



**CLARKSVILLE CITY COUNCIL  
REGULAR SESSION  
JUNE 6, 2013, 7:00 P.M.**

**COUNCIL CHAMBERS  
106 PUBLIC SQUARE  
CLARKSVILLE, TENNESSEE**

**AGENDA**

**PUBLIC COMMENTS**

- 6:55 Friends of Blueways/Naomi Conner

- 1) CALL TO ORDER
- 2) PRAYER AND PLEDGE OF ALLEGIANCE
- 3) ATTENDANCE
- 4) SPECIAL RECOGNITIONS
- 5) PLANNING COMMISSION

**ZONING: PUBLIC HEARING**

1. **ORDINANCE 95-2012-13** (First Reading) Amending the Zoning Ordinance and Map of the City of Clarksville, application of Seay/Wilson Properties, Wade Hadley-Agent, for zone change on property at the intersection of 101<sup>st</sup> Airborne Division Parkway & Trenton Road from R-1 Single Family Residential District to C-5 Highway & Arterial Commercial District (*RPC: Approval/Approval*)
2. **ORDINANCE 96-2012-13** (First Reading) Amending the Zoning Ordinance and the Official Code of the City of Clarksville relative to cluster option and other text amendments (*RPC: Approval/Approval*)

## 6) CONSENT AGENDA

*All items in this portion of the agenda are considered to be routine and non-controversial by the Council and may be approved by one motion; however, a member of the Council may request that an item be removed for separate consideration under the appropriate committee report:*

1. **ORDINANCE 75-2012-13** (Second Reading) Accepting property from Charles C. Powers for the Hickory Wild Sewer Lift Station
2. **ORDINANCE 78-2012-13** (Second Reading) Amending the Zoning Ordinance and Map of the City of Clarksville, application of Eric Huneycutt for zone change on property at West Washington Street and Kline Alley from R-4 Multiple Family Residential District to CBD Central Business District
3. **ORDINANCE 79-2012-13** (Second Reading) Amending the Zoning Ordinance and Map of the City of Clarksville, application of Gateway Financial Services, Howard Poff-Agent, for zone change on property at Rossview Road and Earl Slate Road from R-1 Single Family Residential District to R-2D Two Family Residential District
4. **RESOLUTION 48-2012-13** Approving a Certificate of Compliance for Steven A. Howard (University Package Store, 303 College Street)
5. **RESOLUTION 52-2012-13** Approving a Certificate of Compliance for Tim Crocker (Crocker's Fine Wines, 224 Dover Road)
6. **RESOLUTION 53-2012-13** Approving a Certificate of Compliance for Amber M. Heggie (Pal's Package Store, 1820-G Madison Street)
7. **RESOLUTION 57-2012-13** Approving a Certificate of Compliance for CRM Liquors, LLC (Calvin R. McKay) (Elite Wine & Spirits, 1849-C Madison Street)
8. Approval of board appointments:

Housing Authority: Angela Jones – June 2013 through September 2016

Human Relations Commission: Mercedes Acuna, Mohsun Uddin Ghias, Johnny Jones, Candy Johnson – July 2013 through June 2016; Kenneth Roberts, Dr. Jonnieann Butterfield – July 2013 through June 2015; Dr. Roxanne Gerbrandt, Dr. Bill Gordon, Ferosete Melandrez – July 2013 through June 2014; Jeff Burkhart – July 2013 through June 2-15

Madison Street Design Review Board: Carter Briggs – June 2013 through April 2016; Marc Harris – June 2013 – April 2016

Power Board: Sally Castleman – July 2013 through June 2016; Leo Milan – July 2013 through June 2016

Tree Board: Diann Nance – July 2013 through June 2016; Mary Beth Wilder – June 2013 through June 2015

9. Adoption of Minutes: Regular Session May 2

## 7) COMMUNITY DEVELOPMENT COMMITTEE

*David Allen, Chair*

## 8) FINANCE COMMITTEE

*Joel Wallace, Chair*

1. **ORDINANCE 81-2012-13** (First Reading) Authorizing acquisition of property on Tylertown Road for area drainage improvements (*Finance Committee: Approval*)
2. **ORDINANCE 82-2012-13** (First Reading) Amending the Official Code relative to water and sewer rates (*Finance Committee: Approval*)
3. **ORDINANCE 83-2012-13** (First Reading) Authorizing partial release of sanitary sewer line easement on property owned by Governor's Square Company (*Finance Committee: Approval*)
4. **ORDINANCE 84-2012-13** (First Reading) Amending the Official Code relative to time and place of executive and regular sessions of the City Council (*Finance Committee: Approval*)

**ORDINANCE 84-2012-13** (First Reading) Amending the Official Code relative to time and place of executive and regular sessions of the City Council (*Proposed Revisions*)

5. **RESOLUTION 55-2012-13** Authorizing \$52,000,000 water, sewer, and gas revenue refunding bonds

**RESOLUTION 58-2012-13** Authorizing subordinate lien water, sewer, and gas revenue bonds

**RESOLUTION 59-2012-13** Authorizing subordinate lien water, sewer and gas revenue refunding bonds not to exceed \$24,255,000

9)GAS & WATER COMMITTEE

*Jeff Burkhart, Chair*

1. **ORDINANCE 92-2012-13** (First Reading) Approving extension of utilities to 3301 Highway 41-A; request of Danell Welch (*Gas & Water Committee: Approval*)
2. **ORDINANCE 93-2012-13** (First Reading) Approving extension of utilities to property on Ashland City Road; request of David Welch (*Gas & Water Committee: Approval*)

11)PARKS, RECREATION, GENERAL SERVICES

*Wallace Redd, Chair*

1. **ORDINANCE 99-2012-13** (First Reading) Amending the Official Code relative to fireworks (*Parks & Recreation Committee: Approval*)

10) PUBLIC SAFETY COMMITTEE

(Building & Codes, Fire, Police)

*Geno Grubbs, Chair*

1. **ORDINANCE 80-2012-13** (First Reading) Amending the Official Code relative to retirement of law enforcement animals (*Public Safety Committee: No Recommendation*)

11) STREET COMMITTEE

*James Lewis, Chair*

12) TRANSPORTATION COMMITTEE

*Marc Harris, Chair*

13) NEW BUSINESS

1. **ORDINANCE 94-2012-13** (First Reading) Rescheduling the July 2013 regular meeting of the City Council (*Mayor McMillan*)
2. **ORDINANCE 97-2012-23** (First Reading) Amending the Official Code relative to police escort of funeral processions (*Councilman Allen*)



3. **ORDINANCE 98-2012-13** (First Reading) Amending the Official Code relative to special event beer permits (*Councilman Wallace*)
4. **RESOLUTION 54-2012-13** Approving application for Tennessee Department of Transportation permits for intersection modifications for Hazelwood Road, North Henderson Way, and Rossvie Road (*Councilman Lewis*)
5. **RESOLUTION 56-2012-13** Appointing Laurie Matta as Commissioner of Finance & Revenue/Director of Finance/Chief Financial Officer (*Mayor McMillan*)

14) FY14 BUDGETS: PUBLIC HEARING AND FIRST READING

1. **ORDINANCE 85-2012-13** FY14 Community Development Budget
2. **ORDINANCE 86-2012-13** FY14 Parking Authority Budget
3. **ORDINANCE 87-2012-13** FY14 Transit Budget
4. **ORDINANCE 88-2012-13** FY14 CDE Budget
5. **ORDINANCE 89-2012-13** FY14 GWS Budget
6. **ORDINANCE 90-2012-13** FY14 Internal Service Fund
7. **ORDINANCE 91-2012-13** FY14 General Government Budget

15) MAYOR AND STAFF REPORTS

16) ADJOURNMENT

ORDINANCE 95-2012-13

AMENDING THE ZONING ORDINANCE AND MAP OF THE CITY OF CLARKSVILLE, APPLICATION OF SEAY/WILSON PROPERTIES, WADE HADLEY-AGENT, FOR ZONE CHANGE ON PROPERTY AT 101<sup>ST</sup> AIRBORNE DIVISION PARKWAY & TRENTON ROAD

*BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CLARKSVILLE, TENNESSEE:*

That the Zoning Ordinance and Map of the City of Clarksville, Tennessee are hereby amended by designating the zone classification of the property described in Exhibit A, currently zoned R-1 Single Family Residential District, as C-5 Highway & Arterial Commercial District.

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Mayor

*ATTEST:*

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City Clerk

*PUBLIC HEARING:*

*FIRST READING:*

*SECOND READING:*

*EFFECTIVE DATE:*

EXHIBIT A

Beginning at a point in the southeast corner of Pea Ridge Road and 101st Airborne Division Parkway intersection; thence with the south right-of-way of 101st Airborne Division Parkway in an easterly direction, 1358+/- feet to a point being the southwest corner of the 101st Airborne Division Parkway and Trenton Road intersection; thence crossing Trenton Road in an easterly direction, 225+/- feet to a point being the southeast corner of the Trenton Road and 101st Airborne Division Parkway intersection; thence continuing with the south right-of-way of 101st Airborne Division Parkway along a curve to the right for a distance of 1650+/- feet to a point, said point being the northwest corner of the James Love property; thence with the west line of Love in a southerly direction, 963+/- feet to a point, said point being the northeast corner of the Joe Cross property; thence with the north line of Cross and the north property line of Henry Lentz in a westerly direction, 1071+/- feet to a point in the eastern right-of-way of Trenton Road; thence crossing Trenton Road in a westerly direction, 60+/- feet to a point in the western right-of-way of Trenton Road, said point also being the northeast corner of the James Baggett property; thence with the north line of Baggett and the north line of the Kevin Kennedy property in a westerly direction, 1676+/- feet to a point in the eastern right-of-way of Pea Ridge Road; thence with the eastern right-of-way of Pea Ridge Road in a northerly direction, 1956+/- feet to the point of beginning; containing 113.4+/- acres. (Tax Map 041, parcel 039.00)

ORDINANCE 96-2012-13

AN ORDINANCE AMENDING THE CITY ZONING ORDINANCE AND CITY CODE OF THE CITY OF CLARKSVILLE, TENNESSEE RELATIVE TO CLUSTER DEVELOPMENT REQUIREMENTS AND INITIATION OF TEXT AMENDMENTS

*NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CLARKSVILLE, TENNESSEE THAT THE FOLLOWING AMENDMENTS ARE HEREBY MADE TO THE CLARKSVILLE CITY ZONING ORDINANCE:*

1. Under Chapter 5 "Land use Development Standards and Procedures", Section 9 "Standards and Procedures For Residential Cluster Developments", Subsection 3 "Development Requirements", is hereby amended by deleting Paragraph C in its entirety and by substituting instead the following:

C. Minimum lot width requirements, including perimeter lots in a cluster development meeting the landscaping requirements of Subsection 5.9.3.J but excluding perimeter lots in a cluster development under Subsection 5.9.3.H lacking a landscape buffer:

- I. AG (Agricultural District): Seventy-Five (75) feet at the front setback line.
- II. E-1 (Estate District): Seventy-Five (75) feet at the front setback line.
- III. E-1 A (Single Family Estates District): Sixty (60) feet at the front setback line.
- IV. R-1 (Single Family Residential District): Fifty (50) feet at the front setback line.
- V. R-1A (Single Family Residential District): Fifty (50) feet at the front setback line.
- VI. R-2 (Single Family Residential District): Fifty (50) feet at the front setback line.
- VII. R-2A (Single Family Residential District): Fifty (50) feet at the front setback line.

2. Under Chapter 5 "Land use Development Standards and Procedures", Section 9 "Standards and Procedures For Residential Cluster Developments", Subsection 3 "Development Requirements", is hereby amended by deleting paragraph B in its entirety and by substituting instead the following:

B. Minimum lot size requirements, including perimeter lots in a cluster development meeting the landscaping requirements of Subsection 5.9.3.J but excluding perimeter lots in a cluster development under Subsection 5.9.3.H lacking a landscape buffer:

- I. AG (Agricultural District): Thirty Thousand (30,000) square feet.
- II. E- I (Estates District): Twenty-Five Thousand (25,000) square feet.
- III E-IA (Single Family Estates District): Twenty Thousand (20,000) square feet.
- IV. R-1 (Single Family Residential District): Six Thousand (6,000) square feet.

V. R-1A (Single Family Residential District): Six Thousand (6,000) square feet.

VI. R-2 (Single Family Residential District): Six Thousand (6,000) square feet.

VII R-2A (Single Family Residential District): Five Thousand (5,000) square feet.

3. Under Chapter 11 "Administration and Enforcement", Section 4 "Amendments", Section 4 is hereby amended in its entirety by deleting the section in its entirety and by substituting instead the following:

The regulations (text) and zone district boundaries (map) set forth in Chapters 1 through 11 of this Ordinance may be amended, supplemented, revised, or repealed from time to time as conditions warrant, as hereinafter set forth.

**1. Application.** A proposed change of zoning district boundaries (map amendment or rezoning) may be initiated by the City Council, the Regional Planning Commission, or by petition of one or more owners or authorized agents of the owner or owners of property within the area proposed to be changed. A proposed change to text of the zoning regulations (text amendment) may be initiated by the City Council or the Regional Planning Commission. In the case of a zoning district map amendment, the petition (application) by an individual must be by the owner(s) or their authorized agents of the subject property: an individual who is not an owner of the subject property cannot petition (apply) for a zoning district map amendment. All amendments (zoning map or text) thus introduced shall be referred to the Clarksville-Montgomery County Regional Planning Commission for action. The zoning map amendment (rezoning) may be initiated by the subject property owner(s) or their authorized agent(s) through the filing of an application (petition) with the Clarksville-Montgomery County Regional Planning Commission. Regular meeting dates and times, rezoning application fees and the deadline for each regular meeting, shall be established by the Regional Planning Commission Office. The application shall contain:

- A. The name and address of the owner and/or owners of the subject property, and the written designation of any authorized for any zoning district map amendment (rezoning). In the case of a zoning ordinance text amendment, the effected property owners are to be generally described.
- B. A written legal description of the subject property including the Montgomery County tax plat number and acreage for only a zoning district map amendment.
- C. A description of the proposed zone map change, together with written justifications for the requested zone map change.
- D. In the case of a zoning ordinance text amendment, the specific wording change shall be provided along with an explanation of why the text amendment is needed.
- E. The names and addresses of the adjacent property owners including those property owners across streets, roads, highways, and/or railways and waterways which border the

applicant's property, for a zoning district map amendment.

- F. Two (2) copies of a map depicting the property requested for rezoning (zoning district map amendment). These maps shall be at a scale of no less than one inch equals one hundred (100) feet and no larger than one inch equals thirty (30) feet and show the following information:
- I. Title, north arrow, graphic scale, date, civil district, and the acreage of the property to be rezoned.
  - II. Dimensions in feet of property to be rezoned.
  - III. All roads and easements within or adjoining property to be rezoned.
  - IV. Location, size, type, and current use of any building on the property requested for rezoning.
  - V. Location of the adjoining property owners in relation to the property to be rezoned.
2. **Public Hearing.** Upon receipt of the approved application, the Clarksville-Montgomery County Regional Planning Commission shall schedule a hearing with the City Council, having first given at least fifteen (15) days notice thereof by one publication in a newspaper of general circulation for the zoning district map amendment (rezoning) or zoning ordinance text amendment.
3. **Action on Petition.** Any proposed amendment, supplement, modification, or change (zoning district map amendment or zoning ordinance text amendment) shall first be submitted to and approved by the Clarksville-Montgomery County Regional Planning Commission, or if disapproved, receive the favorable vote of the majority of the entire membership of the City Council. If the City Council takes no final action upon the proposed amendment, supplement, or change (zoning district map amendment or zoning ordinance text amendment) within one hundred (100) days following the public hearing provided for in this section, the failure to act shall be deemed to be a denial.

*PUBLIC HEARING:*

*FIRST READING:*

*SECOND READING:*

*EFFECTIVE DATE:*

### CITY ZONING ACTIONS

The following case(s) will be considered for action at the formal session of the Clarksville City Council on: June 6, 2013. The public hearing will be held on: June 6, 2013.

CITY ORD. #: 95-2012-13      RPC CASE NUMBER: Z-4-2013

Applicant:      SEAY / WILSON PROPERTIES

Agent:      Wade Hadley

Location:      at the southwest and southeast corners of the 101st Parkway and Trenton Road intersection.

Ward #:      12

Request:      R-1 Single-Family Residential District  
                 to  
                 C-5 Highway & Arterial Commercial District

STAFF RECOMMENDATION: APPROVAL

PLANNING COMMISSION RECOMMENDATION: APPROVAL

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CITY ORD. #: 96-2012-13      RPC CASE NUMBER: ZO-2-2013

Applicant:      REGIONAL PLANNING COMMISSION

Request:      Cluster Option Amendments and other text amendment(s)

STAFF RECOMMENDATION: APPROVAL

PLANNING COMMISSION RECOMMENDATION: APPROVAL

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**CLARKSVILLE-MONTGOMERY COUNTY REGIONAL PLANNING COMMISSION**

**STAFF REVIEW - ZONING**

**RPC MEETING DATE:** 5/29/2013

**CASE NUMBER:** Z - 4 - 2013

**NAME OF APPLICANT:** Seay / Wilson

Properties

**AGENT:** Wade

Hadley

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**GENERAL INFORMATION**

**PRESENT ZONING:** R-1

**PROPOSED ZONING:** C-5

**EXTENSION OF ZONE**

**CLASSIFICATION:** YES C-5 TO THE NORTH

**APPLICANT'S STATEMENT** Property is at a major intersection.  
**FOR PROPOSED USE:**

**PROPERTY LOCATION:** at the southwest and southeast corners of the 101st Parkway and Trenton Road intersection.

**ACREAGE TO BE REZONED:** 113.4 +/-

**DESCRIPTION OF PROPERTY** Farmland with rolling hills situated at a major signalized intersection.  
**AND SURROUNDING USES:**

**GROWTH PLAN AREA:**

**CITY TAX PLAT:** 041

**PARCEL(S):** 39.00

**CIVIL DISTRICT:** 6th

**CITY COUNCIL WARD:** 12

**COUNTY COMMISSION DISTRICT:** 14

**PREVIOUS ZONING HISTORY:**

**(to include zoning, acreage and  
action by legislative body)**

# CLARKSVILLE-MONTGOMERY COUNTY REGIONAL PLANNING COMMISSION

## STAFF REVIEW - ZONING

### DEPARTMENT COMMENTS

- ☒ CITY ENGINEER
- ☐ UTILITY DISTRICT
- ☒ JACK FRAZIER
- ☒ CITY STREET DEPT.
- ☒ TRAFFIC ENG. - ST. DEPT.
- ☐ COUNTY HIGHWAY DEPT.
- ☐ CEMC
- ☒ DEPT. OF ELECTRICITY (CDE)
- ☒ CHARTER COMM.

- ☒ BELL SOUTH
- ☒ FIRE DEPARTMENT
- ☐ EMERGENCY MANAGEMENT
- ☒ POLICE DEPARTMENT
- ☐ SHERIFF'S DEPARTMENT
- ☒ CITY BUILDING DEPT.
- 1. ☐ COUNTY BUILDING DEPT.
- ☐ SCHOOL SYSTEM OPERATIONS
- ☒ FT. CAMPBELL

- ☐ DIV. OF GROUND WATER
- ☐ HOUSING AUTHORITY
- ☐ INDUSTRIAL DEV BOARD
- ☐ Other...

#### 1. CITY ENGINEER/UTILITY DISTRICT:

No Gravity Sewer Available At This Time.

2.

#### 1a. COST TO ENGINEER/UTILITY DISTRICT:

#### 2. STREET DEPARTMENT/ COUNTY HIGHWAY DEPARTMENT:

Traffic Assessment Required. ( Traffic Assessment Received & Reviewed By  
The Clarksville Street Dept.)

3.

#### 2a. COST TO STREET/HIGHWAY DEPT.:

#### 3. DRAINAGE COMMENTS:

Sink Hole On Property

4.

#### 3a. DRAINAGE COST:

#### 4. CDE/CEMC:

5. No Comment(s) Received

#### 4a. COST TO CDE/CEMC:

6.

#### 5. CHARTER COMM./BELL SOUTH:

#### 5a. COST TO CHARTER AND/OR BELL SOUTH:

#### 6. FIRE DEPT/EMERGENCY MGT.:

7. Comments Received From Department And They Had No Concerns.

#### 6a. COST FIRE DEPT/EMERGENCY MGT.:

8. Comments Received From Department And They Had No Concerns.

#### 7. POLICE DEPT/SHERIFF'S OFFICE:

#### 7a. COST TO POLICE DEPT./SHERIFF'S DEPT:

#### 8. CITY BUILDING DEPARTMENT/ COUNTY BUILDING DEPARTMENT:

No Comment(s) Received

9.

#### 8a. COST TO CITY/COUNTY BLDG. & CODES:

#### 9. SCHOOL SYSTEM:

No Comment(s) Received

ELEMENTARY: GLENELLEN

MIDDLE SCHOOL: ROSSVIEW

HIGH SCHOOL: ROSSVIEW

10.

#### 9a. COST TO SCHOOL SYSTEM:

#### 10. FT. CAMPBELL:

#### 10a. COST TO FT. CAMPBELL:

#### 11. OTHER COMMENTS:

11.



**CLARKSVILLE-MONTGOMERY COUNTY REGIONAL PLANNING COMMISSION**  
**STAFF REVIEW - ZONING**

**PLANNING STAFF'S STUDY AND RECOMMENDATION**

**IMPACT OF PROPOSED USE ON SURROUNDING DEVELOPMENT:** Increased traffic, lights & noise.

**INFRASTRUCTURE:**

**WATER SOURCE:** CITY

**PIPE SIZE:**

**SEWER SOURCE:** CITY

**ACCESSIBILITY:** TRENTON ROAD & PEA RIDGE ROAD

**DRAINAGE:**  
VARIES

**DEVELOPMENT ESTIMATES:**

**APPLICANT'S ESTIMATES**

**HISTORICAL ESTIMATES**

**LOTS/UNITS:**

**ROAD MILES:**

**POPULATION:**

**ELEMENTARY SCHOOL STUDENTS:**

**MIDDLE SCHOOL STUDENTS:**

**HIGH SCHOOL STUDENTS:**

**APPLICABLE COMPREHENSIVE PLAN ELEMENTS:**

Trenton Road Planning Area: The dominant transportation corridor in the area is I-24, strongly supported by Wilma Rudolph Blvd. & 101st Airborne Parkway. Exit 1 I-24 interchange with Trenton Road has seen tremendous growth since 2000.

**STAFF RECOMMENDATION: APPROVAL**

1. The proposed zoning request is consistent with Growth Plan (as in the City) and adopted Land Use Plan.
2. Adequate infrastructure serves the site.
3. No adverse environmental issues were identified relative to this request.
4. The request is an extension of the C-5 zoning classification to the north and is located at the southeast & southwest quadrants of the 101st Parkway & Trenton Rd. intersection.

5.



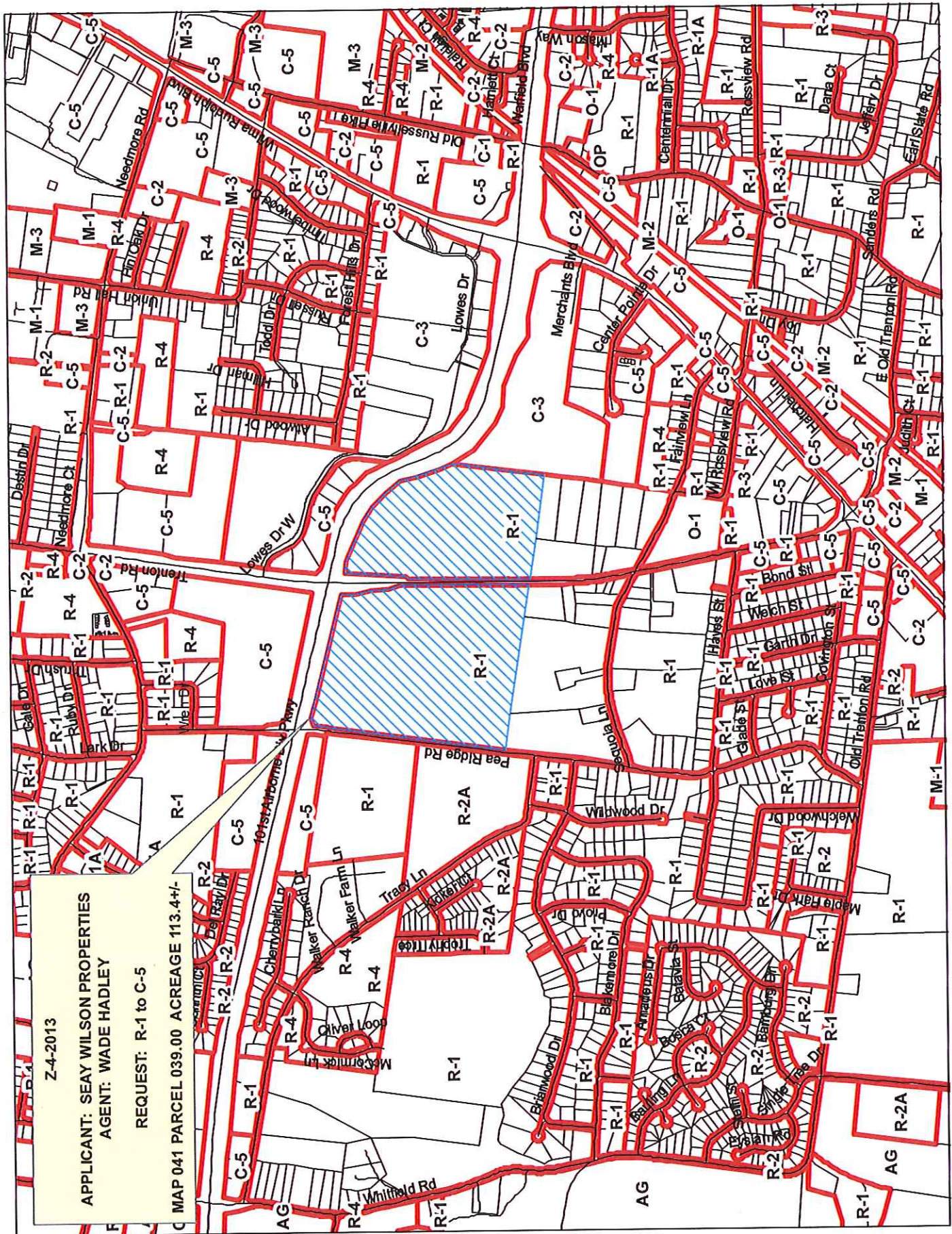
Z-4-2013

APPLICANT: SEAY WILSON PROPERTIES

AGENT: WADE HADLEY

REQUEST: R-1 to C-5

MAP 041 PARCEL 039.00 ACREAGE 113.4 +/-



CASE NUMBER: Z 4 2013 MEETING DATE 5/29/2013

APPLICANT: Seay / Wilson Properties

PRESENT ZONING R-1 PROPOSED ZONING C-5

TAX PLAT # 041 PARCEL 39.00

GEN. LOCATION at the southwest and southeast corners of the 101st Parkway and Trenton Road intersection.

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PUBLIC COMMENTS

None received as of 10:00 a.m. on 5/29/2013 (jhb).



Z0-2-2013

## POSSIBLE CITY ZONING AMENDMENTS TO BE INTRODUCED BY RPC

### Amendment 1:

Under Chapter 5 "Land use Development Standards and Procedures", Section 9 "Standards and Procedures For Residential Cluster Developments", Subsection 3 "Development Requirements, is hereby amended by deleting Paragraph C in its entirety and by substituting instead the following:

- C. Minimum lot width requirements, including perimeter lots in a cluster development meeting the landscaping requirements of Subsection 5.9.3.J but excluding perimeter lots in a cluster development under Subsection 5.9.3.H lacking a landscape buffer:
- I. AG (Agricultural District): Seventy-Five (75) feet at the front setback line.
  - II. E-1 (Estate District): Seventy-Five (75) feet at the front setback line.
  - III. E-1 A (Single Family Estates District): Sixty (60) feet at the front setback line.
  - IV. R-1 (Single Family Residential District): ~~Fifty (50) feet at the front setback line. No Minimum.~~
  - V. R-1A (Single Family Residential District): ~~Fifty (50) feet at the front setback line. No Minimum.~~
  - VI. R-2 (Single Family Residential District): ~~Fifty (50) feet at the front setback line. No Minimum.~~
  - VII. R-2A (Single Family Residential District): ~~Fifty (50) feet at the front setback line. No Minimum.~~

### Amendment 2:

Under Chapter 5 "Land use Development Standards and Procedures", Section 9 "Standards and Procedures For Residential Cluster Developments", Subsection 3 "Development Requirements, is hereby amended by deleting paragraph B in its entirety and by substituting instead the following:

- B. Minimum lot size requirements, including perimeter lots in a cluster development meeting the landscaping requirements of Subsection 5.9.3.J but excluding perimeter lots in a cluster development under Subsection 5.9.3.H lacking a landscape buffer:
- I. AG (Agricultural District): Thirty Thousand (30,000) square feet.
  - II. E- I (Estates District): Twenty-Five Thousand (25,000) square feet.
  - III E-1A (Single Family Estates District): Twenty Thousand (20,000) square feet.
  - IV. R-1 (Single Family Residential District): ~~Five-Six~~ Thousand (~~56~~,000) square feet.
  - V. R-1A (Single Family Residential District): ~~Five-Six~~ Thousand (~~56~~,000) square feet.
  - VI. R-2 (Single Family Residential District): ~~Five-Six~~ Thousand (~~56~~,000) square feet.
  - VII R-2A (Single Family Residential District): Five Thousand (5,000) square feet.

### Amendment 3:

Under Chapter 11 "Administration and Enforcement", Section 4 "Amendments", Section 4 is hereby amended in its entirety by deleting the section in its entirety and by substituting instead the following:

The regulations (text) and zone district boundaries (map) set forth in Chapters 1 through 11 of this Ordinance may be amended, supplemented, revised, or repealed from time to time as conditions warrant, as hereinafter set forth.

1. **Application.** A proposed change of zoning district boundaries (map amendment or rezoning)~~or of the regulations~~ may be initiated by the City Council, the Regional Planning Commission, or by petition of one or more owners or authorized agents of the owner or owners of property within the area proposed to be changed. A proposed change to text of the zoning regulations (text amendment) may be initiated by the City Council or the Regional Planning Commission. In the case of a zoning district map amendment, the petition (application) by an individual must be by the owner(s) or their authorized agents of the subject property; an individual who is not an owner of the subject property cannot petition (apply) for a zoning district map amendment. All amendments (zoning map or text) thus introduced shall be referred to the Clarksville-Montgomery County Regional Planning Commission for action. The zoning map amendment (rezoning) may be initiated by the subject property owner(s) or their authorized agent(s) through the filing of an application (petition) with the Clarksville-Montgomery County Regional Planning Commission. Regular meeting dates and times, rezoning application fees and the deadline for each regular meeting, shall be established by the Regional Planning Commission Office. The application shall contain:

A. The name and address of the owner and/or owners of the subject property, and the written designation of any authorized agent for any zoning district map amendment (rezoning). In the case of a zoning ordinance text amendment, the effected property owners are to be generally described.

B. A written legal description of the subject property including the Montgomery County tax plat number and acreage for only a zoning district map amendment.

C. A description of the proposed zone map change, ~~modification, or repeal~~ together with written justifications for the requested zone map change.

G.D. In the case of a zoning ordinance text amendment, the specific wording change shall be provided along with an explanation of why the text amendment is needed.

D.E. The names and addresses of the adjacent property owners including those property owners across streets, roads, highways, and/or railways and waterways which border the applicant's property, for a zoning district map amendment.

E.F. Two (2) copies of a map depicting the property requested for rezoning (zoning district map amendment). These maps shall be at a scale of no less than one inch equals one



hundred (100) feet and no larger than one inch equals thirty (30) feet and show the following information:

- I. Title, north arrow, graphic scale, date, civil district, and the acreage of the property to be rezoned.
- II. Dimensions in feet of property to be rezoned.
- III. All roads and easements within or adjoining property to be rezoned.
- IV. Location, size, type, and current use of any building on the property requested for rezoning.
- V. Location of the adjoining property owners in relation to the property to be rezoned.

2. **Public Hearing.** Upon receipt of the approved application, the Clarksville-Montgomery County Regional Planning Commission shall schedule a hearing with the City Council, having first given at least fifteen (15) days notice thereof by one publication in a newspaper of general circulation for the zoning district map amendment (rezoning) or zoning ordinance text amendment.
3. **Action on Petition.** Any proposed amendment, supplement, modification, or change (zoning district map amendment or zoning ordinance text amendment) shall first be submitted to and approved by the Clarksville-Montgomery County Regional Planning Commission, or if disapproved, receive the favorable vote of the majority of the entire membership of the City Council. If the City Council takes no final action upon the proposed amendment, supplement, or change (zoning district map amendment or zoning ordinance text amendment) within one hundred (100) days following the public hearing provided for in this section, the failure to act shall be deemed to be a denial.

ORDINANCE 75-2012-13

AN ORDINANCE ACCEPTING PROPERTY FROM CHARLES C. POWERS FOR  
HICKORY WILD SEWER LIFT STATION

*WHEREAS,* the City of Clarksville seeks to acquire title to certain real property owned by Charles C. Powers and identified in Exhibit A attached hereto (the “Property”) for the purpose of maintaining and operating the Hickory Wild # 2 sewer lift station;

*NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CLARKSVILLE, TENNESSEE:*

That the Clarksville City Council hereby authorizes the acquisition of the Property, more fully described in Exhibit A attached hereto, from Charles C. Powers.

*FIRST READING:* May 2, 2013

*SECOND READING:* May 2, 2013

*EFFECTIVE DATE:*

## **EXHIBIT A**

Being the site of a sewage lift station adjacent to the existing sewer line easement and in the proximity of the Hickory Wild club house. Said parcel being a portion of the Hickory Wild, Section 1C, Cluster Final Plat as recorded in Plat Book F, Page 782, in the Register's Office for Montgomery County, Tennessee. Said parcel being generally described as South of Kirkwood Road, northwest of Shield Drive and east of and adjacent to John Duke Tyler Boulevard, said parcel being more particularly described as follows, to-wit:

Beginning at a point, said point being on the eastern right of way of said John Duke Tyler Boulevard, said point also being North 03 degrees 14 minutes 14 seconds west, a distance of 346.4 feet from the intersection of said Shield Drive and said John Duke Tyler Boulevard, said point also being the southwestern corner of the herein described parcel; thence leaving said point and with the northern right of way of John Duke Tyler Boulevard, on a curve to the right, having a radius of 252.50 feet, an arc length of 147.18 feet, a tangent of 75.75 feet, a delta of 33 degrees 23 minutes 51 seconds and being subtended by a chord bearing and distance of north 00 degrees 57 minutes 26 seconds east, a chord distance of 145.11 feet to a point, said point being on the boundary line of said Hickory Wild, Section 1C Cluster Final Plat, said point being the northwestern corner of the herein described parcel; thence leaving said right of way and with said boundary line, south 67 degrees 32 minutes 05 seconds east a distance of 254.82 feet to a point, said point being the northwestern corner of the herein described parcel; thence leaving said northern boundary line and with the boundary lines of said 1.24 +/- acre open area the following four (4) calls, south 22 degrees 27 minutes 55 seconds west a distance of 28.29 feet to a point; thence south 18 degrees 02 minutes 30 seconds west a distance of 94.35 feet to a point; thence south 74 degrees 15 minutes 32 seconds west a distance of 20.00 feet to the point of beginning.

Together with and subject to all rights of ways, easements, covenants and conveyances of record and not of record.

The above property being a portion of the same conveyed to the Grantor by deed of record in ORBV 1370, Page 1668 in the Register's Office for Montgomery County, Tennessee.



ORDINANCE 78-2012-13

AMENDING THE ZONING ORDINANCE AND MAP OF THE CITY OF CLARKSVILLE, APPLICATION OF ERIC HUNEYCUTT FOR ZONE CHANGE ON PROPERTY AT WEST WASHINGTON STREET AND KLINE ALLEY

*BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CLARKSVILLE, TENNESSEE:*

That the Zoning Ordinance and Map of the City of Clarksville, Tennessee are hereby amended by designating the zone classification of the property described in Exhibit A, currently zoned R-4 Multiple Family Residential District, to CBD Central Business District.

*PUBLIC HEARING:* May 2, 2012

*FIRST READING:* May 2, 2013

*SECOND READING:*

*EFFECTIVE DATE:*

EXHIBIT A

Beginning at an 1" pipe in the north right of way of West Washington Street and the east right of way of Kline's Alley lying North 42 degrees 06 minutes 31 seconds East for 15.22 feet from the intersection of the centerlines of West Washington Street and Kline's Alley, also being the southwest corner of herein described parcel; Thence along the Kline's Alley east right of way, North 04 degrees 55 minutes 42 seconds East for 188.66 feet to an 1" pipe; Thence continuing along the east right of way, North 02 degrees 57 minutes 25 seconds East for 40.22 feet to a nail in the southwest corner of the Centerstone Community property as recorded in ORV 386, Page 2121 ROMCT, being the northwest corner of herein described parcel; Thence leaving the right of way along the south property line of Centerstone, South 81 degrees 36 minutes 21 seconds East for 67.67 feet to a ½" rebar being the southeast corner of Centerstone property; Thence along the Centerstone east property line, North 05 degrees 02 minutes 49 seconds East for 40.02 feet to a ½" rebar capped Young, also being the southwest corner of the Mario Raygoza property as recorded in ORV 995, Page 129 ROMCT; Thence along Raygoza south property line, South 80 degrees 51 minutes 46 seconds East for 44.07 feet to a 1" pipe at the southwest corner of the Mario Raygoza property as recorded in ORV 793, Page 907 ROMCT; Thence continuing along Raygoza south property line, South 84 degrees 55 minutes 12 seconds East for 41.80 feet to a ½" pipe lying in the west property line of the John Davenport property as recorded in ORV 43, Page 155 ROMCT; Thence leaving the Raygoza property along the west property line of Davenport property, South

07 degrees 12 minutes 08 seconds West for 20.93 feet to an iron stake at the northwest corner of the Davenport property as recorded in ORV 312, Page 5 ROMCT; Thence along the west property line of the Davenport property, South 02 degrees 07 minutes 24 seconds West for 111.60 feet to a ½" rebar capped Byrd, lying at the northwest corner of the John Davenport property as recorded in ORV 1015, Page 382 ROMCT; Thence along said Davenport west property line, South 06 degrees 00 minutes 55 seconds West for 137.61 feet to a 2" pipe at the southwest corner of the Dwight Eversole property as recorded in ORV 1348, Page 301 ROMCT, lying in the north right of way of West Washington Street; Thence along the north right of way, North 83 degrees 43 minutes 52 seconds West for 32.26 feet to a railroad spike; Thence continuing along the right of way, North 84 degrees 42 minutes 26 seconds West for 48.31 feet to an iron stake' Thence continuing along the right of way, North 79 degrees 16 minutes 04 seconds West for 73.83 feet to the point of beginning. Said parcel-contains 0.90 +/- acres. Tax Map 66-J-D, Parcel(s) 14.00 thru 20.00

ORDINANCE 79-2012-13

AMENDING THE ZONING ORDINANCE AND MAP OF THE CITY OF CLARKSVILLE, APPLICATION OF GATEWAY FINANCIAL SERVICES, HOWARD POFF-AGENT, FOR ZONE CHANGE ON PROPERTY AT ROSSVIEW ROAD AND EARL SLATE ROAD

*BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CLARKSVILLE, TENNESSEE:*

That the Zoning Ordinance and Map of the City of Clarksville, Tennessee are hereby amended by designating the zone classification of the property described in Exhibit A, currently zoned R-1 Single Family Residential District, as R-2D Two Family Residential District.

*PUBLIC HEARING:* May 2, 2013

*FIRST READING:* May 2, 2013

*SECOND READING:*

*EFFECTIVE DATE:*

EXHIBIT A

Beginning at a point in the east ROW of Rossview Rd. said point 425+/- feet north of the Earl Slate Rd and the Rossview Rd. intersection said point also being the southwest corner of the Welch Properties property, thence with the south property line of the Welch Property 403 +/- feet to a point, thence in a northerly direction with the Welch east property line 183 +/- feet to a point, said point being the southeast corner of the Harvey E. Hoskins property, thence in an easterly direction with the southern boundary of the Hoskins property 237 +/- feet to a point said point being the northwest corner of the William Clark Jr. property, thence in a southerly direction with the Clark property line 213 +/- feet to a point said point being in the northern boundary of the John Key property, thence in a westerly direction 636 +/- feet to a point in the eastern ROW of Rossview Rd. thence in a northerly direction with the Rossview Rd. ROW 12 +/- feet to the point of beginning, said tract containing 1.17 +/- acres. (Tax Map 041 Parcel 166.00)

RESOLUTION 48-2012-13

A RESOLUTION APPROVING A RETAIL LIQUOR STORE CERTIFICATE OF COMPLIANCE FOR STEVEN A. HOWARD (UNIVERSITY PACKAGE STORE)

*WHEREAS*, Steven A. Howard, has applied for a Certificate of Compliance from the City of Clarksville according to regulations of the Tennessee Alcoholic Beverage Commission, for the operation of University Package Store located at 303 College Street; and

*WHEREAS*, the applicant(s) who is/are to be in actual charge of said business has/have not been convicted of a felony within a ten year period immediately preceding the date of the application and, if a corporation, that the executive officers, or those in control, have not been convicted of a felony within a ten year period immediately preceding the date of the application; and further that it is the undersigned's opinion that the applicant will not violate any provisions of *Tennessee Code Annotated, Title 57, Chapter 3*;

*WHEREAS*, the applicant(s) has/have secured a location which complies with all restrictions of the laws, ordinances, or resolutions;

*WHEREAS*, the applicant(s)s has/have complied with the residency provision;

*WHEREAS*, the issuance of this license will not exceed the numerical limit established in City Code Sec. 2-205.

*BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CLARKSVILLE, TENNESSEE:*

That the Clarksville City Council hereby approves a Certificate of Compliance for Steven A. Howard for operation of University Package Store located at 303 College Street, Clarksville, Tennessee.

*ADOPTED:*

RESOLUTION 52-2012-13

A RESOLUTION APPROVING A RETAIL LIQUOR STORE CERTIFICATE OF COMPLIANCE FOR TIM CROCKER

*WHEREAS*, Tim Crocker has applied for a Certificate of Compliance from the City of Clarksville according to regulations of the Tennessee Alcoholic Beverage Commission, for the operation of Crocker's Fine Wines located at 224 Dover Road; and

*WHEREAS*, the applicant(s) who is/are to be in actual charge of said business has/have not been convicted of a felony within a ten year period immediately preceding the date of the application and, if a corporation, that the executive officers, or those in control, have not been convicted of a felony within a ten year period immediately preceding the date of the application; and further that it is the undersigned's opinion that the applicant will not violate any provisions of *Tennessee Code Annotated, Title 57, Chapter 3*;

*WHEREAS*, the applicant(s) has/have secured a location which complies with all restrictions of the laws, ordinances, or resolutions;

*WHEREAS*, the applicant(s)s has/have complied with the residency provision;

*WHEREAS*, the issuance of this license will not exceed the numerical limit established in City Code Sec. 2-205.

*BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CLARKSVILLE, TENNESSEE:*

That the Clarksville City Council hereby approves a Certificate of Compliance for Tim Crocker for operation of Crocker's Fine Wines located at 224 Dover Road, Clarksville, Tennessee 37042.

*ADOPTED:*

RESOLUTION 53-2012-13

A RESOLUTION APPROVING A RETAIL LIQUOR STORE CERTIFICATE OF COMPLIANCE FOR AMBER HEGGIE

*WHEREAS*, Amber Heggie has applied for a Certificate of Compliance from the City of Clarksville according to regulations of the Tennessee Alcoholic Beverage Commission, for the operation of Pal's Package Store located at 1820-G Madison Street; and

*WHEREAS*, the applicant(s) who is/are to be in actual charge of said business has/have not been convicted of a felony within a ten year period immediately preceding the date of the application and, if a corporation, that the executive officers, or those in control, have not been convicted of a felony within a ten year period immediately preceding the date of the application; and further that it is the undersigned's opinion that the applicant will not violate any provisions of *Tennessee Code Annotated, Title 57, Chapter 3*;

*WHEREAS*, the applicant(s) has/have secured a location which complies with all restrictions of the laws, ordinances, or resolutions;

*WHEREAS*, the applicant(s)s has/have complied with the residency provision;

*WHEREAS*, the issuance of this license will not exceed the numerical limit established in City Code Sec. 2-205.

*BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CLARKSVILLE, TENNESSEE:*

That the Clarksville City Council hereby approves a Certificate of Compliance for Amber Heggie for operation of Pal's Package Store located at 1820-G Madison Street, Clarksville, Tennessee 37043.

*ADOPTED:*

RESOLUTION 57-2012-13

A RESOLUTION APPROVING A RETAIL LIQUOR STORE CERTIFICATE OF COMPLIANCE FOR CRM LIQUORS, LLC (CALVIN R. MCKAY)

*WHEREAS*, CRM LIQUORS, LLC (Calvin R. McKay), has applied for a Certificate of Compliance from the City of Clarksville according to regulations of the Tennessee Alcoholic Beverage Commission, for the operation of Elite Wine & Spirits to be 1849-C Madison Street; and

*WHEREAS*, the applicant(s) who is/are to be in actual charge of said business has/have not been convicted of a felony within a ten year period immediately preceding the date of the application and, if a corporation, that the executive officers, or those in control, have not been convicted of a felony within a ten year period immediately preceding the date of the application; and further that it is the undersigned's opinion that the applicant will not violate any provisions of *Tennessee Code Annotated, Title 57, Chapter 3*;

*WHEREAS*, the applicant(s) has/have secured a location which complies with all restrictions of the laws, ordinances, or resolutions;

*WHEREAS*, the applicant(s)s has/have complied with the residency provision;

*WHEREAS*, the issuance of this license will not exceed the numerical limit established in City Code Sec. 2-205.

*BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CLARKSVILLE, TENNESSEE:*

That the Clarksville City Council hereby approves a Certificate of Compliance for CRM Liquors, LLC (Calvin R. McKay), for operation of Elite Wine and Spirits located at 1849-C Madison Street, Clarksville, Tennessee.

*ADOPTED:*



**CLARKSVILLE CITY COUNCIL  
REGULAR SESSION  
MAY 2, 2013**

**MINUTES**

**CALL TO ORDER**

The regular session of the Clarksville City Council was called to order by Mayor Kim McMillan on Thursday, May 2, 2013, at 7:00 p.m. in City Council Chambers, 106 Public Square, Clarksville, Tennessee.

A prayer was offered by Councilman Jeff Burkhardt; the Pledge of Allegiance was led by Councilman Nick Steward.

**ATTENDANCE**

**PRESENT:** Nick Steward (1), Deanna McLaughlin (2), James Lewis, Mayor Pro Tem (3), Wallace Redd (4), Valerie Guzman (5), Marc Harris (6), Geno Grubbs (7), David Allen (8), Joel Wallace (9), Bill Summers (10), Kaye Jones (11), Jeff Burkhardt (12)

**SPECIAL RECOGNITIONS**

Councilman Redd and Brandon Reed presented Mayor McMillan with the Tri-Cities Magician Association "Merlin Award" for her support of the organization's fundraisers.

Mayor McMillan proclaimed May 18 as "Kids to Parks Day" and expressed appreciation to the Parks & Recreation Staff for their support of this national program.

**MAYOR'S YOUTH COUNCIL**

Following the group's study and evaluation of proposed facilities for the City, Hieler Meek and Makagin Gray presented the recommendations of the Mayor's Youth Council for a recreational center to be located at Exit 1 and a multi-purpose convention center to be located at Exit 8 or Exit 11.

**PUBLIC HEARING**

Councilman Grubbs made a motion to conduct a public hearing to receive comments regarding requests for zone change. The motion was seconded by Councilman Steward. A voice vote was taken; the motion passed without objection.



**ORDINANCE 78-2012-13** (First Reading) Amending the Zoning Ordinance and Map of the City of Clarksville, application of Eric Huneycutt for zone change on property at West Washington Street and Kline Alley from R-4 Multiple Family Residential District to CBD Central Business District

Cal Burchett, DBS & Associates, said the developer planned to construct single-family homes on the property. Dwight Eversol said a single-family development would create traffic problems including access to and from the property.

**ORDINANCE 79-2012-13** (First Reading) Amending the Zoning Ordinance and Map of the City of Clarksville, application of Gateway Financial Services, Howard Poff-Agent, for zone change on property at Rossview Road and Earl Slate Road from R-1 Single Family Residential District to R-2D Two Family Residential District

There was no voiced support for or opposition to this request.

Councilman Grubbs made a motion to revert regular session. The motion was seconded by Councilwoman McLaughlin. A voice vote was taken; the motion passed without objection.

## ZONING

The recommendations of the Regional Planning Staff and Commission were for approval of **ORDINANCE 78-2012-13**. Councilman Grubbs made a motion to adopt this ordinance on first reading. The motion was seconded by Councilman Redd. In response to Councilman Wallace's question, Street Department Engineer Jack Frazier said sidewalks and street lighting would not be required on existing streets, but some regulations of the downtown district overlay may apply. The following vote on the motion was recorded:

AYE: Burkhardt, Grubbs, Lewis, McMillan, Redd, Steward, Wallace

NAY: Allen, Guzman, Harris, Jones, McLaughlin, Summers

The motion to adopt this ordinance on first reading passed.

The recommendations of the Regional Planning Staff and Commission were for approval of **ORDINANCE 79-2012-13**. Councilman Grubbs made a motion to adopt this ordinance on first reading. The motion was seconded by Councilman Redd. The following vote was recorded:

AYE: Allen, Burkhardt, Grubbs, Guzman, Harris, Jones, Lewis, Redd, Steward, Summers, Wallace

NAY: McLaughlin

The motion to adopt this ordinance on first reading passed.

## PUBLIC IMPROVEMENTS PROGRAM

### **RESOLUTION 47-2012-13** Adopting the 2013-14 through 2017-18 Public Improvements Program

The recommendation of the Regional Planning Commission was for approval of this program. Councilman Grubbs made a motion to adopt this resolution. The motion was seconded by Councilman Redd. The following vote was recorded:

AYE: Allen, Burkhart, Grubbs, Guzman, Harris, Jones, Lewis, McLaughlin, Redd, Steward, Summers, Wallace

The motion to adopt this resolution unanimously passed.

## CONSENT AGENDA

*All items in this portion of the agenda are considered to be routine and non-controversial by the Council and may be approved by one motion; however, a member of the Council may request that an item be removed for separate consideration under the appropriate committee report:*

1. **ORDINANCE 77-2012-13** (Second Reading) Amending the Zoning Ordinance and Map of the City of Clarksville, application of Joe A. Winn, Jr. and Joe Winn, David Riggins-Agent, for zone change on property at Tiny Town Road & Barkers Mill Road from AG Agricultural District to C-5 Highway & Arterial Commercial District
2. **RESOLUTION 44-2012-13** Approving a retail liquor store Certificate of Compliance for Horace Heggie, Jr. (Pals Package Store, 1820 Madison Street)
3. Adoption of Minutes: Special Session March 28<sup>th</sup>, Regular Session April 4<sup>th</sup>

Councilman Summers requested a notation of his vote to abstain on RESOLUTION 42-2012-13 in the April 4<sup>th</sup> minutes. Councilman Burkhart made a motion to adopt the Consent Agenda. The motion was seconded by Councilman Steward. Councilwoman McLaughlin voted “nay” on ORDINANCE 77-2012-13. The following vote was recorded:

AYE: Allen, Burkhart, Grubbs, Guzman, Harris, Jones, Lewis, McLaughlin, Redd, Steward, Summers, Wallace

The motion to adopt the Consent Agenda passed.

## COMMUNITY DEVELOPMENT COMMITTEE

*David Allen, Chair*

Councilman Allen said the Community Development Department recently completed one home re-construction and four property demolitions totaling \$147,760.

## FINANCE COMMITTEE

*Joel Wallace, Chair*

**ORDINANCE 75-2012-13** (First Reading) Accepting property from Charles C. Powers for the Hickory Wild Sewer Lift Station

The recommendation of the Finance Committee was for approval. Councilman Wallace made a motion to adopt this ordinance on first reading. The motion was seconded by Councilman Harris. The following vote was recorded:

AYE: Allen, Burkhart, Grubbs, Guzman, Harris, Jones, Lewis, McLaughlin, Redd, Steward, Summers, Wallace

The motion to adopt this ordinance on first reading unanimously passed.

**RESOLUTION 45-2012-13** Authorizing issuance and sale of refunding bonds for the City of Clarksville Electric System, not to exceed \$52,000,000

The recommendation of the Finance Committee was for approval. Councilman Wallace made a motion to adopt this resolution. In response to Councilman Summers' questions, Bond Attorney Jeff Oldham said as long as CDE is under the direct or indirect control of the City, future refinancing would not be required if by chance the current Power Board was dissolved, and that in the event CDE is unable to pay its bills, the utility could be forced to increase rates to cover its obligations. The motion was seconded by Councilman Redd. The following vote was recorded:

AYE: Allen, Burkhart, Grubbs, Guzman, Harris, Jones, Lewis, McLaughlin, Redd, Steward, Summers, Wallace

The motion to adopt this resolution unanimously passed.

