dated date or such date as shall be designated by the Mayor (the "Interest Payment Date"), and shall mature not later than the end of the fifth fiscal year following the fiscal year in which the notes are issued. Each year the Notes are outstanding the Municipality shall retire principal on the Notes in an amount that is estimated to be at least equal to an amortization which reflects level debt service on the

Notes. The Notes 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 Notes.

Interest on the Notes shall be payable by wire transfer, electronic means, or by check or other form of draft of the "Note Registrar," as such term is hereinafter defined, deposited by the Note Registrar in the United States mail, first class postage prepaid, in sealed envelopes, addressed to the owners of such Notes, as of the applicable Interest Payment Date, at their respective addresses as shown on the registration books of the Municipality maintained by the Note Registrar as of the close of business fifteen (15) calendar days preceding the next Interest Payment Date. The principal of all Notes shall be payable upon presentation and surrender of such Notes at the principal office of the Note Registrar. All payments of the principal of and interest on the Notes 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 4. Redemption. The Notes shall have such redemption provisions as may be determined at the time of the sale of the Notes by the Mayor and the purchaser of the Notes; provided, however, that no redemption premium shall be great than 1%.

Section 5. Execution. The Notes shall be executed in the name of the Municipality; shall bear the manual signature of the Mayor; shall be countersigned by the City Recorder of the Municipality (the "City Recorder") with his or her manual signature; and, shall have printed or impressed thereon the official seal of the Municipality. In the event any officer whose signature appears on the Notes shall cease to be such officer, such signature shall nevertheless be valid and sufficient for all purposes. The Notes shall be issued in typed, printed, or photocopied form, or any combination thereof, substantially in the form attached hereto as Exhibit "A", with such minor changes therein or such variations thereof as the Mayor may deem necessary or desirable, the blanks to be appropriately completed by the Mayor prior to the issuance of the Notes.

Section 6. Registration, Negotiability, and Payment. (a) The City Recorder of the Municipality is hereby appointed the note registrar and paying agent (the "Note Registrar"), and as such shall establish and maintain suitable books (the "Registration Books") for recording the registration, conversion, and payment of the Notes, and shall also perform such other duties as may be required in connection with any of the foregoing. The Note Registrar is hereby authorized to authenticate and deliver the Notes to the original purchaser thereof, or as he or she may designate, upon receipt by the Municipality of the proceeds of the sale thereof and to authenticate and deliver Notes in exchange for Notes of the same principal amount delivered for transfer upon receipt of the Notes to be transferred in proper form with proper documentation as herein described. The Notes shall not be valid for any purpose unless authenticated by the Note Registrar by the manual signature of the Note Registrar on the certificate set forth in Exhibit "A" hereto. The Notes shall be fully registered as to both principal and interest and shall be fully negotiable upon proper endorsement by the registered owner thereof. No transfer of any Notes shall be valid unless such transfer is noted upon the Registration Books and until such Note is surrendered, cancelled, and exchanged for a new Note which shall be issued to the transferee, subject to all the conditions contained herein.

(b) The Municipality may from time to time at its discretion remove the Note Registrar and appoint a successor Note Registrar to whom all records, documents, and instruments relating to its duties as Note Registrar shall be delivered. Any successor Note Registrar shall be appointed by resolution of the Municipality, and shall be a trust company or bank having the powers of a trust company, having, at the time of such appointment, a combined capital, surplus, and undivided profits aggregating at least Ten Million Dollars (\$10,000,000), and be willing and able to accept the office of Note Registrar on reasonable and customary terms, and authorized by law to perform all duties imposed upon it by this Resolution.

(c) In the event that any amount payable on any Note 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 Note 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.

Section 7. Transfer of Notes. Each Note shall be transferable only on the registration books maintained by the Note Registrar at the principal office of the Note Registrar, upon the surrender for cancellation thereof at the principal office of the Note Registrar, together with an assignment of such Note 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 Note, the Note Registrar shall, in exchange for the surrendered Note or Notes, deliver in the name of the transferee or transferees a new Note or Notes of authorized denominations, of the same aggregate principal amount, maturity, and rate of interest as such surrendered Note or Notes, and the transferee or transferees shall take such new Note or Notes subject to all of the conditions herein contained.

