

December 6, 2011

A special called meeting of the City Council of the City of Martinsville, Virginia was held on December 6, 2011, in Council Chambers, Municipal Building at 12:00 noon. Council Members present included: Mayor Kim Adkins, Vice Mayor Kimble Reynolds, Jr., Gene Teague, Mark Stroud, Sr., and Danny Turner. City staff present included: City Manager Clarence Monday, Leon Towarnicki, Eric Monday, and Brenda Prillaman. Mayor Adkins called the meeting to order.

On a motion by Danny Turner, seconded by Mark Stroud, with the following recorded 3-2 vote: Adkins, aye; Reynolds, nay; Teague, nay; Stroud, aye; and Turner, aye, Council approved the following Supplemental Ordinance, on second reading, regarding school bonds for renovations at Martinsville High School:

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| <p>CITY OF MARTINSVILLE, VIRGINIA</p> <p>A SUPPLEMENTAL ORDINANCE AUTHORIZING THE ISSUANCE OF A \$9,300,000 GENERAL OBLIGATION SCHOOL BOND, SERIES 2011, OF THE CITY OF MARTINSVILLE, VIRGINIA, TO BE SOLD TO THE VIRGINIA PUBLIC SCHOOL AUTHORITY</p> <p>Adopted on December 6, 2011 (second reading)</p> |
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Be it ordained by the City Council of the City of Martinsville, Virginia:

Section 1- Findings and Determinations

The City Council (the "City Council") of the City of Martinsville, Virginia (the "City") on October 11, 2011 adopted an Ordinance entitled "Ordinance Authorizing the Issuance of a Not to Exceed \$9,300,000 General Obligation School Bond, Series 2011, of the City of Martinsville, Virginia to be Sold to the Virginia Public School Authority and Providing for the Form and Details Thereof" (the "Authorizing Ordinance"). All words and terms defined in Authorizing Ordinance have the same meaning in this Supplemental Ordinance, except as otherwise defined herein.

Section 2- Authorization, Form and Details of the Bond

The issuance of such General Obligation School Bond, Series 2011 (the "Bond") in accordance with Virginia Public School Authority requirements and with payment terms as set forth in **Exhibit A** attached hereto, including the term thereof, interest rates, and dates and amounts of principal and interest payments due as described therein is approved. All other provisions of the Bond shall be set as set forth in the Authorizing Ordinance.

Section 3- Affirmation of Authorizing Ordinance

The Authorizing Ordinance is hereby ratified and confirmed and remains in full force and effect, except as such Authorizing Ordinance is amended and supplemented hereby. All acts of the officers, employees, agents and representatives of the City in conformity with the purposes and intent of the Authorizing Ordinance and in furtherance of the issuance and sale of the Bond are hereby approved and ratified.

Section 4- Effectiveness and filing of Supplemental Ordinance

This Ordinance shall take effect immediately as provided for in the Act (as defined in the Authorizing Ordinance) and Section 3 of Chapter 3 of the City Charter. A certified copy of this Supplemental Ordinance shall be filed by the Clerk with the Clerk of the Circuit Court of the City of Martinsville, Virginia.

The Members of the Council voted as follows:

Ayes

Kim Adkins
Mark Stroud
Danny Turner

Navs

Gene Teague
Kimble Reynolds

Absent

Abstentions

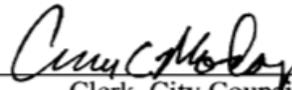
December 6, 2011

Adopted this 6th day of December, 2011

CERTIFICATE

The undersigned Clerk of the City Council of the City of Martinsville, Virginia hereby certifies that the foregoing constitutes a true and correct extract from the minutes of a meeting of the Council held on December 6, 2011, and of the whole thereof so far as applicable to the matters referred to in such extract. The undersigned further certifies that such meeting was a regularly called meeting and that, during the consideration of the foregoing Supplemental Ordinance, a quorum was present.

Dated this 6th day of December, 2011

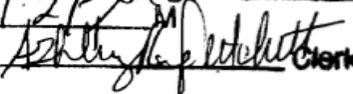


Clerk, City Council
City of Martinsville, Virginia

VIRGINIA
City of Martinsville Circuit Court
Clerk's Office

Received and Filed this the

6th Day of December 2011

Teste:  Clerk

December 6, 2011

EXHIBIT A

DEBT SERVICE

Virginia Public School Authority
Martinsville City
(Direct Payment Qualified School Construction Bonds)
Series 2011-2
Final Sizing 12-1-11 - Local Amortizations