**RESOLUTION 46-2012-13** Adopting the 2013-14 Action and Budget for the Community Development Block Grant and HOME Programs

The recommendation of the Finance Committee was for approval. Councilman Wallace made a motion to adopt this resolution. The motion was seconded by Councilman Redd. The following vote was recorded:

AYE: Allen, Burkhart, Grubbs, Guzman, Harris, Jones, Lewis, McLaughlin, Redd, Steward, Summers, Wallace

The motion to adopt this resolution unanimously passed.

## GAS & WATER COMMITTEE

*Jeff Burkhart, Chair*

No report.

## PARKS, RECREATION, GENERAL SERVICES

*Wallace Redd, Chair*

Councilman Redd mentioned upcoming special events including the Queen City Road Race, 50+ Olympics, Movies in the Park, and the Downtown Market.

## PUBLIC SAFETY COMMITTEE

(Building & Codes, Fire, Police)

*Geno Grubbs, Chair*

**RESOLUTION 43-2012-13** Authorizing a Mutual Aid Agreement with Montgomery County Volunteer Fire Service

The Public Safety Committee recommended approval. Councilman Grubbs made a motion to adopt this resolution. The motion was seconded by Councilman Lewis. In response to Councilwoman McLaughlin's question, Councilman Grubbs said any County expenses would not be reimbursed by the City. The following vote was recorded:

AYE: Allen, Burkhart, Grubbs, Guzman, Harris, Jones, Lewis, McLaughlin, Redd, Steward, Summers, Wallace

The motion to adopt this resolution unanimously passed.

Councilman Grubbs reported the following monthly department statistics: Building & Codes Enforcement-378 cases; Building & Codes Construction-1,928 inspections; Building & Codes Administration-79 single-family permits; Fire & Rescue-817 emergency calls; Police-12,853 responses.

Councilman Grubbs announced the designation of May 6-10 as "Fire Safety Week," and May as "National Building Safety Month."

Deputy Police Chief Mike Parr shared the Tennessee Bureau of Investigation's local 2012 crime report. Chief Parr said Clarksville had 91 incidents per 1,000 residents as compared to 95 in 2011, and 12,448 "crimes against society" as compared to 12,960 in 2011. The department contributed the fall in crime statistics to progressive law enforcement, especially in the areas of drug and narcotics violations, prostitution, burglaries, and theft of property. Chief Parr thanked the City Council for their support in providing funding for manpower and equipment.

## STREET COMMITTEE

*James Lewis, Chair*

Councilman Lewis said paving projects throughout the City were currently underway. He reported 230 work orders completed by the Street Department during the month of April.

## TRANSPORTATION COMMITTEE

*Marc Harris, Chair*

Councilman Harris noted Clarksville Transit System's Lift program.

## NEW BUSINESS

Councilman Steward made a motion to consider board appointments. The motion was seconded by Councilwoman McLaughlin. The following vote was recorded:

AYE: Allen, Burkhart, Grubbs, Guzman, Harris, Jones, Lewis, McLaughlin, Redd, Steward, Summers, Wallace

The motion to consider unanimously passed. Councilman Summers made a motion to approve the following board appointments:

Madison Street Design Review Board: Frank Parcells – May 2013 through April 2015

Senior Citizens Board: Sonya Baggett, Al Colvin, Claudia Erb, Elizabeth Evans – May 2013 through April 2015

The motion was seconded by Councilman Steward. The following vote was recorded:

AYE: Allen, Burkhart, Grubbs, Guzman, Harris, Jones, Lewis, McLaughlin, Redd, Steward, Summers, Wallace

The motion to approve the board appointments unanimously passed.

## ADJOURNMENT

Councilman Harris made a motion to adjourn at 7:57 p.m. The motion was seconded by Councilman Redd.

Mayor McMillan recognized Councilman Steward who had already made a request to speak. He expressed appreciation for well wishes following his recent kidney donation surgery.

In response to Councilman Allen's inquiry regarding the Mayor's May 2<sup>nd</sup> email relative to City Council requests for information, Mayor McMillan referenced the City Charter provision that states the City Council must act as a body and not individually instruct department heads or city employees to provide information. She restated her directive that future City Council requests for information that require research and compilation of reports must be made through the Mayor's Office.

Councilman Redd called for a point of order stating this issue was not listed on the agenda and called for a vote on the motion to adjourn.

The following vote was recorded:

AYE: Burkhart, Grubbs, Guzman, Harris, Lewis, McMillan, Redd

NAY: Allen, Jones, McLaughlin, Steward, Summers

The motion to adjourn passed at 8:01 p.m.

ORDINANCE 81-2012-13

AN ORDINANCE AUTHORIZING ACQUISITION OF PROPERTY ON TYLERTOWN ROAD FOR AREA DRAINAGE IMPROVEMENTS

*WHEREAS,* acquisition of a portion of the property known as 1411 Tylertown Road appears to be in the best interest of the City of Clarksville to provide adequate drainage for Trenton Road / Tylertown Road area; and

*WHEREAS,* the City of Clarksville seeks to acquire title to a portion of the property currently owned by Mack and Lee Ann Phillips; and

*NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CLARKSVILLE, TENNESSEE:*

That the Clarksville City Council hereby authorizes acquisition of a portion of the property at 1411 Tylertown Road, more fully described in Exhibit A attached hereto, from Mack and Lee Ann Phillips.

*BE IT FURTHER ORDAINED* that the Clarksville City Council hereby authorizes exercise of right of eminent domain if negotiations for purchase of said property are unsuccessful.

*FIRST READING:*

*SECOND READING:*

*EFFECTIVE DATE:*

**INGRESS/EGRESS EASEMENT ON TAX PARCEL 2.02 MAP 008**

Beginning at a 5/8 inch diameter existing iron rebar in the northern right of way line of Tylertown Road common corner with Dotson Gregory Guinn, Jeffery Thomas Purvis and Michael Cherry of record in Deed Book 554, Page 574 (Tax Map 008 Parcel 2.0) in the Register of Deeds Office for Montgomery County, Tennessee, thence with said right of way line North 75 Degrees 00 Minutes 41 Seconds West 37.42 feet to corner with Mack Phillips of record in Deed Book 1126, Page 1468 (Tax Map 008 Parcel 2.08) in the Register of Deeds Office for Montgomery County, Tennessee; (POB also being located 2797.77 feet more or less from the west right of way of Tennessee Highway Number 48).

Thence with said line North 01 Degrees 45 Minutes 28 Seconds East 502.18 feet to corner with Mack Phillips of record in Deed Book 1126 Page 1468 (Tax Map 008 Parcel 2.08) in the Register of Deeds Office for Montgomery County, Tennessee;

Thence crossing said Tax Parcel 2.02 the following two (2) calls and distances:

1. North 01 Degrees 45 Minutes 28 Seconds East 77.28 feet;
2. South 87 Degrees 51 Minutes 09 Seconds East for 35.61 feet to a 5/8 inch diameter existing iron rebar marking the common corner of Cathryn Mehgan of record in Deed Book 912, Page 899 (Tax Map 008 Parcel 2.06) in the Register of Deeds Office for Montgomery County, Tennessee, and Dotson Gregory Guinn, Jeffery Thomas Purvis and Michael Cherry of record in Deed Book 554, Page 574 (Tax Map 008 Parcel 2.0) in the Register of Deeds Office for Montgomery County, Tennessee;

Thence with the Guinn, Purvis, and Cherry the following two (2) calls and distances:

1. South 01 Degrees 04 Minutes 28 Seconds West 68.41 feet;
2. South 01 Degrees 45 Minutes 28 Seconds West 519.38 feet to the Point of Beginning,

Said parcel containing 21,208 Square Feet more or less or 0.49 Acres more or less.

**DRAINAGE EASEMENT ON PART OF TAX PARCEL 202 (0.72 Acres more or less)**

Beginning at a point corner with Mack Phillips of record in Deed Book 1126, Page 1468 (Tax Map 008 Parcel 2.02) in the Register of Deeds Office for Montgomery County, Tennessee, said point being located North 75 Degrees 00 Minutes 41 Seconds West 37.42 feet and North 01 Degrees 45 Minutes 28 Seconds East 502.18 feet from a 5/8 inch diameter existing iron rebar in the northern right of way line of Tylertown Road common corner with Dotson Gregory Guinn, Jeffery Thomas Purvis and Michael Cherry of record in Deed Book 554, Page 574 (Tax Map 008 Parcel 2.0) in the Register of Deeds Office for Montgomery County, Tennessee;

Thence with the line of Parcel 2.08 the following two (2) calls and distances:

1. North 87 Degrees 51 Minutes 09 Seconds West 404.83 feet;
2. North 01 Degrees 34 Minutes 13 Seconds East 77.28 feet;

Thence crossing parcel 2.02 the following two (2) calls and distances:

1. South 87 Degrees 51 Minutes 09 Seconds East 405.08 feet;
2. South 01 Degrees 45 Minutes 28 Seconds West 77.28 feet to the Point of Beginning,

Said parcel containing 31,315 Square Feet more or less or 0.72 Acres more or less.

**FEE SIMPLE ACQUISITION OF KARST AREA ON TAX PARCEL 208 (0.77 Acres more or less)**

Beginning at a point in the line of Cathryn Mehgan of record in Deed Book 912, Page 899 (Tax Map 008 Parcel 2.06) in the Register of Deeds Office for Montgomery County, Tennessee, being located North 02 degrees 59 minutes 00 seconds West 346.04 feet from a 5/8 inch diameter existing iron rebar in the northern right of way line of Tylertown Road (located 3378.30 feet more or less from the west right of way of Tennessee Highway Number 48) and marking the common corner of Mehgan and Richard F. Twombly of record in Deed Book 755, Page 551 (Tax Map 008 Parcel 2.12) in the Register of Deeds Office for Montgomery County, Tennessee;

Thence with Mehgan line North 03 Degrees 00 Minutes 32 Seconds West 164.00 feet;

Thence leaving said line and crossing Tax Parcel 2.08 South 84 Degrees 58 Minutes 44 Seconds East 196.43 feet to the line of Tax Parcel 202;

Thence with said line South 01 Degrees 34 Minutes 13 Seconds West 118.14 feet to common corner with Tax Parcels 2.02 and 2.08;

Thence crossing Tax Parcel 2.08 South 01 Degrees 34 Minutes 13 Seconds West for 75.34 feet to a point in the line of Richard F. Twombly of record in Deed Book 755, Page 551 (Tax Map 008 Parcel 2.12) in the Register of Deeds Office for Montgomery County, Tennessee;

Thence with said line North 75 Degrees 33 Minutes 10 Seconds West 187.70 feet to the Point of Beginning,

Said parcel containing 33,641 Square Feet more or less or 0.77 Acres more or less.

Preceding descriptions based upon field work conducted on September 14, 2011 by Gresham Smith and Partners with Source of North from Deed Book 554 Page 574. Description prepared by Kenneth D. Church, TN RLS 1004 with Gresham Smith and Partners, 1400 Nashville City Center, 511 Union Street, Nashville, Tennessee, 37219.

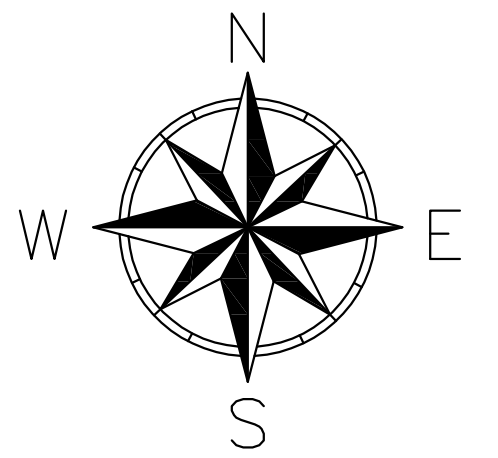


MACK PHILLIPS  
DEED BOOK 1126 PAGE 1468  
TAX MAP 008 PARCEL 2.08

MACK PHILLIPS  
DEED BOOK 1126 PAGE 1468  
TAX MAP 008 PARCEL 2.02

PRELIMINARY

CATHRYN H. MEHIGAN  
DEED BOOK 912 PAGE 899  
TAX MAP 008 PARCEL 2.06



Source of North  
PER DEED  
BOOK 755 PAGE 551

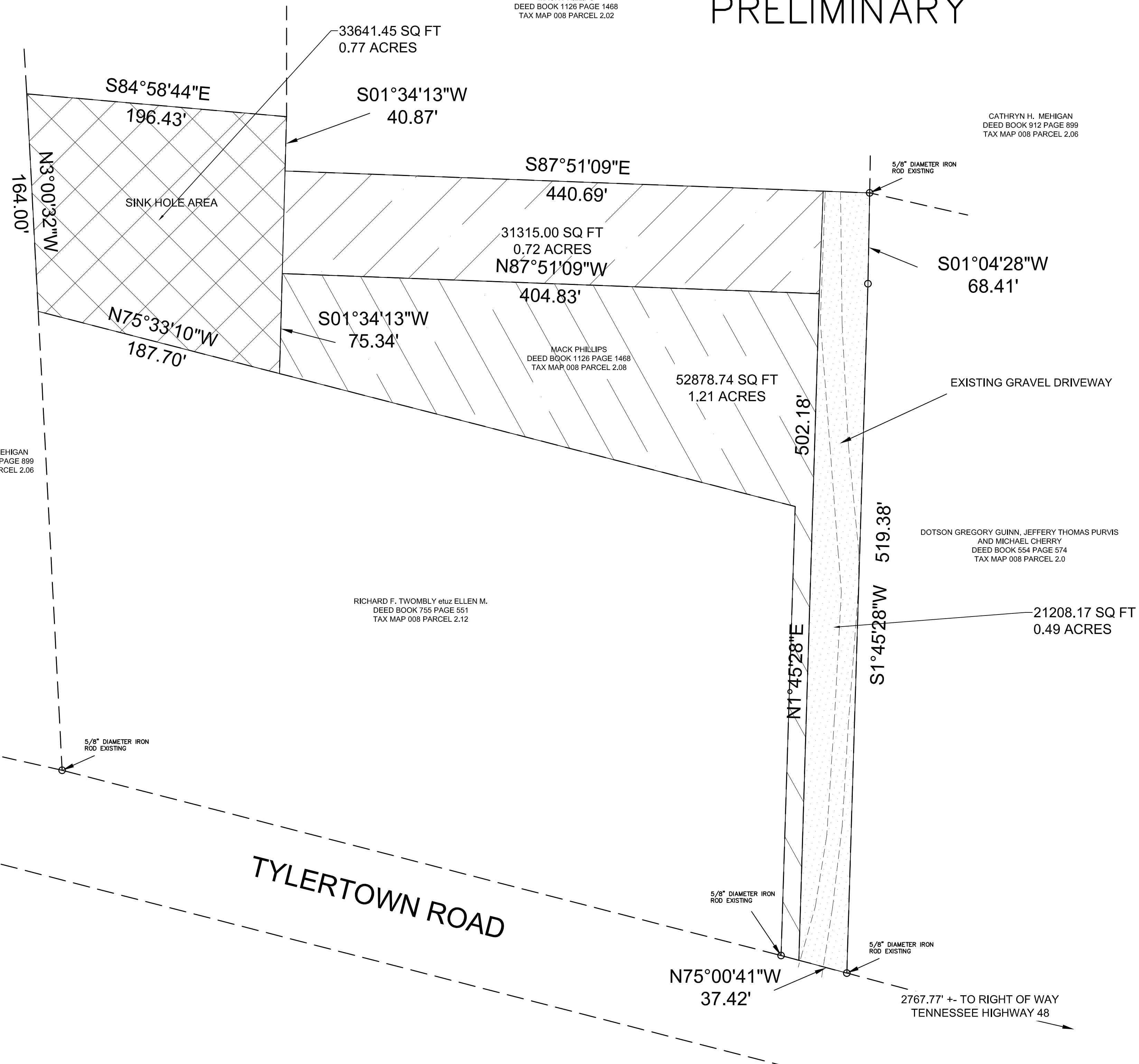


EXHIBIT  
FOR EASEMENT  
CLARKSVILLE  
MONTGOMERY COUNTY  
TENNESSEE  
DEED BOOK 1126 PAGE 1468  
TAX MAP 008 PARCELS 2.02 AND 2.08

Prepared for:

CITY OF CLARKSVILLE

**Gresham Smith and Partners**

1400 Nashville City Center  
511 Union Street  
Nashville, Tennessee 37219  
615-770-8100  
WWW.GSPNET.COM

Project: 28594.07 Date:9/26/11

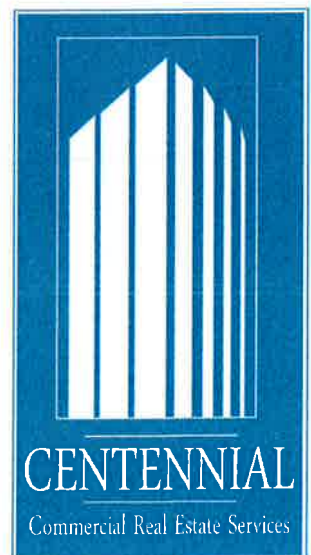


**APPRAISAL OF:**

**1411 Tylertown Road  
Clarksville, TN 37040**

**Prepared For:**

**Ms. Carol A. Croft, SRWA  
Croft and Associates, LLC.  
352 Lynn Drive  
Nashville, TN 37211**





Centennial Inc.  
3310 West End Avenue, Suite 420  
Nashville, TN 37203

615.320.7500 main  
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www.centenn.com  
*Independently Owned and Operated*

December 18, 2012

Ms. Carol A. Croft, SRWA  
Croft and Associates, LLC  
352 Lynn Drive  
Nashville, TN 37211

Re: Mack Phillips Property  
1411 Tylertown Road  
Clarksville, TN 37040

Dear Ms. Croft:

The captioned property was appraised for the purpose of estimating the current market value of its fee simple estate, the current values of the proposed easements and the value of the remainder parcel.

Subject is a 15.70 +/- acre tract of land that is improved with a home, a structure that I call a tenant home and a cemetery. These improvements are listed on the National Register of Historic Homes. The property had been previously used as a bed and breakfast facility but is now vacant. Also, the land is classified as R-4, multi-family, by Clarksville's Planning Commission. Theoretically, the best use of the property would be achieved by subdividing a parcel containing the home and ancillary structures from the balance of the tract and developing the land with apartment units. However, Clarksville's building codes require that any driveway that would serve the created parcel must be built to roadway standards which could be cost prohibitive. Therefore, In order to appraise the property, it was necessary to make an **Extraordinary Assumption**. The assumption is that the land is vacant and is ready to be developed to its highest and best use which is for apartments. This assumption is permitted under USPAP.

The report which follows contains descriptions of the property and easements and relevant market data and summaries of the research and analyses which form the basis of the following estimates. The effective date of this appraisal was April 4, 2012.

As of the date of appraisal, it was my opinion that the subject property's fee simple estate, remainder values and the amount due to the property's owners are as follows:

<u>Before Value</u>	<u>Remainder Value</u>	<u>Amount Due Owner</u>
\$695,600	\$634,679	\$60,921

To the best of my knowledge, this appraisal was prepared in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP). If you have any questions regarding this report, please call me at 615-320-7500.

Sincerely,

A handwritten signature in blue ink, appearing to read "James W. Wainwright". The signature is fluid and cursive, written over a light blue horizontal line.

## **Executive Summary**

**Client:** Ms. Carol A. Croft, SRWA

**Property Location:** 1411 Tylertown Road  
Clarksville, TN 37040

**Property Owner:** Mack Phillips

**Date of Appraisal:** April 4, 2012

**Date of Report:** December 18, 2012

**Estate Appraised:** Fee Simple  
Partial Interest

**Estimated Value:**

Before Value	\$695,600
Remainder Value	<u>\$634,679</u>
Amount Due Owner	\$ 60,921

**Intended Use:** Assist Ms. Croft with property acquisition

**Intended User:** Ms. Carol A. Croft, SRWA

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## **PURPOSE AND INTENDED USE OF THE APPRAISAL**

The purpose of this appraisal is to estimate the market value of the property located at 1411 Tylertown Road, Clarksville, TN. 37040. The City of Clarksville desires to acquire some of the property in fee simple and the rights to an access easement and a permanent drainage easement over other parts of the property. The area to be acquired in fee simple is the location of a sink hole. The permanent drainage easement is an area that will contain an underground pipe that will channel runoff water from the lands that are located to the east of the subject property. The access easement will encumber the area of the subject that links the body of the tract with Tylertown Road. The proposed access easement will provide access to the permanent drainage easement and to the area to be acquired in fee simple.

The appraisal will be utilized by Croft & Associates and the City of Clarksville.

## **DATE OF APPRAISAL - DATE OF REPORT**

The effective date of this appraisal was April 4, 2012, which was the date of the first inspection of the property. The date of this report is December 18, 2012.

## **PROPERTY RIGHTS APPRAISED**

Real property refers to "all interests, benefits, and rights inherent in the ownership of physical real estate" (page 234, The Dictionary of Real Estate Appraisal, Fourth Edition). Property rights are economic interests supported by the law. The bundle of rights referred to as a property's legal interests may include easements, encroachments, liens, leases, etc. The various rights may be separated and held by different individuals or entities. The most complete form of ownership is the fee simple estate, which are the property rights addressed in this appraisal.

## **DEFINITION OF MARKET VALUE**

Market value as used in this appraisal is defined as: "The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of the date of appraisal and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised and each acting in what he considers his own best interest;

3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."

### **AREA OVERVIEW**

The client and any other identified users of this report are familiar with the city and area in which the subject property is located. Therefore, for the sake of brevity, this section is limited to the data that pertains to the subject property's highest and best use.

Subject is located in the northeast corner of the Clarksville's corporate district. The main roads serving the area are I-24, Trenton Road and Tiny Town Road. The Interstate Highway 24/ Trenton Road interchange is located about one quarter mile south of the subject property. Trenton Road provides access to Clarksville's central business district and Tiny Town Road provides access to Fort Campbell. Access to the subject is considered to be good.

Development around the I-24 interchange consist of retail/ commercial properties, restaurants hotel/ motels and etc. The development along Tylertown Road in subject's immediate area is composed of residential and industrial/ warehousing type properties. Queen City Metals Company, a metal recycling operation adjoins subject along subject's eastern line. A small warehouse is located across Tylertown Road from subject and another warehouse is located just west of subject. A relatively new residential development containing both single family detached homes and apartment homes is located at the terminus of Tylertown Road, north of subject.

### **IDENTIFICATION OF THE SUBJECT PROPERTY**

The subject is composed of two parcels which are identified on Montgomery County Property Map 8 as Parcels 2.02 and 2.08. These parcels are contiguous and are utilized as a single property. The mailing address is 1411 Tylertown Road, Clarksville, TN 37040.



## Aerial Photo of Subject Property



### TITLE DATA

Title to the property (both parcels) is vested in the name of Mack Phillips. The deed is of record in Volume 1126 Page 1468 Register's Office for Montgomery County, Tennessee (ROMC). Mr. Phillips acquired the properties on September 6, 2006. The grantee was Wells Fargo Bank and the stated consideration was \$330,000.

The property was listed for sale with an asking price of \$750,000. It has now been withdrawn from the market.

### SITE DESCRIPTION

Parcel 2.02 contains 9.9 acres and fronts 37.42 feet along the northern margin of Tylertown Road. Parcel 2.08 contains 5.8 acres. Parcel 2.08 does not have any road frontage and its access is provided by the strip of land that connects the body of Parcel 2.02 with Tylertown Road. Therefore, for the purpose of this appraisal, these two parcels are combined to constitute the "subject property", which contains 15.70 +- acres.



The entire tract has 37.42 feet of road frontage and is irregular in shape. Basically this property is a rear parcel which lies behind Parcel 2.12 and is linked to Tylertown Road by a driveway.

The land slopes upward from its southern property line to the home site where it levels. Then it slopes downward to its rear property line. The relatively level area is improved with a historic home, a structure that appears to be a tenant house and a cemetery.

Public water, sanitary sewer, natural gas, electricity and telephone services are available to the property.

According to Digital Media Services, the property is located on FEMA Map 470137-0090D. The indicated flood zone is X and the date of the map was March, 18, 2008.

### **ZONING CLASSIFICATION**

Clarksville's Planning Commission classifies subject as R-4, Multi Family Residential District. Clarksville's Zoning Ordinance describes this classification as follows. "The R-4 Multiple-Family Residential District is intended to promote and encourage the establishment and maintenance of a suitable environment for urban residence in areas which by location and character are appropriate for occupancy by high density multiple family dwellings and related facilities." Basically, this classification permits residential utilizations, group facilities including assisted living facilities and group assembly areas. There are other uses permitted and the reader is referred to the Zone Districts, Use Tables contained within the zoning ordinance.

It is my understanding that subject was once used as a Bed and Breakfast facility. According to an employee of the Planning Commission, this type of use remains available to subject. Multi-family use of the property is also permitted under the R-4 classification. This classification permits a maximum allowable density of 16 units per acre.

A chart containing the bulk regulations for the R-4 classification is presented in the addendum.

### **TAX ASSESSMENT**

The Assessor of Property for Montgomery County has assigned the following values for the subject properties.

**Parcel 2.02:**

<u>Component</u>	<u>Appraised Value</u>	<u>Assessed Value</u>
Land	\$ 57,900	\$14,475
Improvements	143,100	35,775
Totals	\$201,000	\$50,250

**Parcel 2.08:**

<u>Component</u>	<u>Appraised Value</u>	<u>Assessed Value</u>
Land	\$ 53,400	\$13,350
Improvements	0	0
Totals	\$ 53,400	\$13,350

The Assessor assesses residential properties at 25% of their appraised values. The current tax rate for the City of Clarksville is \$1.24 and the Montgomery County is \$3.14. The 2012 taxes for Parcel 2.02 are \$2,201.00 and the taxes for Parcel 2.08 are \$585.00.

## IMPROVEMENTS

Parcel 2.08 is improved with a one and one half story, brick dwelling that was constructed in the early 1800's. The assessor's records indicate that it was built in 1814. The county historian does not have a definitive date. The home was built by John Walton Barker who was born Aug. 19, 1798 and died Jan. 16, 1867, so the 1814 date seems plausible. The home is known as Cloverlands and was placed on the National Historic Register in 1979. Its recordation number is 79002451.

The home contains approximately 2,977 gross square feet on the first floor and 1,003 square feet on the second floor. A cellar contains 1,145 square feet.

The dwelling's first floor contains a living room, dining room, kitchen, breakfast room, an unfinished room, a half bath, a bedroom and a bathroom. The ceiling heights range from 9 feet to 11 feet. The entire dwelling has been renovated including new HV/AC systems, plumbing system, electrical system, roof and windows. The kitchen has granite countertops, appliances, ceramic tile floor and ceramic tile backsplash. The floors in the balance of the home are wood. Per the owner, dry wall was installed over the original plaster walls and ceilings.

The second floor contains two bedrooms and a bath. The floors are wood and the walls and ceilings are dry wall.

What appears to have been a tenant house is located behind the main house and contains 486 gross square feet. The structure is in poor condition.

The Barker Cemetery is located to the side of the main residence. The area is enclosed with a wrought iron fence. There are a number of graves located therein. The enclosed area contains approximately 1,800 square feet.

A gravel paved driveway connects the dwelling with Tylertown Road.

### **APPRAISAL METHODOLOGY & EXTRAORDINARY ASSUMPTION**

The subject property is somewhat unique in that it is improved with a dwelling that is listed on the National Register of Historic Homes and its land is zoned under a classification that permits multi-family utilization. The dwelling has been used as bed and breakfast inn that, according to information provided, failed. The dwelling, a tenant house and a cemetery are located in the approximate center of the tract. Further, the tract contains 15.70 acres but has only 37.42 feet of road frontage, which complicates the subdivision of the dwelling, its ancillary structure and the cemetery. It is my understanding that in order to subdivide an individual parcel from the tract a roadway and/or a driveway contained within an easement would have to be extended from the proposed parcel to Tylertown Road. Further, if a driveway was constructed it would have to be built to roadway standards.

The property is located next door to a metal scrap yard. The dwelling is located about 470 +/- feet from the closest affected area to be appraised, the drainage easement. The drainage easement lies within an area that now channels runoff water from subject and its surrounding properties to the sink hole. The area containing the sink hole cannot be built upon for obvious reasons. Clarksville's Building Codes Administration will not permit construction of habitable space within an area encompassed by the 1% flood elevation.

I do not think that the future use of the dwelling will be compromised by the proposed acquisition. It is the property owner's decision as to whether he wants to operate the dwelling as a bed and breakfast inn, develop the land with multi-family units, or sell the property to a developer who will probably develop the land with multi-family units. It is my understanding that homes that are listed on the National Historic Register may be demolished.

It should be noted that Mr. Phillips submitted a proposed condominium development to the Clarksville-Montgomery County Regional Planning Commission in 2007. The plan called for 118 condominium units to be built on the property but the historic home,

parcels, contains 15.70 acres. There are no known soil or geologic conditions that would preclude use of the subject for the legally permitted uses under its zoning classification. However, there is at least one sink hole located on the property.

As stated previously, subject's zoning classification permits a number of "residential" types of uses. Subject's R-4 classification permits a residential density of 16 units per acre. A property that is zoned R-4 is located just west of subject has been and is being improved with multi-family residential units. Demand for housing exists and multi-family development is judged to be the highest and best use for subject's land.

In the development plan submitted to the Planning Commission by Mr. Phillips, 118 condominium units were proposed for the property. The existing dwelling, tenant house and cemetery were retained. The proposed units surround these improvements. The existing driveway area would be the property's only roadway access. There is an area on the plat identified as "Retention Area" and "Proposed Class V", the sink hole, which are proposed to be undeveloped. Or, no units are proposed for these areas. The portions of subject's land that are proposed to be affected by the City's acquisition are located within the areas set aside from areas containing the proposed improvements in the development plan. Obviously, Mr. Phillips and Moore Design Services, the engineering firm that completed the "Cloverlands Condo Development" plan realized that it would be inappropriate to locate dwelling units in the areas designated Retention Area and Proposed Class V.

As to whether development of subject with condominium units or apartment units would result in subject's highest value, I offer the following observation. During my research of subject's market for sales of land zoned R-4, subject's classification, I found several sales of land that were either developed with apartments or were going to be developed with apartments. I did not find any sales of properties that were developed with condominiums or were proposed to be developed with condominiums. This is not an in-depth feasibility study, but to me it indicates that a demand exist for apartments. Therefore, it is my opinion that the highest and best use of the subject property, specifically subject's land, is for development with apartment units.

### **SCOPE OF APPRAISAL**

The scope of work included an investigation, analysis and reporting of all factors derived through my research that are considered relevant to estimating the current market value of the fee simple estate, including:



1. Personal inspection of the property on April 4, 2012.
2. An investigation of public records relative to the subject properties, including the source of title, applicable zoning and current tax appraisal.
3. Analysis of the subject's and comparable sales' zoning classifications.
4. Consideration of the economic and development trends in subject's area that may influence the development potential and market value of the subject land.
5. Research for sales of similar sites located within the subjects' area. All sales have been verified by public records and parties to the transactions.
6. Preparation of a limited appraisal report in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP).

### SALES COMPARISON APPROACH

#### Land Valuation

An investigation of the market was conducted for the purpose of gathering information on the sales of properties that are comparable to the subject property. The following chart contains the results of the investigation and presents the relevant data for each sale.

### SALES CHART

No.	LOCATION	SELLER BUYER	ZONING	DEED PAGE	DATE OF SALE	SALE PRICE	AREA ACRES	No. UNITS	PRICE UNIT
1	Tylertown Rd. Map 8 H A Parcel 14.00	Develco LLC. To William D. Hadley, Jr.	R-4	V1332 672	4/22/2010	\$230,000	12.650	70	\$3,286
2	2871 Trenton Rd. Map 32 Parcel 30.02	WBW Developers To Autumn Crest LLC.	R-4	V1329 2347	4/7/2010	\$834,480	21.960	226	\$3,692
3	Big Sky Dr. Map 40 Parcel 19.03	Meadow Wood Park Partnership To South Clarksville General Partnership	R-4	V1330 2445	4/13/2010	\$732,200	11.370	184	\$3,979
4	Peachers Mill Rd. Map 31 Parcel 1.01	Peachers Mill Properties, Inc. To Peachers Mill LLC.	R-4	V1374 1624	8/17/2010	\$960,000	15.650	216	\$4,444

**Comparable 1**



**Comparable 2**





### Comparable 3



### Comparable 4



Comparable 1 is located one parcel west of subject. It is being developed into individual lots each of which may be improved with 4 units. Utilities were available to the property when it sold. The land has gently rolling topography but did require some grading. The tract sold for \$3,286 per unit.

Development of Comparable 2 has not started, however the Planning Commission has approved 226 units for the property. All utilities were available to the property as of the date of sale. The topography is rolling. The land sold for \$3,692 per unit.

Comparable 3 is improved with the Meadow Wood Apartments. According to the seller, all utilities were available to the property on the date of sale. The land's topography is

## **PROPOSED ACQUISITIONS**

The City of Clarksville proposes to acquire property rights to three areas of the subject property. Different property rights are proposed to be acquired in each area. Meets and bounds descriptions of these areas are contained in the Addendum. The areas and the rights to be acquired are identified hereafter.

Area 1: This is the area that surrounds the sink hole. The area measures approximately 165 feet by 190 feet and contains 33,641.45 square feet, rounded to 33,642 square feet or .77 acres. The property rights proposed to be acquired are the fee simple estate. The City desires to acquire full title to this area.

Area 2: This area is a strip of land that extends from the existing driveway area westward to the eastern margin of Area 1. The area will be approximately 77 feet wide and approximately 405 feet in length. The proposed area will contain 33,315 square feet or .72 acres. This area is proposed to be a permanent drainage area and will contain an underground pipe that will flow water from lands located east of subject into the sink hole. Title to this area will remain in Mr. Phillips. Dwellings may not be located in this area but the area could possibly be paved and used as a parking lot. The City would have to approve any improvements proposed for the area.

Area 3: This is the area of subject which contains the existing driveway and which provides the property with access to Tylertown Road. The area is proposed to be approximately 37 feet wide and 519 feet long and will contain 21,208.17 square feet, rounded to 21,209 square feet, or .49 acres. The City proposes to use this area as an access from Tylertown Road to the proposed drainage easement. Title to this area will remain in Mr. Phillips name and he may use it as access to serve the existing dwelling or to serve future development of the property.

There is a fourth area indicated on the following plat that I identify as Area 4. No property rights will be acquired from this area but the City requested that I specifically address this area. The area is irregular in shape and extends westward from the driveway to the sink hole area. According to the plat, the area will contain 52,878.74 square feet, rounded to 52,879 square feet or 1.21 acres.

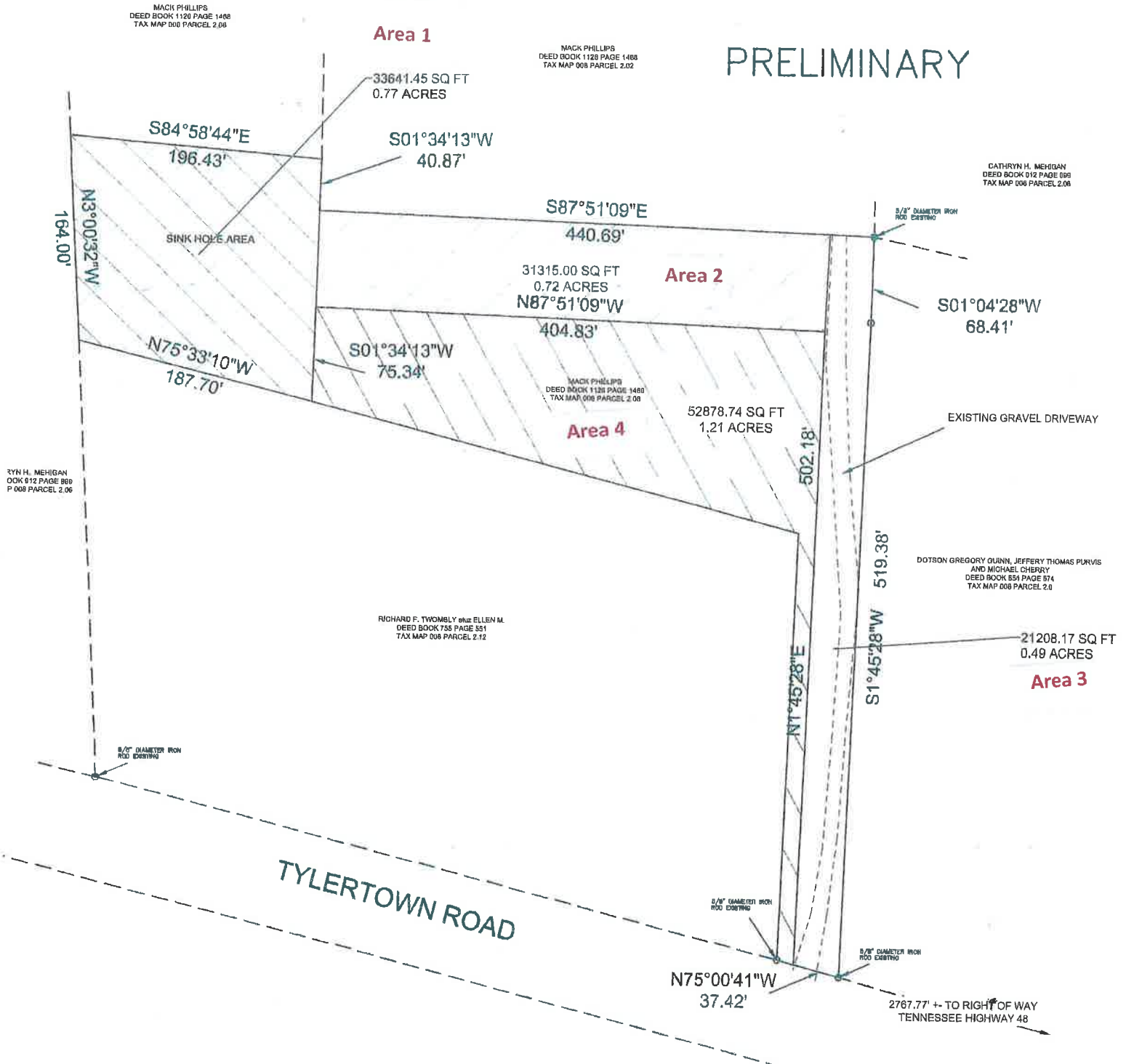
Areas 1, 2 and 4 are now raw land that is covered with scattered trees and bushes. Area 3 contains the gravel driveway with some trees and vegetation along the driveway's sides. The remainder contains of 14.93 acres (15.70 acres - .77 acres = 14.93 acres). The 14.93 acres is larger than two of the comparable sales presented herein. The before and after access to the subject property will not change. It is my opinion that the remainder parcel will not suffer damages.

A plat of the affected areas is presented on the following page.



# PLAT OF AFFECTED AREAS

PRELIMINARY



## VALUATION OF AFFECTED AREAS

The first step in this process was to estimate the value of the overall property. As stated previously, the subject property was defined as being 15.70 acres of land. The existing dwelling, tenant house and cemetery were not considered. In the Sales Comparison Approach, subject's land was compared to sales of comparable land that were analyzed on the number of multi-family units that could be placed on the property or a Per Unit Basis. The affected areas are valued in the same manner but the per unit value was converted to a per square foot and/or a per acre value. Subject's land value was estimated to be \$695,600 which equates to \$1.02 per square foot or \$44,306 per acre. The reader is reminded that these values are only being rounded to the nearest \$1.00 because the purpose of this appraisal is to value the partial acquisition. This minimal rounding indicates an accuracy that is not supported in the real estate market.

Partial property rights do not trade in the "typical real estate market". Easements may be acquired for the purpose of ingress/egress, mineral rights, timber rights and etc. However, drainage easements are generally acquired by a governmental agency or utility company and these entities have the power of eminent domain. I have found that it is common practice for appraisers to allocate 50% of the fee simple estate value for easements which encumber less than the fee simple value of the property.

The following chart contains the before value of the subject property, the areas to be acquired, the unit values applicable to the fee simple estate, the unit values applicable to the partial acquisitions and the remainder parcel's value.

<b>Value of Land Before Acquisition</b>	188 Units		\$3,700 Per Unit			<b>\$695,600</b>
<b>Amount Due Owner if Only Part Acquired (Detail Breakdown)</b>						
Land Acquired (Fee Simple) - Area 1	0.77 Acres		\$44,306 Per Acre	100%		\$34,116
Drainage Easement - Area 2	0.72 Acres		\$44,306 Per Acre	50%		\$15,950
Access Easement - Area 3	0.49 Acres		\$44,306 Per Acre	50%		\$10,855
Improvements Acquired						\$0
<b>Value of Part Acquired Land &amp; Improvements</b>						<b>\$60,921</b>
Total Damages						\$0
<b>Value of property Rights Acquired</b>						<b>\$60,921</b>
Benefits						\$0
<b>Total Amount Due Owner (Partial Acquisition)</b>						<b>\$60,921</b>
<b>Value of Remainder Property</b>						<b>\$634,679</b>

## ***Certification***

I hereby certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The opinions and conclusions contained in this report are based on my personal, unbiased professional analysis and such opinions and analyses are limited only by the accompanying statement of general assumptions and limiting conditions.
3. I have no present or prospective interest in the property that is the subject of this report, nor do I have any personal interest or bias with respect to the parties that may be involved in its sale, leasing, management, or financing.
4. My compensation is **not** contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event. Nor was this report based on a requested minimum or maximum valuation.
5. I made a personal inspection of this property.
6. No one other than the undersigned is responsible for the conclusions and opinions concerning the final estimates of value of the property, which is the subject of this appraisal.
7. I currently hold an appropriate state certification allowing the performance of real estate appraisals in connection with federally related transactions in the State of Tennessee.
8. To the best of my knowledge, this summary appraisal report has been prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP), and because of my education and experience in the appraisal of vacant land, I am qualified to appraise this property without seeking special outside assistance. For these reasons, I comply with the USPAP competency provision.
9. I have performed no services as an appraiser or in any other capacity regarding the property that is the subject of this report within the past three years from the period immediately preceding acceptance of this assignment.

  
James W. Comstock, Jr.

TN. Certificated General Appraiser CG-392

## ***General Assumptions And Limiting Conditions***

This appraisal is subject to the following general assumptions and limiting conditions:

No investigation has been made of, and no responsibility is assumed for, the legal description of the property being valued or for the quality of title under which it is held. Title to the property is assumed to be good and marketable and capable of being conveyed in fee simple.

Information furnished by others, upon which all or portions of this appraisal is based, is believed to be reliable but has not been personally verified in all cases. Therefore, no warranty is given as to the accuracy of such information.

The subject property's compliance with applicable federal, state, and local zoning, use, and environmental regulations is assumed unless otherwise stated.

No obligation is assumed by the appraiser to revise this report to reflect events or changes in market conditions, which occur subsequent to the effective date of appraisal noted in the letter of transmittal.

Areas and dimensions of the subject land were obtained from sources believed to be reliable. However, maps and sketches included in this report are only intended to assist the reader in visualizing the property, and no responsibility is assumed for their accuracy.

It is assumed that there are no hidden or unapparent conditions of the site that could render the property, as a whole, more or less valuable than the estimate(s) of market value transmitted by this report.

Centennial, Inc. shall not be required to update this appraisal at a later date, give verbal or written consultation, appear for discovery depositions, pretrial conferences, or court testimony unless separate arrangements for additional compensation are made therefor.

This report has been made only for the purposes stated and should not be used for any other purpose. The City of Clarksville and Croft and Associates are clients and the intended users of this report.

I did not make any observations or interpretations regarding the presence of hazardous materials on, in or near the property. I am not an expert in these fields, and realize I am not qualified to make such determinations. My value estimate is predicated upon the property owners bearing no costs for compliance or clean up.

Centennial, Inc. maximum liability relating to services rendered under this report shall be limited to the charges paid to Centennial, Inc.



## **RESUME OF QUALIFICATIONS**

James W. Comstock, Jr.  
3310 West End Avenue, Suite 420  
Nashville, Tennessee 37203

### **EDUCATION**

Trevecca Nazarene College Nashville, TN; 1989.  
Bachelor of Science in Management of Human Resources

Certificate in Real Estate – University of Tennessee

### **PROFESSIONAL SUMMARY**

Presently employed by Centennial, Inc. performing real estate appraisals.

Formally employed by Norman Hall & Assoc. as a real estate appraiser for 6 years.

Formally employed by the Metropolitan Government of Nashville & Davidson County as Director of the Public Property Administration (4 years) and as Assistant Director for 3 years.

Formally employed by Norman Hall & Associates as a real estate appraiser for 3 years.

Formally employed as an Appraiser for the Davidson County Division of Assessments (3 years).

Hearing Officer – Davidson County Board of Equalization

Scope of appraisal assignments have included residential, shopping centers, office buildings, warehouses, industrial properties, vacant land and subdivision analysis, partial acquisitions, and eminent domain.

Consulting – Sales negotiation and property acquisition for Metropolitan Development and Housing Agency. Negotiated land acquisition for construction of LP Field.

## **PROFESSIONAL AFFILIATIONS**

Certified General Appraiser of the State of Tennessee – License Number CG-392.

Tennessee Real Estate Broker – License Number 2474

Past Member – Board of Directors – Nashville Middle Tennessee Chapter –

Appraisal Institute

Past Chairman of Political Action Committee for Tennessee – Appraisal Institute (all chapters)

Past President – Tennessee Chapter 32 International Right of Way Association.

Member - National Association of Realtors

Member - Tennessee Association of Realtors

Member - Greater Nashville Association of Realtors

## **PARTIAL CLIENT LIST**

Hospital Corp. of America

Metropolitan Development and Housing Agency

Tennessee Department of Transportation

Lawrenceburg Hospital

Skyridge Medical Center

Sun Trust Bank

Bank of Nashville

Bank of America

Landsafe Appraisal Services

Solidifi, Inc.

Realty Mortgage Corp.

CTX Mortgage Company

Guaranty Trust Mortgage Company

AmStar Mortgage Company

Malcap Mortgage Company

Access National Mortgage Company

PMC Lending Corp.

First Horizon Home Loan Corp.

Porter Bridge Loan Corp.

Miller & Martin Attorneys

John Reynolds, Attorney

Heffner & Heffner, Attorneys

Spicer Flynn & Rudstrom, PLLC

Individuals

Instrument prepared by:  
U.S. Land Title  
2100 Southbridge Parkway, Suite 585  
Birmingham, AL 35209  
File# 65001651  
REO 33163114

Please send tax notice/new owner  
Mack Phillips

PARCEL 008 002.02  
1411 Tylertown Road  
Clarksville TN 37040

224  
Connie W. Bell, Register  
Montgomery County Tennessee  
Rec #: 131550  
Rec'd: 20.00  
State: 1221.00  
Clerk: 1.00  
EOP: 2.00  
Total: 1244.00  
Instrument #: 716214  
Recorded  
9/29/2006 at 11:42 AM  
in Volume  
1126  
Pgs 1468-1471

**SPECIAL WARRANTY DEED**

FOR AND IN CONSIDERATION of the sum of Ten and No/100 Dollars (\$10.00), cash in hand paid, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, **Wells Fargo Bank, N.A., successor by merger to Wells Fargo Bank Minnesota, N.A., as Trustee f/k/a Norwest Bank Minnesota, N.A., as Trustee for the registered holders of Terwin Mortgage Trust, Asset-Ba a corporation organized and existing under the laws of the United States**, (herein referred to as "Grantor") has/have this day bargained and sold and, by these presents, does/do hereby transfer and convey unto **Mack Phillips** (herein referred to as "Grantee"), his/her/their heirs and assigns, forever, the following described tract or parcel of land located in **Montgomery County, Tennessee**, to wit:

Please see attached Exhibit "A"

Volume  
1126 Pgs 1468

TO HAVE AND TO HOLD said tract or parcel of land together with all the improvements thereon and the appurtenances thereunto belonging unto said Grantee, his/her/their heirs and assigns, in fee simple forever.

GRANTOR COVENANTS with the said Grantee that they are lawfully seized and possessed of said property, that they have a good and lawful right to sell and convey the same and that they are from any lien or encumbrance whatsoever, except for applicable zoning and building regulations, all visible easements, restrictions and limitations of record and any real estate taxes, which are to be prorated.

GRANTOR FURTHER COVENANTS with the said Grantee and binds themselves, his/her/their heirs/successors and assigns, to warrant and forever defend the title thereto of said tract or parcel of land to the said Grantee, his/her/their heirs and assigns, against the lawful claims and demands of all persons whomsoever.

ALL warranties of Grantor herein contained are expressly limited to those person or parties claiming by, through or under Grantor.

WITNESS this the 6<sup>th</sup> day of September, 2006.

**GRANTOR:**

Wells Fargo Bank, N.A., successor by merger to Wells Fargo Bank Minnesota, N.A., as Trustee f/k/a Norwest Bank Minnesota, N.A., as Trustee for the registered holders of Terwin Mtg Trust, Asset-Backed Certificates TMTS 2003-8HE by Ocwen Federal Bank FSB n/k/a Ocwen Loan Servicing LLC as atif

BY:

Typed Name:

KEITH CHAPMAN

Title:

VA REO Closing Manager



STATE OF ~~TENNESSEE~~ FL  
COUNTY OF Orange

Before me, the undersigned authority, Kavita R. Mehta notary public of the State and County mentioned, personally appeared KEITH CHAPMAN who, upon oath, acknowledged him/herself to be VA REO Closing Manager of Ocwen Federal Bank FSB n/k/a Ocwen Loan Servicing LLC, which is the attorney-in-fact for Wells Fargo Bank, N.A., successor by merger to Wells Fargo Bank Minnesota, N.A., as Trustee f/k/a Norwest Bank Minnesota, N.A., as Trustee for the registered holders of Terwin Mtg Trust, Asset-Backed Certificates TMTS 2003-8HE, the within named bargainor, and that he/she as such VA REO Closing Manager, being authorized to do so, executed the foregoing instrument in behalf of Wells Fargo Bank, N.A., successor by merger to Wells Fargo Bank Minnesota, N.A., as Trustee f/k/a Norwest Bank Minnesota, N.A., as Trustee for the registered holders of Terwin Mtg Trust, Asset-Backed Certificates TMTS 2003-8HE as the VA REO Closing Manager of Ocwen Federal Bank FSB n/k/a Ocwen Loan Servicing LLC, which is the attorney-in-fact for Wells Fargo Bank, N.A., successor by merger to Wells Fargo Bank Minnesota, N.A., as Trustee f/k/a Norwest Bank Minnesota, N.A., as Trustee for the registered holders of Terwin Mtg Trust, Asset-Backed Certificates TMTS 2003-8HE and declared that he/she in his/her capacity as VA REO Closing Manager of Ocwen Federal Bank FSB n/k/a Ocwen Loan Servicing LLC which is the attorney-in-fact for Wells Fargo Bank, N.A., successor by merger to Wells Fargo Bank Minnesota, N.A., as Trustee f/k/a Norwest Bank Minnesota, N.A., as Trustee for the registered holders of Terwin Mtg Trust, Asset-Backed Certificates TMTS 2003-8HE.

WITNESS my hand and seal at office this 6th day of Sept 2006.

Kavita R. Mehta  
NOTARY PUBLIC

State of Tennessee

County of Montgomery

The actual consideration for this transfer is \$ 330,000.00.

John M. Rudolph  
Affiant

NOTARY PUBLIC-STATE OF FLORIDA  
Kavita R. Mehta  
Commission # DD454685  
Expires: JULY 25, 2009  
Bonded Thru Atlantic Bonding Co., Inc.

Subscribed and sworn to before me, this 27th day of Sept 2006.