Section 8. Regulations with Respect to Transfers. In all cases in which the privilege of transferring Notes is exercised, the Municipality shall execute, and the Note Registrar shall deliver, Notes in accordance with the provisions of this Resolution. For every transfer of Notes, whether temporary or definitive, the Municipality and the Note Registrar 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 transfer, all of which taxes, fees, and other governmental charges shall be paid to the Municipality by the person or entity requesting such transfer as a condition precedent to the exercise of the privilege of making such transfer. Neither the Municipality nor the Note Registrar shall be obligated to transfer any Note during the fifteen (15) calendar days next preceding the maturity date of the Notes or any call for redemption.

Section 9. Mutilated, Lost, Stolen, or Destroyed Notes. In the event any Note issued hereunder shall become mutilated, or be lost, stolen, or destroyed, such note shall, at the written request of the registered owner, be cancelled on the Registration Books and a new Note shall be authenticated and delivered, corresponding in all aspects but number to the mutilated, lost, stolen, or destroyed Note. Thereafter, should such mutilated, lost, stolen, or destroyed Note or Notes come into possession of the registered owner, such Notes shall be returned to the Note

Registrar for destruction by the Note Registrar. If the principal on said mutilated, lost, stolen, or destroyed Note shall be due within fifteen (15) calendar days of receipt of the written request of the registered owner for authentication and delivery of a new Note, payment therefor shall be made as scheduled in lieu of issuing a new Note. In every case the registered owner shall certify in writing as to the destruction, theft, or loss of such Note, and shall provide indemnification satisfactory to the Municipality and to the Note Registrar, if required by the Municipality and the Note Registrar.

Any notice to the contrary notwithstanding, the Municipality and all of the officials, employees, and agents thereof, including the Note Registrar, may deem and treat the registered owners of the Notes as the absolute owners thereof for all purposes, including, but not limited to, payment of the principal thereof, and the interest thereon, regardless of whether such payment shall then be overdue.

Section 10. Authentication. Only such of the Notes as shall have endorsed thereon a certificate of authentication, substantially in the form set forth in Exhibit "A" hereto duly executed by the Note Registrar shall be entitled to the rights, benefits, and security of this Resolution. No Note shall be valid or obligatory for any purpose unless, and until, such certificate of authentication shall have been duly executed by the Note Registrar. Such executed certificate of authentication by the Note Registrar upon any such Note shall be conclusive evidence that such Note has been duly authenticated and delivered under the Resolution as of the date of authentication.

Section 11. Source of Payment and Security. The Notes, as to both principal and interest, shall be payable from funds of the Municipality legally available therefor and to the extent necessary 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 Notes shall be a direct general obligation of the Municipality, for which the punctual payment of the principal of and interest on the Notes, the full faith and credit of the Municipality is irrevocably pledged.

Section 12. Levy of Taxes. For the purpose of providing for the payment of the principal of and interest on the Notes, to the extent required, there shall be levied in each year in which such Notes 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, and for that purpose there is hereby levied a direct annual tax in such amount as may be found necessary each year to pay said principal of and interest on the Notes maturing in said year. Principal or interest 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. Such taxes levied and collected therefor shall be deposited in the general debt service fund of the Municipality (the "Note Fund"), which is hereby authorized to be created, and used solely for the payment of principal of and interest on the Notes as the same shall become due.

Section 13. Approval of Director of Office of State and Local Finance. Anything herein contained to the contrary notwithstanding, no Notes authorized under this Resolution shall be issued, sold, or delivered, unless and until such Notes shall first have been duly approved by the Director of the Office of State and Local Finance as provided by Section 9-21-601 et. seq., Tennessee Code Annotated, as amended. The Mayor, City Recorder, City Attorney, and Bond Counsel are hereby authorized to take or cause to be taken such steps as are necessary to obtain such approval. After the issuance and sale of the Notes, and for each year that any of the Notes are outstanding, the Municipality shall submit its annual budget to the Director of the Office of State and Local Finance for approval immediately upon the Municipality's adoption of the budget.