True interest cost - annual
rate of interest - 4.25%

| Date | Principal | Interest | Total Debt Service | Federal Tax Credit | Net Debt Service | Annual Net D/S |
|------------|---------------------|---------------------|----------------------|-----------------------|---------------------|---------------------|
| 06/01/2012 | | 182,254.17 | 182,254.17 | (182,254.17) | | |
| 12/01/2012 | 42,571.04 | 197,625.00 | 240,196.04 | (197,625.00) | 42,571.04 | |
| 06/01/2013 | | 197,625.00 | 197,625.00 | (197,625.00) | | 42,571.04 |
| 06/30/2013 | | | | | | |
| 12/01/2013 | 64,312.04 | 197,625.00 | 261,937.04 | (197,625.00) | 64,312.04 | |
| 06/01/2014 | | 197,625.00 | 197,625.00 | (197,625.00) | | 64,312.04 |
| 06/30/2014 | | | | | | |
| 12/01/2014 | 86,369.04 | 197,625.00 | 283,994.04 | (197,625.00) | 86,369.04 | |
| 06/01/2015 | | 197,625.00 | 197,625.00 | (197,625.00) | | 86,369.04 |
| 06/30/2015 | | | | | | |
| 12/01/2015 | 108,734.04 | 197,625.00 | 306,359.04 | (197,625.00) | 108,734.04 | |
| 06/01/2016 | | 197,625.00 | 197,625.00 | (197,625.00) | | 108,734.04 |
| 06/30/2016 | | | | | | |
| 12/01/2016 | 128,943.04 | 197,625.00 | 326,568.04 | (197,625.00) | 128,943.04 | |
| 06/01/2017 | | 197,625.00 | 197,625.00 | (197,625.00) | | 128,943.04 |
| 06/30/2017 | | | | | | |
| 12/01/2017 | 399,676.04 | 197,625.00 | 597,301.04 | (197,625.00) | 399,676.04 | |
| 06/01/2018 | | 197,625.00 | 197,625.00 | (197,625.00) | | 399,676.04 |
| 06/30/2018 | | | | | | |
| 12/01/2018 | 415,636.04 | 197,625.00 | 613,261.04 | (197,625.00) | 415,636.04 | |
| 06/01/2019 | | 197,625.00 | 197,625.00 | (197,625.00) | | 415,636.04 |
| 06/30/2019 | | | | | | |
| 12/01/2019 | 429,467.04 | 197,625.00 | 627,092.04 | (197,625.00) | 429,467.04 | |
| 06/01/2020 | | 197,625.00 | 197,625.00 | (197,625.00) | | 429,467.04 |
| 06/30/2020 | | | | | | |
| 12/01/2020 | 599,872.04 | 197,625.00 | 797,497.04 | (197,625.00) | 599,872.04 | |
| 06/01/2021 | | 197,625.00 | 197,625.00 | (197,625.00) | | 599,872.04 |
| 06/30/2021 | | | | | | |
| 12/01/2021 | 988,622.04 | 197,625.00 | 1,186,247.04 | (197,625.00) | 988,622.04 | |
| 06/01/2022 | | 197,625.00 | 197,625.00 | (197,625.00) | | 988,622.04 |
| 06/30/2022 | | | | | | |
| 12/01/2022 | 670,644.18 | 197,625.00 | 868,269.18 | (197,625.00) | 670,644.18 | |
| 06/01/2023 | | 197,625.00 | 197,625.00 | (197,625.00) | | 670,644.18 |
| 06/30/2023 | | | | | | |
| 12/01/2023 | 670,644.18 | 197,625.00 | 868,269.18 | (197,625.00) | 670,644.18 | |
| 06/01/2024 | | 197,625.00 | 197,625.00 | (197,625.00) | | 670,644.18 |
| 06/30/2024 | | | | | | |
| 12/01/2024 | 670,644.18 | 197,625.00 | 868,269.18 | (197,625.00) | 670,644.18 | |
| 06/01/2025 | | 197,625.00 | 197,625.00 | (197,625.00) | | 670,644.18 |
| 06/30/2025 | | | | | | |
| 12/01/2025 | 670,644.18 | 197,625.00 | 868,269.18 | (197,625.00) | 670,644.18 | |
| 06/01/2026 | | 197,625.00 | 197,625.00 | (197,625.00) | | 670,644.18 |
| 06/30/2026 | | | | | | |
| 12/01/2026 | 670,644.18 | 197,625.00 | 868,269.18 | (197,625.00) | 670,644.18 | |
| 06/01/2027 | | 197,625.00 | 197,625.00 | (197,625.00) | | 670,644.18 |
| 06/30/2027 | | | | | | |
| 12/01/2027 | 670,644.18 | 197,625.00 | 868,269.18 | (197,625.00) | 670,644.18 | |
| 06/01/2028 | | 197,625.00 | 197,625.00 | (197,625.00) | | 670,644.18 |
| 06/30/2028 | | | | | | |
| 12/01/2028 | 670,644.18 | 197,625.00 | 868,269.18 | (197,625.00) | 670,644.18 | |
| 06/01/2029 | | 197,625.00 | 197,625.00 | (197,625.00) | | 670,644.18 |
| 06/30/2029 | | | | | | |
| 12/01/2029 | 670,644.17 | 197,625.00 | 868,269.17 | (197,625.00) | 670,644.17 | |
| 06/01/2030 | | 197,625.00 | 197,625.00 | (197,625.00) | | 670,644.17 |
| 06/30/2030 | | | | | | |
| 12/01/2030 | 670,644.17 | 197,625.00 | 868,269.17 | (197,625.00) | 670,644.17 | |
| 06/30/2031 | | | | | | 670,644.17 |
| | 9,300,000.00 | 7,494,379.17 | 16,794,379.17 | (7,494,379.17) | 9,300,000.00 | 9,300,000.00 |

Interest to be paid is before receipt of Qualified School Construction Bond subsidy payments.

There being no further business, the meeting adjourned at 12:03 PM.

Clarence Monday, Clerk of Council

Kim Adkins, Mayor