John M. Rudolph  
com expires 10/10/09





# Exhibit A

Tract I: Beginning at an existing iron pin at the southeast corner of the Cathryn H. Mehigan, et al, property (ORBV 263, Page 274, ROMCT) in the north line of the James M. Bridgman, et al, property (ORBV 422, page 780, ROMCT); thence with an east line of the Cathryn H. Mehigan, et al, property North 02 degrees 02 minutes 36 seconds West 200.00 feet to an iron pin (set); thence with a south line of the Cathryn H. Mehigan, et al, property North 80 degrees 56 minutes 56 seconds East 448.99 feet to an iron pin (set); thence South 02 degrees 03 minutes 04 seconds East 200.00 feet to an existing iron pin; thence South 05 degrees 58 minutes 26 seconds East 296.51 feet to an existing iron pin; thence South 83 degrees 53 minutes 35 seconds West 30.83 feet to an existing iron pin; thence with a portion of the east line of the James M. Bridgman, et al, property along the following call: North 02 degrees 45 minutes 20 seconds East 83.11 feet to an existing iron pin, North 08 degrees 40 minutes 28 seconds West 175.74 feet to an existing iron pin, North 57 degrees 29 minutes 55 seconds West 35.93 feet to an existing iron pin and North 48 degrees 35 minutes 04 seconds East 24.43 feet to an existing iron pin at a fence line and the northeast corner of the James M. Bridgman, et al, property; thence with a portion of the north line of the James M. Bridgman, et al, property South 81 degrees 00 minutes 57 seconds West 414.23 feet to the point of beginning according to survey by Ben R. Weakley, Tennessee Registered Land Surveyor License No. 1457, of Weakley Brothers Land Surveying and Civil Engineering, dated December 11, 1989, and bearing Job No. 89-323, and being designated as Map and Parcel No. 8-2.02 on the Maps of the Assessor of Property for Montgomery County, Tennessee. This description was taken from the previous deed of record. Tract II: Beginning at a found iron pin in the north right of way line of Tylertown Road 2849.5 feet from its intersection with the centerline of Trenton Road; thence north 5 degrees 01 minutes 51 seconds west 852.74 feet to a found iron pin; thence north 82 degrees 19 minutes 17 seconds east 199.68 feet to a found iron pin; thence south 05 degrees 12 minutes 0 seconds east 306.55 feet to a point; thence south 0 degrees 27 minutes 38 seconds east 191.08 feet to a found iron pin; thence south 89 degrees 33 minutes 00 seconds east 404.83 feet to a found iron pin; thence south 07 degrees 13 minutes 36 seconds west 160.25 feet to a found iron pin; thence south 83 degrees 19 minutes 36 seconds east 28.01 feet to a found iron pin; thence south 02 degrees 26 minutes 51 seconds west 338.16 feet to a found iron pin in the north right of way line of Tylertown Road; thence along said right of way line north 77 degrees 35 minutes 23 seconds west 563.63 feet to a found iron pin being the point of beginning, containing 7.945 acres, more or less, according to survey of David B. Smith, Tennessee No. 1409 of David B. Smith Engineering, Inc., 171 West Dunbar Cave Road, Clarksville, TN 37040, dated May 4, 1990 and being designated as Map and Parcel No. 8-2.08 on the Maps of the Assessor of Property for Montgomery County, Tennessee. Included in the above description but expressly excluded here from is the property conveyed to Small Car Enterprises, Inc. by deed of record in Official Record Book Volume 636, page 2374, in the Register's Office for Montgomery County, Tennessee, and further described as follows: Beginning at an iron pin in the north right of way of Tylertown Road, said iron pin being .5 miles from the intersection of Tylertown Road and the centerline of Trenton Road, thence North 75 degrees 33 minutes 10 seconds West 559.19 feet to an iron pin; thence North 02 degrees 59 minutes West 346.04 feet to an iron pin; thence South 75 degrees 33 minutes 10 seconds East 588.84 feet to an iron pin; thence South 01 degrees 48 minutes 01 seconds West 338.33 feet to the point of beginning and containing 4.35 acres more or less according to survey by Ben Robert Weakly, Tennessee Registration, #1457, Weakley Brothers Survey & Engineering, 2121 Old Ashland City Road, Clarksville, Tennessee 37043, dated July 7, 1997. Being the same property conveyed to Linda Sloop, a divorced person, by deed dated September 9, 2003 from Jane Sanford Bridgman (now known as Jane Sanford), of record in Book Volume 923, page 1283, said Register's Office. Beginning in the north margin of a frontage road, said point being 2,640 feet west of the Western boundary of Trenton Road, as measured along the northern margin of said frontage road, thence with said frontage road north 75 degrees 30 minutes west 47 feet to a point; thence, leaving said frontage road north 2 degrees East 330, plus or minus, feet to a point; thence north 82 degrees, 15 minutes west 27.5 feet to a point; thence north 11 degrees east 166 feet to a point; thence north 88 degrees 40 minutes west 447.2 feet to a point; thence north 1 degree 15 minutes east 192 feet to a point; thence north 3 degrees 30 minutes west 307 feet to a point; thence south 84 degrees 30 minutes west 200 feet to a point; thence north 2 degrees 30 minutes west 269 feet to a point; thence north 84 degrees 30 minutes west 200 feet to a point; thence north 80 degrees 30 minutes east 449 feet to a point; thence south 4 degrees East 327 feet to a point; thence south 1 degree 15 minutes west 532, plus or minus, feet to a point; thence south 2 degrees West 518 feet to the point of beginning. Said description contains a parcel of 9.46, plus or minus, acres, together with a roadway from said parcel to said frontage road, said roadway parcel containing .57, plus or minus, acres, all as shown on a survey by William N. Young, dated March 22, 1977. Included in the above legal description but hereby expressly excluded there from is that certain real property (Parcel I) sold of record in Book 313, page 164, said Register's Office, described as follows: Parcel I: Beginning at a point in the northeast corner of the 9.46 acre parcel previously conveyed to the Grantees by the Grantor by deed of record in Book 252, page 798, thence north 2 degrees 30 minutes west 200 feet to a point; thence south 80 degrees 30 minutes west 449 feet to a point; thence south 2 degrees 30 minutes east 200 feet to a point in the Grantees' northern boundary; thence north with said boundary north 80 degrees 30 minutes east 449 feet to the point of beginning and containing 2.0615 acres according to survey by William N. Young made March 22, 1977. Parcel II: Beginning at a point in the southeast corner of the above described parcel I, thence south 4 degrees east 300.1 feet to a point; thence south 85 degrees 45 minutes west 31 feet to a point; thence north 2 degrees 40 minutes east 83.4 feet to a point; thence north 8 degrees 46 minutes west 175.9 feet to a point; thence north 55 degrees 36 minutes west 35.8 feet to a point; thence north 50 degrees 59 minutes east 24.2 feet to a point; thence north 81 degrees 47 minutes east 35.3 feet to the point of beginning and containing .17 acres, plus or minus, according to survey by William N. Young dated October 20, 1980. Parcel III: An easement for purposes of ingress and egress across the Grantor's remaining property from the above described parcel to the public frontage road, said easement being more particularly described as follows: Beginning at a point in the northern margin of said public frontage road, said point being 2,640 feet, plus or minus, west of Trenton Road as measured along the northern margin of said frontage road; thence north 8 degrees 16 minutes East 86 feet to a point; thence north 4 degrees 10 minutes east 87.5 feet to a point; thence north 6 degrees 50 minutes east 103.70

feet to a point; thence north 2 degrees 8 minutes west 42.5 feet to a point; thence north 12 degrees 45 minutes west 95.4 feet to a point; thence north 2 degrees 56 minutes east 103.24 feet to a point; thence north 2 degrees 1 minute east 356.89 feet to a point in the southern margin of the above described parcel II; thence south 85 degrees 45 minutes west 10 feet to a point; thence south 2 degrees 1 minute west 356.98 feet to a point; thence south 2 degrees 56 minutes west 106 feet to a point; thence south 12 degrees 45 minutes east 93.9 feet to a point; thence south 2 degrees 8 minutes east 40 feet to a point; thence south 6 degrees 50 minutes west 104.6 feet to a point; thence south 4 degrees 10 minutes west 86.8 feet to a point; thence south 8 degrees 16 minutes west 85 feet to a point in the northern margin of said public frontage roads; thence with the northern margin of said frontage road 75 degrees 30 minutes east 10 feet to the point of beginning. This being the same property conveyed to James H. Bridgman and wife, Jane S. Bridgman by Trustee's Deed from Samuel K. Crocker, Trustee for Gary R. Ausenbaugh and Mildred A. Ausenbaugh of record in Book Volume 412, page 779, said Register's Office. James Monroe Bridgman, Jr. was divested of all right, title and interest in and to said realty by Final Decree of Divorce of record in the Chancery Court for Montgomery County, Tennessee, File No. 2001-08-0114 entered to record on November 6, 2001.  
Commonly known as: 1411 Tybertown Road, Clarksville, Tennessee 37040.

Tax Parcel No.: 008.002.02

This being the same ~~the~~ real estate  
conveyed to the Grantor herein  
by virtue of a Trustee's deed  
of record in OEBV 1116, page 1752,  
ROMCT

# 4 District Bulk Regulations and Explanation

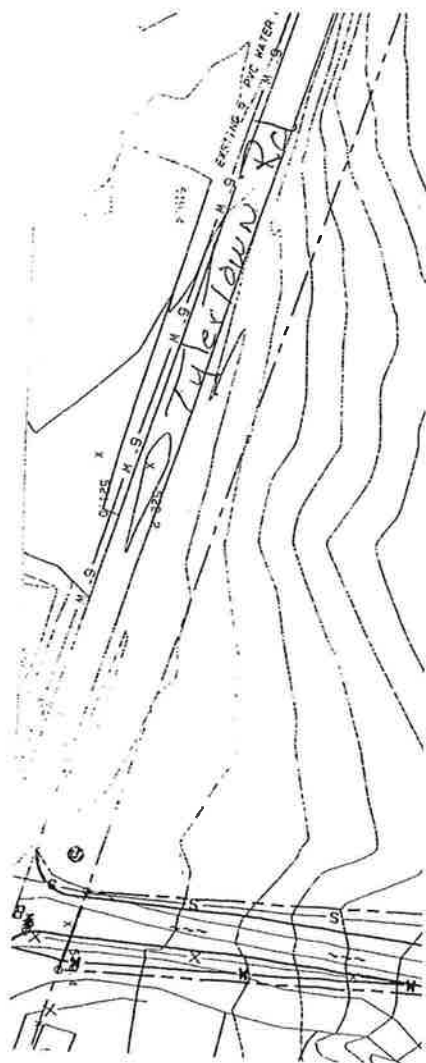
	R-2D	R-3	R-4	R-5
<b>Minimum/Maximum Area For New Zone District</b>				
Min/Max Acreage	N/A	N/A	2 Acres Minimum	2 Acres Minimum
<b>Minimum Lot Area (See Section 4.1.3 For Exceptions)</b>				
Dwellings and Accessories Thereto	12,000 Sq. Feet (1)	15,000 Sq. Feet (1)	11,000 Sq. Feet (4)	5,500 Sq. Feet (4)
Other Principal Uses	30,000 Sq. Feet	30,000 Sq. Feet	20,000 Sq. Feet	20,000 Sq. Feet
<b>Minimum Lot Width (At Front Setback Line)</b>				
Dwellings and Accessories Thereto	75 Feet	80 Feet	90 Feet	90 Feet
Other Principal Uses	120 Feet	100 Feet	100 Feet	100 Feet
<b>Minimum Frontage Requirement</b>				
All Uses (See Section 4.2)	25 Feet	25 Feet	25 Feet	25 Feet
<b>Minimum Front Yard Setbacks (See Section 4.1.1 For Exceptions)</b>				
All Uses	40 Feet	40 Feet	40 Feet	40 Feet
<b>Minimum Side yard Setbacks (See Section 4.1.1 For Exceptions)</b>				
Dwellings	8 Feet	8 Feet	10 Feet (5)	10 Feet (5)
T = The total for both side yard setbacks	T = 20 Feet (3)	T = 20 Feet (3)		For the subject tract
Unattached Accessory Uses	10 Feet	10 Feet	10 Feet	10 Feet
Other Principal Uses	20 Feet	25 Feet	25 Feet	25 Feet
<b>Minimum Rear Yard Setbacks (See Section 4.1.1 For Exceptions)</b>				
Principal Uses	20 Feet	20 Feet	25 Feet	25 Feet
Unattached Accessory Uses	10 Feet	10 Feet	10 Feet	10 Feet
<b>Maximum Lot Coverage</b>				
All Combined Uses	40%	40%	50%	50%
<b>Maximum Height of Structures (See Section 4.1.2 For Exceptions)</b>				
All Uses	35 Feet (2)	35 Feet (2)	N/A	N/A
<b>Site Plan Required (See Section 5.10 For Site Plan Requirements)</b>				
Yes/No	No	Yes	Yes	Yes

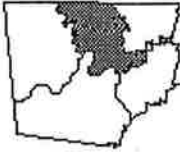
**Table 4.3**

(1). Only one (1) residential building per lot, except where a Guest House is allowed.

(2). Unattached buildings of accessory use shall be no higher than principal structure or twenty-five (25) feet, whichever is greater.

(3). To facilitate the use of side/rear entry garages, side yard setbacks can be reduced to a minimum of five (5) feet on one (1) side with the total required of the two sides being maintained.





**CLARKSVILLE-MONTGOMERY COUNTY  
REGIONAL PLANNING COMMISSION**

329 MAIN STREET; CLARKSVILLE TN 37040

PHONE: 931-645-7448 FAX: 931-645-7481

**CERTIFIED COPY OF  
ACTION OF COMMISSION  
- SITE REVIEW -**

CASE NUMBER: SR - 19 - 2007

APPLICANT: MACK  
PHILLIPS

REQUEST: CLOVERLANDS CONDOMINIUMS

PROP. USE: MULTI FAMILY - 118 UNITS

LOCATION: 1411 TYLERTOWN ROAD

TAX PLAT: 8, parcels 2.20 & 2.08

ACTION OF COMMISSION: APPROVED

DATE: May 30, 2007

REMARKS: APPROVAL, SUBJECT TO THE FOLLOWING CONDITION(S):

1. Approval by the City Street Department of drainage, grading, water quality and erosion control plans. No grading, excavating, stripping, filling, or other disturbance of the natural ground cover shall take place prior to the issuance of a grading and/or water quality permit.
2. Approval of a Traffic Study by the City Street Department.
3. Approval of all utility plans by the City Engineer's office.
4. Approval of a landscape plan.
5. Minor plat completed.

May 30, 2007  
DATE

  
PLANNING DIRECTOR

**INGRESS/EGRESS ON TAX PARCEL 2.02 MAP 008**

Beginning at a 5/8 inch diameter existing iron rebar in the northern right of way line of Tylertown Road common corner with Dotson Gregory Guinn, Jeffery Thomas Purvis and Michael Cherry of record in Deed Book 554, Page 574 (Tax Map 008 Parcel 2.0) in the Register of Deeds Office for Montgomery County, Tennessee, thence with said right of way line North 75 Degrees 00 Minutes 41 Seconds West 37.42 feet to corner with Mack Phillips of record in Deed Book 1126, Page 1468 (Tax Map 008 Parcel 2.08) in the Register of Deeds Office for Montgomery County, Tennessee; (POB also being located 2797.77 feet more or less from the west right of way of Tennessee Highway Number 48).

Thence with said line North 01 Degrees 45 Minutes 28 Seconds East 502.18 feet to corner with Mack Phillips of record in Deed Book 1126 Page 1468 (Tax Map 008 Parcel 2.08) in the Register of Deeds Office for Montgomery County, Tennessee;

Thence crossing said Tax Parcel 2.02 the following two (2) calls and distances:

1. North 01 Degrees 45 Minutes 28 Seconds East 77.28 feet;
2. South 87 Degrees 51 Minutes 09 Seconds East for 35.61 feet to a 5/8 inch diameter existing iron rebar marking the common corner of Cathryn Mehgan of record in Deed Book 912, Page 899 (Tax Map 008 Parcel 2.06) in the Register of Deeds Office for Montgomery County, Tennessee, and Dotson Gregory Guinn, Jeffery Thomas Purvis and Michael Cherry of record in Deed Book 554, Page 574 (Tax Map 008 Parcel 2.0) in the Register of Deeds Office for Montgomery County, Tennessee;

Thence with the Guinn, Purvis, and Cherry the following two (2) calls and distances:

1. South 01 Degrees 04 Minutes 28 Seconds West 68.41 feet;
2. South 01 Degrees 45 Minutes 28 Seconds West 519.38 feet to the Point of Beginning,

Said parcel containing 21,208 Square Feet more or less or 0.49 Acres more or less.

PART OF TAX PARCEL 202 (0.72 Acres more or less) *Drainage E's mT.*

Beginning at a point corner with Mack Phillips of record in Deed Book 1126, Page 1468 (Tax Map 008 Parcel 2.02) in the Register of Deeds Office for Montgomery County, Tennessee, said point being located North 75 Degrees 00 Minutes 41 Seconds West 37.42 feet and North 01 Degrees 45 Minutes 28 Seconds East 502.18 feet from a 5/8 inch diameter existing iron rebar in the northern right of way line of Tylertown Road common corner with Dotson Gregory Guinn, Jeffery Thomas Purvis and Michael Cherry of record in Deed Book 554, Page 574 (Tax Map 008 Parcel 2.0) In the Register of Deeds Office for Montgomery County, Tennessee;

Thence with the line of Parcel 2.08 the following two (2) calls and distances:

1. North 87 Degrees 51 Minutes 09 Seconds West 404.83 feet;
2. North 01 Degrees 34 Minutes 13 Seconds East 77.28 feet;

Thence crossing parcel 2.02 the following two (2) calls and distances:

1. South 87 Degrees 51 Minutes 09 Seconds East 405.08 feet;
2. South 01 Degrees 45 Minutes 28 Seconds West 77.28 feet to the Point of Beginning,

Said parcel containing 31,315 Square Feet more or less or 0.72 Acres more or less.

SOUTH WEST PART OF TAX PARCEL 208 (0.77 Acres more or less) Sink hole

Beginning at a point in the line of Cathryn Mehgan of record in Deed Book 912, Page 899 (Tax Map 008 Parcel 2.06) in the Register of Deeds Office for Montgomery County, Tennessee, being located North 02 degrees 59 minutes 00 seconds West 346.04 feet from a 5/8 inch diameter existing iron rebar in the northern right of way line of Tylertown Road (located 3378.30 feet more or less from the west right of way of Tennessee Highway Number 48) and marking the common corner of Mehgan and Richard F. Twombly of record in Deed Book 755, Page 551 (Tax Map 008 Parcel 2.12) in the Register of Deeds Office for Montgomery County, Tennessee;

Thence with Mehgan line North 03 Degrees 00 Minutes 32 Seconds West 164.00 feet;

Thence leaving said line and crossing Tax Parcel 2.08 South 84 Degrees 58 Minutes 44 Seconds East 196.43 feet to the line of Tax Parcel 202;

Thence with said line South 01 Degrees 34 Minutes 13 Seconds West 118.14 feet to common corner with Tax Parcels 2.02 and 2.08;

Thence crossing Tax Parcel 2.08 South 01 Degrees 34 Minutes 13 Seconds West for 75.34 feet to a point in the line of Richard F. Twombly of record in Deed Book 755, Page 551 (Tax Map 008 Parcel 2.12) in the Register of Deeds Office for Montgomery County, Tennessee;

Thence with said line North 75 Degrees 33 Minutes 10 Seconds West 187.70 feet to the Point of Beginning,

Said parcel containing 33,641 Square Feet more or less or 0.77 Acres more or less.

SOUTHERN PART OF TAX PARCEL 208 (1.21 Acres more or less) No acquisition on this area.

Beginning at a point corner with Mack Phillips of record in Deed Book 1126, Page 1468 (Tax Map 008 Parcel 2.02) in the Register of Deeds Office for Montgomery County, Tennessee, said point being located North 75 Degrees 00 Minutes 41 Seconds West 37.42 feet from a 5/8 inch diameter existing iron rebar in the northern right of way line of Tylertown Road common corner with Dotson Gregory Guinn, Jeffery Thomas Purvis and Michael Cherry of record in Deed Book 554, Page 574 (Tax Map 008 Parcel 2.0) in the Register of Deeds Office for Montgomery County, Tennessee; (POB also being located 2805.19 feet more or less from the west right of way of Tennessee Highway Number 48).

Thence with said right of way line North 75 Degrees 04 Minutes 07 Seconds West 13.85 feet a 5/8 inch diameter existing iron rebar common corner with Richard F. Twombly of record in Deed Book 755, Page 551 (Tax Map 008 Parcel 2.12) in the Register of Deeds Office for Montgomery County, Tennessee;

Thence with said line the following two (2) calls and distances:

1. North 01 Degrees 48 Minutes 01 Seconds East for 338.33 feet;
2. North 75 Degrees 33 Minutes 10 Seconds West for 401.14 feet;

Thence crossing Tax Parcel 2.08 North 01 Degrees 34 Minutes 13 Seconds East 75.34 feet to common corner with Tax Parcel 2.02 and Parcel 2.08;

Thence with line of Tax Parcel 2.02 the following two (2) calls and distances:

1. South 87 Degrees 51 Minutes 09 Seconds East 404.83 feet;
2. South 01 Degrees 45 Minutes 28 Seconds West 502.18 feet to the Point of Beginning

Said parcel containing 52,879 Square Feet more or less or 1.21 Acres more or less.

Preceding descriptions based upon field work conducted on September 14, 2011 by Gresham Smith and Partners with Source of North from Deed Book 554 Page 574. Description prepared by Kenneth D. Church, TN RLS 1004 with Gresham Smith and Partners, 1400 Nashville City Center, 511 Union Street,



## **PHOTOGRAPHS OF AFFECTED AREAS**

**Sink Hole**



**Sink Hole**



**Drainage Easement**



**Sink Hole**



**Drainage Easement**



**Drainage Easement**





**Existing Driveway/Proposed Access Easement**



**Existing Driveway/Proposed Access Easement**



**Existing Driveway/Proposed Access Easement  
Looking North from Tylertown Road Frontage**



**Remainder North of Drainage Easement**



**Remainder with Home**



**Remainder Looking South Toward Drainage Easement**



ORDINANCE 82-2013-14

AN ORDINANCE AMENDING THE OFFICIAL CODE RELATIVE TO WATER AND SEWER RATES

*BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CLARKSVILLE, TENNESSEE:*

That effective July 1, 2013, the *Official Code* of the City of Clarksville, Tennessee, Title 13, "Utilities and Service," Chapter 3, "Gas, Water, and Sewer Service," Section 13-312, "Water and sewer rates; basis for charges; surcharges," (3) "Sewer rate schedules," is hereby amended as follows:

Delete the paragraph relative to charge for sewer usage or availability and substitute instead the following:

Per 1,000 gallons

Effective July 1, 2013 to June 30, 2014

Usage (gallons)	<u>Within City</u>	Outside City but served directly by <u>City</u>
First 2,000	\$6.14	\$11.44
All over 2,000	\$6.14	\$10.23

Effective July 1, 2014 to June 30, 2015

Usage (gallons)	<u>Within City</u>	Outside City but served directly by <u>City</u>
First 2,000	\$6.73	\$12.53
All over 2,000	\$6.73	\$11.20

Effective July 1, 2015 to June 30, 2016

Usage (gallons)	<u>Within City</u>	Outside City but served directly by <u>City</u>
First 2,000	\$7.37	\$13.72
All over 2,000	\$7.37	\$12.26

Effective July 1, 2016

Usage (gallons)	<u>Within City</u>	Outside City but served directly by <u>City</u>
First 2,000	\$8.07	\$15.02
All over 2,000	\$8.07	\$13.43

Furthermore, that effective July 1, 2013, the *Official Code* of the City of Clarksville, Tennessee, Title 13, "Utilities and Service," Chapter 3, "Gas, Water, and Sewer Service," Section 13-309, "Fee for new connections; service line," is hereby amended as follows:

Delete the paragraph relative to charge for meter boxes and substitute instead the following:

Meter box fees will be charged for all new meter installation including secondary meters as follows:

Meter Size	Fee
¾"	Cost plus 10%
1"	Cost plus 10%
1½"	Cost plus 10%
2"	Cost plus 10%
3"	Cost plus 10%
4"	Cost plus 10%
6"	Cost plus 10%

*FIRST READING:*  
*SECOND READING:*  
*THIRD READING:*  
*PUBLICATION DATE:*



ORDINANCE 83-2012-13

AN ORDINANCE AUTHORIZING PARTIAL RELEASE OF SANITARY SEWER LINE EASEMENT ON PROPERTY OWNED BY GOVERNOR'S SQUARE COMPANY IB, AN OHIO GENERAL PARTNERSHIP.

*WHEREAS*, the City of Clarksville owns an easement for sanitary sewer line (hereinafter, the "easement") on certain real property owned by Governor's Square Company IB, an Ohio General Partnership (hereinafter, the "property owner"), the easement being more particularly described in Collective Exhibit A attached hereto;

*WHEREAS*, the property owner is abandoning a portion of sewer main in order to build a commercial building and, consequently, seeks to abandon (and have the City release) a portion of the easement and, more specifically, the portion identified in Collective Exhibit A as: "PART OF EXISTING LINE #17 TO BE ABANDONED S59°08'30"E 154.58"; and

*WHEREAS*, the property owner and the City of Clarksville seek to memorialize the partial release of the easement, in accordance with Collective Exhibit A attached hereto.

*NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CLARKSVILLE, TENNESSEE:*

That the City of Clarksville may release a portion of the sanitary sewer line easement located on property owned by Governor's Square Company IB, an Ohio General Partnership, the portion of the easement being described more particularly in Collective Exhibit A attached hereto and incorporated herein by reference.

*FIRST READING:*

*SECOND READING:*

*EFFECTIVE DATE:*

# COLLECTIVE EXHIBIT A

## PARTIAL RELEASE OF EASEMENT

In consideration of the sum of \$1.00 and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, THE CITY OF CLARKSVILLE, a municipal corporation organized and existing under the laws of the State of Tennessee, ("CLARKSVILLE"), being the current easement holder, does hereby release and surrender all its right, title and interest in, to and under a portion of the certain Bill of Sale and Easement Agreement granted by GOVERNOR'S SQUARE COMPANY IB, an Ohio general partnership, ("GOVERNOR'S SQUARE") being also the current owner of the premises on which this Partial Release of Easement is located, with a mailing address of 2445 Belmont Avenue, P.O. Box 2186, Youngstown, Ohio 44504-0186 to The City of Clarksville, on land situated in the City of Clarksville, County of Montgomery, State of Tennessee, dated October 14, 1992 and recorded October 23, 1992 at the Montgomery County Court House in Volume 491, Page 0939 (hereinafter referred to as the "Easement Agreement").

In particular, the portion of said easement hereby surrendered is shown as "PART OF EXISTING LINE #17 TO BE ABANDONED S59°08'30"E 154.58'" on Exhibit A attached hereto, made a part hereof, and recorded herewith. CLARKSVILLE, as a result of this Partial Release of Easement, no longer has any right, title or interest in the area identified as "to be abandoned" on Exhibit A attached hereto.

IN WITNESS WHEREOF, CLARKSVILLE and GOVERNOR'S SQUARE have hereunto set their hands as of this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

CLARKSVILLE:

THE CITY OF CLARKSVILLE,  
a municipal corporation

By: \_\_\_\_\_

Its: \_\_\_\_\_

STATE OF TENNESSEE                    )  
  ) SS:  
COUNTY OF MONTGOMERY            )

Personally appeared before me, the undersigned, a Notary Public in and for said County and State, \_\_\_\_\_, known to me to be the \_\_\_\_\_, respectively, of THE CITY OF CLARKSVILLE, the municipal corporation which executed the foregoing document, who acknowledged that he/she did sign and seal the foregoing instrument for and on behalf of said municipal corporation, being thereunto duly authorized by its Board of Directors; that the same is his/her free act and deed as such \_\_\_\_\_ and the free act and deed of said municipal corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal at Youngstown, Ohio, this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

\_\_\_\_\_  
Notary Public

**GOVERNOR'S SQUARE:**

GOVERNOR'S SQUARE COMPANY IB,  
an Ohio general partnership,

By: \_\_\_\_\_

Its: \_\_\_\_\_

STATE OF OHIO )  
 ) SS:  
COUNTY OF MAHONING )

Personally appeared before me, the undersigned, a Notary Public in and for said County and State, \_\_\_\_\_, known to me to be the Authorized Agent of GOVERNOR'S SQUARE COMPANY IB, the partnership which executed the foregoing instrument for and on behalf of said partnership, being thereunto duly authorized; that the same is his free act and deed as such Authorized Agent and the free act and deed of said partnership.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal at  
Youngstown, Ohio, this \_\_\_\_\_, day of \_\_\_\_\_, 2013.

**Notary Public**

This instrument prepared by and  
after recording please return to:  
Robert L. Mackall, III  
Attorney at Law  
2445 Belmont Avenue  
P.O. Box 2186  
Youngstown, Ohio 44504-0186

# EXHIBIT A

May 9, 2013

STATE OF TENNESSEE  
COUNTY OF MONTGOMERY  
CITY OF CLARKSVILLE

Governor's Square Plaza

## LEGAL DESCRIPTION

### **Centerline of a 15' Wide Sanitary Sewer Easement to be Abandoned**

Situated in the State of Tennessee, City of Clarksville and in the Sixth Civil District of Montgomery County, and being described along a centerline of a 15 foot wide sanitary sewer easement, and being more fully described as follows:

Beginning at an existing manhole known as Point "A" as described in Line #16 in a Bill of Sale and Easement Agreement, as recorded at the Montgomery County Court House in Volume 491, Page 0939, and being know as Line #17;

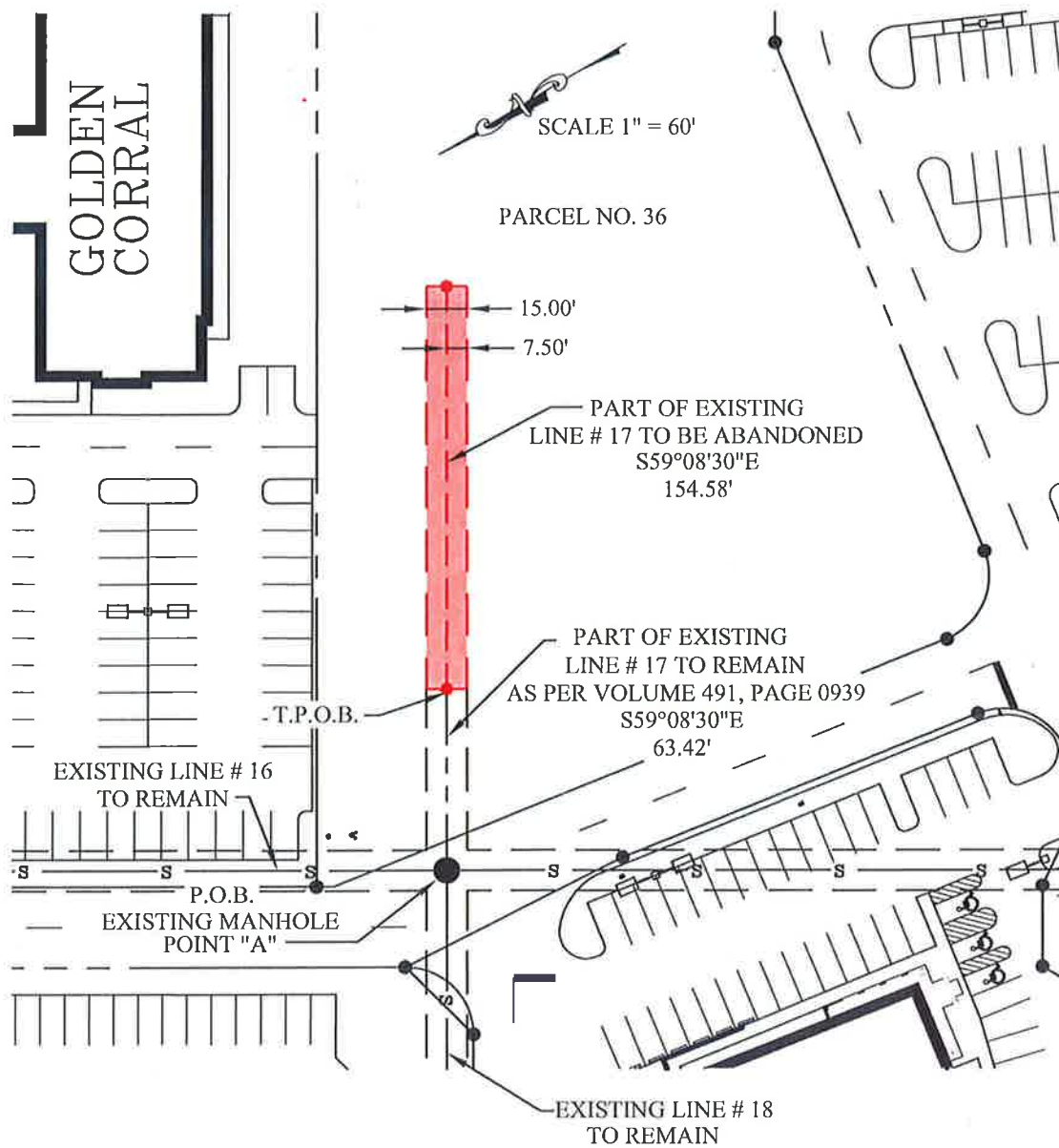
Thence S 59° 08' 30" E, along the centerline of an existing 15 foot wide sanitary sewer easement to remain, a distance of 63.42 feet to the **TRUE PLACE OF BEGINNING** for the herein described centerline of an existing 15 foot wide sanitary sewer easement to be abandoned;

Thence continuing S 59° 08' 30" E, along the centerline of an existing 15 foot wide sanitary sewer easement to be abandoned, a distance of 154.58 feet;

The above said legal description is not based on an actual field boundary survey, but is based on the following: Bill of Sale and Easement Agreement as recorded October 23, 1992 at the Montgomery County Court House in Volume 491, Page 0939.

**GOVERNOR'S SQUARE COMPANY 1B**

File No. 21 Final



LOCATION PLAN  
GOVERNOR'S SQUARE PLAZA  
CLARKSVILLE, TENNESSEE

**EXHIBIT A**

CENTERLINE OF A 15 FT WIDE SANITARY SEWER EASEMENT TO BE ABANDONED  
MAY 9, 2013



ORDINANCE 84-2012-13  
(Approved by Finance Committee 5-28-13)

AN ORDINANCE AMENDING PART II (CODE OF ORDINANCES), TITLE 1 (ADMINISTRATION, OFFICERS, AND PERSONNEL), CHAPTER 2 (CITY COUNCIL) OF THE OFFICIAL CODE OF THE CITY OF CLARKSVILLE

*WHEREAS*, the City Council has determined that it is appropriate to amend the Official Code of Ordinances of the City of Clarksville;

*NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CLARKSVILLE, TENNESSEE:*

(1) That **Section 1-201**, pertaining to “**Time and place of regular meetings**,” is amended by deleting the current language and substituting therefore the following:

**Section 1-201. Time and place of regular meetings.**

All regular meetings of the city council shall be held on the first Thursday of each month at 7:00 p.m. in the council chamber of city hall, **except as may otherwise be provided by resolution approved by the city council at any prior regular or special called meeting of the city council.**

(2) **That this ordinance shall be effective upon passage.**

*FIRST READING:*

*SECOND READING:*

*EFFECTIVE DATE:*

ORDINANCE 84-2012-13

AN ORDINANCE AMENDING PART II (CODE OF ORDINANCES), TITLE 1 (ADMINISTRATION, OFFICERS, AND PERSONNEL), CHAPTER 2 (CITY COUNCIL) OF THE OFFICIAL CODE OF THE CITY OF CLARKSVILLE RELATIVE TO TIME AND PLACE OF REGULAR MEETINGS

*WHEREAS*, the City Council has determined that it is appropriate to amend the Official Code of Ordinances of the City of Clarksville;

*NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CLARKSVILLE, TENNESSEE:*

(1) That Section 1-201, pertaining to “Time and place of regular meetings,” is amended by deleting the current language and substituting therefore the following:

Section 1-201. Time and place of regular meetings.

All regular meetings of the city council shall be held on the first Thursday of each month at 7:00 p.m. in the council chamber of city hall, ~~except as may otherwise be provided by resolution~~ ordinance approved by the city council at any prior regular or special called meetings of the city council.

(2) That this ordinance shall be effective upon passage.

*FIRST READING:*

*SECOND READING:*

*EFFECTIVE DATE:*

RESOLUTION 55-2012-13

A RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND PAYMENT OF UP TO \$52,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER, SEWER AND GAS REVENUE REFUNDING BONDS, SERIES 2013 OF THE CITY OF CLARKSVILLE, TENNESSEE; AND AMENDING PRIOR RESOLUTIONS RELATED THERETO.

WHEREAS, the City of Clarksville, Tennessee (the "Municipality") previously entered into that certain Loan Agreement (the "Refunded Loan"), dated December 23, 2010, by and between the Municipality and The Public Building Authority of the City of Clarksville, Tennessee (the "PBA"), in the original principal amount of \$50,000,000, funded by the issuance of the PBA's Variable Rate Local Government Loan Program Bond, Series 2010 (City of Clarksville Water and Sewer System Loan), dated December 23, 2010 (the "PBA Bond"); and

WHEREAS, the Municipality used the proceeds of the Refunded Loan to finance the construction, improvement, repair, replacement and equipping of the Municipality's wastewater system facilities and other water and sewer system projects relating to the flood disaster of May 2010; and

WHEREAS, the Municipality anticipated repaying the Refunded Loan with reimbursement monies received from the Federal Emergency Management Agency ("FEMA") and accordingly structured the Refunded Loan so that it matured three years from its date of issuance; and

WHEREAS, the Municipality did not receive from FEMA the monies necessary to repay the Refunded Loan as anticipated and now desires to refinance the Refunded Loan so that it matures over a longer period of time, alleviating a financial burden on the Municipality and its water, sewer and gas system (the "System"); and

WHEREAS, municipalities in Tennessee are authorized by Sections 7-34-101 et seq. and Sections 9-21-101 et seq., Tennessee Code Annotated, as amended, to issue, by resolution, bonds to refund, redeem or make principal and interest payments on their previously issued bonds, notes or other obligations; and

WHEREAS, the Municipality has determined that it is in the best interest of the Municipality to issue bonds for the purposes of refinancing all or a portion of the principal amount of the Refunded Loan and, in connection or therewith, the PBA Bond; and

WHEREAS, the plan of refunding for the Refunded Loan has been submitted to the Director of State and Local Finance (the "State Director") as required by Section 9-21-903, Tennessee Code Annotated, as amended, and the State Director has acknowledged receipt thereof and reported thereon to the Municipality; and

WHEREAS, the Municipality wishes to issue the bonds under the resolution of the City Council of the Municipality adopted on February 7, 1985, as supplemented and amended on February 1, 1991, November 7, 1991, October 1, 1992, May 1, 1997, November 5, 1998, and June 7, 2001, as amended and restated on May 6, 2004, as further supplemented and amended on March 29, 2007, April 7, 2011 and by this resolution on the date hereof, and as may be further supplemented and amended (the "Master Resolution") on a parity and equality of lien with the Municipality's outstanding Water, Sewer and Gas Revenue Refunding Bonds, Series 2002, dated January 31, 2002 (the "Series 2002 Bonds"), Water, Sewer and Gas Revenue Refunding and Improvement Bonds, Series 2007, dated April 27, 2007 (the "Series 2007 Bonds"), and Water, Sewer and Gas Revenue Refunding Bonds, Series 2011, dated April 25, 2011 (the "Series 2011

Bonds” and, together with the Series 2002 Bonds and the Series 2007 Bonds, the “Outstanding Bonds”) on the revenues of the System; and

WHEREAS, the Municipality wishes to amend the terms of the Master Resolution as set forth herein;

NOW, THEREFORE, BE IT RESOLVED by the City Council of Clarksville, Tennessee, as follows:

SECTION 1. Authority; Findings.

(a) The bonds authorized by this resolution are issued pursuant to Sections 7-34-101 et seq. and Sections 9-21-101 et seq., Tennessee Code Annotated, and other applicable provisions of law.

(b) The Municipality has adopted a debt management policy, as required by the State Funding Board of the State of Tennessee. The Governing Body hereby finds that the issuance and sale of the Series 2013 Bonds, as proposed herein, are consistent with the Municipality's debt management policy. The Governing Body also hereby acknowledges receipt of the Report on Plan of Refunding, a copy of which is attached hereto as Exhibit C, and all cost and other disclosures regarding the Series 2013 Bonds required by the debt management policy.

SECTION 2. Definitions. Capitalized terms used in this resolution but not defined in this section shall have the meanings ascribed in the Master Resolution. In addition to the terms defined in the preamble, the following terms shall have the following meanings in this resolution unless the text expressly or by necessary implication requires otherwise:

(a) “Bond Purchase Agreement” means the Bond Purchase Agreement, dated as of the sale of the Series 2013 Bonds, entered into by and between the Municipality and the Underwriter, in substantially the form of the document attached hereto as Exhibit A, subject to such changes as permitted by Section 9 hereof, as approved by the Mayor, consistent with the terms of the Master Resolution;

(b) “Book-Entry Form” or “Book-Entry System” means a form or system, as applicable, under which physical bond certificates in fully registered form are issued to a Depository, or to its nominee as Registered Owner, with the certificate of bonds being held by and “immobilized” in the custody of such Depository, and under which records maintained by persons, other than the Municipality or the Registration Agent, constitute the written record that identifies, and records the transfer of, the beneficial “book-entry” interests in those bonds;

(c) “Clerk” means the City Clerk of the Municipality;

(d) “Commissioner of Finance and Revenue” means the Commissioner of Finance and Revenue of the Municipality or the Interim Commissioner of Finance and Revenue of the Municipality;

(e) “Depository” means any securities depository that is a clearing agency under federal laws operating and maintaining, with its participants or otherwise, a Book-Entry System, including, but not limited to, DTC;

(f) “DTC” means The Depository Trust Company, a limited purpose company organized under the laws of the State of New York, and its successors and assigns;

(g) "DTC Participant(s)" means securities brokers and dealers, banks, trust companies and clearing corporations that have access to the DTC System;

(h) "Financial Advisor" means Public Financial Management, Inc.;

(i) "Governing Body" means the City Council of the Municipality;

(j) "Government Securities" means obligations and securities described in Section 9-21-914, Tennessee Code Annotated;

(k) "Mayor" means the Mayor of the Municipality;

(l) "Municipality" has the meaning ascribed in the preamble hereto;

(m) "Outstanding Bonds" has the meaning ascribed in the preamble hereto;

(n) "PBA" and "PBA Bonds" shall have the meaning ascribed in the preamble;

(o) "Refunded Loan" has the meaning ascribed in the preamble hereto;

(p) "Registration Agent" means U.S. Bank, National Association, Nashville, Tennessee, or any successor designated by the Governing Body;

(q) "Series 2002 Bonds" has the meaning ascribed in the preamble hereto;

(r) "Series 2007 Bonds" has the meaning ascribed in the preamble hereto;

(s) "Series 2011 Bonds" has the meaning ascribed in the preamble hereto; and

(t) "Series 2013 Bonds" means the Water, Sewer and Gas Revenue Refunding Bonds, Series 2013 authorized to be issued herein;

(u) "Trustee" means The Bank of New York Mellon Trust Company, N.A., or its successor or assignee, as trustee under that certain Indenture of Trust, dated as of December 23, 2010, for the PBA Bond.

(v) "Underwriter" means Morgan Stanley & Co. LLC, and the other underwriters designated in the Bond Purchase Agreement by the Mayor;

### SECTION 3. Authorization and Terms of the Series 2013 Bonds.

(a) General Terms. For the purpose of providing funds to (i) refund the Refunded Loan and thereby retire the PBA Bond; (ii) fund any increase in the Reserve Fund Requirement necessitated by the issuance of bonds hereunder and (iii) pay costs incident to the issuance and sale of the Series 2013 Bonds, all as more fully set forth in Section 10 hereof, the Governing Body hereby authorizes the issuance of its water, sewer and gas revenue refunding bonds in an aggregate principal amount not to exceed \$52,000,000. The Series 2013 Bonds shall be issued in fully registered form, without coupons, shall be known as "Water, Sewer and Gas Revenue Refunding Bonds, Series 2013" and shall be dated their date of issuance, or bear such other series designation and dated date as shall be established pursuant to Section 9 hereof. The Series 2013 Bonds shall bear interest at a rate or rates not to exceed the maximum rate permitted by State law at the time of the sale of the Series 2013 Bonds, and subject to the adjustments permitted pursuant to Section 9 hereof, such interest shall be payable semi-annually on the first day of February and

August in each year commencing February 1, 2014, or such other date as shall be established pursuant to Section 9 hereof. The Series 2013 Bonds shall be issued initially in \$5,000 denominations or integral multiples thereof, as shall be requested by the Underwriter. The Series 2013 Bonds shall mature, either serially or through mandatory redemption, commencing February 1, 2020 and continuing on the first day of February of each year thereafter through and including February 1, 2038, the final maturity date (subject to the adjustments permitted pursuant to Section 9 hereof), in such amounts as shall be set forth in the Bond Purchase Agreement.

(b) Optional Redemption. Series 2013 Bonds maturing on or before February 1, 2023 may not be redeemed prior to their maturities. Subject to the adjustments permitted pursuant to Section 9 hereof, the Municipality may redeem Series 2013 Bonds maturing on or after February 1, 2024 at any time, in whole or in part, on or after February 1, 2023, at a price of par plus accrued interest to the redemption date. If less than all the Series 2013 Bonds shall be called for redemption, the maturities to be redeemed shall be selected by the Governing Body in its discretion. If less than all of the Series 2013 Bonds within a single maturity shall be called for redemption, the Series 2013 Bonds within the maturity to be redeemed shall be selected as follows:

(i) if the Series 2013 Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the Series 2013 Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

(ii) if the Series 2013 Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Series 2013 Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

(c) Mandatory Redemption. Pursuant to Section 9 hereof, the Mayor is authorized to sell the Series 2013 Bonds, or any maturities thereof, as term bonds ("Term Bonds") with mandatory redemption requirements corresponding to the maturities set forth herein or as determined by the Mayor. In the event any or all the Series 2013 Bonds are sold as term bonds, the Municipality shall redeem term bonds on redemption dates corresponding to the maturity dates set forth herein or as determined by the Mayor, in aggregate principal amounts equal to the maturity amounts established pursuant to this Section 3 hereof, for each redemption date, as such maturity amounts and redemption premiums may be adjusted pursuant to Section 9 hereof, at a price of par plus accrued interest thereon to the date of redemption. The Term Bonds to be redeemed within a single maturity shall be selected in the manner described in subsection (b) above.

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such mandatory redemption date, the Municipality may (i) deliver to the Registration Agent for cancellation Series 2013 Bonds to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Series 2013 Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Series 2013 Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the Municipality on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Series 2013 Bonds to be redeemed



by operation of this mandatory sinking fund provision shall be accordingly reduced. The Municipality shall on or before the forty-fifth (45th) day next preceding each payment date furnish the Registration Agent with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this subsection are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.

(d) Redemption Notice. Notice of call for optional or mandatory redemption shall be given by the Registration Agent on behalf of the Municipality not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Series 2013 Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Series 2013 Bonds registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for redemption of any of the Series 2013 Bonds for which proper notice was given. As long as DTC, or a successor Depository, is the registered owner of the Series 2013 Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Series 2013 Bonds, as and when above provided, and neither the Municipality nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant or Beneficial Owner will not affect the validity of such redemption. From and after the redemption date, all Series 2013 Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth herein.

(e) Bond Registration. The Registration Agent for the Series 2013 Bonds is hereby authorized and directed to maintain Series 2013 Bond registration records with respect to the Series 2013 Bonds, to authenticate and deliver the Series 2013 Bonds as provided herein, either at original issuance or upon transfer, to effect transfers of the Series 2013 Bonds, to give all notices of redemption as required herein, to make all payments of principal and interest with respect to the Series 2013 Bonds as provided herein, to cancel and destroy Series 2013 Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer, to furnish the Municipality at least annually a certificate of destruction with respect to Series 2013 Bonds canceled and destroyed, and to furnish the Municipality at least annually an audit confirmation of Series 2013 Bonds paid, Series 2013 Bonds outstanding and payments made with respect to interest on the Series 2013 Bonds. The Mayor is hereby authorized to execute and the Clerk is hereby authorized to attest such written agreement between the Municipality and the Registration Agent as they shall deem necessary and proper with respect to the obligations, duties and rights of the Registration Agent. The payment of all reasonable fees and expenses of the Registration Agent for the discharge of its duties and obligations hereunder or under any such agreement is hereby authorized and directed.

(f) Series 2013 Bond Payments. The Series 2013 Bonds shall be payable, both principal and interest, in lawful money of the United States of America at the main office of the Registration Agent. The Registration Agent shall make all interest payments with respect to the Series 2013 Bonds by check or draft on each interest payment date directly to the registered owners as shown on the Series 2013 Bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by depositing said payment in the United States mail, postage prepaid, addressed to such owners at their addresses shown on said Series 2013 Bond registration records, without, except for final payment, the presentation or surrender of such registered Series 2013 Bonds, and all such payments shall discharge the obligations of the

Municipality in respect of such Series 2013 Bonds to the extent of the payments so made. Payment of principal of and premium, if any, on the Series 2013 Bonds shall be made upon presentation and surrender of such Series 2013 Bonds to the Registration Agent as the same shall become due and payable. 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. In the event the Series 2013 Bonds are no longer registered in the name of DTC, or a successor Depository, if requested by the Owner of at least \$1,000,000 in aggregate principal amount of the Series 2013 Bonds, payment of interest on such Series 2013 Bonds shall be paid by wire transfer to a bank within the continental United States or deposited to a designated account if such account is maintained with the Registration Agent and written notice of any such election and designated account is given to the Registration Agent prior to the record date.

(g) Defaulted Interest. Any interest on any Series 2013 Bond that is payable but is not punctually paid or duly provided for on any interest payment date (hereinafter "Defaulted Interest") shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such Defaulted Interest shall be paid by the Municipality to the persons in whose names the Series 2013 Bonds are registered at the close of business on a date (the "Special Record Date") for the payment of such Defaulted Interest, which shall be fixed in the following manner: the Municipality shall notify the Registration Agent in writing of the amount of Defaulted Interest proposed to be paid on each Series Bond and the date of the proposed payment, and at the same time the Municipality shall deposit with the Registration Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Registration Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this Section provided. Thereupon, not less than ten (10) days after the receipt by the Registration Agent of the notice of the proposed payment, the Registration Agent shall fix a Special Record Date for the payment of such Defaulted Interest which Date shall be not more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment to the registered owners. The Registration Agent shall promptly notify the Municipality of such Special Record Date and, in the name and at the expense of the Municipality, not less than ten (10) days prior to such Special Record Date, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each registered owner at the address thereof as it appears in the Series 2013 Bond registration records maintained by the Registration Agent as of the date of such notice. Nothing contained in this Section or in the Series 2013 Bonds shall impair any statutory or other rights in law or in equity of any registered owner arising as a result of the failure of the Municipality to punctually pay or duly provide for the payment of principal of, premium, if any, and interest on the Series 2013 Bonds when due.

(h) Transfer. The Series 2013 Bonds are transferable only by presentation to the Registration Agent by the registered owner, or his legal representative duly authorized in writing, of the registered Series 2013 Bond(s) to be transferred with the form of assignment on the reverse side thereof completed in full and signed with the name of the registered owner as it appears upon the face of the Series 2013 Bond(s) accompanied by appropriate documentation necessary to prove the legal capacity of any legal representative of the registered owner. Upon receipt of the Series 2013 Bond(s) in such form and with such documentation, if any, the Registration Agent shall issue a new Series 2013 Bond or the Series 2013 Bond to the assignee(s) in \$5,000 denominations, or integral multiples thereof, as requested by the registered owner requesting transfer. The Registration Agent shall not be required to transfer or exchange any Series 2013 Bond during the period commencing on a Regular or Special Record Date and ending on the corresponding interest payment date of such Series 2013 Bond, nor to transfer or exchange any Series 2013 Bond after notice calling such Series 2013 Bond for redemption has been made, nor

to transfer or exchange any Series 2013 Bond during the period following the receipt of instructions from the Municipality to call such Series 2013 Bond for redemption; provided, the Registration Agent, at its option, may make transfers after any of said dates. No charge shall be made to any registered owner for the privilege of transferring any Series 2013 Bond, provided that any transfer tax relating to such transaction shall be paid by the registered owner requesting transfer. The person in whose name any Series 2013 Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the Municipality nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Series 2013 Bonds shall be overdue. The Series 2013 Bonds, upon surrender to the Registration Agent, may, at the option of the registered owner, be exchanged for an equal aggregate principal amount of the Series 2013 Bonds of the same maturity in any authorized denomination or denominations.

(i) Execution of Series 2013 Bonds. The Series 2013 Bonds shall be executed in such manner as may be prescribed by applicable law, in the name, and on behalf, of the Municipality with the signature of the Mayor and attested by the signature of the Clerk of the Municipality.

(j) Book-Entry Provisions. Except as otherwise provided in this resolution, the Series 2013 Bonds shall be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Series 2013 Bonds. References in this Section to a Series 2013 Bond or the Series 2013 Bonds shall be construed to mean the Series 2013 Bond or the Series 2013 Bonds that are held under the Book-Entry System. One Series 2013 Bond for each maturity shall be issued to DTC and immobilized in its custody. A Book-Entry System shall be employed, evidencing ownership of the Series 2013 Bonds in authorized denominations, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants pursuant to rules and procedures established by DTC.

Each DTC Participant shall be credited in the records of DTC with the amount of such DTC Participant's interest in the Series 2013 Bonds. Beneficial ownership interests in the Series 2013 Bonds may be purchased by or through DTC Participants. The holders of these beneficial ownership interests are hereinafter referred to as the "Beneficial Owners." The Beneficial Owners shall not receive the Series 2013 Bonds representing their beneficial ownership interests. The ownership interests of each Beneficial Owner shall be recorded through the records of the DTC Participant from which such Beneficial Owner purchased its Series 2013 Bonds. Transfers of ownership interests in the Series 2013 Bonds shall be accomplished by book entries made by DTC and, in turn, by DTC Participants acting on behalf of Beneficial Owners. SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE REGISTERED OWNER OF THE SERIES 2013 BONDS, THE REGISTRATION AGENT SHALL TREAT CEDE & CO., AS THE ONLY HOLDER OF THE SERIES 2013 BONDS FOR ALL PURPOSES UNDER THIS RESOLUTION, INCLUDING RECEIPT OF ALL PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2013 BONDS, RECEIPT OF NOTICES, VOTING AND REQUESTING OR DIRECTING THE REGISTRATION AGENT TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THIS RESOLUTION.