Section 14. Sale of Notes. The Notes herein authorized are authorized to be sold by the Mayor by the informal bid process at a price of not less than par and accrued interest.

Section 15. Disposition of Note Proceeds. The proceeds from the sale of the Notes shall be paid to the official of the Municipality designated by law as the custodian of the funds thereof to be deposited in a special fund known as the "Equipment Acquisition and Library Capital Outlay Notes, Series 2011 Project Fund" (the "Project Fund"), which is hereby authorized to be created, to be kept separate and apart from all other funds of the Municipality. The monies in the Project Fund shall be disbursed solely to finance the Project and to pay the costs of issuance of the Notes. Monies in the Project Fund may be invested and shall be secured in the manner prescribed by applicable statutes relative to the investment and securing of public or trust funds. Any monies remaining in the Project Fund after completion of the Project shall be transferred to the Note Fund.

Section 16. Non-Arbitrage Certification. The Municipality certifies and covenants with the owners of the Notes that so long as the principal of any Note remains unpaid, monies on deposit in any fund or account in connection with the Notes, whether or not such monies were derived from the proceeds of the sale of the Notes or from any other source, will not be used in a manner which will cause the Notes to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and any lawful regulations promulgated thereunder, as the same presently exist, or may from time to time hereafter be amended, supplemented, or revised. 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 counsel of recognized competence in such matters, result in making the interest on the Notes subject to inclusion in gross income of the owners thereof for federal income tax purposes.

The Municipality covenants that it shall comply with Section 148(f) of the Code, unless legally exempted therefrom and it represents that in the event it shall be required by Section 148(f) of the Code to pay "Rebatable Arbitrage," as defined in the regulations promulgated under 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 Notes from becoming subject to inclusion in federal gross income of the owners of the Notes for purposes of federal income taxation.

Section 17. Designation of Notes as Qualified Tax-Exempt Obligations. The Municipality hereby designates the Notes as "qualified tax-exempt obligations" within the meaning and for the purpose of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. The Municipality reasonably anticipates that the amount of tax-exempt obligations (other than obligations described in Section 265(b)(3)(C)(ii)) which will be issued during the calendar year by the Municipality (i) any issuer with respect to which the Municipality is deemed to be an "on behalf of" issuer, and (ii) all subordinate entities which are treated as one issuer under Section 265(b)(3)(E) of the Code, will not exceed \$10,000,000, and not more than \$10,000,000 of obligations issued by the Municipality (together with those issued by any other issuers that are treated as on issuer under such Section 265(b)(3)) during the 2011 calendar year will be designated as "qualified tax-exempt obligations".

Section 18. Reimbursement Provisions. The Municipality is in the process of causing certain capital expenditures to be made with respect to the Project, including, but not necessarily limited to, planning, design, and architectural expenses, and the Municipality desires to establish its official intent that certain of the expenditures related to the Project and certain other related expenditures be reimbursed from the proceeds of the Notes. Therefore, the Board of the Municipality finds and determines, as follows:

- (a) that it is in the best interest of the Municipality to proceed immediately with the Project, thereby incurring certain capital expenditures;
- (b) that the Municipality has certain funds available which may be used temporarily for this purpose, pending the issuance of the Notes;
- (c) that pursuant to the provisions of this Resolution, the Board anticipates that the Municipality will issue the Notes for the purpose of financing the Project;
- (d) that the Board reasonably expects to reimburse such amounts to such fund or source from which such expenditures may be made on a temporary basis as soon as proceeds from the issuance of such Notes are available; and,
- (e) that this declaration of official intent is consistent with the budgetary and financial circumstances of the Municipality.

The Board of the Municipality by this Resolution hereby establishes its official intent to issue the Notes to finance the costs of the Project and other related expenditures in an amount not to exceed \$231,500. Pending the issuance of such Notes, funds necessary to finance such costs shall be advanced from such source of funds on hand and available for such purpose, and any amounts so advanced shall be reimbursed from the proceeds of the Notes.