Payments of principal, interest, and redemption premium, if any, with respect to the Series 2013 Bonds, so long as DTC is the only owner of the Series 2013 Bonds, shall be paid by the Registration Agent directly to DTC or its nominee, Cede & Co. as provided in the Letter of Representation relating to the Series 2013 Bonds from the Municipality and the Registration Agent to DTC (the "Letter of Representation"). DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners. The Municipality and the Registration Agent shall not be responsible or liable for

payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants.

In the event that (1) DTC determines not to continue to act as securities depository for the Series 2013 Bonds or (2) the Municipality determines that the continuation of the Book-Entry System of evidence and transfer of ownership of the Series 2013 Bonds would adversely affect its interests or the interests of the Beneficial Owners of the Series 2013 Bonds, the Municipality shall discontinue the Book-Entry System with DTC. If the Municipality fails to identify another qualified securities depository to replace DTC, the Municipality shall cause the Registration Agent to authenticate and deliver replacement Series 2013 Bonds in the form of fully registered Series 2013 Bonds to each Beneficial Owner. If the Purchaser of the Series 2013 Bonds, or any emission thereof, does not intend to reoffer the Series 2013 Bonds to the public, then the Mayor and the Purchaser may agree that the Series 2013 Bonds be issued in the form of fully registered certificated Series 2013 Bonds and not utilize the Book-Entry System.

THE MUNICIPALITY AND THE REGISTRATION AGENT SHALL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY DTC PARTICIPANT OR ANY BENEFICIAL OWNER WITH RESPECT TO (i) THE SERIES 2013 BONDS; (ii) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (iii) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND INTEREST ON THE SERIES 2013 BONDS; (iv) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY DTC PARTICIPANT OF ANY NOTICE DUE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED UNDER THE TERMS OF THIS RESOLUTION TO BE GIVEN TO BENEFICIAL OWNERS, (v) THE SELECTION OF BENEFICIAL OWNERS TO RECEIVE PAYMENTS IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2013 BONDS; OR (vi) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC, OR ITS NOMINEE, CEDE & CO., AS OWNER.

The Registration Agent is hereby authorized to take such action as may be necessary from time to time to qualify and maintain the Series 2013 Bonds for deposit with DTC, including but not limited to, wire transfers of interest and principal payments with respect to the Series 2013 Bonds, utilization of electronic book entry data received from DTC in place of actual delivery of Series 2013 Bonds and provision of notices with respect to Series 2013 Bonds registered by DTC (or any of its designees identified to the Registration Agent) by overnight delivery, courier service, telegram, telecopy or other similar means of communication. No such arrangements with DTC may adversely affect the interest of any of the owners of the Series 2013 Bonds, provided, however, that the Registration Agent shall not be liable with respect to any such arrangements it may make pursuant to this section.

(k) Authentication. The Registration Agent is hereby authorized to authenticate and deliver the Series 2013 Bonds to the Underwriter, upon receipt by the Municipality of the proceeds of the sale thereof and to authenticate and deliver Series 2013 Bonds in exchange for Series 2013 Bonds of the same principal amount delivered for transfer upon receipt of the Bond(s) to be transferred in proper form with proper documentation as hereinabove described. The Series 2013 Bonds shall not be valid for any purpose unless authenticated by the Registration Agent by the manual signature of an officer thereof on the certificate set forth herein on the Series 2013 Bond form.

(l) Mutilated, Lost and Destroyed Series 2013 Bonds. In case any Series 2013 Bond shall become mutilated, or be lost, stolen, or destroyed, the Municipality, in its discretion, shall issue, and the Registration Agent, upon written direction from the Municipality, shall authenticate

and deliver, a new Series 2013 Bond of like tenor, amount, maturity and date, in exchange and substitution for, and upon the cancellation of, the mutilated Series 2013 Bond, or in lieu of and in substitution for such lost, stolen or destroyed Series 2013 Bond, or if any such Series 2013 Bond shall have matured or shall be about to mature, instead of issuing a substituted Series 2013 Bond the Municipality may pay or authorize payment of such Series 2013 Bond without surrender thereof. In every case the applicant shall furnish evidence satisfactory to the Municipality and the Registration Agent of the destruction, theft or loss of such Series 2013 Bond, and indemnity satisfactory to the Municipality and the Registration Agent; and the Municipality may charge the applicant for the issue of such new Series 2013 Bond an amount sufficient to reimburse the Municipality for the expense incurred by it in the issue thereof.

SECTION 4. Source of Payment. The Series 2013 Bonds shall be payable solely from and be secured by a pledge of the Net Revenues, on a parity and equality of lien with the Outstanding Bonds and any Parity Bonds hereafter issued. The punctual payment of principal of and interest on the Series 2013 Bonds, the Outstanding Bonds and any Parity Bonds shall be secured equally and ratably by the Net Revenues without priority by series, number or time of sale or delivery. Neither the full faith and credit nor the taxing power of the Municipality's pledged to the payment of the Series 2013 Bonds.

SECTION 5. Form of Series 2013 Bonds. The Series 2013 Bonds shall be in substantially the following form, with such appropriate variations, omissions, and insertions as are permitted or required by this resolution, all blanks appropriately completed when the Series 2013 Bonds are prepared and delivered, and such legends or text endorsed thereon as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or otherwise desired by the Municipality:

(Form of Bond)

REGISTERED  
Number \_\_\_\_\_

REGISTERED  
\$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF TENNESSEE  
COUNTY OF MONTGOMERY  
CITY OF CLARKSVILLE  
WATER, SEWER AND GAS REVENUE REFUNDING BOND, SERIES 2013

Interest Rate:                      Maturity Date:                      Date of Bond:                      CUSIP No.:

Registered Owner:

Principal Amount:

KNOW ALL MEN BY THESE PRESENTS: That the City of Clarksville, Tennessee, a municipal corporation lawfully organized and existing in Montgomery County, Tennessee (the "Municipality"), for value received hereby promises to pay to the registered owner hereof, hereinabove named, or registered assigns, in the manner hereinafter provided, the principal amount hereinabove set forth on the maturity date hereinabove set forth, or upon earlier redemption as set forth herein, and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on said principal amount at the annual rate of interest hereinabove set forth from the date hereof until said maturity date or redemption date, said interest being payable

on [February 1, 2014], and semi-annually thereafter on the first day of February and August in each year until this Bond matures or is redeemed. Both principal hereof and interest hereon are payable in lawful money of the United States of America at the principal corporate trust office of U.S. Bank, National Association, Nashville, Tennessee, as registration and paying agent (the "Registration Agent"). The Registration Agent shall make all interest payments with respect to this Bond on each interest payment date to the registered owner hereof shown on the Bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the "Regular Record Date") by check or draft mailed to such owner at such owner's address shown on said Bond registration records, without, except for final payment, the presentation or surrender of this Bond, and all such payments shall discharge the obligations of the Municipality to the extent of the payments so made. Any such interest not so punctually paid or duly provided for on any interest payment date shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such defaulted interest shall be payable to the person in whose name this Bond is registered at the close of business on the date (the "Special Record Date") for payment of such defaulted interest to be fixed by the Registration Agent, notice of which shall be given to the owners of the Bonds of the issue of which this Bond is one not more than fifteen (15) nor less than ten (10) days prior to such Special Record Date. Payment of principal of and premium, if any, on this Bond shall be made when due upon presentation and surrender of this Bond to the Registration Agent.

Except as otherwise provided herein or in the Resolution, as hereinafter defined, this Bond shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds of the series of which this Bond is one. One Bond for each maturity of the Bonds shall be issued to DTC and immobilized in its custody or a custodian of DTC. The Registration Agent is a custodian and agent for DTC, and the Bonds will be immobilized in its custody. A book-entry system shall be employed, evidencing ownership of the Bonds in \$5,000 denominations, or multiples thereof, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants, as defined in the Resolution, pursuant to rules and procedures established by DTC. So long as Cede & Co., as nominee for DTC, is the registered owner of the Bonds, the Municipality and the Registration Agent shall treat Cede & Co., as the only owner of the Bonds for all purposes under the Resolution, including receipt of all principal and maturity amounts of, premium, if any, and interest on the Bonds, receipt of notices, voting and requesting or taking or not taking, or consenting to, certain actions hereunder. Payments of principal, maturity amounts, interest, and redemption premium, if any, with respect to the Bonds, so long as DTC is the only owner of the Bonds, shall be paid directly to DTC or its nominee, Cede & Co. DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners, as defined in the Resolution. Neither the Municipality nor the Registration Agent shall be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants. In the event that (1) DTC determines not to continue to act as securities depository for the Bonds or (2) the Municipality determines that the continuation of the book-entry system of evidence and transfer of ownership of the Bonds would adversely affect its interests or the interests of the Beneficial Owners of the Bonds, the Municipality may discontinue the book-entry system with DTC. If the Municipality fails to identify another qualified securities depository to replace DTC, the Municipality shall cause the Registration Agent to authenticate and deliver replacement Bonds in the form of fully registered Bonds to each Beneficial Owner. Neither the Municipality nor the Registration Agent shall have any responsibility or obligations to any DTC Participant or any Beneficial Owner with respect to (i) the Bonds; (ii) the accuracy of any records maintained by DTC or any DTC Participant; (iii) the payment by DTC or any DTC Participant of any amount due to any Beneficial Owner in respect



of the principal or maturity amounts of and interest on the Bonds; (iv) the delivery or timeliness of delivery by DTC or any DTC Participant of any notice due to any Beneficial Owner that is required or permitted under the terms of the Resolution to be given to Beneficial Owners, (v) the selection of Beneficial Owners to receive payments in the event of any partial redemption of the Bonds; or (vi) any consent given or other action taken by DTC, or its nominee, Cede & Co., as owner.

[Bonds of the issue of which this Bond is one maturing on or before February 1, 2023 shall mature without option of prior redemption. Bonds maturing on February 1, 2024 and thereafter shall be subject to redemption prior to maturity at the option of the Municipality on or after February 1, 2023 as a whole or in part at any time at the redemption price of par, plus interest accrued to the redemption date.]

If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be designated by the City Council of the Municipality, in its discretion. If less than all the principal amount of the Bonds of a maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

(i) if the Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the amount of the interest of each DTC Participant in the Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

(ii) if the Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

[Subject to the credit hereinafter provided, the Municipality shall redeem Bonds maturing on the redemption dates set forth below opposite the maturity dates, in aggregate principal amounts equal to the respective dollar amounts set forth below opposite the respective redemption dates at a price of par plus accrued interest thereon to the date of redemption. DTC, as securities depository for the series of Bonds of which this Bond is one, or such Person as shall then be serving as the securities depository for the Bonds, shall determine the interest of each Participant in the Bonds to be redeemed using its procedures generally in use at that time. If DTC, or another securities depository is no longer serving as securities depository for the Bonds, the Bonds to be redeemed within a maturity shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall select. The dates of redemption and principal amount of Bonds to be redeemed on said dates are as follows:

<u>Final</u> <u>Maturity</u>	<u>Redemption</u> <u>Date</u>	<u>Principal Amount</u> <u>of Bonds</u> <u>Redeemed</u>
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\*Final Maturity

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such redemption date, the Municipality may (i) deliver to the Registration Agent for cancellation

Bonds to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the Municipality on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Bonds to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced.]

Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any such defect in any such notice so mailed shall affect the sufficiency of the proceedings for the redemption of any of the Bonds for which proper notice was given. As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the Municipality nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant will not affect the validity of such redemption. From and after any redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth in the Resolution, as hereafter defined.

This Bond is transferable by the registered owner hereof in person or by such owner's attorney duly authorized in writing at the principal corporate trust office of the Registration Agent set forth on the front side hereof, but only in the manner, subject to limitations and upon payment of the charges provided in the Resolution, as hereafter defined, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds of authorized denominations of the same maturity and interest rate for the same aggregate principal amount will be issued to the transferee in exchange therefor. The person in whose name this Bond is registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the Municipality nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Bond shall be overdue. Bonds, upon surrender to the Registration Agent, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of the Bonds of the same maturity in authorized denomination or denominations, upon the terms set forth in the Resolution. The Registration Agent shall not be required to transfer or exchange any Bond during the period commencing on a Regular Record Date or Special Record Date and ending on the corresponding interest payment date of such Bond, nor to transfer or exchange any Bond after the notice calling such Bond for redemption has been made, nor during a period following the receipt of instructions from the Municipality to call such Bond for redemption.

This Bond is one of a total authorized issue aggregating \$ \_\_\_\_\_ and issued by the Municipality for the purpose of providing funds to (i) refund the principal amount of the Municipality's outstanding Loan Agreement, dated December 23, 2010, by and between the Municipality and The Public Building Authority of the City of Clarksville, Tennessee, in the original principal amount of \$50,000,000, and thereby refund the principal amount of the issuance

of the Variable Rate Local Government Loan Program Bond, Series 2010, which funded the Loan Agreement (City of Clarksville Water and Sewer System Loan), dated December 23, 2010; (ii) fund a debt service reserve fund; and (iii) pay costs incident to the issuance and sale of the Bonds, under and in full compliance with the constitution and statutes of the State of Tennessee, including Sections 7-34-101 et seq. and Sections 9-21-101 et seq., Tennessee Code Annotated, as amended, and pursuant to a resolution duly adopted by the City Council of the Municipality on May 30, 2013, which supplements a resolution adopted by the City Council of the Municipality on February 7, 1985, as supplemented and amended on February 1, 1991, November 7, 1991, October 1, 1992, May 1, 1997, November 5, 1998, and June 7, 2001, as amended and restated on May 6, 2004, and as further supplemented on March 29, 2007 and April 7, 2011 (collectively, the "Resolution").

This Bond is one of a series of Bonds payable solely from and secured by a pledge of the income and revenues to be derived from the operation of the Municipality's water, sewer and gas system (the "System") on a parity and complete equality of lien with respect to such revenues with the Municipality's outstanding Water, Sewer and Gas Revenue Refunding Bonds, Series 2002, dated January 31, 2002 (the "Series 2002 Bonds"), Water, Sewer and Gas Revenue Refunding and Improvement Bonds, Series 2007, dated April 27, 2007 (the "Series 2007 Bonds"), Water, Sewer and Gas Revenue Refunding Bonds, Series 2011, dated April 25, 2011 (the "Series 2011 Bonds") and any bonds hereafter issued on a parity therewith, subject to the payment of the reasonable and necessary costs of operating, maintaining, repairing and insuring said System. As provided in the Resolution, the punctual payment of principal of and interest on the series of Bonds of which this Bond is one, the Series 2002 Bonds, the Series 2007 Bonds, the Series 2011 Bonds and any other bonds issued on a parity therewith pursuant to the terms of the Resolution shall be secured equally and ratably by said revenues without priority by reason of series, number or time of sale or delivery. The Municipality has covenanted in the Resolution and does hereby covenant that it will fix and impose such rates and charges for the services rendered by the System and will collect and account for sufficient revenues to pay promptly the principal of and interest on this Bond, the issue of which it is a part, and any bonds hereafter issued on a parity herewith, as each payment becomes due. For a more complete statement of the revenues from which and conditions on which obligations may hereafter be issued on a parity with this Bond, the general covenants and provisions pursuant to which this Bond is issued and the terms upon which the Resolution may be modified, reference is hereby made to the Resolution.

This Bond and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) inheritance, transfer and estate taxes, (b) Tennessee excise taxes on interest on the Bond during the period the Bond is held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee, and (c) Tennessee franchise taxes by reason of the inclusion of the book value of the Bond in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

It is hereby certified, recited, and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other indebtedness of the Municipality, does not exceed any limitation prescribed by the constitution and statutes of the State of Tennessee.

IN WITNESS WHEREOF, the Municipality has caused this Bond to be signed by the Mayor and attested by the City Clerk of the Municipality under the corporate seal of the Municipality, all as of the date hereinabove set forth.

CITY OF CLARKSVILLE, TENNESSEE

By: \_\_\_\_\_  
Mayor

(SEAL)

ATTESTED:

\_\_\_\_\_  
City Clerk

Transferable and payable at the  
corporate trust office of:

\_\_\_\_\_  
\_\_\_\_\_, \_\_\_\_\_

Date of Registration: \_\_\_\_\_

This Bond is one of the issue of Bonds issued pursuant to the Resolution hereinabove described.

\_\_\_\_\_  
Registration Agent

By: \_\_\_\_\_  
Authorized Representative

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns, and transfers unto \_\_\_\_\_, whose address is \_\_\_\_\_  
(Please insert Social Security or Federal Tax Identification Number \_\_\_\_\_) the within Bond of Clarksville, Tennessee, and does hereby irrevocably constitute and appoint \_\_\_\_\_, attorney, to transfer the said Bond on the records kept for registration thereof with full power of substitution in the premises.

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

**NOTICE:** The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every

particular, without alteration or enlargement or any change whatsoever.

Signature guaranteed:

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NOTICE: Signature(s) must be guaranteed by a member firm of a Medallion Program acceptable to the Registration Agent.

(End of Bond Form)

SECTION 6. Equality of Lien; Pledge of Net Revenues. The punctual payment of principal of, premium, if any, and interest on the Series 2013 Bonds, the Outstanding Bonds and any Parity Bonds hereafter issued shall be secured equally and ratably by the Net Revenues without priority by reason of number or time of sale, execution or delivery. The Net Revenues are hereby irrevocably pledged to the punctual payment of such principal, premium and interest as the same become due.

SECTION 7. Applicability of the Master Resolution.

(a) The Series 2013 Bonds shall be issued in compliance with the provisions of the Master Resolution so as to be on a parity of lien with respect to the Net Revenues with the Outstanding Bonds and any Parity Bonds hereafter issued, and when duly delivered, shall constitute a series of bonds delivered under authority of the Master Resolution. As long as any of the Series 2013 Bonds remain outstanding and unpaid either as to principal or as to interest, or until the discharge and satisfaction of all of the Series 2013 Bonds, as provided in Article VI of the Master Resolution, the provisions of Articles II through VIII of the Master Resolution shall be applicable to the Series 2013 Bonds and shall inure to the benefit of owners of the Series 2013 Bonds.

(b) All references to "Bondholders" or "Owners" in the aforesaid Articles shall be deemed to include owners of the Series 2013 Bonds, and all references to the "Series 2013 Bonds" contained in those Articles shall be deemed to include the Series 2013 Bonds and shall be administered for the benefit of the owners of the Series 2013 Bonds.

SECTION 8. Application of Revenues. Notwithstanding the provisions of Article II of the Master Resolution to the contrary, for the period commencing with the month next following the delivery of the Series 2013 Bonds to and including the month preceding the first interest payment date, each monthly deposit to the Bond Fund required by the Master Resolution with respect to the Series 2013 Bonds shall be an amount that, together with all other monthly deposits of the same amount during such period, all amounts held therein as of the closing of the sale of the Series 2013 Bonds, and amounts deposited therein at closing, will equal to the full amount of principal (if any) and interest coming due on such interest payment date, and (if principal is not due on the first interest payment date) one-half of any principal coming due on the next ensuing interest payment date.

SECTION 9. Sale of Series 2013 Bonds.

(a) The Series 2013 Bonds shall be sold via negotiated sale to the Underwriter at a price of not less than ninety-eight percent (98%) of par exclusive of original issue discount, and accrued interest, as shall be determined by the Mayor in consultation with the Commissioner of Finance and Revenue and the Financial Advisor. The Mayor is authorized to execute and the Clerk to attest a Bond Purchase Agreement with the Underwriter, providing the details of the terms of the sale. The sale of the Series 2013 Bonds to the Underwriter shall be binding on the Municipality, and no further action of the Governing Body with respect thereto shall be required.

(b) The Mayor, in consultation with the Commissioner of Finance and Revenue and the Financial Advisor, is authorized:

- (1) to change the dated date of the Series 2013 Bonds to a date other than the date of issuance;
- (2) to change the series designation of the Series 2013 Bonds;
- (3) to change the first interest payment date for the Series 2013 Bonds to a date other than February 1, 2014;
- (4) to adjust the principal and interest payment dates and maturity amounts of the Series 2013 Bonds, provided that (A) the total principal amount of the Series 2013 Bonds does not exceed the total amount of Series 2013 Bonds authorized herein and (B) the final maturity date shall not be later than February 1, 2038;
- (5) to change or remove the Municipality's optional redemption provisions of the Series 2013 Bonds;
- (6) to sell the Series 2013 Bonds or any maturities thereof as serial Bonds or Term Bonds with mandatory redemption requirements; and
- (7) to refund all or less than all of the principal amount of the Refunded Loan.

(c) The Mayor and the Clerk, or either of them, are authorized to cause the Series 2013 Bonds, in book-entry form (except as otherwise authorized herein), to be authenticated and delivered by the Registration Agent to the Purchaser and to execute, publish, and deliver all certificates and documents, including an official statement and closing certificates, as they shall deem necessary in connection with the sale and delivery of the Series 2013 Bonds.

(d) The Mayor and the Commissioner of Finance and Revenue, or either of them, are authorized to enter into an agreement with the Financial Advisor to provide financial advisory services for the Municipality and services related to the issuance, sale and delivery of the Series 2013 Bonds and to enter into an agreement with Bass, Berry & Sims PLC to serve as bond counsel for the Series 2013 Bonds. All actions heretofore taken to engage the Financial Advisor and bond counsel are hereby ratified and approved.



SECTION 10. Disposition of Series 2013 Bond Proceeds. The proceeds of the sale of the Series 2013 Bonds shall be paid over to the Municipality and used and applied as follows:

(a) an amount which will be sufficient to retire the principal of the Refunded Loan, together with System funds sufficient to pay all accrued interest and fees, shall be deposited directly with the Trustee for prepayment of the Refunded Loan and the subsequent retirement of the PBA Bond;

(b) an amount sufficient, together with amounts already on deposit in the Reserve Fund or other funds contributed by the System, to satisfy the Reserve Fund Requirement for the Outstanding Bonds and the Series 2013 Bonds shall be deposited to the Reserve Fund; and

(c) the remainder of the Series 2013 Bond proceeds shall be thereto at the direction of the Mayor disbursed solely to pay, or reimburse the Municipality for the prior payment of, the costs of issuance and sale of the Series 2013 Bonds, including necessary legal, accounting and fiscal expenses, printing, engraving, advertising and similar expenses, administrative and clerical costs, Registration Agent fees and other necessary miscellaneous expenses incurred in connection with the issuance and sale of the Series 2013 Bonds. Any funds remaining shall be deposited to the Bond Fund.

SECTION 11. Official Statement. The Mayor is hereby authorized and directed to provide for the preparation and distribution, electronic or otherwise, of a Preliminary Official Statement describing the Series 2013 Bonds, the System and the Municipality. After the Series 2013 Bonds have been sold, the Mayor and the Commissioner of Finance and Revenue, or either of them, shall make such completions, omissions, insertions and changes in the Preliminary Official Statement not inconsistent with this resolution as are necessary or desirable to complete it as a final Official Statement for purposes of Rule 15c2-12(e)(3) of the Securities and Exchange Commission. The Mayor and Commissioner of Finance and Revenue, or either of them, shall arrange for the delivery of a reasonable number of copies of the Official Statement within seven business days after the Series 2013 Bonds have been sold to the Underwriter, to each potential investor requesting a copy of the Official Statement and to each person to whom the Underwriter or members of its selling group initially sell the Series 2013 Bonds.

The Mayor and Commissioner of Finance and Revenue, or either of them, are authorized, on behalf of the Municipality, to deem the Preliminary Official Statement and the Official Statement in final form, each to be final as of its date within the meaning of Rule 15c2-12(b)(1), except for the omission in the Preliminary Official Statement of certain pricing and other information allowed to be omitted pursuant to such Rule 15c2-12(b)(1). The distribution of the Preliminary Official Statement and the Official Statement in final form shall be conclusive evidence that each has been deemed in final form as of its date by the Municipality except for the omission in the Preliminary Official Statement of such pricing and other information.

SECTION 12. Refunding Matters. The Mayor, Clerk and Commissioner of Finance and Revenue, or any of them, are hereby authorized and directed to take all steps necessary to retire the Refunded Loan and the PBA Bond at the earliest possible dates.

SECTION 13. Federal Tax Matters. The Series 2013 Bonds will be issued as federally tax-exempt bonds. The Municipality hereby covenants that it will not use, or permit the use of, any proceeds of the Series 2013 Bonds in a manner that would cause the Series 2013 Bonds to be subjected to treatment under Section 148 of the Code, and applicable regulations thereunder, as an "arbitrage bond". To that end, the Municipality shall comply with applicable regulations adopted under said Section 148. The Municipality further covenants with the registered owners

from time to time of the Series 2013 Bonds that they will, throughout the term of the Series 2013 Bonds and through the date that the final rebate, if any, must be made to the United States in accordance with Section 148 of the Code, comply with the provisions of Sections 103 and 141 through 150 of the Code and all regulations proposed and promulgated thereunder that must be satisfied in order that interest on the Series 2013 Bonds shall be and continue to be excluded from gross income for federal income tax purposes under Section 103 of the Code. The Mayor of the Municipality and other officers of the Municipality are authorized and directed to make such certifications in this regard in connection with the sale of the Series 2013 Bonds as any or all shall deem appropriate, and such certifications shall constitute a representation and certification of the System.

SECTION 14. Continuing Disclosure. The Municipality hereby covenants and agrees that it will provide financial information and event notices as required by Rule 15c2-12 of the Securities Exchange Commission for the Series 2013 Bonds. The Mayor and Commissioner of Finance and Revenue, or either of them, is authorized to execute at the closing of the sale of the Series 2013 Bonds, an agreement for the benefit of and enforceable by the owners of the Series 2013 Bonds specifying the details of the financial information and event notices to be provided and its obligations relating thereto. Failure of the Municipality to comply with the undertaking herein described and to be detailed in said closing agreement, shall not be a default hereunder, but any such failure shall entitle the owner or owners of any of the Series 2013 Bonds to take such actions and to initiate such proceedings as shall be necessary and appropriate to cause the Municipality to comply with its undertaking as set forth herein and in said agreement, including the remedies of mandamus and specific performance.

SECTION 15. Amendment of Master Resolution. The Master Resolution is hereby amended as set forth in this Section 15, provided, however, that said amendments will become effective only upon consent of two-thirds (2/3) in aggregate principal amount of outstanding Bonds; and provided further that the amendment set forth in subsection (g) below will be effective only upon the retirement of the Series 2002 Bonds, the Series 2007 Bonds and the Series 2011 Bonds. All purchasers and registered owners of the Series 2013 Bonds will be deemed to have consented to the amendments set forth in subsections (a) through (h) below. Any provision of the Master Resolution in effect prior to effectiveness of the following provisions and in conflict with the amendments set forth below is, to the extent of such conflict, hereby repealed. Notwithstanding the foregoing, in no event shall the terms of this resolution repeal, supercede or otherwise affect any provision of the Master Resolution (or documents authorized thereby) relating to the municipal bond insurance policy delivered with respect to the Series 2002 Bonds or the municipal bond insurance policy and debt service reserve policy delivered with respect to the Series 2007 Bonds.

(a) Article I of the May 6, 2004 resolution comprising a portion of the Master Resolution (Definitions) is hereby amended by:

(i) deleting in their entirety the following definitions:

Balloon Indebtedness  
Bonds  
Capital Appreciation Bonds  
Compound Accreted Value  
Credit Facility  
Debt Service Requirement  
Financial Guaranty Agreement  
Gross Earnings

Maturity Amount  
Maximum Annual Debt Service Requirement  
Net Revenues  
Parity Bonds  
Rating  
Rating Agencies  
Reserve Fund Credit Facility  
Reserve Fund Credit Facility Issuer  
Reserve Fund Requirement  
Short-Term Indebtedness  
Variable Rate Indebtedness

(ii) and inserting the definitions set forth on Exhibit B-1.

(b) Article II of the May 6, 2004 resolution comprising a portion of the Master Resolution (Application of Revenues) is hereby deleted in its entirety and restated as set forth on Exhibit B-2.

(c) Article III of the May 6, 2004 resolution comprising a portion of the Master Resolution (Covenants Regarding the System) is hereby deleted in its entirety and restated as set forth on Exhibit B-3.

(d) The title of Article IV of the May 6, 2004 resolution comprising a portion of the Master Resolution (Remedies of Bond Owners) is hereby retitled as "Remedies" and the text of such section is hereby deleted in its entirety and restated as follows:

Any registered owner of any of the Bonds and any Contract counterparty may either at law or in equity, by suit, action, mandamus or other proceedings, in any court of competent jurisdiction enforce and compel performance of all duties imposed upon the Municipality by the provisions of this resolution, including the making and collecting of sufficient rates, the proper application of and accounting for revenues of the System, and the performance of all duties imposed by the terms hereof.

If any default be made in the payment of any Principal Installment or Redemption Price of, or any interest on the Bonds, or payment of obligations owed by the Municipality under any Contract, then upon the filing of suit by any registered owner of said Bonds or the counterparty to said Contract, any court having jurisdiction of the action may appoint a receiver to administer the System in behalf of the Municipality with power to charge and collect rates sufficient to provide for the payment of all bonds and obligations outstanding against the System and for the payment of Operating Expenses, and to apply the income and revenues thereof in conformity with the provisions of the Resolution.

(e) Article V of the May 6, 2004 resolution comprising a portion of the Master Resolution (Prohibition of Prior Lien; Parity Bonds) is hereby deleted in its entirety and restated as set forth on Exhibit B-4.

(f) (i) The leading clause of Article VI of the May 6, 2004 resolution comprising a portion of the Master Resolution (Discharge and Satisfaction of Bonds) is hereby deleted in its entirety and restated as follows: "Except as otherwise provided in a Supplemental Resolution, if the Municipality shall pay and discharge the indebtedness evidenced by all or any portion of the Bonds in any one or more of the following ways:"; (ii) all references in Article VI to "registration agent" or "Registration Agent" shall be revised to refer to the "applicable registration and paying agent"; and (iii) the reference to "Escrow Agent" therein shall be revised to refer to "Agent".

(g) Article VII(a) of the May 6, 2004 resolution comprising a portion of the Master Resolution (Modification of Resolution) is hereby deleted in its entirety and restated as set forth on Exhibit B-5. In addition, all references in such Article VII to "two-thirds (2/3)" are hereby deleted and replaced with the words "a majority" and all references in such Article VII to the word "outstanding" are hereby deleted and replaced with the word "Outstanding".

(h) Article VIII of the May 6, 2004 resolution comprising a portion of the Master Resolution (Resolution a Contract) is hereby deleted in its entirety and restated as set forth on Exhibit B-6.

SECTION 16. Repeal of Conflicting Resolutions and Effective Date. All other resolutions and orders, or parts thereof, in conflict with the provisions of this resolution, are, to the extent of such conflict, hereby repealed and this resolution shall be in immediate effect from and after its adoption.

SECTION 17. Separability. 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 of this resolution.

Adopted and approved this 6<sup>th</sup> day of June, 2013.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Clerk

EXHIBIT A  
FORM OF BOND PURCHASE AGREEMENT  
(attached)

CITY OF CLARKSVILLE, TENNESSEE

\$[ ]  
WATER, SEWER AND GAS REVENUE  
REFUNDING BONDS, SERIES 2013

\$[ ]  
SUBORDINATE LIEN WATER, SEWER AND GAS REVENUE  
REFUNDING BONDS, SERIES 2013

BOND PURCHASE AGREEMENT

June [ ], 2013

City of Clarksville, Tennessee  
One Public Square  
Clarksville, Tennessee 37041

Ladies and Gentlemen:

This is to confirm the agreement (the "Bond Purchase Agreement") by and among the City of Clarksville, Tennessee (the "Issuer" or the "City") and Morgan Stanley & Co. LLC (the "Representative"), on behalf of itself and Piper Jaffray & Co. and Raymond James & Associates, Inc. (collectively, the "Underwriters"), concerning the sale by the Issuer and the purchase by the Underwriters of the Issuer's \$[ ] Water, Sewer and Gas Revenue Refunding Bonds, Series 2013 (the "2013 Senior Lien Bonds") and the Issuer's \$[ ] Subordinate Lien Water, Sewer and Gas Revenue Refunding Bonds, Series 2013 (the "2013 Subordinate Lien Bonds"). The 2013 Senior Lien Bonds and the 2013 Subordinate Lien Bonds are herein collectively referred to as the "Series 2013 Bonds", and dated, maturing, bearing interest at rates and subject to redemption as set forth in Exhibit A herein. This offer is made subject to acceptance by the Issuer prior to 8:00 p.m. CDT, on the date hereof. If this offer is not so accepted by the date and time provided, it is subject to withdrawal by the Underwriters upon notice to the Issuer at any time prior to acceptance. Capitalized terms used herein but not defined herein shall have the meanings set forth in the Bond Resolution or Official Statement referred to below.

1. Purpose of Financing, Security and Authorization. The proceeds of the 2013 Senior Lien Bonds will be used to (i) prepay that certain Loan Agreement dated December 23, 2010 (the "PBA Loan"), between the Issuer and The Public Building Authority of the City of Clarksville, Tennessee, (ii) fund a debt service reserve fund, and (iii) pay certain costs of issuing the 2013 Senior Lien Bonds. The proceeds of the 2013 Subordinate Lien Bonds will be used to: (i) prepay certain State of Tennessee Revolving Loans SRF97-1042004 and DWF 01-044 (collectively, the "SRF Loans"), and (ii) pay certain costs of issuing the 2013 Subordinate Lien



Bonds. The PBA Loan and the SRF Loans provided financing for various capital improvements to the Issuer's water, sewer and gas system (the "System").

The Series 2013 Bonds will be issued pursuant to Chapter 21 of Title 9 of the Tennessee Code Annotated, as amended. The 2013 Senior Lien Bonds are subject to the terms and conditions contained in the resolutions of the City Council of the Issuer (the "City Council") adopted on June 6, 2013, supplementing and amending the resolution of the City Council adopted on February 7, 1985, as supplemented and amended February 1, 1991, November 7, 1991, October 1, 1992, May 1, 1997, November 5, 1998, and June 1, 2001, as amended and restated on May 6, 2004, as further supplemented and amended on March 29, 2007 and April 7, 2011 (collectively, the "Senior Lien Bond Resolution"). The 2013 Subordinate Lien Bonds are subject to the terms and conditions contained in the resolutions of the City Council adopted on June 6, 2013 (collectively, the "Subordinate Lien Bond Resolution"). The Senior Lien Bond Resolution and the Subordinate Lien Bond Resolution are herein collectively referred to as the "Bond Resolution." The Series 2013 Bonds are limited obligations of the Issuer payable solely from and secured solely by a pledge of the revenues of the System, subject to the payment of System operating expenses and, in the case of the 2013 Subordinate Lien Bonds, to prior pledges of such revenues in favor of bonds of the Issuer issued pursuant to the Senior Lien Bond Resolution.

The Bond Resolution and the Series 2013 Bonds will be in the forms previously supplied by you, with only such subsequent amendments as shall be approved by you and us.

The prepayment of the PBA Loan will be accomplished by paying to The Bank of New York Mellon Trust Company, N.A., a portion of the proceeds of the 2013 Senior Lien Bonds, together with other monies of the Issuer, if any, sufficient to prepay the PBA Loan in full on or before [\_\_\_\_], 2013. The prepayment of the SRF Loans will be accomplished by paying to the State of Tennessee a portion of the proceeds of the 2013 Subordinate Lien Bonds, together with other monies of the Issuer, if any, sufficient to prepay the SRF Loans in full on or before [\_\_\_\_], 2013.

2. Good Faith Deposit and Liquidated Damages. Concurrently with the execution and delivery of this Bond Purchase Agreement by the Representative, the Representative on behalf of the Underwriters will deliver to the Issuer a corporate check, certified or bank cashier's check, payable to the order of the Issuer for \$[\_\_\_\_] (the "Good Faith Deposit"). This check will be held uncashed as security for the performance by the Underwriters of their obligation to accept and pay for the Series 2013 Bonds at the Closing. Upon the Underwriters' compliance with such obligation, such check shall be returned to the Representative. If the Issuer fails to deliver the Series 2013 Bonds at the Closing or to satisfy the conditions to the Underwriters' obligations contained herein, or if the Underwriters exercise their right to cancel their obligations to accept and pay for the Series 2013 Bonds for any reason permitted by Section 9 of this Bond Purchase Agreement, such check shall be immediately returned to the Representative.

If the Issuer accepts this offer and if the Underwriters fail (other than for a reason permitted hereunder) to accept and pay for the Series 2013 Bonds upon tender thereof by the

Issuer at the Closing as herein provided, the parties hereby agree that the damages to the Issuer shall be fixed at one percent (1%) of the aggregate principal amount of the Series 2013 Bonds and, upon such failure of the Underwriters to accept and pay for the Series 2013 Bonds, the Underwriters shall be obligated to pay to the Issuer such amount as and for full liquidated damages for such failure and for any and all defaults hereunder on the part of the Underwriters. Upon such payment the Underwriters shall be fully released and discharged of all claims, rights and damages for such failure and for any and all such defaults. In no event shall the Issuer be entitled to damages of any nature other than the liquidated damages herein specified, except that expenses set forth in Section 10 herein shall survive the termination of this Bond Purchase Agreement.

3. Representative of Underwriters. Any authority, discretion or other power conferred upon the Underwriters under any provision of this Bond Purchase Agreement may be exercised by the Representative, as set forth in the Agreement Among Underwriters, by and among the Representative and the Underwriters. The payment for, acceptance of, and delivery and execution of any receipt for the Series 2013 Bonds and any other instruments upon or in connection with the Closing (defined herein) by the Representative, on behalf of the Underwriters, shall be valid and sufficient for all purposes and binding upon each of the Underwriters, provided that such action by the Representative shall not impose any obligation or liability upon it or any other Underwriter other than as may arise as expressly set forth in this Bond Purchase Agreement.

4. Representations and Warranties of the Issuer.

The Issuer makes the following representations and warranties, all of which shall survive the delivery of the Series 2013 Bonds:

(a) the Preliminary Official Statement (hereinafter defined) was, as of its date and the Official Statement (hereinafter defined) was, as of its date, is, and at all times subsequent thereto up to and including the Closing Date (defined herein), will be, true and correct in all material respects and contained, presently contains and will at all such times up to and including the Closing Date contain no untrue or misleading statement of a material fact and did not, does not and will not at any such time up to and including the Closing Date omit to state any material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading. If the Official Statement is supplemented or amended pursuant to subsection (f) of Section 5 herein, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subsection) at all times subsequent thereto up to and including the Closing Date, each such supplement or amendment will not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(b) the Issuer is an existing public corporation of the State of Tennessee;

(c) the Issuer has full right, power and authority under the laws of the State of Tennessee (i) to issue bonds, such as the Series 2013 Bonds, for the purposes set forth in the

Official Statement, (ii) to use the proceeds of the Series 2013 Bonds as set forth in the Official Statement, and (iii) to pay the Series 2013 Bonds from the Revenues of the System and amounts on deposit within certain funds established by the Bond Resolution and otherwise to secure the Series 2013 Bonds in the manner contemplated by the Bond Resolution and the Official Statement;

(d) the Issuer has and had, as the case may be, full legal right, power and authority (i) to adopt the Bond Resolution, (ii) to execute and deliver this Bond Purchase Agreement, (iii) to issue, sell and deliver the Series 2013 Bonds to the Underwriters as provided in this Bond Purchase Agreement, and (iv) to carry out and consummate all other transactions contemplated by the aforesaid instruments, and the Issuer will have complied as of the Closing Date with all provisions of applicable law in all matters relating to such transactions;

(e) the City Council has duly adopted the Bond Resolution and the City Council has duly authorized all necessary action to be taken by the Issuer for: (i) the offering, issuance, sale, and delivery of the Series 2013 Bonds upon the terms set forth herein and in the Official Statement, (ii) the execution and delivery by the Issuer of the Series 2013 Bonds, the Continuing Disclosure Certificate, this Bond Purchase Agreement, and the performance of its obligations under the Series 2013 Bonds, Continuing Disclosure Certificate, this Bond Purchase Agreement, the Bond Resolution, and any and all such other agreements and documents as may be required to be executed, delivered, and received by the Issuer in order to carry out, give effect to, and consummate the transactions contemplated hereby and by the Official Statement, (iii) the use and distribution of the Preliminary Official Statement and the execution, delivery, use and distribution of the Official Statement, and (iv) the Issuer to carry out, give effect to and consummate the transactions contemplated by the aforesaid instruments;

(f) the Bond Resolution constitutes, and this Bond Purchase Agreement, and any other instrument or agreement to which the Issuer is a party and which has been or will be executed in connection with the consummation of the transactions contemplated by the foregoing documents, constitute or, with respect to documents not yet executed and delivered, when executed and delivered by the parties hereto and thereto, will constitute, the legal, valid and binding obligations of the Issuer, and the same are enforceable in accordance with their respective terms;

(g) the Issuer has complied, or will at the Closing be in compliance, in all respects, with the Bond Resolution;

(h) when delivered to and paid for by the Underwriters at the Closing in accordance with the provisions of this Bond Purchase Agreement, the Series 2013 Bonds will be duly authorized, executed, issued and delivered and will constitute legal, valid and binding obligations of the Issuer enforceable in accordance with their terms and the terms of the Bond Resolution;

(i) at the Closing, all approvals, consents and orders of and filings with any governmental authority or agency which would constitute a condition precedent to the issuance of the Series 2013 Bonds or the execution and delivery of or the performance by the Issuer of its

obligations under this Bond Purchase Agreement, the Series 2013 Bonds or the Bond Resolution, will have been obtained or made and any consents, approvals and orders so received or filings so made will be in full force and effect; provided, however, that no representation is made concerning compliance with the securities or Blue Sky laws of the various states;

(j) the adoption by the Issuer of the Bond Resolution, and the authorization, execution, delivery and performance of this Bond Purchase Agreement and the Series 2013 Bonds and any other agreement or instrument to which the Issuer is a party and which is used or is to be used or is contemplated for use in consummation of the transactions contemplated hereby or by the Official Statement, and compliance with the provisions of each such agreement or instrument, do not and will not conflict with, or constitute or result in a violation or breach of or a default under, the Constitution of the State of Tennessee, or any existing law, administrative regulation, rule, decree or order, state or federal, or material provision of any agreement, indenture, mortgage, lease, note or other instrument to which the Issuer or its properties or any of the officers of the Issuer as such is subject, and do not and will not result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the taxes, revenues, property or assets of the Issuer under the terms of the Constitution of the State of Tennessee or any law, instrument or agreement;

(k) there is no action, suit, proceeding, inquiry, or investigation, at law or in equity, or before or by any court, public board or body, other than as described in the Official Statement, pending or, to the best of the Issuer's knowledge, threatened, against or affecting the Issuer or any of the officers of the Issuer in their respective capacities as such (or to the best of the Issuer's knowledge, any basis therefor), wherein an unfavorable decision, ruling or finding would, in any way, materially adversely affect (i) the transactions contemplated by this Bond Purchase Agreement or by the Official Statement, or (ii) the validity or enforceability of the Series 2013 Bonds, the Bond Resolution, this Bond Purchase Agreement, or any other agreement or instrument to which the Issuer is a party and which is used or is to be used or is contemplated for use in consummation of the transactions contemplated hereby, or (iii) the excludability from federal income taxation of the interest on the Series 2013 Bonds;

(l) the Issuer will not take or omit to take any action, which action or omission would adversely affect the excludability from federal income taxation of the interest on the Series 2013 Bonds under the Internal Revenue Code of 1986, as amended;

(m) the Issuer will reasonably cooperate with the Underwriters and their counsel in any endeavor to qualify the Series 2013 Bonds for offering and sale under the securities or "Blue Sky" laws of such jurisdictions of the United States as the Underwriters may request; provided that in connection therewith, it shall not be unreasonable for the Issuer to refuse to file a general consent to service of process in any jurisdiction. The Issuer consents to the use of the Preliminary Official Statement prior to the availability of the Official Statement by the Underwriters, in obtaining such qualification, subject to the right of the Issuer to withdraw such consent for cause by written notice to the Representative.

(n) other than as disclosed in the Official Statement, the Issuer has not, during the twenty years immediately preceding the date hereof, been in default in the payment of

principal of, premium, if any, or interest on, or otherwise been in default with respect to any bonds, notes or other indebtedness which it has issued, assumed or guaranteed as to payment of principal, premium, if any, or interest; and

(o) any certificate signed by the appropriate official of the Issuer and delivered to the Underwriters in connection with the issuance or sale of the Series 2013 Bonds shall be deemed to be a representation and warranty by the Issuer to the Underwriters as to the statements made therein.

The representations and warranties set forth in this Bond Purchase Agreement shall survive the Closing and shall remain operative and in full force and effect regardless of (i) any investigation made by or on behalf of the Underwriters and (ii) payment for the Series 2013 Bonds.

5. Official Statement; Offering by the Underwriters.

(a) Upon acceptance of this offer by the Issuer, the Issuer shall prepare a final Official Statement in substantially the form of the Issuer's Preliminary Official Statement dated June [ ], 2013 (the "Preliminary Official Statement"). The Issuer confirms that the Preliminary Official Statement is in a form "deemed final" by the Issuer, as of its date, within the meaning of Section (b)(1) of Rule 15c2-12 ("Rule 15c2-12") promulgated by the United States Securities and Exchange Commission (the "SEC") pursuant to the Securities and Exchange Act of 1934. As soon as and in any event no later than the earlier of seven (7) business days after the time of your acceptance hereof or in sufficient time to accompany customer confirmations requesting payment, the Issuer shall deliver to the Underwriters (i) the Official Statement of the Issuer relating to the Series 2013 Bonds, dated the date hereof, in "designated electronic format" as defined by MSRB Rule G-32 and (ii) as many copies of the Official Statement of the Issuer relating to the Series 2013 Bonds, dated the date hereof, as required to permit the Underwriters to comply with the requirements of Rule 15c2-12 (which, together with all appendices thereto and all supplements or amendments thereto which are approved by the Underwriters, is herein called the "Official Statement").

(b) The Issuer authorizes, consents to and ratifies the use of the Preliminary Official Statement (in printed and electronic form) prior to the date hereof and the Official Statement by the Underwriters in the offering and sale of the Series 2013 Bonds.

(c) The Underwriters agree to make a bona fide initial offering to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) of all of the Series 2013 Bonds of each maturity at prices not greater than, and yields not less than, those set forth in Exhibit A hereto. If such public offering does not result in the sale of all Series 2013 Bonds, the Underwriters may offer and sell the Series 2013 Bonds without any request or prior notice to certain bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers at prices lower than the public offering prices or yields higher than the yields as set forth in Exhibit A hereto; provided, however, the Underwriters reasonably expect that, based upon prevailing market conditions, at least ten (10%) percent of each maturity of each of the Series 2013 Bonds will be

sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at initial offering prices not greater than, or yields less than, those shown on Exhibit A hereto in the bona fide initial offering to the public.

(d) The Underwriters certify that at the time of the execution of this Bond Purchase Agreement, based upon the prevailing market conditions, the Underwriters do not have any reason to believe that any of the Series 2013 Bonds will be initially sold by the Underwriters to the public (excluding such bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at prices greater than, or yields less than, those set forth in Exhibit A hereto. At the Closing, as a condition to the Issuer's obligation to deliver the Series 2013 Bonds, the Underwriters shall deliver to the Issuer a certificate, containing provisions substantially in the form of Exhibit G hereto, in order to enable Bond Counsel to render its opinion as to the exclusion from gross income tax purposes of interest on the Series 2013 Bonds under the Internal Revenue Code of 1986, as amended (the "Code").

(e) The Issuer shall take all actions as the Issuer shall determine reasonable (i) to provide all information reasonably requested by the Underwriters necessary or desirable to register the Series 2013 Bonds under, or comply with, any state Blue Sky laws, provided that in connection therewith, the Issuer shall not be required to file a general consent to service of process in any jurisdiction, and (ii) to ensure that the Official Statement at all times during the initial offering and distribution of the Series 2013 Bonds does not contain any untrue statement of a material fact and does not omit to state any material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(f) During the period between the date of this Bond Purchase Agreement and including the date which is 25 days after the "end of the underwriting period" (as defined below), (i) the Issuer shall not supplement or amend the Official Statement or cause the Official Statement to be supplemented or amended without the prior written consent of the Representative and (ii) if an event shall occur that might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the Issuer shall notify the Representative and, if in the reasonable opinion of the Underwriters, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Issuer shall, at its own expense, supplement or amend the Official Statement in a form and in a manner approved by the Representative. For purposes of the preceding sentence, the Issuer may assume the "end of the underwriting period" (as defined in Rule 15c2-12) is the Closing, unless the Underwriters notify the Issuer in writing prior to the Closing that any Series 2013 Bond remains unsold, in which case the end of the underwriting period shall be deemed to be extended for 30 calendar days from the date of such notice.

(g) The Issuer represents and warrants that the Issuer is currently in compliance with and has not failed to comply in all material respects during the past five years with any continuing disclosure obligation pursuant to Rule 15c2-12, except as otherwise disclosed in the Official Statement.



6. Issuance, Sale and Purchase of Series 2013 Bonds. On the basis of the representations and warranties contained herein and the other agreements referred to herein and subject to the terms and conditions set forth herein, the Issuer agrees to issue and sell to the Underwriters, and the Underwriters agree to purchase from the Issuer (a) the 2013 Senior Lien Bonds at a purchase price of \$[ ] (representing the principal amount of the 2013 Senior Lien Bonds, plus original issue premium of \$[ ], less an Underwriters' discount of \$[ ]), and (b) the 2013 Subordinate Lien Bonds at a purchase price of \$[ ] (representing the principal amount of the 2013 Subordinate Lien Bonds, plus original issue premium of \$[ ], less an Underwriters' discount of \$[ ]). This Bond Purchase Agreement provides, with respect to the Series 2013 Bonds, that all of the Series 2013 Bonds will be purchased by the Underwriters, if any of the Series 2013 Bonds of such issue are purchased.

Having approved the terms of such issuance and sale, the Issuer hereby sells the Series 2013 Bonds to the Underwriters, subject to the terms of this Bond Purchase Agreement. The delivery and sale of the Series 2013 Bonds (the "Closing") will be at such place in Clarksville, Tennessee, as the Underwriters may designate, at 9:00 a.m., CDT, on June [ ], 2013, or at such other time or such other place or on such other date as the Issuer and the Underwriters may agree upon (the "Closing Date"). The Underwriters shall pay for the Series 2013 Bonds by wire transfer of federal funds in the amount of the purchase price for each series of Series 2013 Bonds payable to the order of the Issuer.

A single typewritten bond for each maturity of each series of the Series 2013 Bonds shall be delivered by the Issuer, duly executed and authenticated, with CUSIP identification numbers thereon, registered in the name of Cede & Co., as nominee of The Depository Trust Company. Bond certificates or replacement Series 2013 Bonds may be delivered as provided in the Bond Resolution.

7. Conditions. The Underwriters' obligations hereunder are subject to:

(a) the accuracy on the Closing Date, as if made as of such date, of all representations and warranties of the Issuer contained herein;

(b) the due performance by the Issuer of its obligations hereunder;

(c) there being no material change in the condition (financial or otherwise) of the System between the most recent dates as to which information is given in the Official Statement and the Closing Date, other than as reflected in or contemplated by the Official Statement, and there being on the Closing Date no material transactions or obligations (not in the ordinary course of business) entered into by the Issuer related to the System subsequent to the date of the Official Statement other than as reflected in or contemplated by the Official Statement; and

(d) delivery of all documentation required by Section 8.

8. Closing Documentation. There shall be delivered to the Underwriters at Closing the following, all dated the Closing Date and in form and substance reasonably satisfactory to the Underwriters and their counsel:

(a) the Official Statement executed on behalf of the Issuer by the duly authorized officials or representatives thereof;

(b) the certificate of the Mayor of the Issuer in substantially the form attached as Exhibit B hereto, which certifications may be included within another certificate of the Issuer that is signed by the Mayor;

(c) the federal tax certificate, dated as of the Closing Date executed by the Issuer, in form satisfactory to Bond Counsel and Underwriters' Counsel;

(d) the original or certified copy of the Bond Resolution;

(e) a specimen 2013 Senior Lien Bond and a specimen 2013 Subordinate Lien Bond;

(f) the opinion of the City Attorney for the Issuer in substantially the form attached as Exhibit C hereto;

(g) the unqualified approving opinions of Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel, in substantially the forms set forth in the Official Statement;

(h) the supplemental opinion of Bass, Berry & Sims PLC, Nashville, Tennessee, addressed to the Underwriters, in substantially the form attached as Exhibit D hereto;

(i) the opinion of Adams and Reese LLP, Nashville, Tennessee, Counsel to the Underwriters, in substantially the form attached as Exhibit E hereto;

(j) the certificate of Public Financial Management, Memphis, Tennessee, in substantially the form attached as Exhibit F hereto;

(k) verification from Moody's Investors Service and Fitch, Inc. that the 2013 Senior Lien Bonds have been rated at least [ ] and [ ], respectively, and the 2013 Subordinate Lien Bonds have been rated at least [ ] and [ ], respectively;

(l) an executed copy of the Continuing Disclosure Certificate of the Issuer dated June [ ], 2013, relating to the Series 2013 Bonds; and

(m) such additional legal opinions, certificates, proceedings, instruments and other documents the Underwriters or Bond Counsel may reasonably request to evidence compliance by the Issuer with legal requirements, the truth and accuracy as of the Closing Date of the representations of the Issuer herein, in the Preliminary Official Statement and in the

Official Statement and the due performance or satisfaction by the Issuer at or prior to the Closing Date of all agreements then to be satisfied.

9. Termination. The Underwriters may terminate this Bond Purchase Agreement at any time prior to the Closing Date by notice to the other parties hereto if, between the date hereof and the Closing Date:

(a) legislation shall have been enacted or a bill shall have been favorably reported out of committee of either house, or a decision by any court of the United States, including the Tax Court, shall have been rendered, or a ruling, regulation or official statement by or on behalf of the Treasury Department of the United States or any branch thereof, including the Internal Revenue Service, or any other governmental agency shall have been made or proposed, with respect to federal taxation upon revenues or other income of the general character derived by the Issuer or upon interest received on obligations of the general character of the Series 2013 Bonds or other action or events shall have transpired that (i) may have the purpose or effect, directly or indirectly, of making interest on the Series 2013 Bonds subject to federal income taxation or (ii) in the reasonable opinion of the Representative of the Underwriters, materially adversely affects the market price of the Series 2013 Bonds or the market price generally of obligations of the general character of the Series 2013 Bonds;

(b) any legislation, ordinance, rule or regulation shall have been passed by the legislature or enacted or proposed by any governmental body, department or agency of the State of Tennessee or the Issuer or any decision by any court of competent jurisdiction within the State of Tennessee shall have been rendered that, in the reasonable opinion of the Representative of the Underwriters, materially affects the market price of the Series 2013 Bonds;

(c) any stop order or legislation shall have been enacted or a bill shall have been proposed or favorably reported out of a legislative committee, any decision by a court of the United States shall have been rendered or any stop order, ruling, regulation or official statement by or on behalf of the SEC or other governmental agency shall have been made to the effect that obligations of the general character of the Series 2013 Bonds or the Bond Resolution, in the reasonable opinion of Counsel to the Underwriters, are not exempt from registration, qualification or other requirements of the Securities Act of 1933, as amended (the "Securities Act"), or the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act");

(d) any event shall have occurred or condition shall exist that, in the reasonable opinion of the Representative of the Underwriters, makes untrue or incorrect in any material respect as of the Closing Date any material statement of information contained in the Official Statement or that is not reflected in the Official Statement but should be reflected therein as of such time in connection with the offering and sale of the Series 2013 Bonds in order to make the statements and information contained therein, in light of the circumstances under which they were made, not misleading, including, without limitation, events or conditions relating to the business and affairs of the System or the Issuer related to the System; or

(e) in the reasonable opinion of the Representative of the Underwriters, the market price of the Series 2013 Bonds, or the market price generally of obligations of the general

character of the Series 2013 Bonds, has been adversely affected because (i) a general suspension of trading on the New York Stock Exchange shall have occurred or additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange, (ii) a general banking moratorium shall have been established by federal, New York or Tennessee authorities, or (iii) war or an outbreak of hostilities or other national or international calamity or crisis shall have occurred or any armed conflict shall have occurred or escalated to such a magnitude as in the reasonable opinion of the Representative of the Underwriters to have a materially adverse effect on the ability of the Underwriters to market the Series 2013 Bonds; or

(f) any rating on the Series 2013 Bonds is reduced or withdrawn by any major credit rating agency; or

(g) any new restriction on transactions in securities materially affecting the market for securities (including the imposition of any limitation on interest rates) or the extension of credit by, or a charge to the net capital requirements of, underwriters shall have been established by the New York Stock Exchange, the SEC, any other federal or State agency or the Congress of the United States, or by Executive Order.

10. Expenses. All expenses and costs of the Issuer incident to the performance of its obligations in connection with the authorization, issuance and sale of the Series 2013 Bonds to the Underwriters, including but not limited to the costs of pre-sale advertising of the Series 2013 Bonds, printing or reproducing the Preliminary Official Statement, the Official Statement, the Bond Resolution, the Blue Sky and legal investment surveys, and all ancillary papers, fees of consultants, including the fees of the accountants, fees and expenses of counsel to the Issuer, fees and expenses of Bond Counsel, rating agency fees, fees and expenses of the financial advisor, paying agent fees and expenses, and the fees and expenses of the Underwriters and of counsel to the Underwriters shall be paid from the proceeds of the Series 2013 Bonds. The Issuer shall pay for the travel, lodging, meal, entertainment and deal memento expenses of its own employees and officials.

11. Reimbursement for Certain Liabilities.

(i) The Issuer shall indemnify and hold harmless, to the extent permitted by applicable law, the Underwriters, the directors, officer, employees, attorneys and agents of the Underwriters, and each person who controls the Underwriters, within the meaning of Section 15 of the Securities Act or Section 20 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), (the Underwriter and each such director, officer, employee, agent and person being herein referred to as an "Underwriter Protected Party"), against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under the Securities Act, the Exchange Act or other federal or state law or regulation, at common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon (a) a claim in connection with the public offering of the Series 2013 Bonds to the effect that the Series 2013 Bonds or any related security are required to be registered under the Securities Act or any indenture is required to be qualified under the Trust Indenture Act or (b) any untrue statement or alleged untrue statement of a material fact contained

in the Preliminary Official Statement or the Official Statement (or in a supplement or amendment thereto) or the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and, to the extent permitted by applicable law, the Issuer shall be liable to reimburse each such Underwriter Protected Party, as incurred, for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the Issuer will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission made in the Preliminary Official Statement or the Official Statement, or in any amendment thereof or supplement thereto, in reliance upon and in conformity with written information furnished to the Issuer by or on behalf of any of the Underwriters specifically for inclusion therein. The obligation of the Issuer to provide indemnification pursuant to this Section 11 shall be effective only to the fullest extent permitted by applicable law, as to which no representation is made by the Issuer.

(ii) Each Underwriter, severally and not jointly, will indemnify and hold harmless the Issuer, together with each of its members, directors, officers and employees, and each person who controls the Issuer within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act (the Issuer and each such member, director, officer, employee and person being herein referred to as an "Issuer Protected Party"), to the same extent as the foregoing reimbursement from the Issuer to the Underwriters, but only with reference to written information relating to any of the Underwriters furnished by any of the Underwriters specifically for use in the preparation of the Preliminary Official Statement or the Official Statement. This reimbursement agreement will be in addition to any liability which any Underwriter may otherwise have. The Issuer acknowledges that the statements under the caption "UNDERWRITING" in the Preliminary Official Statement and the Official Statement constitute the only information furnished in writing by or on behalf of the Underwriters for inclusion in the Preliminary Official Statement and the Official Statement.

(iii) For purposes of this Section 11, the term "Protected Party" shall include each Issuer Protected Party and each Underwriter Protected Party. In case any claim shall be made or action brought against a Protected Party for which reimbursement may be sought against any reimbursing party, as provided above, the Protected Party shall promptly notify the reimbursing party in writing setting forth the particulars of such claim or action (but the failure to so notify the indemnifying party shall not relieve it from liability under Sections 11 (i) and (ii) hereof unless and to the extent such failure results in the forfeiture by the indemnifying party of substantial rights and defenses) and the reimbursing party shall assume the defense thereof, including the retaining of counsel acceptable to such Protected Party and the payment of all expenses and shall have the right to negotiate and consent to settlement. A Protected Party shall have the right to retain separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Protected Party unless the employment of such counsel has been specifically authorized by the reimbursing party, or the reimbursing party shall not have employed counsel reasonably acceptable to the Protected Party to have charge of the defense of such action or proceeding, or the Protected Party shall have reasonably concluded that there may be defenses available to it which are different

from or additional to those available to the reimbursing party (in which case the reimbursing party shall not have the right to direct the defense of such action or proceeding on behalf of the Protected Party), in any of which events, such legal or other expenses shall be borne by the reimbursing party. No party shall be liable for any settlement of any action effected without its consent, but if settled with the consent of the reimbursing party or if there is a final judgment for the plaintiff in any action with or without written consent of the reimbursing party, to the extent permitted by applicable law, the reimbursing party agrees to reimburse and hold harmless the Protected Parties to the extent of the provisions set forth above from and against any loss or liability by reason of such settlement or judgment. Any such settlement entered into without the consent of a Protected Party (1) must include an unconditional release of each Protected Party from all liability arising out of such action and (2) must not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of any Protected Party.

(iv) If the reimbursement for which this Section 11 provides is unenforceable, or is unavailable to a Protected Party in respect of any losses, claims, damages or liabilities (or actions in respect thereof) of the type subject to reimbursement herein, then the reimbursing party shall, in lieu of reimbursing such Protected Party, and to the extent permitted by applicable law, contribute to the amount paid or payable by such Protected Party as a result of such losses, claims, damages or liabilities (or actions in respect thereof). In the case of the Issuer and the Underwriters, contribution shall be in such proportion as is appropriate to reflect the relative benefits received by the Issuer, on the one hand, and the Underwriters, on the other, from the sale of the Series 2013 Bonds. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law, then the reimbursing party shall contribute, to the extent permitted by applicable law, to such amount paid or payable by such Protected Party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Issuer, on the one hand, and the Underwriters, on the other, in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or action in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Issuer, on the one hand, and the Underwriters, on the other, shall be deemed to be in the same proportion as the total proceeds of the sale of the Series 2013 Bonds paid to the Issuer pursuant to Section 6 hereof (before deducting expenses) bear to the underwriting discount received by the Underwriters (the difference between the initial public offering price for the Series 2013 Bonds and the price to be paid therefor by the Underwriters as set forth in the Official Statement under the caption "UNDERWRITING"). The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Issuer or the Underwriters and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such untrue statement or omission. The Issuer and the Underwriters agree that it would not be just and equitable if contribution pursuant to this Section 11 were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section 11(iv). The amount paid or payable to any Protected Party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above shall be deemed to include any legal or other expenses reasonably incurred by such Protected Party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 11(iv), however, the Underwriters shall not be required to contribute an amount in excess of the amount



by which such initial public offering price exceeds the amount of any damages which the Underwriters have otherwise been required to pay by reason of such untrue or alleged untrue statement or omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 10(b) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations in this Section 11(iv) to contribute are several in proportion to their respective underwriting obligations and not joint.

12. Finders. The Issuer and the Underwriters each represent and warrant that no finder or other agent has been employed or consulted by it in connection with this transaction.

13. Notices. Any notice or other communication to be given to the Issuer under this Bond Purchase Agreement may be given by delivering the same in writing at the address of the Issuer set forth above and any such notice or other communication to be given to the Underwriters may be given by delivering the same in writing to the Representative, as follows: Morgan Stanley & Co. LLC, 440 South LaSalle Street, One Financial Place, 37<sup>th</sup> Floor, Chicago, IL 60605 (Attention: William D. Mack, Executive Director).

14. Continuation of the Agreement. All representations, warranties and agreements hereunder of the Issuer shall remain operative and in full force and effect, regardless of any investigations made by or on behalf of the Underwriters and shall survive the Closing and any termination of this Bond Purchase Agreement by the Underwriters pursuant to the terms hereof.

15. Governing Law. This Bond Purchase Agreement shall be governed by the applicable laws of the State of Tennessee.

16. Counterparts. This Bond Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

17. Effective Date. This Bond Purchase Agreement shall become effective upon your acceptance hereof.

18. Miscellaneous.

(a) The Issuer acknowledges and agrees that: (i) the primary role of the Underwriters, as underwriters, is to purchase securities, for resale to investors, in an arm's-length commercial transaction between the Issuer and the Underwriters and that the Underwriters have financial and other interests that differ from those of the Issuer; (ii) the Underwriters are not acting as a municipal advisor, financial advisor, or fiduciary to the Issuer and have not assumed any advisory or fiduciary responsibility to the Issuer with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriters have provided other services or are currently providing other services to the Issuer on other matters); (iii) the only obligations the Underwriters have to the Issuer with respect to the transaction contemplated hereby expressly are set forth in this Bond Purchase Agreement; and (iv) the Issuer has consulted its own financial and/or municipal, legal,

accounting, tax and other advisors, as applicable, to the extent it deems appropriate. If the Issuer would like a municipal advisor in this transaction that has legal fiduciary duties to the Issuer, then the Issuer is free to engage a municipal advisor to serve in that capacity.

(b) This Bond Purchase Agreement is made solely for the benefit of and is binding on each of the parties and their respective successors and assigns. It is the entire agreement of the parties, superseding all prior agreements, and may not be modified except in writing signed by all of the parties hereto.

(signature page follows)

Morgan Stanley & Co. LLC  
Piper Jaffray & Co.  
Raymond James & Associates, Inc.

MORGAN STANLEY & CO. LLC  
As Representative

By: \_\_\_\_\_  
William D. Mack, Executive Director

Accepted:

CITY OF CLARKSVILLE, TENNESSEE

BY: \_\_\_\_\_  
Kim McMillan, Mayor

Exhibit A

CITY OF CLARKSVILLE, TENNESSEE

\$[ ]  
WATER, SEWER AND GAS REVENUE  
REFUNDING BONDS, SERIES 2013

\$[ ]  
SUBORDINATE LIEN WATER, SEWER AND GAS REVENUE  
REFUNDING BONDS, SERIES 2013

Terms of Series 2013 Bonds

The Series 2013 Bonds shall be in the denomination of Five Thousand Dollars (\$5,000) or any integral multiple thereof. The Series 2013 Bonds shall be dated their date of issuance. Interest on the Series 2013 Bonds is payable at the rates per annum as set forth below, semi-annually on February 1 and August 1, commencing February 1, 2014. Interest on the Series 2013 Bonds will be calculated on the basis of a 30-day month and a 360-day year. The Series 2013 Bonds shall mature on the 1st day of February, in each of the years and the principal amounts as follows:

**2013 SENIOR LIEN BONDS**

<b><u>Due</u></b> <b><u>February 1</u></b>	<b><u>Principal</u></b> <b><u>Amount</u></b>	<b><u>Interest</u></b> <b><u>Rate</u></b>	<b><u>Yield</u></b>
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			

\$[ ] [ ]% Term Bond Due February 1, 2038, Yield [ ]%

## 2013 SUBORDINATE LIEN BONDS

<u>Due</u> <u>February 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>
2014			
2015			
2016			
2017			
2018			
2019			
2020			

### Optional Redemption of the Series 2013 Bonds

The 2013 Senior Lien Bonds maturing on or before February 1, 2023 may not be redeemed prior to their maturities. The Issuer may redeem 2013 Senior Lien Bonds maturing on or after February 1, 2024 at any time, in whole or in part, on or after February 1, 2023, at a price of par plus accrued interest to the redemption date.

The 2013 Subordinate Lien Bonds are not subject to optional redemption prior to maturity.

### [Mandatory Redemption of the Series 2013 Bonds

The 2013 Senior Lien Bonds maturing on February 1, 2038 are subject to scheduled mandatory redemption prior to maturity in part (as selected by DTC or its successor) at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date, in the following principal amounts and on the dates set forth below:

<u>Redemption Date</u> <u>(February 1)</u>	<u>Principal</u> <u>Amount</u>
2034	\$
2035	
2036	
2037	
2038 (Maturity)	

At its option, to be exercised on or before the forty-fifth (45<sup>th</sup>) day next preceding any such mandatory redemption date, the Issuer, may (i) deliver to the Registration Agent for cancellation the 2013 Senior Lien Bonds to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any 2013 Senior Lien Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each 2013 Senior Lien Bond so delivered or previously purchased or redeemed

shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the Issuer on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of 2013 Senior Lien Bonds to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced. The Issuer shall, on or before the forty-fifth (45th) day next preceding each payment date, furnish the Registration Agent with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this paragraph are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.]

### **Selection of Bonds for Redemption**

If less than all of the Series 2013 Bonds are to be redeemed, the Registration Agent, upon written instruction from the Issuer, shall select the Series 2013 Bonds for redemption from such maturity dates and in such amounts as are selected by the Issuer. If less than all of the Series 2013 Bonds within a single maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

(i) if the Series 2013 Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the Series 2013 Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

(ii) if the Series 2013 Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Series 2013 Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine. In any event, the portion of any Series 2013 Bond to be redeemed in part shall be in the principal amount of \$5,000 or any integral multiple thereof.



Exhibit B

CERTIFICATE OF CITY OF CLARKSVILLE, TENNESSEE

I, Kim McMillan, Mayor of the City of Clarksville, Tennessee (the "Issuer"), hereby certify on the date hereof, being the date of delivery of and payment for the Issuer's Water, Sewer and Gas Revenue Refunding Bonds, Series 2013 and Subordinate Lien Water, Sewer and Gas Revenue Refunding Bonds, Series 2013 (collectively, the "Series 2013 Bonds"), that: (a) the representations and warranties of the Issuer contained in the Bond Purchase Agreement dated June [ ], 2013 (the "Purchase Agreement") are true and correct in all material respects as of the Closing Date and all of the obligations required under or specified in the Purchase Agreement to be performed by the Issuer at or prior to the Closing have been performed; (b) the Issuer has complied or is presently in compliance with all agreements and has satisfied all conditions on its part to be observed or satisfied under the Purchase Agreement and the Bond Resolution at or prior to the Closing; (c) since the respective dates as of which information is given in the Official Statement and except as set forth therein, there has not been any material adverse change in the condition, financial or otherwise, of the Issuer; and (d) the Issuer has no knowledge or reason to believe that the Official Statement as of its date or as of the date hereof makes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

Unless the context indicates otherwise, all terms not otherwise defined herein shall have the meaning ascribed to them in the Purchase Agreement.

Dated this [ ] day of June, 2013.

CITY OF CLARKSVILLE, TENNESSEE

By: \_\_\_\_\_  
Kim McMillan, Mayor

Exhibit C

(Proposed Opinion of City Attorney)

[date]

Bass, Berry & Sims PLC  
150 Third Avenue South, Suite 2800  
Nashville, Tennessee 37201

Morgan Stanley & Co. LLC,  
as Representative of the Underwriters  
440 South LaSalle Street, 37th Floor  
Chicago, Illinois 60605

**Re: The City of Clarksville, Tennessee Water, Sewer and Gas Revenue Refunding Bonds, Series 2013 (the "2013 Senior Lien Bonds") and Subordinate Lien Water, Sewer and Gas Revenue Refunding Bonds, Series 2013 (the "2013 Subordinate Lien Bonds")**

Ladies and Gentlemen:

As the duly appointed and acting City Attorney for the City of Clarksville, Tennessee (the "Issuer"), I am familiar with the matters relating to the issuance by the Issuer of its Water, Sewer and Gas Revenue Refunding Bonds, Series 2013 (the "2013 Senior Lien Bonds") and its Subordinate Lien Water, Sewer and Gas Revenue Refunding Bonds, Series 2013 (the "2013 Subordinate Lien Bonds" and, together with the 2013 Senior Lien Bonds, the "Series 2013 Bonds").

In my capacity as City Attorney, I have examined and relied upon originals and copies, certified or otherwise identified to my satisfaction of the following:

- (i) the resolutions of the City Council of the Issuer (the "City Council") adopted on June 6, 2013, supplementing and amending the resolution of the City Council adopted on February 7, 1985, as supplemented and amended February 1, 1991, November 7, 1991, October 1, 1992, May 1, 1997, November 5, 1998, and June 1, 2001, as amended and restated on May 6, 2004, as further supplemented and amended on March 29, 2007 and April 7, 2011 (collectively, the "Senior Lien Bond Resolution");
- (ii) the resolutions of the City Council adopted on June 6, 2013 (collectively, the "Subordinate Lien Bond Resolution" and, together with the Senior Lien Resolution, the "Bond Resolution");

- (iii) the Official Statement dated June [ ], 2013 used in the marketing of the Series 2013 Bonds (the "Official Statement");
- (iv) the Bond Purchase Agreement, dated June [ ], 2013 between the Issuer and Morgan Stanley & Co. LLC, as representative of the underwriters of the Bonds (the "Bond Purchase Agreement");
- (v) the provisions of Chapter 44, Title 8, *Tennessee Code Annotated*, as amended (the "Open Meetings Act");
- (vi) the Continuing Disclosure Certificate of the Issuer; and
- (vii) such other documents and proofs as I have considered necessary for the purposes of rendering this opinion.

I have assumed the authenticity of all signatures (other than those of officials of the Issuer) on documents submitted to me as certified, conformed or photostatic copies. I am admitted to the Bar of the State of Tennessee, and I express no opinion as to the laws of any jurisdiction other than the State of Tennessee. I further express no opinion as to the tax-exempt status of the Bonds.

Based on the foregoing, I am of the opinion as follows:

1. The Issuer is a municipal corporation, lawfully organized and existing under the laws of the State of Tennessee, and has the right and authority under Tennessee law, to adopt the Bond Resolution.

2. The execution, delivery and performance, as applicable, by the Issuer of the Series 2013 Bonds, the Bond Resolution, the Official Statement and the Continuing Disclosure Certificate have been duly authorized and approved by all necessary action of the Issuer. No provision or action heretofore taken by the City Council pertaining to the authorization and issuance of the Series 2013 Bonds, including but not limited to the Bond Resolution, has been repealed, revoked or amended (except as noted in (i) and (ii) above), and said Bond Resolution is in full force and effect according to its terms.

3. To the best of my knowledge after due inquiry, the execution, delivery and performance, as applicable, by the Issuer, of its obligations under the Bond Resolution, the Series 2013 Bonds, the Bond Purchase Agreement, the Official Statement and the Continuing Disclosure Certificate, the adoption of the Bond Resolution, and compliance with the provisions of the foregoing under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the Issuer a breach or default under any agreement, trust agreement, loan agreement, bond, note, resolution, ordinance or other instrument or legal restriction to which the Issuer is a part or is otherwise subject or any existing law or administrative regulation, or any court order, judgment or consent decree to which the Issuer is subject and do not result in or require the creation of any lien, security interest or other charge or encumbrance upon or with respect to any properties of the Issuer other than as may be

contemplated by the Bond Resolution. To my knowledge, the Issuer is not in default under the terms and provisions of the Bond Resolution.

4. No authorization, consent, waiver, approval or other action by and no notice to or filing or registration with, any officer, board, authority, agency or instrumentality of the Issuer, not already obtained, was required as of the date the City Council adopted the Bond Resolution, or is or was required as of the date hereof for the due execution, delivery and performance, as applicable by the Issuer of the Series 2013 Bonds, the Bond Resolution, the Bond Purchase Agreement, the Official Statement and the Continuing Disclosure Certificate.

5. The Issuer is lawfully organized and all present officials thereof have good and sufficient title to their respective official positions. The Honorable Kim McMillan is the duly elected, qualified and acting Mayor of the Issuer.

6. The requirements of the Open Meetings Act as they relate to regular and special meetings, as applicable, of the City Council were fulfilled with respect to its June 6, 2013 meeting.

7. The Issuer has good right and lawful authority to operate, maintain and improve the water, sewer and gas systems of the Issuer and to fix, establish and maintain or cause to be fixed, established and maintained rates and charges for the provision and sale of water, sewer and gas services and to perform all its obligations under the Bond Resolution in those respects.

8. Except as disclosed in the Official Statement, no litigation of any nature is now pending, or, to the knowledge of the undersigned, threatened, seeking to restrain or enjoin the Issuer's execution and delivery of the Series 2013 Bonds, or the collection of revenues sufficient to pay the principal amount of the Series 2013 Bonds or interest thereon, or in any manner questioning the proceedings and authority therefor or affecting the validity of said Series 2013 Bonds or the revenues of the System securing the Series 2013 Bonds; that neither the existence nor the present boundaries of the Issuer nor the title of the present officers to their respective offices is being contested; that no authority or proceeding for the execution and delivery of said Series 2013 Bonds has been repealed, revoked or rescinded; and that there has been no change in the status of pending litigation from that indicated in the Official Statement.

9. The 2013 legislative session of the General Assembly of the State of Tennessee has adjourned and no legislation was been passed during such 2013 session affecting the power and authority of the Issuer to execute and deliver the Series 2013 Bonds.

Without having undertaken to determine independently the accuracy and completeness of the statements contained in the Official Statement, nothing has come to my attention that would lead me to believe that the Official Statement as of its date or as of the date hereof contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

I do not express any opinion regarding the Series 2013 Bonds except as expressly set forth above.

I hereby consent to the reference to me in the Official Statement.

Yours very truly,

Lance Baker, Esq.  
City Attorney  
City of Clarksville, Tennessee

Exhibit D

[FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL]

[Letterhead of Bass, Berry & Sims PLC]

[Dated Closing Date]

Morgan Stanley & Co. LLC, as  
Representative  
440 South LaSalle Street, 37<sup>th</sup> Floor  
Chicago, Illinois 60605

Ladies and Gentlemen:

With respect to the issuance by the City of Clarksville, Tennessee (the "Issuer") of its Water, Sewer and Gas Revenue Refunding Bonds, Series 2013 and Subordinate Lien Water, Sewer and Gas Revenue Refunding Bonds, Series 2013 (collectively, the "Series 2013 Bonds"), this opinion is furnished to you pursuant to Section 8(h) of that certain Bond Purchase Agreement, dated June [\_\_\_\_], 2013 (the "Purchase Agreement"), by and between the Issuer and you, as Representative of the Underwriters (collectively, the "Underwriters"). We have reviewed such documents and proceedings and matters of law, as we have considered necessary or appropriate for the purpose of this opinion. Unless the context indicates otherwise, all terms not otherwise defined herein shall have the meaning ascribed to such terms in the Purchase Agreement.

On the basis of our review, we are of the opinion that:

1. The Purchase Agreement has been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the other parties thereto, constitutes a valid and legally binding agreement of the Issuer enforceable in accordance with its terms, subject to any applicable bankruptcy, insolvency, reorganization or similar laws affecting the enforcement of creditors' rights generally and the application of equitable principles where equitable remedies are sought.

2. The Continuing Disclosure Certificate by the Issuer dated June [\_\_\_\_], 2013 has been duly authorized, executed and delivered by the Issuer and constitutes a valid and legally binding agreement of the Issuer enforceable in accordance with its terms.

3. The information in the Official Statement under the captions "THE SERIES 2013 BONDS" and "TAX MATTERS", insofar as such information purports to summarize certain provisions of the Series 2013 Bonds (other than financial or statistical data or descriptions of the book-entry-only system), the Internal Revenue Code of 1986, as amended, and our opinion of even date herewith approving the validity of the Series 2013 Bonds are accurate and fair statements or summaries.

4. Under existing laws, the Series 2013 Bonds may be offered and sold without registration under the Securities Act of 1933, as amended, and the Bond Resolution (as defined in the Purchase Agreement) is not required to be qualified under the Trust Indenture Act of 1939, as amended.

This letter is furnished by us as bond counsel to the Issuer. No attorney-client relationship has existed or exists between our firm and yourselves in connection with the Series 2013 Bonds or by virtue of this letter and we have no obligation to update this letter. This letter is delivered to you as Underwriters of the Series 2013 Bonds, is solely for your benefit as such Underwriters and is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person without our consent. This letter is not intended to be relied upon by owners of the Series 2013 Bonds.

Very truly yours,



Exhibit E

[FORM OF OPINION OF UNDERWRITERS COUNSEL]

[Adams and Reese LLP Letterhead]

[Dated Closing Date]

Morgan Stanley & Co. LLC, as  
Representative  
440 South LaSalle Street, 37<sup>th</sup>  
Floor Chicago, Illinois 60605

CITY OF CLARKSVILLE, TENNESSEE

\$[ ]  
WATER, SEWER AND GAS REVENUE REFUNDING BONDS, SERIES 2013

\$[ ]  
SUBORDINATE LIEN WATER, SEWER AND GAS REVENUE REFUNDING BONDS,  
SERIES 2013

Ladies and Gentlemen:

We have acted as counsel for the Underwriters (the "Underwriters") named in the Bond Purchase Agreement dated June [ ], 2013 (the "Bond Purchase Agreement") between the City of Clarksville, Tennessee (the "Issuer") and you, as Representative of the Underwriters, in connection with purchase and sale by the Underwriters of the Issuer's Water, Sewer and Gas Revenue Refunding Bonds, Series 2013 and Subordinate Lien Water, Sewer and Gas Revenue Refunding Bonds, Series 2013 (collectively, the "Series 2013 Bonds"), upon their initial issuance and delivery. Capitalized terms defined in the Bond Purchase Agreement are used with the same meanings herein.

As such counsel, we have reviewed such documents and have made such investigations of law as we have deemed relevant and necessary as the basis for the opinion hereinafter expressed.

Under existing laws, the Series 2013 Bonds may be offered and sold without registration under the Securities Act of 1933, as amended, and the Bond Resolution is not required to be qualified under the Trust Indenture Act of 1939, as amended.

We are not passing upon, and assume no responsibility for, the accuracy, completeness or fairness of the statements contained in the Official Statement. Without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Official Statement, but on the basis of our conferences with representatives of the Issuer,

Bond Counsel and the Underwriters and our examination of certain documents referred to in the Official Statement, nothing has come to our attention which would lead us to believe that the Official Statement (except for the financial, forecast, technical or statistical data and the information respecting The Depository Trust Company included therein, as to which we do not express an opinion) contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

We are of the further opinion that the Continuing Disclosure Certificate complies as to form in all material respects with the requirements of paragraph (b)(5) of the Rule. In addition, but limited to and based solely upon our reliance on the Issuer's representations contained in or relied upon in certain of the documents, instruments, certificates and opinions included in the transcript of proceedings of the Series 2013 Bonds, we are of the opinion, assuming the historical, current and continuing accuracy of such representations, that the undertakings contained in the Continuing Disclosure Certificate provide a suitable basis for the Underwriters to reasonably determine that the Issuer has undertaken to provide the information required to be provided in connection with the primary offering of the Series 2013 Bonds pursuant to paragraph (b)(5)(i) of the Rule. We do not opine upon the enforceability of the Continuing Disclosure Certificate and have relied upon the opinion of Bond Counsel to the Issuer that the Continuing Disclosure Certificate has been duly authorized, executed and delivered and constitutes a valid and binding obligation upon the Issuer.

We have not passed upon, and the foregoing is subject to, the validity of the Series 2013 Bonds and the exclusion from gross income for federal income tax purposes of the interest on the Series 2013 Bonds, as to which we understand that you are relying upon the opinion, dated the date hereof, of Bass, Berry & Sims PLC, Nashville, Tennessee.

We assume no responsibility for updating this opinion to take into account any event, action, interpretation or change of law occurring subsequent to the date hereof that may affect the validity of any of the opinions expressed herein. This opinion is furnished by us solely for the benefit of the Underwriters for use in connection with the transactions contemplated by the Bond Purchase Agreement and it may not be furnished or quoted to, or relied upon by, any other person, without our prior written consent, except that this opinion may be included in a transcript of proceedings in connection with the issuance of the Series 2013 Bonds.

Very truly yours,

Exhibit F

FINANCIAL ADVISOR CERTIFICATE WITH RESPECT TO THE PRELIMINARY  
OFFICIAL STATEMENT AND OFFICIAL STATEMENT IN CONNECTION WITH  
THE CITY OF CLARKSVILLE, TENNESSEE

\$[ ]  
WATER, SEWER AND GAS REVENUE REFUNDING BONDS, SERIES 2013

\$[ ]  
SUBORDINATE LIEN WATER, SEWER AND GAS REVENUE REFUNDING  
BONDS, SERIES 2013

The undersigned, an authorized officer of Public Financial Management, Inc., Memphis, Tennessee, Financial Advisor, in connection with the issuance of the City of Clarksville, Tennessee Water, Sewer and Gas Revenue Refunding Bonds, Series 2013 and Subordinate Lien Water, Sewer and Gas Revenue Refunding Bonds, Series 2013 (collectively, the "Series 2013 Bonds"), hereby certifies that we have participated in the preparation of the Preliminary Official Statement dated June [ ], 2013 and Official Statement dated June [ ], 2013, both relating to the Series 2013 Bonds, and that the information contained in the Preliminary Official Statement and the Official Statement accurately reflects information received from public records, discussions with public officials and employees and other sources which we believe are reliable; provided, however, that we have not made an independent investigation of the information supplied to us in the preparation of the Preliminary Official Statement and the Official Statement, and we are not passing upon or warranting the truth or the accuracy of such information. To the best of our knowledge and belief (a) the Preliminary Official Statement did not, as of its date, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, (b) as of the date hereof, the Official Statement does not contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and (c) as of this date there has been no material adverse change in the financial condition or financial affairs of the City of Clarksville, Tennessee since the date of issuance of said Official Statement on June [ ], 2013.

Dated this [ ] day of June, 2013.

PUBLIC FINANCIAL MANAGEMENT,  
INC.

By: \_\_\_\_\_

Its: \_\_\_\_\_

Exhibit G

REPRESENTATIVE'S CERTIFICATE WITH RESPECT TO THE  
BONA FIDE OFFERING OF THE SERIES 2013 BONDS

The undersigned, as representative (the "Representative") of the Underwriters (as defined in the Bond Purchase Agreement) in connection with the issuance of the City of Clarksville, Tennessee (the "Issuer") \$[ ] Water, Sewer and Gas Revenue Refunding Bonds, Series 2013 and \$[ ] Subordinate Lien Water, Sewer and Gas Revenue Refunding Bonds, Series 2013 (collectively, the "Series 2013 Bonds"), hereby certifies that:

On June [ ], 2013 (the "Sale Date"), the Underwriters made a bona fide offering of the Series 2013 Bonds to the Public (as defined below) at the respective prices set forth on the cover of the Official Statement distributed in connection with the Series 2013 Bonds. For purposes of this certificate, the "Public" does not include bond houses, brokers, and similar persons or organizations acting in the capacity of underwriters or wholesalers. On the Sale Date, the Underwriters sold at least 10% of each maturity of the Series 2013 Bonds to the Public at or below the respective prices set forth on the cover of the Official Statement.

The Issuer may rely on the statements made herein in connection with making the representations set forth in the Tax Exemption Certificate and Agreement for the Series 2013 Bonds and in its efforts to comply with the conditions imposed by the Internal Revenue Code of 1986, as amended (the "Code"). Bass, Berry & Sims PLC may also rely on this Certificate for purposes of its opinion regarding the treatment of interest on the Series 2013 Bonds as excludable from gross income for federal income tax purposes. Any reliance accorded to the Issuer or to Bass, Berry & Sims PLC is qualified to the effect that nothing herein represents our interpretation of any laws, and in particular, regulations under section 148 of the Internal Revenue Code.

Dated this [ ] day of June, 2013.

MORGAN STANLEY & CO. LLC,  
as Representative of the Underwriters

By: \_\_\_\_\_  
William D. Mack, Executive Director

## EXHIBIT B-1

"Accountant's Certificate" shall mean a certificate signed by an independent certified public accountant or a firm of certified public accountants, selected by the Municipality, who may be the accountant or firm of accountants who regularly audit the books of the Municipality relating to the System.

"Accreted Value" shall mean, as of any date of computation with respect to any Capital Appreciation Bond, an amount equal to the principal amount of such Bond plus the interest accrued on such Bond from the date of original issuance of such Bond to the periodic date specified in the Supplemental Resolution authorizing such Capital Appreciation Bond on which interest on such Bond is to be compounded (hereinafter, a "Periodic Compounding Date") next preceding the date of computation or the date of computation if a Periodic Compounding Date, such interest to accrue at the interest rate per annum of the Capital Appreciation Bonds set forth in the Supplemental Resolution authorizing such Bonds, compounded periodically on each Periodic Compounding Date, plus, if such date of computation shall not be a Periodic Compounding Date, a portion of the difference between the Accreted Value as of the immediately preceding Periodic Compounding Date (or the date of original issuance if the date of computation is prior to the first Periodic Compounding Date succeeding the date of original issuance) and the Accreted Value as of the immediately succeeding Periodic Compounding Date, calculated based upon an assumption that, unless otherwise provided in the Supplemental Resolution authorizing such Capital Appreciation Bonds, Accreted Value accrues in equal daily amounts on the basis of a year consisting of twelve 30-day months.

"Alternate Variable Rate Taxable Index" shall mean such index as, at the time, is in general use as a proxy for short-term interest rates on debt obligations of state and local governments the interest on which is not excluded from gross income for federal income tax purposes, as determined by an Authorized Finance Officer.

"Alternate Variable Rate Tax-Exempt Index" shall mean such index as, at the time, is in general use as a proxy for short-term interest rates on debt obligations of state and local governments the interest on which is excluded from gross income for federal income tax purposes, as determined by an Authorized Finance Officer.

"Annual Budget" shall mean the annual budget or budgets of the System, as amended or supplemented, adopted or in effect for a particular Fiscal Year as provided in Section 309.

"Appreciated Value" shall mean, with respect to any Deferred Income Bond, (i) as of any date of computation prior to the Current Interest Commencement Date with respect to such Deferred Income Bond, an amount equal to the principal amount of such Bond plus the interest accrued on such Bond from the date of original issuance of such Bond to the periodic date specified in the Supplemental Resolution authorizing such Deferred Income Bond on which interest on such Bond is to be compounded (hereinafter, a "Periodic Compounding Date") next preceding the date of computation or the date of computation if a Periodic Compounding Date, such interest to accrue at the interest rate per annum of the Deferred Income Bonds set forth in the Supplemental Resolution authorizing such Bonds, compounded periodically on each Periodic Compounding Date, plus, if such date of computation shall not be a Periodic Compounding Date, a portion of the difference between the Appreciated Value as of the immediately preceding Periodic Compounding Date (or the date of original issuance if the date of computation is prior to the first Periodic Compounding Date succeeding the date of original issuance) and the Appreciated Value as of the immediately succeeding Periodic Compounding Date, calculated

based upon an assumption that, unless otherwise provided in the Supplemental Resolution authorizing such Deferred Income Bonds, Appreciated Value accrues in equal daily amounts on the basis of a year consisting of twelve 30-day months and (ii) as of any date of computation on and after the Current Interest Commencement Date, the Appreciated Value on the Current Interest Commencement Date.

"Authorized Finance Officer" shall mean the chief financial officer of the Municipality, the general manager of the system, the chief financial officer of the System or any other persons authorized in writing by any of them to act as an Authorized Finance Officer hereunder.

"Balloon Date" shall mean any date of a Principal Installment or any date on which a registered owner may elect to have Balloon Obligations redeemed, prepaid, purchased directly or indirectly by the Municipality, or otherwise paid, in a Balloon Year.

"Balloon Obligations" shall mean any Series of Bonds 25% or more of the Principal Installments of which is due or may be required to be paid in any 12-month period; provided that, in calculating the principal amount of such Bonds due or required to be redeemed, prepaid, purchased, or otherwise paid in any 12-month period, such principal amount shall be reduced to the extent that all or any portion of such amount is required to be redeemed or amortized prior to such 12-month period.

"Balloon Year" shall mean any 12-month period in which more than 25% of the original principal amount of related Balloon Obligations mature or are subject to mandatory redemption or could, at the option of the registered owners thereof, be required to be redeemed, prepaid, purchased directly or indirectly by the Municipality, or otherwise paid.

"Bonds" means the Municipality's outstanding Water, Sewer and Gas Revenue Refunding Bonds, Series 2002; Water, Sewer and Gas Revenue Refunding and Improvement Bonds, Series 2007, dated April 27, 2007; Water, Sewer and Gas Revenue Refunding Bonds, Series 2011, dated April 25, 2011; and any Parity Bonds.

"Capitalized Interest Account" shall mean the Capitalized Interest Account established within the Construction Fund in Section 202(a).

"Capital Appreciation Bonds" shall mean any Bonds issued under the Resolution as to which interest is (a) compounded periodically on dates that are specified in the Supplemental Resolution authorizing such Capital Appreciation Bonds and (b) payable only at the maturity, earlier redemption or other payment thereof pursuant to the Resolution or the Supplemental Resolution authorizing such Capital Appreciation Bonds.

"Certified Interest Rate" shall mean, as of any date of determination:

(a) with respect to Bonds that were or will be, at the date of the original issuance thereof, the subject of a Counsel's Opinion to the effect that the interest thereon is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, a rate of interest equal to the average of the Variable Rate Tax-Exempt Index for the five (5) years preceding such date of determination; and

(b) with respect to Bonds that were not and will not be, at the date of the original issuance thereof, the subject of a Counsel's Opinion to the effect that the interest thereon is excluded from gross income for federal income tax purposes pursuant to

Section 103 of the Code, a rate of interest equal to the average of the Variable Rate Taxable Index for the five (5) years preceding such date of determination.

“Code” shall mean the Internal Revenue Code of 1986, as amended, or any successor, and the applicable regulations (including final, temporary and proposed) promulgated by the United States Department of the Treasury thereunder, including Treasury Regulations issued pursuant to Sections 103 and 141 through 150, inclusive, of said Internal Revenue Code of 1986.

“Construction Fund” shall mean the Construction Fund established in Section 502(a).

“Consultant” shall mean a firm of engineers, accountants or consultants of national reputation for advising municipalities with respect to the setting of rates and charges for the use of water, sewer and gas systems, as selected by an Authorized Finance Officer.

“Contracts” shall mean all Credit Facility Agreements, including any Reimbursement Obligations, and all Qualified Hedge Agreements.

“Costs” shall mean any and all costs permitted to be financed by applicable Tennessee law through the issuance of a Series of Bonds.

“Counsel's Opinion” shall mean an opinion signed by an attorney or firm of attorneys of recognized standing in the field of law relating to municipal bonds (who may be counsel to the Municipality) selected by the Municipality.

“Credit Facility” shall mean any letter of credit, insurance policy, guaranty, surety bond, standby bond purchase agreement, line of credit, revolving credit agreement, or similar obligation, arrangement or instrument (other than a Reserve Fund Credit Facility) issued by a bank, insurance company, or any entity that is used by the Municipality to perform one or more of the following tasks: (i) enhancing the Municipality's credit by assuring owners of any of the Bonds that principal of and interest on such Bonds will be paid promptly when due; (ii) providing liquidity for the owners of Bonds through undertaking to cause Bonds to be bought from the owners thereof when submitted pursuant to an arrangement prescribed by a Supplemental Resolution; or (iii) remarketing any Bonds so submitted to the Credit Issuer (whether or not the same Credit Issuer is remarketing the Bonds).

“Credit Facility Agreement” shall mean an agreement between the Municipality and a Credit Issuer pursuant to which the Credit Issuer issues a Credit Facility.

“Credit Issuer” shall mean any issuer of a Credit Facility then in effect for all or part of the Bonds.

“Current Interest Commencement Date” shall mean, with respect to any particular Deferred Income Bonds, the date specified in the Supplemental Resolution authorizing such Deferred Income Bonds (which date must be prior to the maturity date for such Deferred Income Bonds) after which interest accruing on such Deferred Income Bonds shall be payable periodically on dates specified in such Supplemental Resolution, with the first such payment date being the first such periodic date immediately succeeding such Current Interest Commencement Date.



"Debt Service Requirement" shall mean:

(a) with respect to Subordinated Indebtedness, the total principal and interest coming due, whether at maturity or upon mandatory redemption, in any specified period.

(b) with respect to the Bonds, the total Principal Installments and interest accruing in any specified period, provided that:

(i) If any Bonds Outstanding or proposed to be issued shall bear interest at a Variable Rate, including Hedged Obligations if the interest thereon calculated as set forth below is expected to vary and Bonds secured by a Credit Facility if the interest thereon calculated as set forth below is expected to vary, the interest coming due in any specified future period shall be determined as if the Variable Rate in effect at all times during such future period equaled, at the option of the Municipality either (1) the average of the actual Variable Rates which were in effect (weighted according to the length of the period during which each such Variable Rate was in effect) for the most recent 12-month period immediately preceding the date of calculation for which such information is available (or shorter period if such information is not available for a 12-month period), or (2) the Certified Interest Rate.

(ii) With respect to any Bonds secured by a Credit Facility, the Debt Service Requirement therefor shall include (1) any commission or commitment fee obligations with respect to such Credit Facility, (2) the outstanding and unpaid amount of any Reimbursement Obligation and interest thereon, (3) any additional interest owed on Bonds which have been purchased by a Credit Issuer pursuant to a Credit Facility Agreement, and (4) any remarketing agent fees; provided if (a) the Credit Facility requires the Credit Issuer to make all interest payments on the Bonds, (b) the Reimbursement Obligation provides for payments by the Municipality or the Credit Issuer based on levels of, or changes or differences in, interest rates, currency exchange rates, or stock or other indices, and (c) the Credit Issuer, upon the execution of the Credit Facility Agreement, would qualify as a Qualified Hedge Provider if the Credit Facility Agreement were to be construed as a Hedge Agreement and the related Bonds as Hedged Obligations, then interest on such Bonds shall be calculated by adding (x) the amount of interest payable on such Bonds pursuant to their terms and (y) the amount of payments for interest to be made by the Municipality under the Credit Facility Agreement, and subtracting (z) the amounts payable by the Credit Issuer to the Municipality as interest on such Bonds as specified in the Credit Facility Agreement; but only to the extent the Credit Issuer is not in default under the Credit Facility and if such default has occurred and is continuing, interest on such Bonds shall be calculated as if there were no Credit Facility. In determining the amounts described in this paragraph for any future period, the Municipality (A) may assume that any Credit Facility presently in effect will remain in effect even if such Credit Facility has an expiration date prior to the maturity of the related Bonds and (B) may assume that the current payments relating to the Credit Facility will remain in effect or may estimate such payments in the future provided that the Municipality obtains a certificate from a Financial Adviser that such estimates are reasonable.

(iii) With respect to any Hedged Obligations, the interest on such Hedged Obligations during any Hedge Period and for so long as the provider of the related Hedge Agreement has not defaulted on its payment obligations thereunder shall be calculated by adding (x) the amount of interest payable by the Municipality on such Hedged Obligations pursuant to their terms and (y) the amount of Hedge Payments payable by the

Municipality under the related Hedge Agreement and subtracting (z) the amount of Hedge Receipts payable by the provider of the related Hedge Agreement at the rate specified in the related Hedge Agreement; provided, however, that to the extent that the provider of any Hedge Agreement is in default thereunder, the amount of interest payable by the Municipality on the related Hedged Obligations shall be the interest calculated as if such Hedge Agreement had not been executed. In determining the amount of Hedge Payments or Hedge Receipts that are not fixed throughout the Hedge Period (i.e., which are variable), payable or receivable for any future period, such Hedge Payments or Hedge Receipts for any period of calculation (the "Determination Period") shall be computed by assuming that the variables comprising the calculation (e.g., indices) applicable to the Determination Period are equal to the average of the actual variables which were in effect (weighted according to the length of the period during which each such variable was in effect) for the most recent 12-month period immediately preceding the date of calculation for which such information is available (or shorter period if such information is not available for a 12-month period).

(iv) For the purpose of calculating the Debt Service Requirement on Balloon Obligations (1) the refinancing of which has been approved by resolution of the Governing Body or (2) which do not have a Balloon Year commencing within 12 months from the date of calculation or (3) which are issued in anticipation of the issuance of Bonds that are not Balloon Obligations or (4) which are issued pursuant to a Supplemental Resolution which contemplates that the principal of Bonds tendered for payment at the option of the registered owner thereof prior to the stated maturity of such Bonds will be paid from the proceeds of the remarketing of such tendered Bonds (or from the issuance of new Bonds authorized by such Supplemental Resolution), at the option of the Municipality, the actual principal and interest on such Balloon Obligations shall be included in the Debt Service Requirement, subject to the other assumptions contained herein, or such Balloon Obligations shall be assumed to be amortized in substantially equal annual amounts to be paid for principal and interest over an assumed amortization period of 30 years at an assumed interest rate (which shall be the interest rate certified by a Financial Adviser to be the interest rate at which the Municipality could reasonably expect to borrow the same amount by issuing Bonds with the same priority of lien as such Balloon Obligations and with a 30-year term). For the purpose of calculating the Debt Service Requirement on Balloon Obligations not described in the preceding sentence, the principal payable on such Bonds during the Balloon Year shall be calculated as if payable on the Balloon Date.

(v) The principal and interest portions of the Accreted Value of Capital Appreciation Bonds or the Appreciated Value of Deferred Income Bonds shall be included in the calculation of Debt Service Requirement in the manner prescribed in Section 208(a).

(vi) Interest on Bonds shall be excluded from the determination of Debt Service Requirement to the extent amounts on deposit in the Capitalized Interest Account of the Construction Fund are scheduled to be applied thereto during such period.

(vii) Scheduled interest payments on Tax Credit Bonds during any period shall be reduced to reflect Tax Credit Payments attributable to such scheduled interest payments.

(c) For purposes of calculating the accrual of Principal Installments and interest on the Bonds, (i) Principal Installments of a Series will be deemed to accrue monthly in equal

amounts from the preceding Principal Installment date for such Series (but in no event shall any accrual be made for any Principal Installment more than one year prior to the due date of such Principal Installment or from the Date of Issuance of Bonds of such Series, whichever date is later); (ii) each fixed payment obligation (other than Principal Installments) will be deemed to accrue monthly in equal amounts from the preceding relevant payment obligation date (but in no event more than one year prior to such payment obligation date or the initial incurrence of the payment obligation, whichever is later); and (iii) principal and interest portions of the Accreted Value of Capital Appreciation Bonds or the Appreciated Value of Deferred Income Bonds shall accrue in the manner provided in Section 508(a).

"Deferred Income Bonds" shall mean any Bonds issued under the Resolution as to which interest accruing prior to the Current Interest Commencement Date is (i) compounded periodically on dates specified in the Supplemental Resolution authorizing such Deferred Income Bonds and (ii) payable only at the maturity, earlier redemption or other payment thereof pursuant to the Resolution or the Supplemental Resolution authorizing such Deferred Income Bonds.

"Fund" or "Funds" shall mean, as the case may be, each or all of the Funds established in Section 202.

"Net Revenues" shall mean, for any period, the Revenues during such period, minus the Operating Expenses during such period.

"One-Month LIBOR Rate" shall mean, as of any date of determination, the offered rate for deposits in U.S. dollars for a one-month period which appears on the Telerate Page 3750 at approximately 11:00 A.M., London time, on such date, or if such date is not a date on which dealings in U.S. dollars are transacted in the London interbank market, then on the next preceding day on which such dealings were transacted in such market.

"Outstanding" shall mean, as of any date, Bonds theretofore or thereupon being authenticated and delivered under the Resolution except:

(a) Bonds cancelled by the registration and paying agent therefor at or prior to such date;

(b) Bonds for the payment or redemption of which moneys, equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption date, shall be held in trust under the Resolution and set aside for such payment or redemption (whether at or prior to the maturity or redemption date), provided that if such Bonds are to be redeemed, notice of such redemption shall have been given as provided in the Supplemental Resolution authorizing the Series of which such Bonds are a part or provision shall have been made for the giving of such notice; and

(c) Bonds discharged as provided in Article VI hereof or in the Supplemental Resolution authorizing the Series of which such Bonds are a part.

"Parity Bonds" means bonds, notes, Loan Agreements, and other debt obligations, issued or entered into by the Municipality on a parity with the Bonds herein authorized in accordance with the restrictive provisions of Article V hereof, including any bonds or other obligations secured by a pledge of and/or lien on an Acquired System and the revenues derived from the operation of such Acquired System (provided such pledge and lien are subject only to normal and customary expenses of operating, maintaining, repairing and insuring any such System), so long as the Acquired System is not being operated separately from the System as is permitted herein or the revenues from such Acquired System are not excluded from Revenues.

"Principal Installment" shall mean, as of any date of calculation and with respect to any Series, so long as any Bonds thereof are Outstanding, the principal amount of Bonds of such Series due on a certain future date, whether at stated maturity or as a result of mandatory redemption requirements, or which may, at the option of the registered owners thereof, be required to be redeemed, prepaid, purchased or otherwise paid, as set forth in a Supplemental Resolution.

"Project Account" shall mean the Project Account established within the Construction Fund in Section 202(a).

"Prudent Utility Practice" shall mean, in respect of any particular utility industry, any of the practices, methods and acts which, in the exercise of reasonable judgment, in light of the facts, including but not limited to the practices, methods and acts engaged in or approved by a significant portion of such utility industry prior thereto, known at the time the decision was made, would have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety and expedition. It is recognized that Prudent Utility Practice is not intended to be limited to the optimum practice or act to the exclusion of all others, but rather is a spectrum of possible practices, methods or acts which could have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety and expedition.

"Qualified Hedge Agreement" shall mean any Hedge Agreement with a Qualified Hedge Provider.

"Qualified Hedge Provider" shall mean an entity whose senior unsecured long term obligations, financial program rating, counterparty rating, or claims paying ability, or whose payment obligations under the related Hedge Agreement are absolutely and unconditionally guaranteed or insured or collateralized by an entity whose senior unsecured long term obligations, financial program rating, counterparty rating, or claims paying ability, is sufficient to satisfy applicable Tennessee law.

"Rate Stabilization Fund" shall mean the fund bearing such name and established by Section 202 of the Resolution.

"Redemption Price" shall mean, with respect to any Bond, the principal amount thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to such Bond or a Supplemental Resolution.