Section 19. Resolution a Contract. The provisions of this Resolution shall constitute a contract between the Municipality and the owners of the Notes, and after the issuance of the

Notes, no change, variation, or alteration of any kind in the provisions of this Resolution shall be made in any manner, until such time as all installments of the principal of and interest on the Notes shall have been paid in full or the consent of the registered owners of the Notes has been obtained; provided, however, that the Municipality is hereby authorized to make such amendments to this Resolution as will not impair the rights or security of the owners of the Notes

Section 20. No Action to be Taken Affecting Validity of the Notes. The Municipality hereby covenants and agrees that it will not take any action, that would in any manner affect the validity of the Notes or limit the rights and remedies of the owners from time to time of such Notes. The Municipality further covenants that it will not take any action that will cause the interest on the Notes to be subject to inclusion in gross income of the owners thereof for purposes of federal income taxation.

Section 21. Miscellaneous Acts. The Mayor, the City Recorder, 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, making arbitrage certifications and executing a note purchase agreement in connection with the purchase of the Notes, 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 Notes.

Section 22. Failure to Present Notes. Subject to the provisions of Section 3 hereof, in the event any Note shall not be presented for payment when the principal becomes due at maturity and in the event monies sufficient to pay such Note shall be held by the Note Registrar for the benefit of the owner thereof, all liability of the Municipality to such owner for the payment of such Note shall forthwith cease, terminate, and be completely discharged. Thereupon, the Note Registrar shall hold such monies, without liability for interest thereon, for the benefit of the owner of such Note who shall thereafter be restricted exclusively to such monies for any claim under this Resolution or on, or with respect to, said Note, subject to escheat or other similar law, and any applicable statute of limitation.

Section 23. Payments Due on Saturdays, Sundays, and Holidays. Whenever the interest on or principal of any Note is due on a Saturday or Sunday or, at the place designated for payment, a legal holiday or a day on which banking institutions are authorized by law to close, then the payment of the interest on, or the principal of, such Note 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 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 24. No Recourse Under Resolution or on Notes. 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 Notes or for any claim

based thereon or under this Resolution against any officer, director, or employee of the Municipality or against any official or individual executing the Notes.

Section 25. Severability. If any section, paragraph, or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, or provision shall not affect any of the remaining provisions hereof.

Section 26. 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 effect as of the date of its adoption the welfare of the Municipality requiring it.

Approved and adopted this 12th day of December, 2011.

Mayor

Attest:

City Recorder

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 December 12, 2011; (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 of the issuance of not to exceed \$231,500 Equipment Acquisition and Library Capital Outlay Notes, Series 2011, by 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 purpose; 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 12th day of December, 2011.

City Recorder

(SEAL)

EXHIBIT A
FORM OF NOTE

Registered
No. _____

Registered
\$ _____

UNITED STATES OF AMERICA
STATE OF TENNESSEE
CITY OF MARTIN
EQUIPMENT ACQUISITION AND LIBRARY CAPITAL OUTLAY NOTE,
SERIES 2011

Interest Rate:

Maturity Date:

Dated Date:

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 set forth, in the manner 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 office of the City Recorder, City Hall, Martin, Tennessee, or its successor as registrar and paying agent (the "Note Registrar"), the Principal Amount identified above, and to pay interest on said Principal Amount from the date hereof, or such later date as to which interest has been paid, to the Maturity Date, semi-annually on _____ and _____ of each year, commencing _____, 2012, at the Interest Rate per annum set forth above, by check, draft, or warrant to the Registered Owner hereof at the address shown on the registration books of the Note Registrar on the fifteenth (15th) calendar day next preceding an interest payment date, 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.

In the event that any amount payable hereunder as interest shall at any time exceed the rate of interest lawfully chargeable on this note 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 interest hereon shall bear interest from and after their respective due dates (whether by acceleration, demand, or otherwise) at the same rate of interest payable on the principal hereof.

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Section 9-21-117, Tennessee Code Annotated, as amended, provides that this note and the income therefrom is exempt from all state, county, and municipal taxation in the State of Tennessee, except inheritance, estate, and transfer taxes and except as otherwise provided in said Code.