"Reimbursement Obligation" shall mean the obligation of the Municipality to directly reimburse any Credit Issuer for amounts paid by such Credit Issuer under a Credit Facility, whether or not such obligation to so reimburse is evidenced by a promissory note or other similar instrument. The term Reimbursement Obligation includes obligations pursuant to a Credit Facility Agreement either to make payments for interest based on levels of, or changes or differences in, interest rates, currency exchange rates, or stock or other indices, in return for the Credit Issuer's fixed obligations under the Credit Facility or to make fixed payments for interest in return for the Credit Issuer's payments based on such variables.

"Reserve Fund Credit Facility" shall mean a municipal bond insurance policy, surety bond, letter of credit, line of credit, guarantee or other agreement which provides for payment of amounts equal to all or any portion of the Reserve Fund Requirement.

"Reserve Fund Requirement" shall mean, with respect to each separate account in the Reserve Fund, the amount specified in the Supplemental Resolution establishing such account.

"Resolution" shall mean the resolution of the City Council of the Municipality adopted on February 7, 1985, as supplemented and amended on February 1, 1991, November 7, 1991, October 1, 1992, May 1, 1997, November 5, 1998, and June 7, 2001, as amended and restated on May 6, 2004, as further supplemented and amended on March 29, 2007, April 7, 2011 and May 30, 2013, and as may be further supplemented and amended.

"Revenues" shall mean (a) all revenues, income, rents, service fees and receipts properly allocable to the System resulting from ownership and operation of the System, excluding any customer deposits or other deposits subject to refund, unless such deposits have become property of the Municipality, (b) the proceeds of any insurance covering business interruption loss relating to the System and (c) interest received or to be received on any moneys or securities held in any of the funds or accounts established by the Resolution, with the exception of (i) moneys held in the Construction Fund or any account thereof and (ii) moneys held in the Reserve Fund during any period in which the investment earnings thereon are directed by Supplemental Resolution to the Construction Fund or an account thereof. "Revenues" shall not include any Tax Credit Payments, grant proceeds or, except as set forth in (b) above, insurance proceeds. Notwithstanding the foregoing, at the election of the Governing Body, the term "Revenues" as used herein shall not include any revenues, rentals, earnings or other income received by the Municipality from the operation of an Acquired System (other than revenues that, prior to the time of such election, had been included within the term "Revenues"). The term "Revenues" shall include revenues generated from the sale of natural gas to the Fort Campbell Gas System, and all other revenues derived from the Municipality's operation and maintenance of the Fort Campbell Gas System, to the extent such other revenues are not required to pay, or reimburse the Municipality for the payment of, expenses and debt service incurred in connection with the Municipality's operation and maintenance of the Fort Campbell Gas System.

"Series" shall mean that portion of Bonds authenticated and delivered in a single transaction and identified pursuant to the Supplemental Resolution authorizing such Bonds as a separate Series of Bonds, regardless of variations in maturity, interest rate or other provisions.

"Series 2013 Subordinate Lien Resolution" shall mean the resolution adopted by the Governing Body on May 30, 2013, authorizing the issuance from time to time of subordinate lien water, sewer and gas revenue bonds, as such resolution may be supplemented and amended.

"SIFMA Municipal Swap Index" shall mean the rate determined on the basis of an index based upon the weekly interest rates of tax-exempt variable rate issues included in a database maintained by Municipal Market Data or any successor indexing agent which meets specific criteria established by The Securities Industry and Financial Markets Association.

"Subordinated Indebtedness" shall mean any bonds, notes, loan agreements or other evidences of indebtedness issued from time to time and payable from and, if applicable, secured by the Revenues of the System on a basis subordinate to the pledge of Revenues in favor of the Bonds, including, without limitation, the TMBF Loans, the SRF Loans and all debt obligations issued pursuant to the Series 2013 Subordinate Lien Resolution.

"Supplemental Resolution" shall mean any resolution having authorized a Series of Outstanding Bonds, and any resolution authorizing the issuance of Parity Bonds.

"Surplus Fund" shall mean the Surplus Fund established in Section 202(a).

“SRF Loans” shall mean, to the extent outstanding, SRF97-1042004 and DWF 01-044.

“Tax Credit Bonds” shall mean any Bonds with respect to which the Municipality has received a Counsel’s Opinion to the effect that the Municipality is entitled to receive payments by the United States Department of the Treasury or other agency of the United States government in offset of the debt service on such Bonds.

“Tax Credit Payment Account” shall mean a Tax Credit Payment Account established in the Bond Fund pursuant to Section 202(a) and 207(c).

“Tax Credit Payments” shall mean any amounts payable to the Issuer by the United States Department of the Treasury or other agency of the United States government with respect to Tax Credit Bonds.

“TMBF Loans” shall mean the Series 2004, Series 2005 and Series 2010 Loan Agreements between the Municipality and The Public Building of the City of Clarksville, Tennessee, to the extent outstanding.

“Variable Rate” shall mean a rate of interest applicable to the Bonds, other than a fixed rate of interest which applies to a particular maturity of the Bonds so long as that maturity of the Bonds remains Outstanding.

“Variable Rate Taxable Index” shall mean the One-Month LIBOR Rate or, if the One-Month LIBOR Rate no longer shall be available, the Alternate Variable Rate Taxable Index.

“Variable Rate Tax-Exempt Index” shall mean the SIMFA Municipal Swap Index or, if the SIMFA Municipal Swap Index no longer shall be available, the Alternate Variable Rate Tax-Exempt Index.

## EXHIBIT B-2

### ARTICLE II

#### PLEDGE; FUNDS AND ACCOUNTS; APPLICATION OF REVENUES

##### **SECTION 201. The Pledge Effected by the Resolution.**

(a) The Bonds are special obligations of the Municipality payable solely from and secured solely by the Revenues. The taxing power of the Municipality is not available for the payment of the Bonds. The Revenues are hereby pledged for the payment of the Principal Installments and Redemption Price of, and interest on, the Bonds in accordance with their terms and the provisions of the Resolution, subject only to the provisions of the Resolution requiring or permitting the application thereof for the purposes and on the terms and conditions set forth herein. The Revenues shall immediately be subject to the lien of this pledge without physical delivery thereof or further act, and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Municipality, without regard to whether such parties have notice thereof.

(b) There are hereby pledged, as additional security for the payment of the Principal Installments and Redemption Price of, and interest on, the Bonds of each Additionally Secured Series secured thereby, subject only to the provisions of this Resolution permitting the application thereof for the purposes and on the terms and conditions set forth herein the Resolution, amounts on deposit in the separate account established in the Reserve Fund with respect to such Additionally Secured Series. Such amounts on deposit in such separate account established in the Reserve Fund shall immediately be subject to the lien of this pledge without physical delivery thereof or further act, and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Municipality, without regard to whether such parties have notice thereof.

(c) There are hereby pledged, as additional security for the payment of the Principal Installments and Redemption Price of, and interest on, any Series of Tax Credit Bonds, any Tax Credit Payments attributable to such Series of Tax Credit Bonds, and all amounts on deposit in the applicable Tax Credit Payment Account in the Bond Fund. Such amounts on deposit in any separate Tax Credit Payment Account shall immediately be subject to the lien of this pledge without physical delivery thereof or further act, and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Municipality, without regard to whether such parties have notice thereof.

(d) To the extent permitted by applicable law, a Supplemental Resolution may extend the pledge of the Revenues to the payment of all or a portion of the Municipality's obligations under a Contract, provide that such obligations are payable from the Revenues, and establish the priority of the payment of such obligations (provided that no Contract payment shall be made prior to the payment of debt service on Bonds and no Termination Payment shall be made except from the Surplus Fund), in any case subject to the requirements and limitations set forth in this Article II.

(e) Nothing contained in the Resolution shall be construed to prevent the Municipality from acquiring, constructing or financing an Acquired System through the issuance



of its bonds, notes or other evidences of indebtedness any facilities which do not constitute a part of the System for the purposes of this Resolution; provided that such bonds, notes or other evidences of indebtedness shall not be payable out of or secured by the Revenues or any Fund or Account held under this Resolution and neither the cost of such facilities nor any expenditure in connection therewith or with the financing thereof shall be payable from the Revenues or from any such Fund or Account.

**SECTION 202. Establishment of Funds and Accounts.**

(a) The following Funds and Accounts, to be held by the Municipality, are hereby established:

(i) Construction Fund, which shall contain a Project Account and a Capitalized Interest Account;

(ii) Revenue Fund;

(iii) Bond Fund, which shall contain one or more Tax Credit Payment Accounts, if applicable;

(iv) Reserve Fund, which shall contain one or more accounts as Additionally Secured Series are issued;

(v) Rate Stabilization Fund; and

(vi) Surplus Fund.

(b) There may be established within any Fund or Account established hereunder such further accounts or subaccounts as set forth in a Supplemental Resolution or as an Authorized Finance Officer may determine.

**SECTION 203. Construction Fund.**

(a) The proceeds of each Series of Bonds issued pursuant to Section 503 hereof shall be deposited in the Construction Fund, for further allocation between the Project Account and a Capitalized Interest Account for such Series, all as directed by the provisions of the Supplemental Resolution authorizing such Series of Bonds. Amounts deposited in the Project Account for a Series of Bonds shall be applied to the Costs as directed by the Supplemental Resolution. Amounts deposited in the Capitalized Interest Account for a Series of Bonds shall be transferred to the an account within the Bond Fund for such Series of Bonds as and when needed to pay interest on such Series of Bonds, all as directed by the Supplemental Resolution. Amounts remaining on deposit in a Capitalized Interest Account beyond the period of time prescribed by the Supplemental Resolution for payment of interest on a Series of Bonds shall be transferred to the Project Account established by such Supplemental Resolution.

(b) The Municipality shall withdraw amounts from the Project Account for the payment of amounts due and owing on account of the Costs of the System upon determination of an Authorized Finance Officer that an obligation in the amount to be paid from the Project Account has been incurred by the Municipality and that each item thereof is a proper and reasonable charge against such Project Account, and that such amount has not been paid theretofore.

(c) At such time as there are no additional Costs to be paid from a Project Account, any moneys remaining therein may be transferred to another Project Account, to the Bond Fund to redeem Bonds of such Series, to the account within the Reserve Fund attributable to such Series of Bonds, if applicable, or put to another use, in any case as directed by an Authorized Finance Officer and subject to a Counsel's Opinion to the effect that such application is permitted by applicable law and will not adversely affect any applicable exemption from federal income taxation of the interest on any Series of Bonds (or the Municipality's right to any Tax Credit Payments attributable thereto).

(d) Nothing in this Section 203 shall be construed to prevent the Municipality from permanently discontinuing the acquisition or construction of any portion of the System, the Costs of which are at the time being paid out of the Construction Fund, if the Governing Body determines by resolution that such discontinuance is necessary or desirable in the conduct of the business of the Municipality and not disadvantageous to the registered owners of the Bonds.

**SECTION 204. Revenues and Revenue Fund.** Except as set forth in Section 211, all Revenues shall be deposited promptly as collected by the Municipality to the credit of the Revenue Fund.

**SECTION 205. Payment of Operating Expenses.** Operating Expenses shall be paid from the Revenue Fund as they become due and payable.

**SECTION 206. Payments into Certain Funds.** The Municipality shall make monthly withdrawals from the Revenue Fund, to the extent of amounts available therein, in order to make the following deposits and payments, in the order and amounts set forth below:

(a) for deposit in the Bond Fund an amount sufficient to provide for the timely payments required by Section 207, in amounts calculated as prescribed by Section 207(b); then

(b) for deposit in the Reserve Fund an amount sufficient to satisfy the requirements of Section 208 for such month; then

(c) for payment of Subordinated Indebtedness, the funding of such debt service reserves as may be required therewith and the payment of all related financing costs thereof, including without limitation any liquidity and credit enhancement charges or fees and hedge payments related thereto; then

(d) for payment to the Municipality, the amount of any payment in lieu of tax required of the System; then

(e) for deposit in the Rate Stabilization Fund, the amount, if any, budgeted for deposit into such Fund for the then current month as set forth in the then current Annual Budget or the amount otherwise determined by an Authorized Finance Officer to be deposited to such Fund for the month; and then

(f) for deposit in the Surplus Fund, the balance of any such remaining amounts in the Revenue Fund.

## **SECTION 207. Bond Fund.**

(a) Sufficient moneys shall be deposited to the Bond Fund from the Revenue Fund for the purpose of paying the Bonds as they become due and payable and, if and to the extent directed by a Supplemental Resolution, for the purpose of making payments under Contracts. Specifically:

(i) Unless otherwise provided in a Supplemental Resolution, on or before each interest payment date for a Series of Bonds, there shall be deposited in the Bond Fund an amount which, together with available moneys already on deposit therein (including Capitalized Interest Account transfers and Hedge Receipts and Termination Payments attributable to such Series of Bonds, which shall be deposited directly to the Bond Fund) and amounts scheduled to be deposited therein from a Tax Credit Payment Account, is not less than the interest coming due on such Bonds on such interest payment date. Such amount shall be used solely to pay interest on the Bonds when due or pay Reimbursement Obligations for Credit Facilities under which the Credit Issuer makes all interest payments on the Bonds.

(ii) Unless otherwise provided in a Supplemental Resolution or a Hedge Agreement, on or before each payment date for Hedge Payments under a Qualified Hedge Agreement, the Municipality shall deposit in the Bond Fund an amount which, together with any Hedge Receipts and other moneys already on deposit therein and available to make such payment, is not less than such Hedge Payments coming due on such payment date. Such amount shall be used solely to pay Hedge Payments under Qualified Hedge Agreements when due.

(iii) Unless otherwise provided in a Supplemental Resolution or a Contract, on or before each payment date for amounts due on Contracts, other than for Reimbursement Obligations and Qualified Hedge Agreements, the Municipality shall deposit in the Bond Fund an amount which, together with any other moneys already on deposit therein and available to make such payment, is not less than the amount coming due on such payment date. Such amount shall be used solely for such Contract payments when due.

(iv) Unless otherwise provided in a Supplemental Resolution, on or before each Principal Installment date for a Series of Bonds, the Municipality shall deposit in the Bond Fund an amount which, together with any other moneys already on deposit therein and available to make such payment, is not less than the principal payable on such Bonds on such Principal Installment date, other than principal to be paid from a source other than Revenues. Such amount shall be used solely for the payment of principal of the Bonds as the same shall become due and payable or to pay Reimbursement Obligations for Credit Facilities under which the Credit Issuer makes all principal payments on the Bonds.

(b) Without limiting Section 207(a), and except as may otherwise be set forth in a Supplemental Resolution, the payment required to be made each month from the Revenue Fund to the Bond Fund shall be calculated to provide for the deposit obligations described in Section 207(a) which will have accrued by the end of the month of such payment to the Bond Fund. For purposes of calculating the accrual of such deposit obligations, (i) Principal Installments of a Series will be deemed to accrue monthly in equal amounts from the preceding Principal Installment date for such Series (but in no event shall any accrual be made for any Principal Installment more than one year prior to the due date of such Principal Installment or from the date

of issuance of Bonds of such Series, whichever date is later); (ii) each fixed payment obligation (other than Principal Installments) will be deemed to accrue monthly in equal amounts from the preceding relevant payment obligation date (but in no event more than one year prior to such payment obligation date or the initial incurrence of the payment obligation, whichever is later); (iii) principal and interest portions of the Accreted Value of Capital Appreciation Bonds or the Appreciated Value of Deferred Income Bonds shall accrue in the manner provided in Section 508; and (iv) variable payment obligations, whether interest related to Bonds issued with Variable Rates or otherwise, shall accrue as estimated by the Municipality. Any monthly deposit in excess of the amount required by this subsection (b) shall be credited against the next ensuing monthly payment or payments.

(c) There shall be established within the Bond Fund a Tax Credit Payment Account for each Series of Tax Credit Bonds. Tax Credit Payments received by the Municipality shall be deposited directly into the applicable Tax Credit Payment Account and such amounts shall be applied solely to the payment of debt service on the applicable Series of Tax Credit Bonds, at the times and in the manner otherwise described in this Section 207.

(d) Nothing herein shall limit the right of the Municipality to use amounts on deposit in the Bond Fund, together with such other amounts as may be determined by an Authorized Finance Officer, to defease all or a portion of Bonds attributable to such Bond Fund deposits, purchase all or a portion of such Bonds in the open market, or redeem all or a portion of such Bonds at their Redemption Price; provided that the amount thereafter remaining in the Bond Fund shall not be less than the remaining requirement of such Fund, as set forth in Section 206(a) and this Section 207. Any Bonds so purchased or redeemed by the Municipality which are subject to mandatory redemption requirements may be applied as a credit against such mandatory redemption requirements as prescribed by the Supplemental Resolution authorizing such Bonds.

#### **SECTION 208. Reserve Fund.**

(a) There shall be deposited into the Reserve Fund the amounts specified, if any, in Supplemental Resolutions with respect to one or more Additionally Secured Series. The Municipality shall establish by Supplemental Resolution an account within the Reserve Fund for each separately secured Additionally Secured Series. Each such account shall be for the benefit and security of one or more Additionally Secured Series and need not secure all Additionally Secured Series. Each such account shall be initially funded, maintained and replenished as prescribed by Supplemental Resolution. In the event that deposits are required hereunder for two or more accounts within the Reserve Fund, transfers from the Revenue Fund to such accounts shall be made on a pro rata basis in proportion to the respective monthly funding requirements. Whenever, on the date that interest or principal is due on any Additionally Secured Series, there are insufficient moneys therefor in the Bond Fund, the Municipality shall, without further instructions, apply so much as may be needed of the moneys in the related account of the Reserve Fund to prevent default in the payment of such interest or principal, with priority to interest payments.

(b) Whenever the moneys on deposit in an account established in the Reserve Fund shall exceed the Debt Service Reserve Requirement related thereto, and after giving effect to any Reserve Fund Credit Facility that may be credited to such account in accordance with the provisions of the Supplemental Resolution establishing such subaccount, such excess shall be transferred from such account of the Reserve Fund to the Bond Fund to redeem Bonds allocable thereto or to such other Fund or Account as may be directed by an Authorized Finance Officer, subject to a Counsel's Opinion to the effect that such application is permitted by applicable law and will not adversely affect any applicable exemption from federal income taxation of the

interest on any Series of Bonds (or the Municipality's right to any Tax Credit Payments applicable thereto).

(c) Whenever the amount in an account within the Reserve Fund attributable to an Additionally Secured Series, together with the amount in the Bond Fund for such Series, is sufficient to pay in full all such Bonds secured thereby in accordance with their terms (including the maximum amount of principal or applicable sinking fund Redemption Price and interest which could become payable thereon), the applicable funds on deposit in such account of the Reserve Fund shall be transferred to the Bond Fund and applied to the timely payment of principal or Redemption Price, if applicable, and interest on the outstanding Bonds secured thereby.

(d) In the event of the refunding or defeasance of any Bonds of an Additionally Secured Series, the Municipality may withdraw from the separate account in the Reserve Fund established for the benefit of the Bonds of such Additionally Secured Series all or any portion of the amounts accumulated therein and deposit such amounts with the Escrow Agent for the Bonds being refunded or defeased to be held for the payment of the principal or Redemption Price, if applicable, and interest on the Bonds being refunded or defeased; provided that such withdrawal shall not be made unless the amount thereafter remaining in such separate account in such account shall not be less than the remaining Reserve Fund Requirement related thereto.

(e) The Municipality may satisfy the Reserve Fund Requirement for an Additionally Secured Series by purchasing and depositing to the applicable account of the Reserve Fund one or more Reserve Fund Credit Facilities, and may provide for the reimbursement of payments made by the providers of such Reserve Fund Credit Facilities from amounts required to be deposited to such account of the Reserve Fund, all as may be set forth in a Supplemental Resolution.

#### **SECTION 209. Rate Stabilization Fund.**

(a) Each month, the Municipality shall transfer from the Rate Stabilization Fund to the Revenue Fund the amount budgeted for transfer into such Fund for the then current month as set forth in the then current Annual Budget or the amount otherwise determined by the Municipality to be deposited into such Fund for the month.

(b) The Municipality may, from time to time and upon written direction of an Authorized Finance Officer, withdraw amounts on deposit in the Rate Stabilization Fund and (i) transfer such amounts to any other Fund or Account established under the Resolution other than the Revenue Fund, (ii) use such amounts to purchase or redeem Bonds or Subordinate Indebtedness, (iii) use such amounts to otherwise provide for the payment of Bonds, Subordinate Indebtedness or interest thereon or (iv) use such funds to make any other lawful payments.

**SECTION 210. Surplus Fund.** Amounts in the Surplus Fund shall be applied first to remedy any deficiencies in the amounts required to be withdrawn from the Revenue Fund pursuant to Sections 205 and 206(a)-(d), which such deficiencies shall be remedied from amounts on deposit in the Surplus Fund in the order set forth in Sections 205 and 206(a)-(d). Amounts at any time not needed therefor may be applied to the payment of the cost of capital improvements to the System, the purchase, redemption, payment or provision for payment of Bonds or Subordinated Indebtedness, the payment of Contracts, including Termination Payments, and any other legal expenditure of System funds.

**SECTION 211. Investment of Funds.**

(a) Money on deposit in the Funds described in this Article II may be invested by the Municipality in such investments as shall be permitted by applicable law, as determined by an authorized representative of the Municipality, all such investments to mature not later than the date on which the money so invested shall be required for the purpose for which the respective Fund was created. Such investments shall at any time necessary be liquidated and the proceeds thereof applied to the purpose for which the respective Fund was created; provided, however, that in no event shall moneys in the Reserve Fund be invested in instruments that mature more than three years from the date the money is so invested. The Municipality is authorized to enter into contracts with third parties for the investment of funds in any of the Funds described herein.

(b) If provided in a Supplemental Resolution, interest earned on any moneys or investments in the Reserve Fund shall be deposited in the Construction Fund. Otherwise, interest earned on any moneys or investments in each account of the Reserve Fund shall be deposited in the Bond Fund and applied to the payment of the Bonds of the Additionally Secured Series secured thereby. Interest earned on any moneys or investments in all such other Funds and Accounts established herein shall be held in such Fund or Account for the purposes thereof. The Funds described in this Article II shall be held and maintained by the Municipality and, when not invested, kept on deposit with a bank or financial institution regulated by and the deposits of which are insured by the Federal Deposit Insurance Corporation or similar federal agency. All moneys in such Funds so deposited shall at all times be secured to the extent and in the manner required by applicable State law. In computing the amount in any Fund created under the provisions of the Resolution for any purpose provided in the Resolution, obligations purchased as an investment of moneys therein shall be valued at the amortized cost of such obligations. Such computation shall be determined as of June 30 in each year. Each Reserve Fund Credit Facility shall be valued at the lesser of the face amount thereof or the maximum amount available thereunder.

## EXHIBIT B-3

### ARTICLE III PARTICULAR COVENANTS OF THE MUNICIPALITY

The Municipality covenants and agrees with the registered owners of the Bonds as follows:

**SECTION 301. Payment of Bonds and Contracts.** The Municipality shall duly and punctually pay or cause to be paid, but solely from the Revenues, and, in the case of the Bonds of each Additionally Secured Series, the account in the Reserve Fund attributable thereto, and in the case of Tax Credit Bonds, the Tax Credit Payment Account, the Principal Installment or Redemption Price, if any, of every Bond and the interest thereon, at the dates and places and in the manner provided in the Bonds, according to the true intent and meaning thereof, and all amounts due and owing under the Contracts.

**SECTION 302. Extension of Payment of Bonds.** The Municipality shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement, and in case the maturity of any of the Bonds or the time for payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default under the Resolution, to the benefit of the Resolution or to any payment out of Revenues or Funds established by the Resolution, including the investments and investment income, if any, thereof, or the moneys (except moneys held in trust for the payment of particular Bonds or claims for interest pursuant to the Resolution) held by the Municipality, except subject to the prior payment of the principal of all Bonds Outstanding the maturity of which has not been extended and of such portion of the accrued interest on the Bonds as shall not be represented by such extended claims for interest. Nothing herein shall be deemed to limit the right of the Municipality to issue refunding bonds.

**SECTION 303. Offices for Servicing Bonds.** Except as may be otherwise provided in any Supplemental Resolution with respect to any Series of Bonds, the Municipality shall at all times maintain one or more agencies where Bonds may be presented for payment and shall at all times maintain one or more agencies where Bonds may be presented for registration, transfer or exchange, and where notices, demands and other documents may be served upon the Municipality in respect of the Bonds or of the Resolution. The Municipality hereby appoints each registration and paying agent for the Bonds to maintain an agency for the registration, transfer or exchange of Bonds, and for the service upon the Municipality of such notices, demands and other documents and such registration and paying agents shall continuously maintain or make arrangements to provide such services. The Municipality hereby appoints its registration and paying agents to maintain such agencies for the payment or redemption of Bonds.



**SECTION 304. Further Assurance.** At any and all times the Municipality shall, as far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, pledging, assigning and confirming all and singular the rights, Revenues and other moneys, securities and funds hereby pledged, or intended so to be, or which the Municipality may become bound to pledge.

**SECTION 305. Power to Issue Bonds and Pledge Revenues and Other Funds.** The Municipality is duly authorized under all applicable laws to create and issue the Bonds and to adopt the Resolution and to pledge the Revenues and, in the case of the Bonds of Additionally Secured Series, the related account in the Reserve Fund with respect thereto, and, in the case of Tax Credit Bonds, the Tax Credit Payment Account, in the manner and to the extent provided in the Resolution. Except to the extent otherwise provided in the Resolution, the Revenues, each separate account in the Reserve Fund and each Tax Credit Payment Account are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto superior to, or of equal rank with, the respective pledges created by the Resolution, and all corporate or other action on the part of the Municipality to that end has been and will be duly and validly taken. The Bonds and the provisions of the Resolution are and will be the valid and legally enforceable obligations of the Municipality in accordance with their terms and the terms of the Resolution. The Municipality shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Revenues, each separate account in the Reserve Fund, each Tax Credit Payment Account and all the rights of the registered owners of the Bonds under the Resolution against all claims and demands of all persons whomsoever.

**SECTION 306. Power to Fix and Collect Rates, Fees and Charges.** The Municipality has, and will have as long as any Bonds are Outstanding, good right and lawful power to acquire, construct, reconstruct, improve, maintain, operate and repair the System and to fix, establish, maintain and collect rates, fees and charges with respect to the use of the capability of and sale of the output, capacity, use or service of the System subject to the terms of contracts relating thereto and subject to the jurisdiction of any applicable regulatory authority.

**SECTION 307. Creation of Liens; Sale and Lease of Property.**

(a) Except as described in Article V, the Municipality shall not issue any bonds, notes, debentures or other evidences of indebtedness of similar nature, other than the Bonds, payable out of or secured by a security interest in or pledge of the Revenues, any separate account in the Reserve Fund, any Tax Credit Payment Account or other moneys, securities or funds held or set aside by the Municipality under the Resolution and shall not create or cause to be created any lien or charge on the Revenues, any separate account in the Reserve Fund, any Tax Credit Payment Account or such moneys, securities or funds.

(b) No part of the System shall be sold, mortgaged, leased or otherwise disposed of, except as follows:

(i) the Municipality may sell or exchange at any time and from time to time any property or facilities constituting part of the System only if (A) the Municipality shall determine that such property or facilities are not needed or useful in the operation of the System, or (B) the net book value of the property or facilities sold or exchanged is not more than 5% of the net book value of the property and facilities of the System, or (C) there shall be filed with the records of the Municipality a certificate of a Consultant or a Consulting Engineer stating, in its opinion, that the sale or exchange of such property or facilities will not materially impair the ability of the Municipality to comply during the

current or any future Fiscal Year with the provisions of Section 311. The proceeds of any sale or exchange of any property or facilities constituting a part of the System not used to acquire other property necessary or desirable for the safe or efficient operation of the System shall forthwith be deposited in the Revenue Fund; provided, however, that the amount of any such deposit to the Revenue Fund shall not constitute or be deemed to constitute Revenues for purposes of Section 311 of the Resolution;

(ii) The Municipality may lease or make contracts or grant licenses for the operation of, or make arrangements for the use of, or grant easements or other rights with respect to, any part of the System, provided that any such lease, contract, license, arrangement, easement or right (A) does not impede the operation by the Municipality or its agents of the System and (B) does not materially adversely affect the rights or security of the registered owners of the Bonds under the Resolution. Any payments received by the Municipality under or in connection with any such lease, contract, license, arrangement, easement or right in respect of the System or any part thereof shall constitute Revenues for all purposes of the Resolution;

(iii) The limitations imposed upon the Municipality by subsection (b)(ii) (A) and (B) shall not apply to any disposition of property by the Municipality where: (A) such property is leased back to the Municipality under a lease having a term of years (including renewal options) (1) of not less than 75% of the remaining useful life of the property as estimated by the Municipality computed from the date of disposition and lease if such property is disposed of by sale or a lease for more than 90% of the remaining estimated useful life or any other means of disposition except as set forth in the following clause (2), or (2) 75% of the term of the lease out by the Municipality if such property is disposed of by a lease for less than 90% of the useful life of the property so estimated, (B) fair value to the Municipality (as determined by the Municipality) is received by the Municipality for the property subject to such transaction, and (C) there shall have been delivered to the Governing Body a Counsel's Opinion to the effect that the disposition and lease will not have a material adverse effect on the interests of the registered owners of Outstanding Bonds (in rendering such opinion, such counsel may rely on such certifications of (1) the Financial Adviser, as to financial and economic matters, (2) the Consultant or Consulting Engineer, as to matters within its field of expertise and (3) such other experts, as to matters within their fields of expertise as it, in its reasonable judgment, determines necessary or appropriate). The proceeds of any such transaction not used to acquire other property necessary or desirable for the safe or efficient operation of the System shall forthwith be deposited in the Revenue Fund; and

(iv) The Municipality may permanently discontinue the acquisition or construction of any portion of the System as provided in Section 203(d).

(c) Notwithstanding anything elsewhere provided in this Resolution, and without being subject to any of the foregoing restrictions, the Municipality shall have the right to sell, lease, transfer, or otherwise dispose of the System, as a whole or substantially as a whole, to any municipal corporation, county, political subdivision, governmental corporation, or governmental agency (each of which shall be included within the term "Transferee" as herein used), provided the Transferee thus acquiring the System from the Municipality will assume the performance of and be bound by all of the obligations of the Municipality to the holders of the Bonds under the covenants and provisions of this Resolution and the Municipality has received a Counsel's Opinion to the effect that (i) all of the provisions of the Resolution and the applicable Supplemental Resolution(s) are enforceable against the Transferee and (ii) the transfer will not

adversely affect the tax-exempt or tax-advantaged status of any Bonds, if applicable.

**SECTION 308. Limits on Additional Senior Lien Bonds.** The Municipality shall not issue or incur, cause to be issued or incurred or consent to the issuance or incurrence of any indebtedness or other obligations benefitting from a pledge of Revenues (or any portion thereof) on parity with the pledge benefitting the Bonds except upon satisfaction of the applicable provisions of Article V hereof.

**SECTION 309. Annual Budget.** The Municipality shall adopt an operating budget ("Annual Budget") covering the fiscal operations of the System prior to the beginning of each Fiscal Year. The Annual Budget need not necessarily be the budget prepared by the Municipality for Municipality budgeting purposes. The Annual Budget for the ensuing Fiscal Year shall set forth in reasonable detail the estimated Revenues, payments with respect to all obligations assumed or incurred by the Municipality with respect to the System (including, without limitation, the Bonds and Subordinated Indebtedness) and Operating Expenses and other expenditures for the System for such Fiscal Year, and shall include appropriations for the estimated payments with respect to such obligations for such Fiscal Year, the estimated Operating Expenses for the System for such Fiscal Year, including provisions for any general reserve for Operating Expenses or other reserves determined necessary or desirable by the Municipality. Such Annual Budget also shall set forth such detail with respect to such Revenues, payments with respect to such obligations, Operating Expenses and other expenditures and may set forth such additional material as the Municipality may determine. The Municipality may at any time, as necessary, adopt an amended Annual Budget for the remainder of the then current Fiscal Year.

**SECTION 310. Operation and Maintenance of the System.** The Municipality shall at all times use its best efforts to operate or cause to be operated the System properly and in an efficient and economical manner, consistent with Prudent Utility Practice, and shall use its best efforts to maintain, preserve, reconstruct and keep the same or cause the same to be so maintained, preserved, reconstructed and kept, with the appurtenances and every part and parcel thereof, in good repair, working order and condition, and shall from time to time make, or use its best efforts to cause to be made, all necessary and proper repairs, replacements and renewals so that at all times the operation of the System may be properly and advantageously conducted.

**SECTION 311. Rates, Fees and Charges.**

(a) The Municipality shall at all times fix, establish, maintain, charge and collect rates, fees and charges for the use or the sale of the output, capacity or service of the System which shall be sufficient to produce Net Revenues in each Fiscal Year at least equal to each of (but not the sum of) (i) and (i) below:

(i) 120% of the Debt Service Requirement on the Outstanding Bonds in such Fiscal Year.

(ii) 100% of the sum of:

(A) the Debt Service Requirement on the Outstanding Bonds and Subordinated Indebtedness in such Fiscal Year,

(B) the amounts required to be paid during such Fiscal Year into the Reserve Fund established by this Resolution,

(C) the amounts required to be paid during such Fiscal Year into any debt service reserve funds established with respect to Subordinate Indebtedness, and

(D) the amount of all other charges and liens whatsoever payable out of Revenues during such Fiscal Year, including payments in lieu of taxes and any payments required during such Fiscal Year under Contracts to the extent not otherwise provided for in this subsection (ii).

(b) For purposes of this Section 311, the Municipality may, when calculating the Debt Service Requirement on Subordinated Indebtedness, make the adjustments and assumptions set forth in subsection (c) of the definition of "Debt Service Requirement", as if such provisions were applicable to Subordinated Indebtedness; provided however, that there may be disregarded any scheduled principal amount of Subordinated Indebtedness which are notes or other evidences of indebtedness issued in anticipation of the issuance of Bonds, the payment of which is anticipated to be paid from the proceeds of such Bonds.

(c) For purposes of measuring compliance with subsection (a)(i) above, the computation of Net Revenues may be increased by the amount of transfers made or scheduled to be made (as applicable) during the Fiscal Year from the Rate Stabilization Fund to the Revenue Fund pursuant to Section 209 of the Resolution, provided that in no event shall such computation be increased by an amount in excess of 20% of the Debt Service Requirement on the Outstanding Bonds in such Fiscal Year as a result of such transfers. For purposes of measuring compliance with subsection (a)(i) above, the computation of Net Revenues shall be decreased by the amount of transfers made or scheduled to be made (as applicable) during the Fiscal Year from the Revenue Fund to the Rate Stabilization Fund pursuant to Section 206 of the Resolution.

(d) If the Municipality fails to prescribe, fix, maintain, and collect rates, fees, and other charges, or to revise such rates, fees, and other charges, in accordance with the provisions of this section in any Fiscal Year, but the Municipality in the next Fiscal Year has promptly taken all available measures to revise such rates, fees and other charges as advised by a Consultant retained by the Municipality to review the operations of the System, there shall be no default under this Resolution until at least the end of such next Fiscal Year and only then if Net Revenues are less than the amount required by this section.

#### **SECTION 312. Maintenance of Insurance.**

(a) With respect to the System, the Municipality will carry adequate public liability, fidelity, and property insurance, such as is maintained by similar utility systems; provided, the Municipality shall not be required to insure beyond the limits of immunity provided by Sections 29-20-101 et seq., Tennessee Code Annotated, as amended, and provided further, the Municipality may self-insure against any risks that the Governing Body deems appropriate provided the Municipality maintains adequate reserves, in such amounts as the Municipality determines is reasonable, for such self-insurance. All such policies shall be for the benefit of and made payable to the Municipality and shall be on deposit with the Municipality.

(b) The proceeds received by the Municipality from any insurance policy shall be deposited in the Revenue Fund.

### **SECTION 313. Accounts and Reports.**

(a) The Municipality shall keep or cause to be kept proper books of record and account (separate from all other records and accounts) in accordance with generally accepted accounting principles (or other comprehensive basis of accounting) in which complete and correct entries shall be made of its transactions relating to the System, the amount of Revenues and the application thereof and each Fund and Account established under the Resolution, and which, together with all other books and papers of the Municipality, including insurance policies, relating to the System, shall, subject to the terms thereof, at all times be subject to the inspection of the registered owners of an aggregate of not less than 5% in principal amount of the Bonds then Outstanding or their representatives duly authorized in writing.

(b) The Municipality shall annually, within 270 days after the close of each Fiscal Year, file with the records of the Municipality and otherwise as provided by law, a copy of an annual report for such Fiscal Year, accompanied by an Accountant's Certificate, relating to the System and including reasonably detailed information relating to the following: (i) the assets and liabilities of the System as of the end of such Fiscal Year; (ii) the Revenues and Operating Expenses of the System for such Fiscal Year; and (iii) a summary, with respect to each Fund and Account established under the Resolution, of the receipts therein and disbursements therefrom during such Fiscal Year and the amount held therein at the end of such Fiscal Year; provided, however, that nothing herein shall preclude such annual report from being included as part of the audited financial statements of the Municipality generally. Such Accountant's Certificate shall state whether or not, to the knowledge of the signer, the Municipality is in default with respect to any of the covenants, agreements or conditions on its part contained in the Resolution, and if so, the nature of such default.

(c) The reports, statements and other documents required to be prepared or obtained by the Municipality pursuant to any provisions of the Resolution shall be available for the inspection of registered owners of the Bonds at the office of the Municipality and shall be mailed to each registered owner of a Bond who shall file a written request therefor with the Municipality. The Municipality may charge each registered owner of a Bond requesting such reports, statements and other documents a reasonable fee to cover reproduction, handling and postage.

**SECTION 314. Payment of Taxes and Charges.** The Municipality will from time to time duly pay and discharge, or cause to be paid and discharged, all taxes, assessments and other governmental charges, or required payments in lieu thereof, lawfully imposed upon the properties of the Municipality or upon the rights, revenues, income, receipts, and other moneys, securities and funds of the Municipality when the same shall become due (including all rights, moneys and other property transferred, assigned or pledged under the Resolution), and all lawful claims for labor and material and supplies, except those taxes, assessments, charges or claims which the Municipality shall in good faith contest by proper legal proceedings if the Municipality shall in all such cases have set aside of its books reserves deemed adequate with respect thereto. Notwithstanding the foregoing, no payments in lieu of taxes may be paid to the Municipality from Revenues prior the payment of debt service on the Bonds.

### **SECTION 315. General.**

(a) The Municipality shall at all times maintain its corporate existence (or, if the Municipality shall be dissolved or abolished, a successor shall be named to assume the rights and obligations of the Municipality) and shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Municipality under the provisions of applicable Tennessee law and the Resolution.

(b) Upon the date of authentication and delivery of any of the Bonds, all conditions, acts and things required by law and the Resolution to exist, to have happened and to have been performed prior to and in connection with the issuance of such Bonds shall exist, have happened and have been performed, and the issuance of such Bonds, together with all other obligations of the Municipality, shall comply in all respects with the applicable laws of the State of Tennessee.

EXHIBIT B-4

ARTICLE V  
ISSUANCE OF PARITY BONDS; SUBORDINATE INDEBTEDNESS; CREDIT FACILITIES  
AND HEDGE AGREEMENTS

**SECTION 501. Authorization of Parity Bonds.**

(a) The Municipality will issue no other bonds or obligations of any kind or nature payable from or enjoying a lien on the Revenues having priority over the Bonds.

(b) The Municipality is hereby authorized to issue Parity Bonds from time to time upon the adoption of a resolution supplemental hereto (a "Supplemental Resolution") and as hereinafter provided. The aggregate principal amount of the Bonds which may be executed, authenticated and delivered under the Resolution is not limited except as may hereafter be provided in any Supplemental Resolution or as may be limited by law.

(c) The Parity Bonds may, if and when authorized by the Municipality pursuant to one or more Supplemental Resolutions, be issued in one or more Series. The designation of each Series shall bear such designation as the Municipality may determine. Each Bond shall bear upon its face the designation so determined by the Municipality for the Series to which it belongs.

**SECTION 502. General Provisions for Issuance of Parity Bonds of Each Series.**

(a) Parity Bonds of each Series may be issued only upon satisfaction by the Municipality of the conditions specified in the Supplemental Resolution authorizing the Series of Parity Bonds and upon satisfaction by the Municipality of the following conditions:

(i) receipt of a Counsel's Opinion to the effect that (A) the Municipality has the right and power under applicable Tennessee law to adopt this Resolution, and this Resolution has been duly and lawfully adopted by the Municipality, is in full force and effect and is valid and binding upon the Municipality in accordance with its terms, and no other authorization for this Resolution is required; (B) the Resolution creates the valid pledge which it purports to create of the Revenues and, if such Series of Bonds shall be an Additionally Secured Series, the separate account in the Reserve Fund established for the benefit of such Bonds, subject to the provisions of this Resolution permitting the application thereof for the purposes and on the terms and conditions set forth herein; and (C) the Parity Bonds of such Series are valid and binding obligations of the Municipality as provided in this Resolution and are entitled to the benefits of this Resolution and of applicable Tennessee law, and such Parity Bonds have been duly and validly authorized and issued in accordance with applicable Tennessee law and in accordance with this Resolution. Such Opinion may take exception as to the effect of, or for restrictions or limitations imposed by or resulting from, bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights and may state that no opinion is being rendered as to the availability of any particular remedy. No opinion need be expressed as to the priority of the pledge created by the Resolution over the rights of other persons in the Revenues and, if applicable, such separate account in the Reserve Fund;



(ii) adoption of a Supplemental Resolution authorizing such Parity Bonds, which shall specify such terms and conditions relative to the Parity Bonds of such Series, and such other matters relative thereto, as the Municipality may determine;

(iii) if such Series shall be an Additionally Secured Series, evidence of the funding of the account within the Reserve Fund designated therefor in the manner prescribed by the Supplemental Resolution;

(iv) execution by an Authorized Finance Officer of a certificate stating that upon the issuance of such Series of Parity Bonds the Municipality will not be in default in the performance of any of the covenants, conditions, agreements or provisions contained in this Resolution;

(v) execution by an Authorized Finance Officer of a certificate (A) setting forth the amounts of Net Revenues for any twelve (12) consecutive month period within the twenty-four (24) consecutive months immediately preceding the date of issuance of the Parity Bonds; and (B) stating that the Net Revenues for such 12 month period were at least equal to the greater of (1) 120% of the maximum Debt Service Requirement on the Bonds in any future Fiscal Year (calculated with respect to the Bonds of all Series then Outstanding and the proposed Parity Bonds), and (2) 110% of the maximum Debt Service Requirement on the Bonds and any Subordinated Indebtedness issued pursuant to the Series 2013 Subordinate Lien Resolution in any future Fiscal Year (calculated with respect to all Bonds then Outstanding, such Subordinated Indebtedness then outstanding under the Series 2013 Subordinate Lien Resolution and the Proposed Parity Bonds); provided, however, that the Net Revenues for such twelve (12) month period may be adjusted for the purposes of such certificate (X) to reflect for such period revisions in the rates, fees, rentals and other charges of the Metropolitan Government for the product and services of the System made after the commencement of such period and preceding the date of issuance of the Parity Bonds; (Y) to reflect any increase in Net Revenues due to any new facilities of the System having been placed into use and operation subsequent to the commencement of such period and prior to the date of issuance of such Parity Bonds, as certified by a Consultant; and (Z) to include an amount equal to the average annual contribution to Net Revenues for the first three full Fiscal Years commencing after the date of acquisition thereof, estimated to be made by facilities anticipated to be acquired and expected to be placed into use and operation within two years of the date of issuance of such Bonds, as certified by a Consultant;

(vi) in the case of a Series of Tax Credit Bonds, a Counsel's Opinion addressed to the Municipality regarding the status of such Parity Bonds as Tax Credit Bonds; and

(vii) delivery of such further documents, moneys and securities as are required by the provisions of this Article V or any Supplemental Resolution.

#### **SECTION 503. Bonds Other Than Refunding Bonds.**

(a) One or more Series of Parity Bonds may be issued at any time for the purpose of financing capital improvements to the System and any and all other Costs related thereto or to the issuance of the Parity Bonds. Parity Bonds of each such Series shall be authenticated and delivered only upon compliance with the terms and conditions set forth in Section 502.

(b) The proceeds of each Series of Parity Bonds authorized under this Section 503 shall be applied simultaneously with the delivery of such Parity Bonds as provided in the Supplemental Resolution authorizing such Series.

#### **SECTION 504. Refunding Bonds.**

(a) One or more Series of Parity Bonds may be issued at any time to refund all or any Outstanding Bonds or Subordinated Indebtedness. Such Parity Bonds shall be issued in a principal amount sufficient, together with other moneys available therefor, to accomplish such refunding and to make the deposits in the funds and accounts under this Resolution required by the provisions of the Supplemental Resolution authorizing such Parity Bonds or to make any deposits or payments required by the resolution authorizing Subordinate Indebtedness, as applicable.

(b) In addition to the conditions set forth in Section 502, each such Series of Parity Bonds may be issued only upon the filing with the records of the Municipality of a certificate of an Authorized Finance Officer certifying that all conditions relating to the payment or prepayment of the refunded Bonds or Subordinated Indebtedness as set forth in the documents relating thereto have been satisfied.

(c) The proceeds, including accrued interest, of such Parity Bonds shall be applied simultaneously with the delivery of such Bonds for the purposes of making deposits in such funds and accounts under this Resolution as shall be provided by the Supplemental Resolution authorizing such Parity Bonds and shall be applied to the refunding purposes thereof or to the payment or prepayment purposes thereof in the manner provided in said Supplemental Resolution.

(d) In lieu of compliance with Section 502(a)(v), Parity Bonds may be issued to refund Outstanding Bonds (i) if the refunding will constitute a refunding of all Outstanding Bonds, including the retirement of related Contracts, or (ii) upon the execution by an Authorized Finance Officer of a certificate stating that the refunding will result in a reduction in the future Debt Service Requirement on the Bonds.

(e) In complying with Section 502(a)(v), there shall be deleted from the calculation of maximum Debt Service Requirement the Debt Service Requirement on any Bonds and (if applicable under clause (B)(2)) Subordinated Indebtedness issued pursuant to the Series 2013 Subordinate Lien Resolution being refunded by the Bonds with respect to which the certificate described in Section 502(a)(v) is being given.

#### **SECTION 505. Credit Facilities and Hedge Agreements.**

(a) The Municipality may obtain or cause to be obtained one or more Credit Facilities providing for payment of all or a portion of the principal of, premium, if any, or interest due or to become due on such Bonds, providing for the purchase of such Bonds by the Credit Issuer, or providing funds for the purchase of such Bonds by the Municipality. In connection therewith, the Municipality may enter into Credit Facility Agreements with such Credit Issuers providing for, among other things, (i) the payment of fees and expenses to such Credit Issuers for the issuance of such Credit Facilities; (ii) the terms and conditions of such Credit Facilities and the Bonds affected thereby; and (iii) the security, if any, to be provided for the issuance of such Credit Facilities.

(b) The Municipality may secure any Credit Facility by an agreement providing for the purchase of the Bonds secured thereby with such adjustments to the rate of interest, method of determining interest, maturity, or redemption provisions for such Bonds as are specified by the Municipality in the applicable Supplemental Resolution. The Municipality may in a Credit Facility Agreement agree to directly reimburse such Credit Issuer for amounts paid under the terms of such Credit Facility, together with interest thereon; provided, however, that no Reimbursement Obligation shall be created for purposes of the Resolution until amounts are paid under such Credit Facility. Any such Credit Facility shall be for the benefit of and secure such Bonds or portion thereof as specified in the applicable Supplemental Resolution. The Municipality's obligations under a Credit Facility may be payable from and/or secured by a pledge of, and lien on, the Revenues as described Section 201, if and as set forth in a Supplemental Resolution.

(c) In connection with the issuance of any Bonds or at any time thereafter so long as such Bonds remain Outstanding, the Municipality may enter into Hedge Agreements with Qualified Hedge Providers, and no other providers, with respect to any Bonds. The Municipality shall authorize the execution, delivery, and performance of each Qualified Hedge Agreement in a Supplemental Resolution, in which it shall designate the Bonds to which such Qualified Hedge Agreement relates. The Municipality's obligation to pay Hedge Payments on a Qualified Hedge Agreement may be payable from and/or secured by a pledge of, and lien on, the Revenues as described in Section 201 (other than with respect to Termination Payments), if and as set forth in a Supplemental Resolution.

**SECTION 506. No Obligations Other than Subordinate Indebtedness.** No obligations payable from the Revenues or any portion thereof, other than Subordinated Indebtedness, shall be issued or incurred by the Municipality. The Municipality may freely issue Subordinated Indebtedness.

**SECTION 507. Assumption of Debt from an Acquired System.**

Upon the determination of the Municipality to combine an Acquired System into the System, all outstanding bonds, notes and other obligations of the Acquired System outstanding upon such combination (the "Assumed Debt") may, at the election of the Municipality, be payable from the Revenues of the combined System on a parity and equality of lien with all Outstanding Bonds, upon execution by an Authorized Finance Officer of a certificate:

(i) stating that upon the assumption of the Assumed Debt the Municipality will not be in default in the performance of any of the covenants, conditions, agreements or provisions contained in this Resolution.

(ii) setting forth the amounts of Net Revenues for the combined System for any twelve (12) consecutive month period within the twenty-four (24) consecutive months immediately preceding the date of assumption of the Assumed Debt; and stating that the Net Revenues for such 12 month period were at least equal to 110% of the maximum Debt Service Requirement on the then-outstanding Bonds and the Assumed Debt in any future Fiscal Year; provided, however, that the Net Revenues for such twelve (12) month period may be adjusted for the purposes of such certificate (x) to reflect for such period revisions in the rates, fees, rentals and other charges of the combined System made after the commencement of such period and preceding the date of assumption; and (y) to reflect any increase in Net Revenues due to any new facilities of the combined System having been placed into use and operation subsequent to the commencement of such period and prior to the date of assumption, as certified by a Consultant.

(iii) Providing whether the Assumed Debt will constitute an Additionally Secured Series, and the terms thereof.

In the event the Assumed Debt will constitute an Additionally Secured Series, the Municipality shall provide evidence of the funding of the applicable account of the Reserve Fund. Assumed Debt meeting the provisions set forth in the Section 507 shall be subject in all respects to the terms and conditions of this Resolution and the pledge set forth in Article II hereof, in the same manner as all other Outstanding Bonds.

**SECTION 508. Special Provisions Relating to Capital Appreciation Bonds and Deferred Income Bonds.** The principal and interest portions of the Accreted Value of Capital Appreciation Bonds or the Appreciated Value of Deferred Income Bonds becoming due at maturity or by virtue of mandatory redemption requirements shall be included in the calculations of accrued and unpaid and accruing interest or Principal Installments made under the definitions of Debt Service Requirement only from and after the date (the "Calculation Date") which is one year prior to the date on which such Accreted Value or Appreciated Value, as the case may be, becomes so due, and the principal and interest portions of such Accreted Value or Appreciated Value shall be deemed to accrue in equal daily installments from the Calculation Date to such due date. For the purposes of (i) receiving payment of the Redemption Price if a Capital Appreciation Bond is redeemed prior to maturity or (ii) computing the principal amount of Bonds held by the registered owner of a Capital Appreciation Bond in giving to the Municipality any notice, consent, request, or demand pursuant to the Resolution for any purpose whatsoever, the principal amount of a Capital Appreciation Bond shall be deemed to be its then-current Accreted Value. For the purposes of (i) receiving payment of the Redemption Price if a Deferred Income Bond is redeemed prior to maturity or (ii) computing the principal amount of Bonds held by the registered owner of a Deferred Income Bond in giving to the Municipality any notice, consent, request, or demand pursuant to the Resolution for any purpose whatsoever, the principal amount of a Deferred Income Bond shall be deemed to be its then current Appreciated Value.

#### EXHIBIT B-5

(a) For any one or more of the following purposes and at any time or from time to time, this Resolution may be amended upon delivery of a Counsel's Opinion to the effect that such amendment will not have a material adverse effect on the interests of the registered owners of Outstanding Bonds (in rendering such opinion, such counsel may rely on certifications of the Financial Adviser or a Consultant as to financial and economic matters, the Consulting Engineer, as to matters within its field of expertise and such other experts, as to matters within their fields of expertise as it, in its reasonable judgment, determines necessary or appropriate) and such amendment shall be fully and (unless otherwise directed by the Municipality) immediately effective in accordance with its terms:

(i) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Resolution;

(ii) to insert such provisions clarifying matters or questions arising under the Resolution as are necessary or desirable and are not contrary to or inconsistent with the Resolution as theretofore in effect; or

(iii) to make any other modification to or amendment of the Resolution which such counsel in its reasonable judgment shall determine will not have a material adverse effect on the interests of registered owners of the Bonds.

Notwithstanding any other provision of the Resolution, in determining whether the interests of the registered owners of Outstanding Bonds are materially adversely affected, such counsel shall consider the effect on the registered owners of any Bonds for which a Credit Facility has been provided without regard to such Credit Facility.

EXHIBIT B-6

ARTICLE VIII  
RESOLUTION TO CONSTITUTE A CONTRACT

In consideration of the acceptance of any and all of the Bonds by those who shall hold the same from time to time, the Resolution shall be deemed to be and shall constitute a contract between the Municipality and the registered owners from time to time of the Bonds and any Credit Issuer or Qualified Hedge Provider; and the pledge made in the Resolution and the covenants and agreements therein set forth to be performed on behalf of the Municipality shall be, except as expressly set forth in the Resolution or in a Supplemental Resolution and subject to any limitations set forth therein, for the equal benefit, protection and security of the registered owners of any and all of the Bonds and any Credit Issuer or Qualified Hedge Provider, all of which Bonds, regardless of the time or times of their authentication and delivery or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof except as expressly provided in or permitted by the Resolution.

EXHIBIT C

STATE REPORT OF PLAN OF REFUNDING

(attached)



**STATE OF TENNESSEE  
COMPTROLLER OF THE TREASURY  
OFFICE OF STATE AND LOCAL FINANCE  
SUITE 1600 JAMES K. POLK STATE OFFICE BUILDING  
505 DEADERICK STREET  
NASHVILLE, TENNESSEE 37243-1402  
PHONE (615) 401-7872  
FAX (615) 741-5986**

May 24, 2013

Honorable Kim McMillan, Mayor  
City of Clarksville  
City Hall  
One Public Square  
Clarksville, TN 37040

Dear Mayor McMillan:

This letter acknowledges receipt of a request on May 15, 2013, to review a plan of refunding (the "Plan") for the proposed issuance by the City of Clarksville (the "City") of an estimated \$44,205,000 Water, Sewer & Gas Revenue Refunding Bonds, Series 2013A (the "2013A Refunding Bonds") to current refund an estimated \$50,000,000 Water and Sewer Loan Agreement with the Public Building Authority of the City of Clarksville, Series 2010 (the "Refunded Loan Agreement"). The 2013A Refunding Bonds are estimated to sell at a premium of \$ 6,761,995.

Pursuant to the provisions of Tennessee Code Annotated Title 9, Chapter 21 a plan of refunding must be submitted to our Office for review prior to the adoption of a resolution by the governing body of a local government authorizing the issuance of revenue refunding bonds. The information presented in the plan of refunding includes the assertions of the City and may not reflect either the City's current or future financial condition or current market conditions or market conditions at the time of sale.

**FINANCIAL PROFESSIONALS**

The City has identified Public Financial Management, Inc. as its municipal advisor. Municipal advisors have a fiduciary responsibility to the City. Underwriters have no fiduciary responsibility to the City. They represent the interests of their firm and are not required to act in the City's best interest without regard to their own or other interests. The Plan was prepared by the City with the assistance of its municipal advisor.

**THE CITY'S PROPOSED REFUNDING OBJECTIVE**

The City indicated its purpose for the refunding is to refinance a short-term financing solution into long-term debt after Federal Emergency Management Agency funds were not received.



## **COMPLIANCE WITH THE CITY'S DEBT MANAGEMENT POLICY**

The City provided a copy of its debt management policy (the "Policy"). When the City submits Form CT-0253 within 45 days of issuance of the debt approved in this letter, the City must describe, in specifics, how its debt issue complies with its Policy.

## **PRIVATE NEGOTIATED SALE APPROVAL**

The approval of the Office of State and Local Finance is required when a municipality desires to sell refunding general obligation debt through a negotiated sale process. The City has requested approval to sell the Refunding Bonds through negotiated sale.

This letter constitutes approval to negotiate the sale of the 2013A Refunding Bonds, conditioned upon the requirement that the bonds are sold with the debt service payment schedule having the same principal repayment schedule as presented in the plan or the principal repayment schedule is accelerated.

## **REPORT OF THE REVIEW OF THE PLAN OF REFUNDING**

Enclosed is the report of the review of the plan of refunding required by TENN. CODE ANN. § 9-21-1003 for distribution to the members of the governing body.

This letter and this report including the Plan are to be posted on the City's website prior to the meeting of the governing body adopting the refunding bond resolution. The same letter and report for the Plan is to be provided to each member of the governing body for review at the Public Meeting adopting the refunding bond resolution.

The enclosed report does not constitute approval or disapproval for the proposed Plan or a determination that a refunding is advantageous or necessary nor that any of the outstanding obligations should be called for redemption on the first or any subsequent available redemption date or remain outstanding until their respective dates of maturity.

This letter and the enclosed report do not address the compliance with federal tax regulations and are not to be relied upon for that purpose. The City should discuss these issues with a bond counsel or tax attorney.

*Each report is effective for a period of one hundred and twenty (120) days. If the refunding has not been completed during this time, a supplemental plan of refunding must be submitted to this Office, at that time we will issue a report thereon pursuant to the statutes. In lieu of submitting a supplemental plan, a statement may be submitted to our Office after the 120-day period has elapsed stating that the information contained in the current plan of refunding remains valid. Such statement must be submitted by either the Chief Executive Officer or the Chief Financial Officer of the local government. We will acknowledge receipt of such statement and will issue our letter confirming that this refunding report remains valid for an additional 120-day period. However, with regard to the report currently being issued by this Office, during the initial 120-day period or any subsequent 120-day period no refunding reports will be issued relating to the debt obligations indicated herein as being refunded unless the Chief Executive Officer or the Chief Financial Officer notifies our Office that the plan of refunding which has been submitted is no longer valid.*

*We recognize that the information provided in the Plan submitted to our Office is based on preliminary analysis and estimates, and that actual results will be determined by market conditions at the time of sale of the debt obligations. However, if it is determined prior to the issuance of these obligations that the actual results will be significantly different from the information provided in the plan which has been submitted, and the local government determines to proceed with the issue, our Office should subsequently be notified by either the Chief Executive Officer or the Chief Financial Officer of the local government regarding these differences, and that the*

*local government was aware of the differences and determined to proceed with the issuance of the debt obligations. Notification to our Office will be necessary only if there is an increase or decrease of greater than fifteen percent (15%) in any of the following: (1) the principal amount of the debt obligations issued; (2) the costs of issuance; (3) the cumulative savings or loss with regard to any refunding proposal. We consider this notification necessary to insure that this Office and officials of the local government are aware of any significant changes that occur with regard to the issuance of the proposed indebtedness.*

**Report on Debt Obligation**

We are enclosing a revised State Form CT-0253, Report on Debt Obligation. Pursuant to § 9-21-151 *Tennessee Code Annotated*, this form is to be completed and filed with the governing body of the City no later than forty-five (45) days after the issuance of this debt, with a copy (including attachments, if any) filed with the Director of the Office of State and Local Finance by mail to the address on this letterhead or by email to [stateandlocalfinance.publicdebtform@cot.tn.gov](mailto:stateandlocalfinance.publicdebtform@cot.tn.gov). No public entity may enter into additional debt if it has failed to file the Report on Debt Obligation.

Sincerely,

  
Mary-Margaret Collier  
Director of the Office of State & Local Finance

Cc: Mr. Jim Arnette, Director of Local Government Audit, COT  
Mr. Fred Klein, City of Clarksville  
Mr. Joshua McCoy, Public Financial Management, Inc.  
Mr. Jeff Oldham, Bass Berry & Sims  
Ms. Lillian Blackshear, Bass Berry & Sims

Enclosures (2): Report of the Director of the Office of State & Local Finance  
State Form CT-0253, Report on Debt Obligation

**REPORT OF THE DIRECTOR OF THE OFFICE OF STATE AND LOCAL FINANCE  
CONCERNING THE PROPOSED ISSUANCE OF  
WATER, SEWER & GAS REVENUE REFUNDING BONDS, SERIES 2013A  
CITY OF CLARKSVILLE, TENNESSEE**

The City of Clarksville, Tennessee ("the City") submitted a plan of refunding (the "Plan") as required by Tenn. Code Ann. § 9-21-1003 regarding the proposed Issuance of an estimated \$44,205,000 Water, Sewer & Gas Revenue Refunding Bonds, Series 2013A (the "2013A Refunding Bonds") to current refund an estimated \$50,000,000 Water and Sewer Loan Agreement with the Public Building Authority of the City of Clarksville, Series 2010 (the "Refunded Loan Agreement"). The 2013A Refunding Bonds are estimated to sell at a premium of \$6,761,995.

The Plan was prepared with the assistance of the City's Municipal Advisor, Public Financial Management, Inc. The information presented in the Plan includes the assertions of the City and may not reflect either the City's current or future financial condition or current market conditions or market conditions at the time of sale.

**THE CITY'S PROPOSED REFUNDING OBJECTIVE**

The City indicated its purpose for the refunding is to refinance a short-term financing solution into long-term debt after Federal Emergency Management Agency funds were not received.

**REFUNDING ANALYSIS**

- The results for the refunding are based on the assumption that an estimated \$44,205,000 series 2013A Refunding Bonds will be sold at negotiated sale and will be priced at a premium.
- The 2013A Refunding Bonds will fund a debt service reserve fund in the amount of \$639,899.
- Estimated costs of issuance are \$326,070 or \$7.38 per \$1,000 of par amount for the 2013A Refunding Bonds. See Table 1 for individual costs of issuance.

Table 1

**Costs of Issuance of Water, Sewer & Gas Revenue Refunding  
Bonds, Series 2013A**

	Amount	Price per \$1,000 bond
Underwriter's Discount	\$ 163,586.95	\$ 3.70
Financial Advisor	58,029.73	1.31
Bond Counsel	47,789.19	1.08
Other costs	56,664.32	1.28
Total Cost of Issuance	<u>\$ 326,070.19</u>	<u>\$ 7.38</u>

The City has identified Public Financial Management Inc. as its municipal advisor. Municipal advisors have a fiduciary responsibility to you, the issuer. Underwriters have no fiduciary responsibility to you. They represent the interests of their firm.

This report of the Office of State and Local Finance does not constitute approval or disapproval by the Office for the proposed plan or a determination that a refunding is advantageous or necessary nor that any of the Refunded Loan Agreement should be called for redemption on the first or any subsequent available redemption date or remain outstanding until their respective dates of maturity. This report is based on information as presented in the Plan by the City. The assumptions included in the City's Plan may not reflect either current market conditions or market conditions at the time of sale. If all of the Refunded Loan Agreement is not refunded as a part of the Series 2013A Refunding Bonds, then a new plan must be submitted to this Office for review of a plan of refunding for the residual bonds.

*Mary-Margaret Collier*  
S.L.F.

Mary-Margaret Collier  
Director of the Office of State and Local Finance  
Date: May 24, 2013

STATE OF TENNESSEE                    )  
COUNTY OF MONTGOMERY            )

I, Sylvia Skinner, hereby certify that I am the duly qualified and acting City Clerk of the City of Clarksville, 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 City Council of the Municipality held on June 6, 2013; (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 issuance of water, sewer and gas revenue refunding bonds by the Municipality; (4) that the actions by the City Council 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 the City Council was present and acting throughout said meeting.

WITNESS my official signature and seal of said Municipality this \_\_\_\_ day of June, 2013.

\_\_\_\_\_  
City Clerk

(SEAL)

11819663.4

RESOLUTION AUTHORIZING AND PROVIDING FOR THE ISSUANCE, SALE  
AND PAYMENT OF SUBORDINATE LIEN WATER, SEWER AND GAS REVENUE  
BONDS.

WHEREAS, the City Council of the City of Clarksville wishes to provide for the issuance, from time to time, of subordinate lien water, sewer and gas revenue bonds of the City of Clarksville;

NOW, THEREFORE, be it resolved by the City Council of the City of Clarksville as follows:

**ARTICLE I**  
**DEFINITIONS AND STATUTORY AUTHORITY**

**SECTION 101. Definitions.** The following terms shall, for all purposes of the Resolution, have the following meanings:

**Account** or **Accounts** shall mean, as the case may be, each or all of the accounts established in Section 502(a).

**Accountant's Certificate** shall mean a certificate signed by an independent certified public accountant or a firm of certified public accountants, selected by the Municipality, who may be the accountant or firm of accountants who regularly audit the books of the Municipality relating to the System.

**Accreted Value** shall mean, as of any date of computation with respect to any Capital Appreciation Bond, an amount equal to the principal amount of such Bond plus the interest accrued on such Bond from the date of original issuance of such Bond to the periodic date specified in the Supplemental Resolution authorizing such Capital Appreciation Bond on which interest on such Bond is to be compounded (hereinafter, a "Periodic Compounding Date") next preceding the date of computation or the date of computation if a Periodic Compounding Date, such interest to accrue at the interest rate per annum of the Capital Appreciation Bonds set forth in the Supplemental Resolution authorizing such Bonds, compounded periodically on each Periodic Compounding Date, plus, if such date of computation shall not be a Periodic Compounding Date, a portion of the difference between the Accreted Value as of the immediately preceding Periodic Compounding Date (or the date of original issuance if the date of computation is prior to the first Periodic Compounding Date succeeding the date of original issuance) and the Accreted Value as of the immediately succeeding Periodic Compounding Date, calculated based upon an assumption that, unless otherwise provided in the Supplemental Resolution authorizing such Capital Appreciation Bonds, Accreted Value accrues in equal daily amounts on the basis of a year consisting of twelve 30-day months.

**Additionally Secured Series** shall mean a Series of Bonds for which the payment of the principal or Redemption Price, if any, of, and interest on, the Bonds of such Series shall be secured, in addition to the pledge created pursuant to Section 501(a) hereof in favor of all of the Bonds, by amounts on deposit in a separate account to be designated therefor in the Debt Service Reserve Fund.

**Alternate Variable Rate Taxable Index** shall mean such index as, at the time, is in general use as a proxy for short-term interest rates on debt obligations of state and local governments the interest on which is not excluded from gross income for federal income tax purposes, as determined by an Authorized Finance Officer.

**Alternate Variable Rate Tax-Exempt Index** shall mean such index as, at the time, is in general use as a proxy for short-term interest rates on debt obligations of state and local governments the interest

on which is excluded from gross income for federal income tax purposes, as determined by an Authorized Finance Officer.

**Annual Budget** shall mean the annual budget or budgets of the System, as amended or supplemented, adopted or in effect for a particular Fiscal Year as provided in Section 709.

**Appreciated Value** shall mean, with respect to any Deferred Income Bond, (i) as of any date of computation prior to the Current Interest Commencement Date with respect to such Deferred Income Bond, an amount equal to the principal amount of such Bond plus the interest accrued on such Bond from the date of original issuance of such Bond to the periodic date specified in the Supplemental Resolution authorizing such Deferred Income Bond on which interest on such Bond is to be compounded (hereinafter, a "Periodic Compounding Date") next preceding the date of computation or the date of computation if a Periodic Compounding Date, such interest to accrue at the interest rate per annum of the Deferred Income Bonds set forth in the Supplemental Resolution authorizing such Bonds, compounded periodically on each Periodic Compounding Date, plus, if such date of computation shall not be a Periodic Compounding Date, a portion of the difference between the Appreciated Value as of the immediately preceding Periodic Compounding Date (or the date of original issuance if the date of computation is prior to the first Periodic Compounding Date succeeding the date of original issuance) and the Appreciated Value as of the immediately succeeding Periodic Compounding Date, calculated based upon an assumption that, unless otherwise provided in the Supplemental Resolution authorizing such Deferred Income Bonds, Appreciated Value accrues in equal daily amounts on the basis of a year consisting of twelve 30-day months and (ii) as of any date of computation on and after the Current Interest Commencement Date, the Appreciated Value on the Current Interest Commencement Date.

**Authorized Newspaper** shall mean a newspaper or financial journal customarily published at least once a day for at least five days (other than legal holidays) in each calendar week and printed in the English language, which is of general circulation in the Borough of Manhattan, City and State of New York (which may include The Bond Buyer and The Wall Street Journal).

**Authorized Finance Officer** shall mean the chief financial officer of the Municipality, the general manager of the system, the chief financial officer of the System or any other persons authorized in writing by any of them to act as an Authorized Finance Officer hereunder.

**Balloon Date** shall mean any date of a Principal Installment or any date on which a Holder may elect to have Balloon Obligations redeemed, prepaid, purchased directly or indirectly by the Municipality, or otherwise paid, in a Balloon Year.

**Balloon Obligations** shall mean any Series of Bonds 25% or more of the Principal Installments of which is due or may be required to be paid in any 12-month period; provided that, in calculating the principal amount of such Bonds due or required to be redeemed, prepaid, purchased, or otherwise paid in any 12-month period, such principal amount shall be reduced to the extent that all or any portion of such amount is required to be redeemed or amortized prior to such 12-month period.

**Balloon Year** shall mean any 12-month period in which more than 25% of the original principal amount of related Balloon Obligations mature or are subject to mandatory redemption or could, at the option of the holders thereof, be required to be redeemed, prepaid, purchased directly or indirectly by the Municipality, or otherwise paid.

**Bond** or **Bonds** shall mean any bonds, notes, loan agreements or other obligations or evidences of indebtedness, as the case may be, authenticated and delivered under and Outstanding pursuant to this Resolution.

**Bond Registrar** shall mean the officer of the Municipality, such transfer agent duly registered pursuant to the Securities Exchange Act of 1934, as amended (or successor provision of law), or such bank or trust company organized under the laws of the United States of America or of any State of the United States of America or national banking association, located within or without the State of Tennessee, appointed by the Municipality to perform the duties of Bond Registrar enumerated in Section 703 with respect to one or more Series of Bonds.

**Book Entry Bond** shall mean a Bond authorized to be issued to, and issued to and, except as provided in Section 309(d), restricted to being registered in the name of, a Securities Depository for the participants in such Securities Depository or the beneficial owners of such Bond.

**Capitalized Interest Account** shall mean the Capitalized Interest Account established within the Construction Fund in Section 502(a).

**Capital Appreciation Bonds** shall mean any Bonds issued under the Resolution as to which interest is (a) compounded periodically on dates that are specified in the Supplemental Resolution authorizing such Capital Appreciation Bonds and (b) payable only at the maturity, earlier redemption or other payment thereof pursuant to the Resolution or the Supplemental Resolution authorizing such Capital Appreciation Bonds.

**Certified Interest Rate** shall mean, as of any date of determination:

(a) with respect to Bonds that were or will be, at the date of the original issuance thereof, the subject of a Counsel's Opinion to the effect that the interest thereon is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, a rate of interest equal to the average of the Variable Rate Tax-Exempt Index for the five (5) years preceding such date of determination; and

(b) with respect to Bonds that were not and will not be, at the date of the original issuance thereof, the subject of a Counsel's Opinion to the effect that the interest thereon is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, a rate of interest equal to the average of the Variable Rate Taxable Index for the five (5) years preceding such date of determination.

**Code** shall mean the Internal Revenue Code of 1986, as amended, or any successor, and the applicable regulations (including final, temporary and proposed) promulgated by the United States Department of the Treasury thereunder, including Treasury Regulations issued pursuant to Sections 103 and 141 through 150, inclusive, of said Internal Revenue Code of 1986.

**Construction Fund** shall mean the Construction Fund established in Section 502(a).

**Consultant** shall mean a firm of engineers, accountants or consultants of national reputation for advising municipalities with respect to the setting of rates and charges for the use of water, sewer and gas systems, as selected by an Authorized Finance Officer.

**Consulting Engineer** shall mean the engineer or engineering firm or corporation, if any, retained by the Municipality to perform the acts and carry out the duties provided for such Consulting Engineer in the Resolution. In the event that the Municipality shall retain an engineer or engineering firm or corporation as aforesaid, such engineer or engineering firm or corporation shall have a nationwide and favorable reputation for skill and experience in such work.

**Contracts** shall mean all Credit Facility Agreements, including any Reimbursement Obligations, and all Qualified Hedge Agreements.

**Costs** shall mean any and all costs permitted to be financed by applicable Tennessee law through the issuance of a Series of Bonds.

**Counsel's Opinion** shall mean an opinion signed by an attorney or firm of attorneys of recognized standing in the field of law relating to municipal bonds (who may be counsel to the Municipality) selected by the Municipality.

**Credit Facility** shall mean any letter of credit, insurance policy, guaranty, surety bond, standby bond purchase agreement, line of credit, revolving credit agreement, or similar obligation, arrangement or instrument (other than a Reserve Fund Credit Facility) issued by a bank, insurance company, or any entity that is used by the Municipality to perform one or more of the following tasks: (i) enhancing the Municipality's credit by assuring owners of any of the Bonds that principal of and interest on such Bonds will be paid promptly when due; (ii) providing liquidity for the owners of Bonds through undertaking to cause Bonds to be bought from the owners thereof when submitted pursuant to an arrangement prescribed by a Supplemental Resolution; or (iii) remarketing any Bonds so submitted to the Credit Issuer (whether or not the same Credit Issuer is remarketing the Bonds).

**Credit Facility Agreement** shall mean an agreement between the Municipality and a Credit Issuer pursuant to which the Credit Issuer issues a Credit Facility.

**Credit Issuer** shall mean any issuer of a Credit Facility then in effect for all or part of the Bonds.

**Current Interest Commencement Date** shall mean, with respect to any particular Deferred Income Bonds, the date specified in the Supplemental Resolution authorizing such Deferred Income Bonds (which date must be prior to the maturity date for such Deferred Income Bonds) after which interest accruing on such Deferred Income Bonds shall be payable periodically on dates specified in such Supplemental Resolution, with the first such payment date being the first such periodic date immediately succeeding such Current Interest Commencement Date.

**Date of Issuance** shall mean, with respect to any Series of Bonds, the date upon which such Bonds are or have been authenticated and delivered by the Bond Registrar therefor.

**Debt Service Fund** shall mean the Debt Service Fund established in Section 502(a).

**Debt Service Requirement** shall mean:

(a) with respect to the Senior Lien Bonds, their "Debt Service Requirement", as such term is defined in the Senior Lien Bond Resolution.

(b) with respect to Subordinated Indebtedness, the total principal and interest coming due, whether at maturity or upon mandatory redemption, in any specified period.

(c) with respect to the Bonds, the total Principal Installments and interest accruing in any specified period, provided that:

(i) If any Bonds Outstanding or proposed to be issued shall bear interest at a Variable Rate, including Hedged Obligations if the interest thereon calculated as set forth below is expected to vary and Bonds secured by a Credit Facility if the interest thereon calculated as set



forth below is expected to vary, the interest coming due in any specified future period shall be determined as if the Variable Rate in effect at all times during such future period equaled, at the option of the Municipality either (1) the average of the actual Variable Rates which were in effect (weighted according to the length of the period during which each such Variable Rate was in effect) for the most recent 12-month period immediately preceding the date of calculation for which such information is available (or shorter period if such information is not available for a 12-month period), or (2) the Certified Interest Rate.

(ii) With respect to any Bonds secured by a Credit Facility, the Debt Service Requirement therefor shall include (1) any commission or commitment fee obligations with respect to such Credit Facility, (2) the outstanding and unpaid amount of any Reimbursement Obligation and interest thereon, (3) any additional interest owed on Bonds which have been purchased by a Credit Issuer pursuant to a Credit Facility Agreement, and (4) any remarketing agent fees; provided if (a) the Credit Facility requires the Credit Issuer to make all interest payments on the Bonds, (b) the Reimbursement Obligation provides for payments by the Municipality or the Credit Issuer based on levels of, or changes or differences in, interest rates, currency exchange rates, or stock or other indices, and (c) the Credit Issuer, upon the execution of the Credit Facility Agreement, would qualify as a Qualified Hedge Provider if the Credit Facility Agreement were to be construed as a Hedge Agreement and the related Bonds as Hedged Obligations, then interest on such Bonds shall be calculated by adding (x) the amount of interest payable on such Bonds pursuant to their terms and (y) the amount of payments for interest to be made by the Municipality under the Credit Facility Agreement, and subtracting (z) the amounts payable by the Credit Issuer to the Municipality as interest on such Bonds as specified in the Credit Facility Agreement; but only to the extent the Credit Issuer is not in default under the Credit Facility and if such default has occurred and is continuing, interest on such Bonds shall be calculated as if there were no Credit Facility. In determining the amounts described in this paragraph for any future period, the Municipality (A) may assume that any Credit Facility presently in effect will remain in effect even if such Credit Facility has an expiration date prior to the maturity of the related Bonds and (B) may assume that the current payments relating to the Credit Facility will remain in effect or may estimate such payments in the future provided that the Municipality obtains a certificate from a Financial Adviser that such estimates are reasonable.

(iii) With respect to any Hedged Obligations, the interest on such Hedged Obligations during any Hedge Period and for so long as the provider of the related Hedge Agreement has not defaulted on its payment obligations thereunder shall be calculated by adding (x) the amount of interest payable by the Municipality on such Hedged Obligations pursuant to their terms and (y) the amount of Hedge Payments payable by the Municipality under the related Hedge Agreement and subtracting (z) the amount of Hedge Receipts payable by the provider of the related Hedge Agreement at the rate specified in the related Hedge Agreement; provided, however, that to the extent that the provider of any Hedge Agreement is in default thereunder, the amount of interest payable by the Municipality on the related Hedged Obligations shall be the interest calculated as if such Hedge Agreement had not been executed. In determining the amount of Hedge Payments or Hedge Receipts that are not fixed throughout the Hedge Period (i.e., which are variable), payable or receivable for any future period, such Hedge Payments or Hedge Receipts for any period of calculation (the "Determination Period") shall be computed by assuming that the variables comprising the calculation (e.g., indices) applicable to the Determination Period are equal to the average of the actual variables which were in effect (weighted according to the length of the period during which each such variable was in effect) for the most recent 12-month period immediately preceding the date of calculation for which such information is available (or shorter period if such information is not available for a 12-month period).

(iv) For the purpose of calculating the Debt Service Requirement on Balloon Obligations (1) the refinancing of which has been approved by resolution of the Governing Body or (2) which do not have a Balloon Year commencing within 12 months from the date of calculation or (3) which are issued in anticipation of the issuance of Bonds that are not Balloon Obligations or (4) which are issued pursuant to a Supplemental Resolution which contemplates that the principal of Bonds tendered for payment at the option of the holder thereof prior to the stated maturity of such Bonds will be paid from the proceeds of the remarketing of such tendered Bonds (or from the issuance of new Bonds authorized by such Supplemental Resolution), at the option of the Municipality, the actual principal and interest on such Balloon Obligations shall be included in the Debt Service Requirement, subject to the other assumptions contained herein, or such Balloon Obligations shall be assumed to be amortized in substantially equal annual amounts to be paid for principal and interest over an assumed amortization period of 30 years at an assumed interest rate (which shall be the interest rate certified by a Financial Adviser to be the interest rate at which the Municipality could reasonably expect to borrow the same amount by issuing Bonds with the same priority of lien as such Balloon Obligations and with a 30-year term). For the purpose of calculating the Debt Service Requirement on Balloon Obligations not described in the preceding sentence, the principal payable on such Bonds during the Balloon Year shall be calculated as if payable on the Balloon Date.

(v) The principal and interest portions of the Accreted Value of Capital Appreciation Bonds or the Appreciated Value of Deferred Income Bonds shall be included in the calculation of Debt Service Requirement in the manner prescribed in Section 208(a).

(vi) Interest on Bonds shall be excluded from the determination of Debt Service Requirement to the extent amounts on deposit in the Capitalized Interest Account of the Construction Fund are scheduled to be applied thereto during such period.

(vii) Scheduled interest payments on Tax Credit Bonds during any period shall be reduced to reflect Tax Credit Payments attributable to such scheduled interest payments.

(d) For purposes of calculating the accrual of Principal Installments and interest on the Bonds, (i) Principal Installments of a Series will be deemed to accrue monthly in equal amounts from the preceding Principal Installment date for such Series (but in no event shall any accrual be made for any Principal Installment more than one year prior to the due date of such Principal Installment or from the Date of Issuance of Bonds of such Series, whichever date is later); (ii) each fixed payment obligation (other than Principal Installments) will be deemed to accrue monthly in equal amounts from the preceding relevant payment obligation date (but in no event more than one year prior to such payment obligation date or the initial incurrence of the payment obligation, whichever is later); and (iii) principal and interest portions of the Accreted Value of Capital Appreciation Bonds or the Appreciated Value of Deferred Income Bonds shall accrue in the manner provided in Section 208(a).

**Debt Service Reserve Fund** shall mean the Debt Service Reserve Fund established in Section 502(a).

**Debt Service Reserve Requirement** shall mean, with respect to each separate account in the Debt Service Reserve Fund, the amount specified in the Supplemental Resolution establishing such account.

**Defaulted Interest** shall have the meaning given to such term in Section 308.

**Defeasance Securities** shall mean, unless otherwise provided with respect to the Bonds of a Series in the Supplemental Resolution authorizing such Bonds, such securities as are described by applicable provisions of Tennessee law as permitted to be acquired for the purpose of providing for the refunding of outstanding debt service obligations.

**Deferred Income Bonds** shall mean any Bonds issued under the Resolution as to which interest accruing prior to the Current Interest Commencement Date is (i) compounded periodically on dates specified in the Supplemental Resolution authorizing such Deferred Income Bonds and (ii) payable only at the maturity, earlier redemption or other payment thereof pursuant to the Resolution or the Supplemental Resolution authorizing such Deferred Income Bonds.

**Depository** shall mean any bank, trust company, national banking association, savings and loan association, savings bank or other banking association or state or federal agency selected by the Municipality as a depository of moneys and securities held under the provisions of the Resolution.

**Escrow Agent** shall mean, with respect to the refunding or defeasance of any particular Bond or Bonds at any one time, the entity with which moneys or investments shall be deposited in trust for the Holders of such Bond or Bonds to be refunded or defeased, and who shall agree, through an appropriate agreement with the Municipality, to perform the duties of Escrow Agent with respect to such Bond or Bonds as provided in the Resolution or the Supplemental Resolution authorizing the Series of which such Bond or Bonds are a part.

**Fiduciary** or **Fiduciaries** shall mean the Bond Registrars, the Paying Agents, any Escrow Agent in respect of the refunding or defeasance of Bonds, or any or all of them, as may be appropriate.

**Financial Adviser** shall mean an investment banking or financial advisory firm, commercial bank, or any other person who or which is retained by the Municipality for the purpose of passing on questions relating to the availability and terms of specified types of bonds or the financial condition or operation of the System and is actively engaged in and, in the good faith opinion of the Municipality, has a favorable reputation for skill and experience in providing financial advisory services of the type with respect to which the Financial Adviser has been retained.

**Fiscal Year** shall mean the 12-month period established by the Governing Body or provided by law from time to time as the fiscal year for the System, and which, as of the date of adoption of this Resolution, is the 12-month period commencing on July 1 of any year and ending on June 30 of the following year.

**Fund** or **Funds** shall mean, as the case may be, each or all of the Funds established in Section 502.

**Governing Body** shall mean the City Council of the Municipality.

**Hedge Agreement** shall mean, without limitation, (i) any contract known as or referred to or which performs the function of an interest rate swap agreement, currency swap agreement, forward payment conversion agreement, or futures contract; (ii) any contract providing for payments based on levels of, or changes or differences in, interest rates, currency exchange rates, or stock or other indices; (iii) any contract to exchange cash flows or payments or series of payments; (iv) any type of contract called, or designed to perform the function of, interest rate floors, collars, or caps, options, puts, or calls, to hedge or minimize any type of financial risk, including, without limitation, payment, currency, rate, or other financial risk; and (v) any other type of contract or arrangement that the Municipality determines is to be used, or is intended to be used, to manage or reduce the cost of any Bonds, to convert any element

of any Bonds from one form to another, to maximize or increase investment return, to minimize investment return risk, or to protect against any type of financial risk or uncertainty.

**Hedge Payments** shall mean amounts payable by the Municipality pursuant to any Hedge Agreement, other than Termination Payments.

**Hedge Receipts** shall mean amounts payable by any provider of a Hedge Agreement pursuant to such Hedge Agreement, other than Termination Payments.

**Hedge Period** shall mean the period during which a Hedge Agreement is in effect.

**Hedged Obligations** shall mean any Bonds with respect to which the Municipality shall have entered into a Qualified Hedge Agreement.

**Holder** shall mean any person who shall be the registered owner of any Bond or Bonds.

**Investment Securities** shall mean and include any securities which are legal investments for monies of the System, as prescribed by applicable provisions of Tennessee law.

**Municipality** shall mean the City of Clarksville, Tennessee.

**Net Revenues** shall mean, for any period, the Revenues during such period, minus the Operation and Maintenance Expenses during such period.

**One-Month LIBOR Rate** shall mean, as of any date of determination, the offered rate for deposits in U.S. dollars for a one-month period which appears on the Telerate Page 3750 at approximately 11:00 A.M., London time, on such date, or if such date is not a date on which dealings in U.S. dollars are transacted in the London interbank market, then on the next preceding day on which such dealings were transacted in such market.

**Operation and Maintenance Expenses** shall mean the current expenses, paid or accrued, of operation, maintenance and repair of the System, including administration costs, as calculated in accordance with generally accepted accounting principles. Notwithstanding the foregoing, Operation and Maintenance Expenses shall not include payments in lieu of taxes or any reserve for renewals or replacements or any allowance for depreciation or amortization or other non-cash expense items, and there shall be included in Operation and Maintenance Expenses only that portion of the total administrative, general and other expenses of the Municipality which are properly allocable to the System. Any payments made by the Municipality to purchase gas for delivery after the end of the then-current Fiscal Year shall be accounted for and charged as an Operation and Maintenance Expense in accordance with generally accepted accounting principles; and any principal, interest and other payments on bonds, notes or other obligations and related supply or purchase agreements, issued or entered into for the purpose of purchasing gas for delivery after the end of the then-current fiscal year shall be treated as an Operation and Maintenance Expense if so directed by the authorizing resolution.

**Outstanding** shall mean, as of any date, Bonds theretofore or thereupon being authenticated and delivered under the Resolution except:

(a) Bonds cancelled (or, in the case of Book Entry Bonds, to the extent provided in Section 309(f), portions thereof deemed to have been cancelled) by the Bond Registrar therefor at or prior to such date;

(b) Bonds (or portions of Bonds) for the payment or redemption of which moneys, equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption date, shall be held in trust under the Resolution and set aside for such payment or redemption (whether at or prior to the maturity or redemption date), provided that if such Bonds (or portions of Bonds) are to be redeemed, notice of such redemption shall have been given as provided in Article IV or in the Supplemental Resolution authorizing the Series of which such Bonds are a part or provision shall have been made for the giving of such notice;

(c) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to Article III or Section 405 or 1106 unless proof satisfactory to the Municipality is presented that any such Bonds are held by a bona fide purchaser in due course; and

(d) Bonds (or, in the case of Book Entry Bonds, to the extent provided in Section 309(h), portions thereof) deemed to have been paid as provided in Section 1201 or in the Supplemental Resolution authorizing the Series of which such Bonds are a part.

**Paying Agent** shall mean an officer of the Municipality, a transfer agent duly registered pursuant to the Securities Exchange Act of 1934, as amended, or a bank or trust company organized under the laws of any state of the United States of America or a national banking association appointed to act in such capacity hereunder.

**Principal Installment** shall mean, as of any date of calculation and with respect to any Series, so long as any Bonds thereof are Outstanding, the principal amount of Bonds of such Series due on a certain future date, whether at stated maturity or as a result of mandatory redemption requirements, or which may, at the option of the holders thereof, be required to be redeemed, prepaid, purchased or otherwise paid, as set forth in a Supplemental Resolution.

**Project Account** shall mean the Project Account established within the Construction Fund in Section 502(a).

**Prudent Utility Practice** shall mean, in respect of any particular utility industry, any of the practices, methods and acts which, in the exercise of reasonable judgment, in light of the facts, including but not limited to the practices, methods and acts engaged in or approved by a significant portion of such utility industry prior thereto, known at the time the decision was made, would have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety and expedition. It is recognized that Prudent Utility Practice is not intended to be limited to the optimum practice or act to the exclusion of all others, but rather is a spectrum of possible practices, methods or acts which could have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety and expedition.

**Qualified Hedge Agreement** shall mean any Hedge Agreement with a Qualified Hedge Provider.

**Qualified Hedge Provider** shall mean an entity whose senior unsecured long term obligations, financial program rating, counterparty rating, or claims paying ability, or whose payment obligations under the related Hedge Agreement are absolutely and unconditionally guaranteed or insured or collateralized by an entity whose senior unsecured long term obligations, financial program rating, counterparty rating, or claims paying ability, is sufficient to satisfy applicable Tennessee law.

**Rate Stabilization Fund** shall mean the fund bearing such name and established by the Senior Lien Bond Resolution.

**Redemption Price** shall mean, with respect to any Bond, the principal amount thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to such Bond or a Supplemental Resolution.

**Refunding Bonds** shall mean Bonds authenticated and delivered pursuant to Section 204, and all Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article III or Section 405 or Section 1106.

**Regular Record Date** shall have the meaning given to such term in Section 308.

**Reimbursement Obligation** shall mean the obligation of the Municipality to directly reimburse any Credit Issuer for amounts paid by such Credit Issuer under a Credit Facility, whether or not such obligation to so reimburse is evidenced by a promissory note or other similar instrument. The term Reimbursement Obligation includes obligations pursuant to a Credit Facility Agreement either to make payments for interest based on levels of, or changes or differences in, interest rates, currency exchange rates, or stock or other indices, in return for the Credit Issuer's fixed obligations under the Credit Facility or to make fixed payments for interest in return for the Credit Issuer's payments based on such variables.

**Reserve Fund Credit Facility** shall mean a municipal bond insurance policy, surety bond, letter of credit, line of credit, guarantee or other agreement which provides for payment of amounts equal to all or any portion of the Debt Service Reserve Requirement.

**Resolution** shall mean this resolution, sometimes referred to herein as the "Subordinate Lien Water, Sewer and Gas System Revenue Bond Resolution", as from time to time amended or supplemented by Supplemental Resolutions in accordance with the terms hereof.

**Revenue Fund** shall mean the Revenue Fund established in Section 502(a).

**Revenues** shall mean (a) all revenues, income, rents, service fees and receipts properly allocable to the System resulting from ownership and operation of the System, excluding any customer deposits or other deposits subject to refund, unless such deposits have become property of the Municipality, (b) the proceeds of any insurance covering business interruption loss relating to the System and (c) interest received or to be received on any moneys or securities held in any of the funds or accounts established by the Senior Lien Bond Resolution or this Resolution, with the exception of (i) moneys held in the Construction Fund or any account thereof and (ii) moneys held in the Debt Service Reserve Fund during any period in which the investment earnings thereon are directed by Supplemental Resolution to the Construction Fund or an account thereof. "Revenues" shall not include any Tax Credit Payments (or similar payments made with respect to the Senior Lien Bonds or Subordinate Indebtedness), grant proceeds or, except as set forth in (b) above, insurance proceeds. The term "Revenues" shall include revenues generated from the sale of natural gas to the Fort Campbell Gas System (as such term is defined in Resolution 8-2003-04, adopted by the Governing Body on September 4, 2003) and all other revenues derived from the Municipality's operation and maintenance of the Fort Campbell Gas System, to the extent such other revenues are not required to pay, or reimburse the Municipality for the payment of, expenses and debt service incurred in connection with the Municipality's operation and maintenance of the Fort Campbell Gas System.

**Securities Depository** shall mean, with respect to a Book Entry Bond, the person, association or corporation specified in the Supplemental Resolution authorizing the Bonds of the Series of which such Book Entry Bond is a part to serve as the securities depository for such Book Entry Bond, or its nominee, and its successor or successors and any other person, firm, association or corporation which may at any time be substituted in its place pursuant to the Resolution or such Supplemental Resolution.

**Senior Lien Bonds** shall mean the Municipality's outstanding Water, Sewer and Gas Revenue Refunding Bonds, Series 2002; Water, Sewer and Gas Revenue Refunding and Improvement Bonds, Series 2007; Water, Sewer and Gas Revenue Refunding Bonds, Series 2011 and any other series of bonds, notes or other debt obligations that may hereafter be issued pursuant to the Senior Lien Bond Resolution.

**Senior Lien Bond Resolution** shall mean the resolutions authorizing the Senior Lien Bonds, namely: a resolution of the Governing Body adopted on February 7, 1985, as amended and restated by resolution of the City Council adopted on May 6, 2004, as amended by resolution of the City Council adopted on June 6, 2013, as supplemented by City Council resolution to authorize each issuance of Senior Lien Bonds, and as may be further supplemented and amended.

**Series** shall mean that portion of the Bonds authenticated and delivered in a single transaction and identified pursuant to the Supplemental Resolution authorizing such Bonds as a separate Series of Bonds, regardless of variations in maturity, interest rate or other provisions, together with any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article III or Section 405 or Section 1106.

**SIFMA Municipal Swap Index** shall mean the rate determined on the basis of an index based upon the weekly interest rates of tax-exempt variable rate issues included in a database maintained by Municipal Market Data or any successor indexing agent which meets specific criteria established by The Securities Industry and Financial Markets Association.

**Special Record Date** shall have the meaning given to such term in Section 308.

**SRF Loans** shall mean, to the extent outstanding, SRF97-1042004 and DWF 01-044.

**Subordinated Indebtedness** shall mean any bonds, notes, loan agreements or other evidences of indebtedness issued from time to time and payable from and, if applicable, secured by the Revenues of the System on a basis subordinate to the pledge of Revenues in favor of the Bonds, including, without limitation, the TMBF Loans and the SRF Loans.

**Supplemental Resolution** shall mean any resolution supplemental to or amendatory of the Resolution adopted by the Municipality in accordance with Article X hereof.

**System** shall mean each and every part of the water system, sewer system and natural gas system of the Municipality that shall be owned and operated by the Municipality for water supply, transmission, treatment and distribution, for sewage collection, transmission, treatment and disposal or distribution or for natural gas storage and distribution now existing and hereafter acquired by lease, contract, purchase or otherwise or constructed, including any interest or participation of the Municipality in any facilities in connection with any of said systems, together with all additions, betterments, extensions and improvements to said system or any part thereof hereafter constructed or acquired and together with all lands, easements, licenses and rights of way and all other works, property or structures and contract rights and other tangible and intangible assets now or hereafter owned or used in connection with or related to said System. Notwithstanding the foregoing definition of the term System, such term shall not include any properties or interests in properties of the Municipality (a) involving the Fort Campbell Gas System, as defined in Resolution 8-2003-04, adopted by the Governing Body on September 4, 2003; (b) which the Municipality determines shall not constitute a part of the System for the purpose of the Resolution at the time of the acquisition thereof by the Municipality; or (c) as to which there shall be filed with the records of the Municipality a certificate of a Consultant stating, in its opinion, that the exclusion of such properties or interests in properties from the System will not materially impair the ability of the

Municipality to comply during the current or any future Fiscal Year with the provisions of Section 711; provided that the Municipality may subsequently assimilate any such properties into the System.

**Tax Credit Bonds** shall mean any Bonds with respect to which the Municipality has received a Counsel's Opinion to the effect that the Municipality is entitled to receive payments by the United States Department of the Treasury or other agency of the United States government in offset of the debt service on such Bonds.

**Tax Credit Payment Account** shall mean a Tax Credit Payment Account established in the Debt Service Fund pursuant to Section 502(a) and 507(c).

**Tax Credit Payments** shall mean any amounts payable to the Issuer by the United States Department of the Treasury or other agency of the United States government with respect to Tax Credit Bonds.

**Termination Payment** shall mean an amount payable by the Municipality or a Qualified Hedge Provider upon termination of a Qualified Hedge Agreement.

**TMBF Loans** shall mean the Series 2004 and Series 2005 Loan Agreements between the Municipality and The Public Building of the City of Clarksville, Tennessee.

**Variable Rate** shall mean a rate of interest applicable to the Bonds, other than a fixed rate of interest which applies to a particular maturity of the Bonds so long as that maturity of the Bonds remains Outstanding.

**Variable Rate Taxable Index** shall mean the One-Month LIBOR Rate or, if the One-Month LIBOR Rate no longer shall be available, the Alternate Variable Rate Taxable Index.

**Variable Rate Tax-Exempt Index** shall mean the SIMFA Municipal Swap Index or, if the SIMFA Municipal Swap Index no longer shall be available, the Alternate Variable Rate Tax-Exempt Index.

Except where the context otherwise requires, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations, corporations, districts, agencies and bodies.

**SECTION 102. Authority for the Resolution.** The Resolution is adopted pursuant to the provisions of Tennessee Code Annotated Sections 9-21-101 et seq. and 7-34-101 et seq., and all other applicable provisions of Tennessee law.

**SECTION 103. Resolution to Constitute Contract.** In consideration of the acceptance of any and all of the Bonds by those who shall hold the same from time to time, the Resolution shall be deemed to be and shall constitute a contract between the Municipality and the Holders from time to time of the Bonds and any Credit Issuer or Qualified Hedge Provider; and the pledge made in the Resolution and the covenants and agreements therein set forth to be performed on behalf of the Municipality shall be, except as expressly set forth in the Resolution or in a Supplemental Resolution and subject to any limitations set forth therein, for the equal benefit, protection and security of the Holders of any and all of the Bonds and any Credit Issuer or Qualified Hedge Provider, all of which Bonds, regardless of the time or times of their authentication and delivery or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof except as expressly provided in or permitted by the Resolution.



**ARTICLE II**  
**ISSUANCE OF BONDS; SUBORDINATE INDEBTEDNESS; CREDIT FACILITIES AND**  
**HEDGE AGREEMENTS**

**SECTION 201. Authorization of Bonds.**

(a) The Municipality is hereby authorized to issue from time to time, as hereinafter provided, Bonds of the Municipality. The aggregate principal amount of the Bonds which may be executed, authenticated and delivered under the Resolution is not limited except as may hereafter be provided in the Resolution or in any Supplemental Resolution or as may be limited by law.

(b) The Bonds may, if and when authorized by the Municipality pursuant to one or more Supplemental Resolutions, be issued in one or more Series. The designation of each Series shall bear such designation as the Municipality may determine. Each Bond shall bear upon its face the designation so determined by the Municipality for the Series to which it belongs.

**SECTION 202. General Provisions for Issuance of Bonds of Each Series.**

(a) When authorized pursuant to a Supplemental Resolution, the officers of the Municipality specified in Section 303 may execute all (but not less than all) the Bonds of each Series for issuance under the Resolution and deliver such Bonds to the Bond Registrar therefor for completion, authentication and delivery. Such Bond Registrar shall authenticate and deliver such Bonds upon the order of the Municipality, but only upon satisfaction by the Municipality of the conditions specified in Article X of the Resolution and in the Supplemental Resolution authorizing the Series of which such Bonds are a part and upon satisfaction by the Municipality of the following conditions:

(i) receipt of a Counsel's Opinion to the effect that (A) the Municipality has the right and power under applicable Tennessee law to adopt the Resolution, and the Resolution has been duly and lawfully adopted by the Municipality, is in full force and effect and is valid and binding upon the Municipality in accordance with its terms, and no other authorization for the Resolution is required; (B) the Resolution creates the valid pledge which it purports to create in the Revenues and, if such Series of Bonds shall be an Additionally Secured Series, the separate account in the Debt Service Reserve Fund established for the benefit of such Bonds, subject to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution; and (C) the Bonds of such Series are valid and binding obligations of the Municipality as provided in the Resolution and are entitled to the benefits of the Resolution and of applicable Tennessee law, and such Bonds have been duly and validly authorized and issued in accordance with applicable Tennessee law and in accordance with the Resolution. Such Opinion may take exception as to the effect of, or for restrictions or limitations imposed by or resulting from, bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights and may state that no opinion is being rendered as to the availability of any particular remedy. No opinion need be expressed as to the priority of the pledge created by the Resolution over the rights of other persons in the Revenues and, if applicable, such separate account in the Debt Service Reserve Fund;

(ii) adoption of a Supplemental Resolution authorizing such Bonds, which shall specify such terms and conditions relative to the Bonds of such Series, and such other matters relative thereto, as the Municipality may determine;

(iii) if such Series shall be an Additionally Secured Series, evidence of the funding of the account within the Debt Service Reserve Fund designated therefor in the manner prescribed by the Supplemental Resolution;

(iv) execution by an Authorized Finance Officer of a certificate stating that upon the issuance of such Series the Municipality will not be in default in the performance of any of the covenants, conditions, agreements or provisions contained in this Resolution;

(v) except in the case of the Bonds issued under the first Supplemental Resolution, execution by an Authorized Finance Officer of a certificate (A) setting forth the amounts of Net Revenues for any twelve (12) consecutive month period within the twenty-four (24) consecutive months immediately preceding the date of issuance of the Bonds of the Series with respect to which such certificate is being given; and (B) stating that the Net Revenues for such 12 month period were at least equal to 110% of the maximum Debt Service Requirement on the Senior Lien Bonds and the Bonds in any future Fiscal Year (calculated with respect to all Outstanding Bonds, the Senior Lien Bonds then outstanding and the Bonds of the Series with respect to which such certificate is given); provided, however, that the Net Revenues for such twelve (12) month period may be adjusted for the purposes of such certificate (X) to reflect for such period revisions in the rates, fees, rentals and other charges of the Municipality for the product and services of the System made after the commencement of such period and preceding the Date of Issuance of the Bonds of the Series with respect to which such certificate is given; (Y) to reflect any increase in Net Revenues due to any new facilities of the System having been placed into use and operation subsequent to the commencement of such period and prior to the Date of Issuance of such Bonds, as certified by a Consultant; and (Z) to include an amount equal to the average annual contribution to Net Revenues for the first three full Fiscal Years commencing after the date of acquisition thereof, estimated to be made by facilities anticipated to be acquired and expected to be placed into use and operation within two years of the Date of Issuance of such Bonds, as certified by a Consultant;

(vi) in the case of a Series of Tax Credit Bonds, a Counsel's Opinion addressed to the Municipality regarding the status of such Series of Bonds as Tax Credit Bonds; and

(vii) delivery of such further documents, moneys and securities as are required by the provisions of this Article II or Article X or any Supplemental Resolution adopted pursuant to Article X.

(b) All the Bonds of each Series of like maturity shall be identical in all respects, except as to interest rates, redemption provisions, denominations, numbers and letters. After the issuance of the Bonds of any Series, no Bonds of such Series shall be issued except in lieu of or in substitution for other Bonds of such Series pursuant to Article III or Section 405 or Section 1106.

### **SECTION 203. Bonds Other Than Refunding Bonds.**

(a) One or more Series of Bonds may be issued at any time for the purpose of financing capital improvements to the System and any and all other Costs related thereto or to the issuance of the Bonds. Bonds of each such Series shall be authenticated and delivered only upon compliance with the terms and conditions set forth in Section 202.

(b) The proceeds of each Series of Bonds authorized under this Section 203 shall be applied simultaneously with the delivery of such Bonds as provided in the Supplemental Resolution authorizing such Series.

#### **SECTION 204. Refunding Bonds.**

(a) One or more Series of Refunding Bonds may be issued at any time to refund all or any debt of the Municipality payable from the Revenues or any portion thereof, including Outstanding Bonds, Senior Lien Bonds or Subordinated Indebtedness. Refunding Bonds shall be issued in a principal amount sufficient, together with other moneys available therefor, to accomplish such refunding and to make the deposits in the Funds and Accounts under the Resolution required by the provisions of the Supplemental Resolution authorizing such Bonds or to make any deposits or payments required by the Senior Lien Bond Resolution or resolution authorizing Subordinate Indebtedness, as applicable.

(b) In addition to the conditions set forth in Section 202, the Bonds of each Series of Refunding Bonds issued pursuant to subsection (a) of this Section 204 may be authenticated and delivered only upon the filing with the records of the Municipality of a certificate of an Authorized Finance Officer certifying that all conditions relating to the payment or prepayment of such debt as set forth in the documents relating thereto have been satisfied.

(c) The proceeds, including accrued interest, of the Refunding Bonds of each Series shall be applied simultaneously with the delivery of such Bonds for the purposes of making deposits in such Funds and Accounts under the Resolution as shall be provided by the Supplemental Resolution authorizing such Series of Refunding Bonds and shall be applied to the refunding purposes thereof or to the payment or prepayment purposes thereof in the manner provided in said Supplemental Resolution.

(d) Refunding Bonds may be issued without the requirement of complying with Section 202(a)(v) (i) if the refunding will constitute a refunding of all Outstanding Bonds, including the retirement of related Contracts, or (ii) upon the execution by an Authorized Finance Officer of a certificate stating that the refunding will result in a reduction in the future Debt Service Requirement on the Bonds and the Senior Lien Bonds.

(e) In determining compliance with Section 202(a)(v), there shall be deleted from the calculation of maximum Debt Service Requirement the Debt Service Requirement on any Bonds or Senior Lien Bonds being refunded by the Bonds with respect to which the certificate described in Section 202(a)(v) is being given.

#### **SECTION 205. Credit Facilities and Hedge Agreements.**

(a) The Municipality may obtain or cause to be obtained one or more Credit Facilities providing for payment of all or a portion of the principal of, premium, if any, or interest due or to become due on such Bonds, providing for the purchase of such Bonds by the Credit Issuer, or providing funds for the purchase of such Bonds by the Municipality. In connection therewith, the Municipality may enter into Credit Facility Agreements with such Credit Issuers providing for, among other things, (i) the payment of fees and expenses to such Credit Issuers for the issuance of such Credit Facilities; (ii) the terms and conditions of such Credit Facilities and the Bonds affected thereby; and (iii) the security, if any, to be provided for the issuance of such Credit Facilities.