This note is one of a series of notes known as "Equipment Acquisition and Library Capital Outlay Notes, Series 2011" (the "Notes"), issued by the Municipality in the aggregate principal amount of \$231,500. The Notes which are issued for the purpose of financing certain public works projects, consisting of the acquisition of equipment for the administration department of the Municipality the acquisition and equipping of patrol vehicles for the police department of the Municipality, the acquisition of equipment for the parks and recreation department of the Municipality, the renovation and improvement of the municipal library, and the acquisition of equipment for the street department of the Municipality, the acquisition of all other property real and personal appurtenant thereto and connected with such work, and to pay all legal, fiscal, administrative, and engineering costs, incident thereto, and costs incident to the financing thereof, are authorized by an appropriate resolution of the Board of Mayor and Aldermen and particularly that certain Resolution of the Board of Mayor and Aldermen adopted on December 12, 2011, 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 the Resolution are on file at the office of the City Recorder of the Municipality, and reference is hereby made to the Resolution and the Act, for a more complete statement of the terms and conditions upon which the Notes are issued thereunder, the rights, duties, immunities, and obligations of the Municipality, and the rights of the Registered Owner hereof.

This note and interest hereon is payable from funds of the Municipality legally available therefor and to the extent necessary 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 note, both principal and interest, as the same shall become due, the full faith and credit of the Municipality are hereby irrevocably pledged.

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

This note is transferable by the Registered Owner hereof in person or by his, her, or its attorney or legal representative at the office of the Note Registrar, but only in the manner and subject to the limitations and conditions provided in the Resolution and upon surrender and cancellation of this note. Upon any such transfer, the Municipality shall execute, and the Note Registrar shall authenticate and deliver in exchange for this note, a new fully registered note or notes, registered in the name of the transferee, in authorized denominations, in an aggregate principal amount equal to the principal amount of this note, of the same maturity and bearing interest at the same rate. For every transfer of notes, whether temporary or definitive, the Municipality and the Note Registrar 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 transfer, all of which taxes, fees, or other governmental charges shall be

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paid to the Municipality by the person or entity requesting such transfer as a condition precedent to the exercise of the privilege of making such transfer.

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

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

[Redemption provisions – to be supplied]

This note 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 note. This note 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 the issuance of, this note in order to make this note 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 note 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 BOARD OF MAYOR AND ALDERMEN OF THE CITY OF MARTIN, TENNESSEE, has caused this note to be signed by the manual or facsimile signatures of the Mayor and the City Recorder and its official seal, or a facsimile thereof, to be impressed or imprinted hereon, all as of _____, 2011.

Mayor Brundige stated – you have heard the reading of Resolution R2011-17, do I have a motion to adopt?

Alderman Nanney made the motion to approve Resolution R2011-17: Resolution of the City Of Martin, Tennessee, authorizing the issuance of Interest Bearing Equipment Acquisition and Library Capital Outlay Notes, Series 2011, in an amount not to exceed \$231,500, and providing for the payment of said notes, seconded by Alderman Harrison.

Mayor Brundige explained – we have a motion and second for approval, is there any discussion? There was none, therefore a roll call vote was requested and follows:

FOR:	ALDERMAN NANNEY ALDERMAN HARRISON ALDERMAN BELOTE ALDERMAN TUCK ALDERMAN HANKINS ALDERMAN EDWARDS
AGAINST:	NONE
ABSENT:	NONE

Mayor Brundige declared the resolution approved.

DISCUSSION OF A RENEWABLE ENERGY PROPOSAL FROM CSA ENERGY, INC

Mayor Brundige introduced and presented the discussion of a renewable energy proposal from CSA Energy, Inc. We do not have a written proposal to present at this time therefore I would like to schedule a special called meeting later on in the month to review and consider the proposal.

REQUEST FOR REPAIRS TO THE FORMER MARTIN MIDDLE SCHOOL BUILDING ROOF AT A COST OF \$8,350.00 TO BE PAID FROM BOARD APPROVED PROJECTS

Mayor Brundige introduced and presented for consideration a request to make repairs to the former Martin Middle School building roof at a cost of \$8,350.00 to be paid from Board Approved Projects and asked for a motion to approve.

Alderman Belote made the motion to approve a request to make repairs to the former Martin Middle School building roof at a cost of \$8,350.00 to be paid from Board Approved Projects, seconded by Alderman Nanney.

Mayor Brundige explained – we have a motion and second for approval, is there any discussion?

Alderman Edwards asked - what area would this cover?

Mayor Brundige stated – it will patch areas over the entire roof. We want to keep the rain out until we can apply for a USDA grant for a new roof.

Alderman Edwards asked – Will Martin Housing Authority be able to reimburse the city for this?

Mayor Brundige answered – Some, but not all of it.

Alderman Edwards asked – After this is paid, how much is left in the Board Approved Projects fund.

Mayor Brundige answered – Approximately twenty thousand dollars. Is there any additional discussion? There was none, therefore a roll call vote was requested and follows:

FOR:	ALDERMAN NANNEY ALDERMAN HARRISON ALDERMAN BELOTE ALDERMAN TUCK ALDERMAN HANKINS ALDERMAN EDWARDS
AGAINST:	NONE
ABSENT:	NONE

Mayor Brundige declared the motion approved.

CONSIDER BIDS ON SEWER REHAB PROJECT PHASE III

Mayor Brundige introduced and presented for consideration the bids for Sewer Rehab Project Phase III and explained TLM Architects and Engineers sent nine contractors the plans however only one bid was received on December 09, 2011. The bid follows:

Contractor	Base Bid	Alternate #1	Alternate #2	Alternate #3
Portland Utilities Construction Company, LLC	\$253,950.00	\$119,587.50	\$ 47,640.00	\$ 63,375.00

Based upon the Base Bid, Alternates #1, #2, and #3 and information received, it is TML Architects and Engineers' recommendation that the bid contract for this project be awarded to Portland Utilities Construction Company, LLC; 117 Demase Street; Portland, Tennessee 37148 in the amount of \$484,552.50.

Mayor Brundige further explained – We probably will only be able to finish two alternates but we want to accept the whole bid. Director Wagster will meet with the engineers and select the worse spots and begin rehab there. Do I have a motion to accept this bid?

Alderman Edwards made the motion to award the bid contract for Sewer Rehab Project Phase III to Portland Utilities Construction Company, LLC; 117 Demase Street; Portland, Tennessee 37148 in the amount of \$484,552.50, seconded by Alderman Hankins.

Mayor Brundige explained – The city has a grant for this rehab which will pay 88% with the City paying 12%.

Director Wagster stated – This project has to be completed forty-five days from the time we start. We plan to stop at the point when the money runs out and apply for an additional grant to finish the work.

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Mayor Brundige asked – Is there any further discussion? There was none, therefore a roll call vote was requested and follows:

FOR:	ALDERMAN NANNEY ALDERMAN HARRISON ALDERMAN BELOTE ALDERMAN TUCK ALDERMAN HANKINS ALDERMAN EDWARDS
AGAINST:	NONE
ABSENT:	NONE

Mayor Brundige declared the motion approved.

APPOINT 2012 CITY OF MARTIN COMMITTEES

Mayor Brundige introduced and presented for consideration the 2012 City of Martin Committees. Mayor Brundige explained this recommendation will have a couple of updates because a member of the Martin Board of Zoning Appeals resigned today and I still have openings on a couple of the committees. A list is attached to the minutes.

Mayor Brundige asked for a motion to approve the recommended 2012 committees.

Alderman Hankins made the motion to approve the recommended 2012 City of Martin Committees, seconded by Alderman Belote.

Mayor Brundige asked – Is there any discussion? There was none, therefore a voice vote was requested as follows:

VOTE: UNANIMOUS VOICE VOTE OF APPROVAL

DATE FOR JANUARY 2012 CITY BOARD MEETING

Mayor Brundige announced – The Informal City Board meeting will be Tuesday, January 03, 2012. Regular City Board meeting will be Monday, January 09, 2012 at 5:15 pm in the City's courtroom.

ADJOURN

Alderman Nanney made the motion to adjourn, seconded by Alderman Hankins.

VOTE: UNANIMOUS VOICE VOTE OF APPROVAL

ATTEST:

SIGNED:

Chris Mathis, CPA
City Recorder

Randy Brundige,
Mayor

RB: CM/bh