(b) The Municipality may secure any Credit Facility by an agreement providing for the purchase of the Bonds secured thereby with such adjustments to the rate of interest, method of determining interest, maturity, or redemption provisions for such Bonds as are specified by the Municipality in the applicable Supplemental Resolution. The Municipality may in a Credit Facility Agreement agree to directly reimburse such Credit Issuer for amounts paid under the terms of such Credit Facility, together with interest thereon; provided, however, that no Reimbursement Obligation shall be created for purposes of the Resolution until amounts are paid under such Credit Facility. Any such Credit

Facility shall be for the benefit of and secure such Bonds or portion thereof as specified in the applicable Supplemental Resolution. The Municipality's obligations under a Credit Facility may be payable from and/or secured by a pledge of, and lien on, the Revenues as described Section 501, if and as set forth in a Supplemental Resolution.

(c) In connection with the issuance of any Bonds or at any time thereafter so long as such Bonds remain Outstanding, the Municipality may enter into Hedge Agreements with Qualified Hedge Providers, and no other providers, with respect to any Bonds. The Municipality shall authorize the execution, delivery, and performance of each Qualified Hedge Agreement in a Supplemental Resolution, in which it shall designate the Bonds to which such Qualified Hedge Agreement relates. The Municipality's obligation to pay Hedge Payments on a Qualified Hedge Agreement may be payable from and/or secured by a pledge of, and lien on, the Revenues as described in Section 501 (other than with respect to Termination Payments), if and as set forth in a Supplemental Resolution.

#### **SECTION 206. Additional Senior Lien Bonds; Subordinated Indebtedness.**

(a) Except as set forth in this Article II, no obligations payable from the Revenues or any portion thereof shall be issued or incurred by the Municipality other than (i) Senior Lien Bonds, which may be issued only upon satisfaction of the conditions set forth in subsection (b) below, and (ii) Subordinated Indebtedness. The Municipality may freely issue Subordinate Indebtedness.

(b) The Municipality may issue from time to time one or more series of Senior Lien Bonds with a lien on the Revenues senior to the Bonds only in accordance with the Senior Lien Bond Resolution and upon execution by an Authorized Finance Officer of a certificate:

(i) stating that upon the issuance of such series the Municipality will not be in default in the performance of any of the covenants, conditions, agreements or provisions contained in the Resolution or the Senior Lien Bond Resolution; and

(ii) either:

(A) (1) setting forth the amounts of Net Revenues for any twelve (12) consecutive month period within the twenty-four (24) consecutive months immediately preceding the date of issuance of the Senior Lien Bonds of the series with respect to which such certificate is being given; and (2) stating that the Net Revenues for such 12 month period were at least equal to 110% of the maximum Debt Service Requirement on the Senior Lien Bonds and the Bonds in any future Fiscal Year (calculated with respect to the Outstanding Bonds, the Senior Lien Bonds then outstanding and the Senior Lien Bonds proposed to be issued, but not with respect to any Senior Lien Bonds or Bonds being refunded thereby); provided, however, that the Net Revenues for such twelve (12) month period may be adjusted for the purposes of such certificate (x) to reflect for such period revisions in the rates, fees, rentals and other charges of the Municipality for the product and services of the System made after the commencement of such period and preceding the date of issuance of the Senior Lien Bonds of the series with respect to which such certificate is given; (y) to reflect any increase in Net Revenues due to any new facilities of the System having been placed into use and operation subsequent to the commencement of such period and prior to the date of issuance of such Senior Lien Bonds, as certified by a Consultant; and (z) to include an amount equal to the average annual contribution to Net Revenues for the first three full Fiscal Years commencing after the date of acquisition thereof, estimated to be made by facilities anticipated to be acquired and expected to be placed into use and operation within two years of the date of issuance of such Senior Lien Bonds, as certified by a Consultant; or

(B) setting forth that such series of Senior Lien Bonds is a refunding issue, the issuance of which will result in a reduction in the future Debt Service Requirement on the Bonds and the Senior Lien Bonds.

**SECTION 207. Assumption of Debt from an Acquired System.**

Upon the determination of the Municipality to combine another water, sewer and/or gas utility system (an "Acquired System") into the System, all outstanding bonds, notes and other obligations of the Acquired System outstanding upon such combination (the "Assumed Debt") may, at the election of the Municipality, be payable from the Revenues of the combined System on a parity and equality of lien with all Outstanding Bonds, upon execution by an Authorized Finance Officer of a certificate:

(i) stating that upon the assumption of the Assumed Debt the Municipality will not be in default in the performance of any of the covenants, conditions, agreements or provisions contained in this Resolution.

(ii) setting forth the amounts of Net Revenues for the combined System for any twelve (12) consecutive month period within the twenty-four (24) consecutive months immediately preceding the date of assumption of the Assumed Debt; and stating that the Net Revenues for such 12 month period were at least equal to 110% of the maximum Debt Service Requirement on the then-outstanding Senior Lien Bonds, the Bonds and the Assumed Debt in any future Fiscal Year; provided, however, that the Net Revenues for such twelve (12) month period may be adjusted for the purposes of such certificate (x) to reflect for such period revisions in the rates, fees, rentals and other charges of the combined System made after the commencement of such period and preceding the date of assumption; and (y) to reflect any increase in Net Revenues due to any new facilities of the combined System having been placed into use and operation subsequent to the commencement of such period and prior to the date of assumption, as certified by a Consultant.

(iii) Providing whether the Assumed Debt will constitute an Additionally Secured Series, and the terms thereof.

In the event the Assumed Debt will constitute an Additionally Secured Series, the Municipality shall provide evidence of the funding of the applicable account of the debt Service Reserve Fund. Assumed Debt meeting the provisions set forth in the Section 207 shall be subject in all respects to the terms and conditions of this Resolution and the pledge set forth in Article V hereof, in the same manner as all other Outstanding Bonds.

**SECTION 208. Special Provisions Relating to Capital Appreciation Bonds and Deferred Income Bonds.**

(a) The principal and interest portions of the Accreted Value of Capital Appreciation Bonds or the Appreciated Value of Deferred Income Bonds becoming due at maturity or by virtue of mandatory redemption requirements shall be included in the calculations of accrued and unpaid and accruing interest or Principal Installments made under the definitions of Debt Service Requirement only from and after the date (the "Calculation Date") which is one year prior to the date on which such Accreted Value or Appreciated Value, as the case may be, becomes so due, and the principal and interest portions of such Accreted Value or Appreciated Value shall be deemed to accrue in equal daily installments from the Calculation Date to such due date.

(b) For the purposes of (i) receiving payment of the Redemption Price if a Capital Appreciation Bond is redeemed prior to maturity or (ii) computing the principal amount of Bonds held by the Holder of a Capital Appreciation Bond in giving to the Municipality any notice, consent, request, or demand pursuant to the Resolution for any purpose whatsoever, the principal amount of a Capital Appreciation Bond shall be deemed to be its then-current Accreted Value.

(c) For the purposes of (i) receiving payment of the Redemption Price if a Deferred Income Bond is redeemed prior to maturity or (ii) computing the principal amount of Bonds held by the Holder of a Deferred Income Bond in giving to the Municipality any notice, consent, request, or demand pursuant to the Resolution for any purpose whatsoever, the principal amount of a Deferred Income Bond shall be deemed to be its then current Appreciated Value.

### **ARTICLE III GENERAL TERMS AND PROVISIONS OF BONDS**

#### **SECTION 301. Medium of Payment; Form and Date; Letters and Numbers.**

(a) The Bonds of each Series shall be payable, with respect to interest, principal and Redemption Price, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

(b) Unless otherwise provided in a Supplemental Resolution, the Bonds of each Series shall be issued in the form of fully registered Bonds without coupons. The Bonds of each Series shall be in substantially the form set forth in the Supplemental Resolution authorizing the Series of which such Bonds are a part.

(c) Each Bond shall be lettered and numbered as provided in the Supplemental Resolution or Supplemental Resolutions authorizing the Series of which such Bond is a part and so as to be distinguished from every other Bond.

(d) The Bonds of each Series shall be dated the date of their authentication, except as otherwise may be provided in the Supplemental Resolution authorizing the Series of which such Bonds are a part, and shall bear interest as provided in such Supplemental Resolution.

**SECTION 302. Legends.** The Bonds of each Series may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of the Resolution as may be necessary or desirable to comply with custom, the rules of any securities exchange or commission or brokerage board, or otherwise, as may be determined by the Municipality prior to the authentication and delivery thereof.

#### **SECTION 303. Execution and Authentication.**

(a) The Bonds executed and delivered on or after the effective date of the Resolution shall be executed in the name of the Municipality by the manual or facsimile signature of the Mayor and its corporate seal (or a facsimile thereof) shall be impressed, imprinted, engraved or otherwise reproduced thereon and attested by the manual or facsimile signature of its City Clerk, or in such other manner as may be required or permitted by applicable law. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer before the Bonds so signed and sealed shall have been authenticated and delivered by the Bond Registrar therefor, such Bonds may, nevertheless, be authenticated and delivered as herein provided, and may be issued as if the persons who signed or sealed such Bonds had not ceased to hold such offices. Any Bond of a Series may be signed and

sealed on behalf of the Municipality by such persons as at the time of the execution of such Bonds shall be duly authorized or hold the proper office in the Municipality, although at the date borne by the Bonds of such Series such persons may not have been so authorized or have held such office.

(b) The Bonds of each Series shall bear thereon a certificate of authentication, in the form set forth in the Supplemental Resolution authorizing the Series of which such Bonds are a part, executed manually by the Bond Registrar therefor. Only such Bonds as shall bear thereon such certificate of authentication shall be entitled to any right or benefit under the Resolution, and no such Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Bond Registrar therefor. Such certificate of the Bond Registrar upon any Bond executed on behalf of the Municipality shall be conclusive evidence that the Bond so authenticated has been duly authenticated and delivered under the Resolution and that the Holder thereof is entitled to the benefits of the Resolution.

**SECTION 304. Interchangeability of Bonds.** Except as otherwise provided in a Supplemental Resolution, the Bonds, upon surrender thereof at the office of the Bond Registrar therefor with a written instrument of transfer satisfactory to such Bond Registrar, duly executed by the registered owner or its duly authorized attorney, may, at the option of the registered owner thereof, and upon payment by such registered owner of any charges which such Bond Registrar may make as provided in Section 306, be exchanged for an equal aggregate principal amount of Bonds of the same Series, maturity, interest rate and redemption provisions of any other authorized denominations.

**SECTION 305. Negotiability, Transfer and Registry.**

(a) Except as otherwise provided in a Supplemental Resolution, the Bonds shall be transferable only upon the books of the Municipality, which shall be kept for such purposes at the respective offices of the Bond Registrar(s) therefor, by the registered owner thereof or by its attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to such Bond Registrar duly executed by the registered owner or its duly authorized attorney. Upon the transfer of any Bond, there shall be issued in the name of the transferee a new Bond or Bonds of the same aggregate principal amount and Series, maturity, interest rate and redemption provisions as the surrendered Bond.

(b) The Municipality and each Fiduciary may deem and treat the person in whose name any Bond shall be registered upon the books of the Municipality as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal or Redemption Price, if any, of and interest on such Bond and for all other purposes, and all such payments so made to any such registered owner or upon its order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Municipality nor any Fiduciary shall be affected by any notice to the contrary.

**SECTION 306. Regulations with Respect to Exchanges and Transfers.** In all cases in which the privilege of exchanging or transferring Bonds is exercised, the appropriate officers of the Municipality shall execute and the Bond Registrar therefor shall authenticate and deliver Bonds in accordance with the provisions of the Resolution. All Bonds surrendered in any such exchanges or transfers shall forthwith be delivered to the Bond Registrar therefor and cancelled or retained by such Bond Registrar. For every such exchange or transfer of Bonds, the Municipality or the Bond Registrar therefor may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. Unless otherwise provided in a Supplemental Resolution, neither the Municipality nor the Bond Registrar therefor shall be required (a) to transfer or exchange Bonds of any Series for the period next preceding any interest payment date for the Bonds of such Series beginning

with the Regular Record Date for such interest payment date and ending on such interest payment date, or for the period next preceding any date for the proposed payment of Defaulted Interest with respect to such Bonds beginning with the Special Record Date for the date of such proposed payment and ending on the date of such proposed payment, (b) to transfer or exchange Bonds of any Series for a period beginning 15 days before the mailing of any notice of redemption and ending on the day of such mailing, or (c) to transfer or exchange any Bonds called for redemption.

**SECTION 307. Bonds Mutilated, Lost, Stolen or Destroyed.** If any Bond becomes mutilated or is lost, stolen or destroyed, an Authorized Finance Officer may cause to be executed and the Bond Registrar therefor shall authenticate and deliver a new Bond of like Series, date of issue, maturity date, principal amount, interest rate per annum and redemption provisions as the Bond so mutilated, lost, stolen or destroyed, provided that (a) in the case of such mutilated Bond, such Bond is first surrendered to the Municipality, (b) in the case of any such lost, stolen or destroyed Bond, there is first furnished evidence of such loss, theft or destruction satisfactory to such Authorized Finance Officer together with indemnity satisfactory to such Authorized Finance Officer, (c) all other reasonable requirements of such Authorized Finance Officer are complied with, and (d) expenses in connection with such transaction are paid by the Holder. Any Bond surrendered for exchange shall be cancelled. Any such new Bonds issued pursuant to this Section in substitution for Bonds alleged to be lost, stolen or destroyed shall constitute original additional contractual obligations on the part of the Municipality, whether or not the Bonds so alleged to be lost, stolen or destroyed be at any time enforceable by anyone, and shall be equally secured by, and entitled to equal and proportionate benefits with all other Bonds issued under the Resolution in, the Revenues and, if such new Bond shall be part of an Additionally Secured Series, in the amounts on deposit in the separate subaccount in the Debt Service Reserve Account in the Debt Service Fund established for the benefit of such Series. If any such Bond lost, stolen or destroyed shall have matured or be about to mature, instead of issuing a new Bond pursuant to this Section, an Authorized Finance Officer may cause the same to be paid, upon being indemnified as aforesaid, without surrender thereof.

**SECTION 308. Payment of Interest on Bonds; Interest Rights Preserved.** Interest on any Bond which is payable, and is punctually paid or duly provided for, on any interest payment date shall be paid to the person in whose name that Bond is registered at the close of business on the date (hereinafter, the "Regular Record Date") which is the 15th day of the calendar month next preceding such interest payment date (or such other date as may be provided in the Supplemental Resolution authorizing the Series of which such Bond is a part).

Except as may otherwise be provided by Supplemental Resolution, any interest on any Bond which is payable, but is not punctually paid or duly provided for, on any interest payment date (hereinafter, "Defaulted Interest") shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date by virtue of having been such owner; and such Defaulted Interest shall be paid by the Municipality to the persons in whose names the Bonds are registered at the close of business on a date (hereinafter, the "Special Record Date") for the payment of such Defaulted Interest, which shall be fixed in the following manner: the Municipality shall notify the Bond Registrar therefor in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment, and at the same time the Municipality shall deposit with the Paying Agents an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Paying Agents for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this Section provided. Thereupon such Bond Registrar shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by such Bond Registrar of the notice of the proposed payment. Such Bond Registrar shall promptly notify the Municipality of such Special Record Date and, in the name and at the expense of the Municipality, shall cause notice of the



proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each Holder of a Bond at its address as it appears upon the registry books, not less than 10 days prior to such Special Record Date. Such Bond Registrar may, in its discretion, in the name and at the expense of the Municipality, cause a similar notice to be published at least once in an Authorized Newspaper, but such publication shall not be a condition precedent to the establishment of such Special Record Date.

Subject to the foregoing provisions of this Section, each Bond delivered under the Resolution upon transfer of or in exchange for or in lieu of any other Bond shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond.

### **SECTION 309. Book Entry Bonds.**

(a) Anything in the Resolution to the contrary notwithstanding, if and to the extent provided in the Supplemental Resolution authorizing the Bonds of the Series of which such Additional Obligation is a part, any Additional Obligation may be authorized and issued as a Book Entry Bond.

(b) For all purposes of the Resolution, the Holder of a Book Entry Bond shall be the Securities Depository therefor and neither the Municipality nor any Fiduciary shall have any responsibility or obligation to the beneficial owner of such Bond or to any direct or indirect participant in such Securities Depository. Without limiting the generality of the foregoing, neither the Municipality nor any Fiduciary shall have any responsibility or obligation to any such participant or to the beneficial owner of a Book Entry Bond with respect to (i) the accuracy of the records of the Securities Depository or any participant with respect to any beneficial ownership interest in such Bond, (ii) the delivery to any participant of the Securities Depository, the beneficial owner of such Bond or any other person, other than the Securities Depository, of any notice with respect to such Bond, including any notice of the redemption thereof, or (iii) the payment to any participant of the Securities Depository, the beneficial owner of such Bond or any other person, other than the Securities Depository, of any amount with respect to the principal or Redemption Price of, or interest on, such Bond. The Municipality and the Fiduciaries may treat the Securities Depository therefor as, and deem such Securities Depository to be, the absolute owner of a Book Entry Bond for all purposes whatsoever, including (w) payment of the principal or Redemption Price of, and interest on, such Bond, (x) giving notices of redemption and of other matters with respect to such Bond, (y) registering transfers with respect to such Bond and (z) giving to the Municipality any notice, consent, request or demand pursuant to the Resolution for any purpose whatsoever. The Paying Agents shall pay the principal or Redemption Price of, and interest on, a Book Entry Bond only to or upon the order of the Securities Depository therefor, and all such payments shall be valid and effective to satisfy fully and discharge the Municipality's obligations with respect to such principal or Redemption Price, and interest, to the extent of the sum or sums so paid. Except as otherwise provided in Section 309(d) or in any Supplemental Resolution authorizing a Book Entry Bond, no person other than the Securities Depository shall receive a Bond or other instrument evidencing the Municipality's obligation to make payments of the principal or Redemption Price thereof, and interest thereon.

(c) The Municipality, in its sole discretion and without the consent of any other person, may, by notice to the Bond Registrar therefor and a Securities Depository, terminate the services of such Securities Depository with respect to the Book Entry Bonds for which such Securities Depository serves as securities depository if the Municipality determines that (i) the Securities Depository is unable to discharge its responsibilities with respect to such Bond or (ii) a continuation of the requirement that all of the Bonds issued as Book Entry Bonds be registered in the registration books of the Municipality in the name of the Securities Depository, is not in the best interests of the beneficial owners of such Bonds or of the Municipality. Additional or other terms and provisions relating to the termination or resignation of a Securities Depository may be provided in the Supplemental Resolution authorizing a Book Entry Bond.

(d) Upon the termination of the services of a Securities Depository with respect to a Book Entry Bond pursuant to Section 309(c)(ii), such Bond shall no longer be restricted to being registered in the registration books kept by the Bond Registrar therefor in the name of a Securities Depository. Upon the termination of the services of a Securities Depository with respect to a Book Entry Bond pursuant to Section 309(c)(i), the Municipality may within 90 days thereafter appoint a substitute securities depository which, in the opinion of the Municipality, is willing and able to undertake the functions of Securities Depository under the Resolution upon reasonable and customary terms. If no such successor can be found within such period, such Book Entry Bond shall no longer be restricted to being registered in the registration books kept by such Bond Registrar in the name of a Securities Depository. In the event that a Book Entry Bond shall no longer be restricted to being registered in the registration books kept by such Bond Registrar in the name of a Securities Depository, (i) the Municipality shall execute and such Bond Registrar shall authenticate and deliver, upon presentation and surrender of the Book Entry Bond, Bond certificates as requested by the Securities Depository so terminated of like Series, principal amount, maturity, interest rate and redemption provisions, in authorized denominations, to the identifiable beneficial owners in replacement of such beneficial owners' beneficial ownership interests in such Book Entry Bond and (ii) the Municipality shall notify such Bond Registrar and the Paying Agents that such Bond is no longer restricted to being registered in the registration books kept by such Bond Registrar in the name of a Securities Depository.

(e) Anything in the Resolution to the contrary notwithstanding, payment of the Redemption Price of a Book Entry Bond, or portion thereof, called for redemption prior to maturity may be paid to the Securities Depository by check or draft mailed to the Securities Depository or by wire transfer. Anything in the Resolution to the contrary notwithstanding, such Redemption Price may be paid without presentation and surrender to the Paying Agent of the Book Entry Bond, or portion thereof, called for redemption; provided, however, that payment of (i) the principal payable at maturity of a Book Entry Bond and (ii) the Redemption Price of a Book Entry Bond as to which the entire principal amount thereof has been called for redemption shall be payable only upon presentation and surrender of such Book Entry Bond to the Paying Agent; and provided, further, that no such Redemption Price shall be so payable without presentation and surrender unless the Securities Depository therefor shall have procedures in effect that provide for the reduction, on its records, of the aggregate amount of securities (and related positions therein) held by it upon such payment without presentation and surrender. Anything in the Resolution to the contrary notwithstanding, upon any such payment to the Securities Depository without presentation and surrender, for all purposes of (x) the Book Entry Bond as to which such payment has been made and (y) the Resolution, the unpaid principal amount of such Book Entry Bond Outstanding shall be reduced automatically by the principal amount so paid. In such event, the Paying Agent shall notify forthwith the Bond Registrar therefor as to the particular Book Entry Bond as to which such payment has been made, and the principal amount of such Bond so paid, and such Bond Registrar shall note such payment on the registration books of the Municipality maintained by it, but failure to make any such notation shall not affect the automatic reduction of the principal amount of such Book Entry Bond Outstanding as provided in this subsection.

(f) For all purposes of the Resolution authorizing or permitting the purchase of Bonds, or portions thereof, by, or for the account of, the Municipality for cancellation, and anything in the Resolution to the contrary notwithstanding, a portion of a Book Entry Bond may be deemed to have been purchased and cancelled without surrender thereof upon delivery to the Bond Registrar therefor of a certificate executed by the Municipality and a participant of the Securities Depository therefor to the effect that a beneficial ownership interest in such Bond, in the principal amount stated therein, has been purchased by, or for the account of, the Municipality through the participant of the Securities Depository executing such certificate; provided, however, that any purchase for cancellation of the entire principal amount of a Book Entry Bond shall be effective for purposes of the Resolution only upon surrender of such Book Entry Bond to such Bond Registrar; and provided, further, that no portion of a Book Entry

Bond may be deemed to have been so purchased and cancelled without surrender thereof unless the condition set forth in the second proviso to the second sentence of Section 309(e) shall have been satisfied. Anything in the Resolution to the contrary notwithstanding, upon delivery of any such certificate to such Bond Registrar, for all purposes of (i) the Book Entry Bond to which such certificate relates and (ii) the Resolution, the unpaid principal amount of such Book Entry Bond Outstanding shall be reduced automatically by the principal amount so purchased. In such event, such Bond Registrar shall note such reduction on the registration books of the Municipality maintained by it, but failure to make any such notation shall not affect the automatic reduction of the principal amount of such Book Entry Bond Outstanding as provided in this subsection.

(g) Anything in the Resolution to the contrary notwithstanding, a Securities Depository may make a notation on a Book Entry Bond (i) redeemed in part or (ii) purchased by, or for the account of, the Municipality in part for cancellation, to reflect, for informational purposes only, the date of such redemption or purchase and the principal amount thereof redeemed or deemed cancelled, but failure to make any such notation shall not affect the automatic reduction of the principal amount of such Book Entry Bond Outstanding as provided in Section 309(e) or (f), as the case may be.

(h) Anything in the Resolution to the contrary notwithstanding, in the case of a Book Entry Bond, the Municipality shall be authorized to defease, redeem or purchase (by or for the account of the Municipality), or issue Refunding Bonds to refund, less than all of the entire Outstanding principal amount thereof (in portions thereof of \$5,000 or integral multiples thereof, or such other denominations as shall be specified in the Supplemental Resolution authorizing such Book Entry Bond), and in the event of such partial defeasance, redemption, purchase or refunding, the provisions of the Resolution relating to the defeasance, redemption, purchase or refunding of a Bond or Bonds shall be deemed to refer to the defeasance, redemption, purchase or refunding of a portion of a Bond.

**SECTION 310. Cancellation and Destruction of Bonds.** Except as provided in Section 309, and except as may be otherwise provided in a Supplemental Resolution providing for the issuance thereof, all Bonds paid or redeemed, either at or before maturity, shall be delivered to the Bond Registrar(s) therefor when such payment or redemption is made, and such Bonds, together with all Bonds purchased by the Municipality and delivered to such Bond Registrar(s) for cancellation, shall thereupon promptly be cancelled (other than Book Entry Bonds, to the extent provided in Section 309(f), that have been deemed to have been cancelled). Bonds so cancelled may at any time be destroyed by such Bond Registrar(s), who shall execute a certificate of destruction in duplicate by the signature of one of its authorized officers describing the Bonds so destroyed, and one executed certificate shall be filed with the Municipality and the other executed certificate shall be retained by such Bond Registrar(s).

#### **ARTICLE IV REDEMPTION OF BONDS**

**SECTION 401. Privilege of Redemption and Redemption Price.** Bonds subject to redemption prior to maturity pursuant to their terms or the terms of the Resolution shall be redeemable, upon notice given as provided in this Article IV, at such times, at such Redemption Prices and upon such terms, in addition to the terms contained in this Article IV, as may be specified in such Bonds or in the Supplemental Resolution authorizing the Series of which such Bonds are a part.

**SECTION 402. Redemption of Bonds.** Unless other requirements are specified in the applicable Supplemental Resolution, in the case of any redemption of Bonds other than a mandatory redemption, the Municipality shall give written notice to the Bond Registrar(s) therefor and the Paying Agents of the redemption date, of the Series, and of the principal amounts of the Bonds of each maturity of such Series and of the Bonds of each interest rate within a maturity to be redeemed (which Series,

maturities, interest rates within a maturity and principal amounts thereof to be redeemed shall be determined by the Municipality in its sole discretion, subject to any limitations with respect thereto contained in the Resolution or any Supplemental Resolution authorizing the Series of which such Bonds are a part). Such notice shall be filed with such Bond Registrars and the Paying Agents for the Bonds to be redeemed at least 40 days prior to the redemption date (or such shorter period (a) as shall be specified in the Supplemental Resolution authorizing the Series of the Bonds to be redeemed or (b) as shall be acceptable to such Bond Registrars and Paying Agents). In the event notice of redemption shall have been given as in Section 404 provided, and unless such notice shall have been revoked or shall cease to be in effect in accordance with the terms thereof, there shall be paid on or prior to the redemption date to the appropriate Paying Agents an amount which, in addition to other moneys, if any, available therefor held by such Paying Agents, will be sufficient to redeem on the redemption date at the Redemption Price thereof, plus interest accrued and unpaid to the redemption date, all of the Bonds to be redeemed.

**SECTION 403. Selection of Bonds to be Redeemed.** If less than all of the Bonds of like maturity or interest rate within a maturity of any Series shall be called for prior redemption, the particular Bonds or portions of Bonds to be redeemed shall be selected in such manner as the Municipality in its discretion may deem fair and appropriate; provided, however, that for any Bond of a denomination of more than the minimum denomination for such Series, the portion of such Bond to be redeemed shall, unless otherwise specified in the Supplemental Resolution relating to such Series, be in a principal amount equal to such minimum denomination or an integral multiple thereof, and that, in selecting portions of such Bonds for redemption, each such Bond shall be treated as representing that number of Bonds of such minimum denomination which is obtained by dividing the principal amount of such Bond to be redeemed in part by the amount of such minimum denomination. Notwithstanding the foregoing, the Securities Depository for any Book Entry Bonds shall select Bonds for redemption within particular maturities according to its stated procedures.

**SECTION 404. Notice of Redemption.** When any Bonds shall become subject to redemption, the Municipality shall give notice, or provide for the giving of notice, of the redemption of such Bonds, which notice shall specify the Series, maturities and interest rates within maturities of the Bonds to be redeemed, the redemption date and the place or places where amounts due upon such redemption will be payable and, if less than all of the Bonds of any like Series, maturity and interest rate are to be redeemed the letters and numbers or other distinguishing marks of such Bonds so to be redeemed, and, in the case of Bonds to be redeemed in part only, such notice shall also specify the respective portions of the principal amount thereof to be redeemed. Such notice shall further state that on such date, if there shall be sufficient moneys available therefor, then there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal thereof in the case of Bonds to be redeemed in part only, together with interest accrued to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable. Such notice shall be mailed by first class mail, postage prepaid, by or on behalf of the Municipality, not less than 20 days nor more than 60 days prior to the redemption date, to the Holders of any Bonds or portions of Bonds which are to be redeemed, at their last addresses, if any, appearing upon the registry books. Failure to give notice of redemption by mail, or any defect in such notice, to the Holder of any Bond shall not affect the validity of the proceedings for the redemption of any other Bonds. Any such notice may, by Supplemental Resolution, be made conditional upon the occurrence of certain events, including without limitation the receipt of funds sufficient to make the redemption or the issuance of Bonds by the Municipality. Notwithstanding the foregoing, a Supplemental Resolution authorizing the Bonds of a Series may specify a different method for the giving of a notice of redemption, or a different time by which such notice shall be given.

**SECTION 405. Payment of Redeemed Bonds.** Unless otherwise set forth in a Supplemental Resolution, notice having been given in the manner provided in Section 404 or in the manner provided in

the Supplemental Resolution authorizing the Bonds of a Series, on the redemption date so designated, (a) unless such notice shall have been revoked or shall cease to be in effect in accordance with the terms thereof and (b) if there shall be sufficient moneys available therefor, then the Bonds or portions thereof so called for redemption shall become due and payable on such redemption date at the Redemption Price, plus interest accrued and unpaid to the redemption date, and, if presentation and surrender shall be required hereby, upon presentation and surrender thereof at the office specified in such notice, such Bonds, or portions thereof, shall be paid at the Redemption Price, plus interest accrued and unpaid to the redemption date. If there shall be drawn for redemption less than all of a Bond, if presentation and surrender thereof are required hereby, the Municipality shall execute and the Bond Registrar shall authenticate and the Paying Agent shall deliver, upon the surrender of such Bond, without charge to the owner thereof, for the unredeemed balance of the principal amount of the Bond so surrendered, Bonds of like Series, maturity, interest rate and redemption provisions in any of the authorized denominations. If, on the redemption date, moneys for the redemption of all the Bonds or portions thereof of any like Series, maturity and interest rate to be redeemed, together with interest to the redemption date, shall be held by the Paying Agents so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the redemption date interest on the Bonds or portions thereof of such Series, maturity and interest rate so called for redemption shall cease to accrue and become payable. If said moneys shall not be so available on the redemption date, such Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

## **ARTICLE V**

### **ESTABLISHMENT OF FUNDS AND APPLICATION THEREOF**

#### **SECTION 501. The Pledge Effected by the Resolution.**

(a) The Bonds are special obligations of the Municipality payable solely from and secured solely by the Revenues. The taxing power of the Municipality is not available for the payment of the Bonds. The Revenues are hereby pledged for the payment of the principal and Redemption Price of, and interest on, the Bonds in accordance with their terms and the provisions of the Resolution, subject only to (i) the prior pledge thereof in favor of the Senior Lien Bonds, and (ii) the provisions of the Senior Lien Bond Resolution and this Resolution requiring or permitting the application thereof for the purposes and on the terms and conditions set forth therein. The Revenues shall immediately be subject to the lien of this pledge without physical delivery thereof or further act, and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Municipality, without regard to whether such parties have notice thereof.

(b) There are hereby pledged, as additional security for the payment of the principal or Redemption Price, if any, of, and interest on, the Bonds of each Additionally Secured Series secured thereby, subject only to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution, amounts on deposit in the separate account established in the Debt Service Reserve Fund with respect to such Additionally Secured Series. Such amounts on deposit in such separate account established in the Debt Service Reserve Fund shall immediately be subject to the lien of this pledge without physical delivery thereof or further act, and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Municipality, without regard to whether such parties have notice thereof.

(c) There are hereby pledged, as additional security for the payment of the principal or Redemption Price, if any, of, and interest on, any Series of Tax Credit Bonds, any Tax Credit Payments attributable to such Series of Tax Credit Bonds, and all amounts on deposit in the applicable Tax Credit Payment Account in the Debt Service Fund. Such amounts on deposit in any separate Tax Credit Payment

Account shall immediately be subject to the lien of this pledge without physical delivery thereof or further act, and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Municipality, without regard to whether such parties have notice thereof.

(d) To the extent permitted by applicable law, a Supplemental Resolution may extend the pledge of the Revenues to the payment of all or a portion of the Municipality's obligations under a Contract, provide that such obligations are payable from the Revenues, and establish the priority of the payment of such obligations (provided that no Contract payment shall be made prior to the payment of debt service on Bonds and no Termination Payment shall be made except as provided in Section 506 hereof), in any case subject to the requirements and limitations set forth in this Article V and the prior pledge of the Revenues in favor of the Senior Lien Bonds.

(e) Nothing contained in the Resolution shall be construed to prevent the Municipality from acquiring, constructing or financing through the issuance of its bonds, notes or other evidences of indebtedness any facilities which do not constitute a part of the System for the purposes of the Resolution; provided that such bonds, notes or other evidences of indebtedness shall not be payable out of or secured by the Revenues or any Fund or Account held under the Resolution and neither the cost of such facilities nor any expenditure in connection therewith or with the financing thereof shall be payable from the Revenues or from any such Fund or Account.

#### **SECTION 502. Establishment of Funds and Accounts.**

(a) The following Funds and Accounts, to be held by the Municipality, are hereby established:

- (i) Construction Fund, which shall contain a Project Account and a Capitalized Interest Account;
- (ii) Revenue Fund;
- (iii) Debt Service Fund, which shall contain one or more Tax Credit Payment Accounts, if applicable; and
- (iv) Debt Service Reserve Fund, which shall contain one or more accounts as Additionally Secured Series are issued.

(b) There may be established within any Fund or Account established hereunder such further accounts or subaccounts as set forth in a Supplemental Resolution or as an Authorized Finance Officer may determine.

#### **SECTION 503. Construction Fund.**

(a) The proceeds of each Series of Bonds issued pursuant to Section 203 hereof shall be deposited in the Construction Fund, for further allocation between the Project Account and a Capitalized Interest Account for such Series, all as directed by the provisions of the Supplemental Resolution authorizing such Series of Bonds. Amounts deposited in the Project Account for a Series of Bonds shall be applied to the Costs as directed by the Supplemental Resolution. Amounts deposited in the Capitalized Interest Account for a Series of Bonds shall be transferred to the Debt Service Account for such Series of Bonds as and when needed to pay interest on such Series of Bonds, all as directed by the Supplemental Resolution. Amounts remaining on deposit in a Capitalized Interest Account beyond the period of time

prescribed by the Supplemental Resolution for payment of interest on a Series of Bonds shall be transferred to the Project Account established by such Supplemental Resolution.

(b) The Municipality shall withdraw amounts from the Project Account for the payment of amounts due and owing on account of the Costs of the System upon determination of an Authorized Finance Officer that an obligation in the amount to be paid from the Project Account has been incurred by the Municipality and that each item thereof is a proper and reasonable charge against such Project Account, and that such amount has not been paid theretofore.

(c) At such time as there are no additional Costs to be paid from a Project Account, any moneys remaining therein may be transferred to another Project Account, to the Debt Service Fund to redeem Bonds of such Series, to the account within the Debt Service Reserve Fund attributable to such Series of Bonds, if applicable, or put to another use, in any case as directed by an Authorized Finance Officer and subject to a Counsel's Opinion to the effect that such application is permitted by applicable law and will not adversely affect any applicable exemption from federal income taxation of the interest on any Series of Bonds (or the Municipality's right to any Tax Credit Payments attributable thereto).

(d) Nothing in this Section 503 shall be construed to prevent the Municipality from permanently discontinuing the acquisition or construction of any portion of the System, the Costs of which are at the time being paid out of the Construction Fund, if the Governing Body determines by resolution that such discontinuance is necessary or desirable in the conduct of the business of the Municipality and not disadvantageous to the Holders of the Bonds.

**SECTION 504. Revenues and Revenue Fund.** Except as provided by Section 603, all Revenues shall be deposited promptly as collected by the Municipality to the credit of the Revenue Fund.

**SECTION 505. Payment of Operation and Maintenance Expenses.** Operation and Maintenance Expenses shall be paid from the Revenue Fund as they become due and payable.

**SECTION 506. Payments into Certain Funds.** The Municipality shall make monthly withdrawals from the Revenue Fund, to the extent of amounts available therein, in order to make the following deposits and payments, in the order and amounts set forth below:

(a) for deposit in the Debt Service Fund an amount sufficient to provide for the timely payments required by Section 507, in amounts calculated as prescribed by Section 507(b); and

(b) for deposit in the Debt Service Reserve Fund an amount sufficient to satisfy the requirements of Section 508 for such month.

Amounts thereafter remaining in the Revenue Fund may be used to (i) pay debt service on System indebtedness, including Subordinated Indebtedness, fund debt service reserves in connection therewith and pay all related financing costs thereof, including without limitation any liquidity and credit enhancement charges or fees, (ii) make in-lieu-of-tax payments to the Municipality, (iii) fund capital improvements to the System; and (iv) make any other legal expenditure of System funds, including Termination Payments.

## **SECTION 507. Debt Service Fund.**

(a) Sufficient moneys shall be deposited to the Debt Service Fund from the Revenue Fund for the purpose of paying the Bonds as they become due and payable and, if and to the extent directed by a Supplemental Resolution, for the purpose of making payments under Contracts. Specifically:

(i) Unless otherwise provided in a Supplemental Resolution, on or before each interest payment date for a Series of Bonds, there shall be deposited in the Debt Service Fund an amount which, together with available moneys already on deposit therein (including Capitalized Interest Account transfers and Hedge Receipts and Termination Payments attributable to such Series of Bonds, which shall be deposited directly to the Debt Service Fund) and amounts scheduled to be deposited therein from a Tax Credit Payment Account, is not less than the interest coming due on such Bonds on such interest payment date. Such amount shall be used solely to pay interest on the Bonds when due or pay Reimbursement Obligations for Credit Facilities under which the Credit Issuer makes all interest payments on the Bonds.

(ii) Unless otherwise provided in a Supplemental Resolution or a Hedge Agreement, on or before each payment date for Hedge Payments under a Qualified Hedge Agreement, the Municipality shall deposit in the Debt Service Fund an amount which, together with any Hedge Receipts and other moneys already on deposit therein and available to make such payment, is not less than such Hedge Payments coming due on such payment date. Such amount shall be used solely to pay Hedge Payments under Qualified Hedge Agreements when due.

(iii) Unless otherwise provided in a Supplemental Resolution or a Contract, on or before each payment date for amounts due on Contracts, other than for Reimbursement Obligations and Qualified Hedge Agreements, the Municipality shall deposit in the Debt Service Fund an amount which, together with any other moneys already on deposit therein and available to make such payment, is not less than the amount coming due on such payment date. Such amount shall be used solely for such Contract payments when due.

(iv) Unless otherwise provided in a Supplemental Resolution, on or before each Principal Installment date for a Series of Bonds, the Municipality shall deposit in the Debt Service Fund an amount which, together with any other moneys already on deposit therein and available to make such payment, is not less than the principal payable on such Bonds on such Principal Installment date, other than principal to be paid from a source other than Revenues. Such amount shall be used solely for the payment of principal of the Bonds as the same shall become due and payable or to pay Reimbursement Obligations for Credit Facilities under which the Credit Issuer makes all principal payments on the Bonds.

(b) Without limiting Section 507(a), and except as may otherwise be set forth in a Supplemental Resolution, the payment required to be made each month from the Revenue Fund to the Debt Service Fund shall be calculated to provide for the deposit obligations described in Section 507(a) which will have accrued by the end of the month of such payment to the Debt Service Fund. For purposes of calculating the accrual of such deposit obligations, (i) Principal Installments of a Series will be deemed to accrue monthly in equal amounts from the preceding Principal Installment date for such Series (but in no event shall any accrual be made for any Principal Installment more than one year prior to the due date of such Principal Installment or from the Date of Issuance of Bonds of such Series, whichever date is later); (ii) each fixed payment obligation (other than Principal Installments) will be deemed to accrue monthly in equal amounts from the preceding relevant payment obligation date (but in no event more than one year prior to such payment obligation date or the initial incurrence of the payment obligation, whichever is later); (iii) principal and interest portions of the Accreted Value of Capital



Appreciation Bonds or the Appreciated Value of Deferred Income Bonds shall accrue in the manner provided in Section 207(a); and (iv) variable payment obligations, whether interest related to Bonds issued with Variable Rates or otherwise, shall accrue as estimated by the Municipality. Any monthly deposit in excess of the amount required by this subsection (b) shall be credited against the next ensuing monthly payment or payments.

(c) There shall be established within the Debt Service Fund a Tax Credit Payment Account for each Series of Tax Credit Bonds. Tax Credit Payments received by the Municipality shall be deposited directly into the applicable Tax Credit Payment Account and such amounts shall be applied solely to the payment of debt service on the applicable Series of Tax Credit Bonds, at the times and in the manner otherwise described in this Section 507.

(d) Nothing herein shall limit the right of the Municipality to use amounts on deposit in the Debt Service Fund, together with such other amounts as may be determined by an Authorized Finance Officer, to defease all or a portion of Bonds attributable to such Debt Service Fund deposits, purchase all or a portion of such Bonds in the open market, or redeem all or a portion of such Bonds at their Redemption Price; provided that the amount thereafter remaining in the Debt Service Fund shall not be less than the remaining requirement of such Fund, as set forth in Section 506(a) and this Section 507. Any Bonds so purchased or redeemed by the Municipality which are subject to mandatory redemption requirements may be applied as a credit against such mandatory redemption requirements as prescribed by the Supplemental Resolution authorizing such Bonds.

#### **SECTION 508. Debt Service Reserve Fund.**

(a) There shall be deposited into the Debt Service Reserve Fund the amounts specified, if any, in Supplemental Resolutions with respect to one or more Additionally Secured Series. The Municipality shall establish by Supplemental Resolution an account within the Debt Service Reserve Fund for each separately secured Additionally Secured Series. Each such account shall be for the benefit and security of one or more Additionally Secured Series and need not secure all Additionally Secured Series. Each such account shall be initially funded, maintained and replenished as prescribed by Supplemental Resolution. In the event that deposits are required hereunder for two or more accounts within the Debt Service Reserve Fund, transfers from the Revenue Fund to such accounts shall be made on a pro rata basis in proportion to the respective monthly funding requirements. Whenever, on the date that interest or principal is due on any Additionally Secured Series, there are insufficient moneys therefor in the Debt Service Fund, the Municipality shall, without further instructions, apply so much as may be needed of the moneys in the related account of the Debt Service Reserve Fund to prevent default in the payment of such interest or principal, with priority to interest payments.

(b) Whenever the moneys on deposit in an account established in the Debt Service Reserve Fund shall exceed the Debt Service Reserve Requirement related thereto, and after giving effect to any Reserve Fund Credit Facility that may be credited to such account in accordance with the provisions of the Supplemental Resolution establishing such subaccount, such excess shall be transferred from such account of the Debt Service Reserve Fund to the Debt Service Fund to redeem Bonds allocable thereto or to such other Fund or Account as may be directed by an Authorized Finance Officer, subject to a Counsel's Opinion to the effect that such application is permitted by applicable law and will not adversely affect any applicable exemption from federal income taxation of the interest on any Series of Bonds (or the Municipality's right to any Tax Credit Payments applicable thereto).

(c) Whenever the amount in an account within the Debt Service Reserve Fund attributable to an Additionally Secured Series, together with the amount in the Debt Service Fund for such Series, is sufficient to pay in full all such Bonds secured thereby in accordance with their terms (including the

maximum amount of principal or applicable sinking fund Redemption Price and interest which could become payable thereon), the applicable funds on deposit in such account of the Debt Service Reserve Fund shall be transferred to the Debt Service Fund and applied to the timely payment of principal or Redemption Price, if applicable, and interest on the outstanding Bonds secured thereby.

(d) In the event of the refunding or defeasance of any Bonds of an Additionally Secured Series, the Municipality may withdraw from the separate account in the Debt Service Reserve Fund established for the benefit of the Bonds of such Additionally Secured Series all or any portion of the amounts accumulated therein and deposit such amounts with the Escrow Agent for the Bonds being refunded or defeased to be held for the payment of the principal or Redemption Price, if applicable, and interest on the Bonds being refunded or defeased; provided that such withdrawal shall not be made unless the amount thereafter remaining in such separate account in such account shall not be less than the remaining Debt Service Reserve Requirement related thereto.

(e) The Municipality may satisfy the Debt Service Reserve Requirement for an Additionally Secured Series by purchasing and depositing to the applicable account of the Debt Service Reserve Fund one or more Reserve Fund Credit Facilities, and may provide for the reimbursement of payments made by the providers of such Reserve Fund Credit Facilities from amounts required to be deposited to such account of the Debt Service Reserve Fund, all as may be set forth in a Supplemental Resolution.

**SECTION 509. Application of Revenues Pursuant to the Senior Lien Bond Resolution.** Notwithstanding anything in this Article V to the contrary, so long as the Senior Lien Bonds are outstanding, the Revenues shall be collected, held and applied according to the requirements of the Senior Lien Bond Resolution. Until such time as the modifications to the Senior Lien Bond Resolution set forth in Section 15 of the resolution adopted on June 6, 2013 become effective, the Municipality shall only transfer amounts required by Sections 506(a) and (b) of this Resolution from the revenue fund established by the Senior Lien Bond Resolution as permitted by Section II(f) of the Senior Lien Bond Resolution. Following the effective date of the modifications to the Senior Lien Bond Resolution set forth in such Section 15, the Municipality shall transfer the amounts required by Section 506(a) and (b) of this Resolution from the Revenue Fund and other funds established by the Senior Lien Bond Resolution at such at the times and in the priority described by the Senior Lien Bond Resolution, including without limitation Section 206 thereof.

## **ARTICLE VI**

### **DEPOSITORIES OF MONEYS, SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS**

**Depositories.**(a) All moneys held by the Municipality under the Resolution shall be deposited with one or more Depositories in the name of the Municipality and shall be held and applied only in accordance with the provisions of the Resolution.

(b) Each Depository shall be qualified to serve as such under applicable Tennessee law, and be willing and able to accept the office on reasonable and customary terms and authorized by law to act in accordance with the provisions of the Resolution.

**SECTION 602. Deposits.**(a) All Revenues and moneys held by any Depository under the Resolution shall be in held on deposit in a manner permitted by applicable Tennessee law. Any such deposit may be made in the commercial banking department of any Fiduciary which may honor checks and drafts on such deposit with the same force and effect as if it were not a Fiduciary. To the extent permitted by applicable law, all moneys held by any Fiduciary, as such, may be deposited by such Fiduciary in its banking department on demand or, if and to the extent directed by the Municipality and acceptable to such Fiduciary, on savings or time deposit, provided that such moneys on deposit be available for use at the time when needed. Such Fiduciary shall allow and credit on such moneys such

interest, if any, as it customarily allows upon similar funds of similar size and under similar conditions or as required by law.

(b) All moneys held under the Resolution by any Depository shall be held in such manner as may then be required by applicable Federal or State of Tennessee laws and regulations and applicable state laws and regulations of the state in which such Depository is located, regarding security for, or granting a preference in the case of, the deposit of public funds.

(c) All moneys deposited with each Depository shall be credited to the particular Fund or Account to which such moneys belong.

**SECTION 603. Investment of Funds.** Unless further limited as to maturity by the provisions of a Supplemental Resolution, moneys held in the Funds and Accounts established under the Resolution may be invested and reinvested by the Municipality in Investment Securities which will provide moneys not later than such times as shall be needed for payments to be made from such Funds and Accounts. In making any investment in any Investment Securities with moneys in any Fund or Account established under the Resolution and held by the Municipality, the Municipality may combine such moneys with moneys in any other Fund or Account held by the Municipality, but solely for purposes of making such investment in such Investment Securities.

If provided in a Supplemental Indenture, interest earned on any moneys or investments in the Debt Service Reserve Fund shall be deposited in the Construction Fund. Otherwise, interest earned on any moneys or investments in each account of the Debt Service Reserve Fund shall be deposited in the Debt Service Fund and applied to the payment of the Bonds of the Additionally Secured Series secured thereby. Interest earned on any moneys or investments in all such other Funds and Accounts established herein shall be held in such Fund or Account for the purposes thereof.

**SECTION 604. Valuation and Sale of Investments.** Obligations purchased as an investment of moneys in any Fund created under the provisions of the Resolution shall be deemed at all times to be a part of such Fund and any profit realized from the liquidation of such investment shall be credited to such Fund, and any loss resulting from the liquidation of such investment shall be charged to the respective Fund.

In computing the amount in any Fund created under the provisions of the Resolution for any purpose provided in the Resolution, obligations purchased as an investment of moneys therein shall be valued at the amortized cost of such obligations. Such computation shall be determined as of June 30 in each year. Each Reserve Fund Credit Facility shall be valued at the lesser of the face amount thereof or the maximum amount available thereunder.

**ARTICLE VII**  
**PARTICULAR COVENANTS OF THE MUNICIPALITY**

The Municipality covenants and agrees with the Holders of the Bonds as follows:

**SECTION 701. Payment of Bonds and Contracts.** The Municipality shall duly and punctually pay or cause to be paid, but solely from the Revenues, and, in the case of the Bonds of each Additionally Secured Series, the account in the Debt Service Reserve Account in the Debt Service Fund with attributable thereto, and in the case of Tax Credit Bonds, the Tax Credit Payment Account, the Principal Installment or Redemption Price, if any, of every Bond and the interest thereon, at the dates and places and in the manner provided in the Bonds, according to the true intent and meaning thereof, and all amounts due and owing under the Contracts.

**SECTION 702. Extension of Payment of Bonds.** The Municipality shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement, and in case the maturity of any of the Bonds or the time for payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default under the Resolution, to the benefit of the Resolution or to any payment out of Revenues or Funds established by the Resolution, including the investments and investment income, if any, thereof, or the moneys (except moneys held in trust for the payment of particular Bonds or claims for interest pursuant to the Resolution) held by the Municipality or the Fiduciaries, except subject to the prior payment of the principal of all Bonds Outstanding the maturity of which has not been extended and of such portion of the accrued interest on the Bonds as shall not be represented by such extended claims for interest. Nothing herein shall be deemed to limit the right of the Municipality to issue Refunding Bonds.

**SECTION 703. Offices for Servicing Bonds.** Except as may be otherwise provided in any Supplemental Resolution with respect to any Series of Bonds, the Municipality shall at all times maintain one or more agencies where Bonds may be presented for payment and shall at all times maintain one or more agencies where Bonds may be presented for registration, transfer or exchange, and where notices, demands and other documents may be served upon the Municipality in respect of the Bonds or of the Resolution. The Municipality hereby appoints each Bond Registrar to maintain an agency for the registration, transfer or exchange of Bonds, and for the service upon the Municipality of such notices, demands and other documents and the Bond Registrars shall continuously maintain or make arrangements to provide such services. The Municipality hereby appoints the Paying Agent or Agents in such cities as its respective agents to maintain such agencies for the payment or redemption of Bonds.

**SECTION 704. Further Assurance.** At any and all times the Municipality shall, as far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, pledging, assigning and confirming all and singular the rights, Revenues and other moneys, securities and funds hereby pledged, or intended so to be, or which the Municipality may become bound to pledge.

**SECTION 705. Power to Issue Bonds and Pledge Revenues and Other Funds.** The Municipality is duly authorized under all applicable laws to create and issue the Bonds and to adopt the Resolution and to pledge the Revenues and, in the case of the Bonds of Additionally Secured Series, the related account in the Debt Service Reserve Fund with respect thereto, and, in the case of Tax Credit Bonds, the Tax Credit Payment Account, in the manner and to the extent provided in the Resolution. Except to the extent otherwise provided in the Resolution, the Revenues, each separate account in the Debt Service Reserve Fund and each Tax Credit Payment Account are and will be free and clear of any

pledge, lien, charge or encumbrance thereon or with respect thereto superior to, or of equal rank with, the respective pledges created by the Resolution, and all corporate or other action on the part of the Municipality to that end has been and will be duly and validly taken. The Bonds and the provisions of the Resolution are and will be the valid and legally enforceable obligations of the Municipality in accordance with their terms and the terms of the Resolution. The Municipality shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Revenues, each separate account in the Debt Service Reserve Fund, each Tax Credit Payment Account and all the rights of the Holders of the Bonds under the Resolution against all claims and demands of all persons whomsoever.

**SECTION 706. Power to Fix and Collect Rates, Fees and Charges.** The Municipality has, and will have as long as any Bonds are Outstanding, good right and lawful power to acquire, construct, reconstruct, improve, maintain, operate and repair the System and to fix, establish, maintain and collect rates, fees and charges with respect to the use of the capability of and sale of the output, capacity, use or service of the System subject to the terms of contracts relating thereto and subject to the jurisdiction of any applicable regulatory authority.

**SECTION 707. Creation of Liens; Sale and Lease of Property.**

(a) Except as described in Article II, the Municipality shall not issue any bonds, notes, debentures or other evidences of indebtedness of similar nature, other than the Bonds, payable out of or secured by a security interest in or pledge of the Revenues, any separate account in the Debt Service Reserve Fund, any Tax Credit Payment Account or other moneys, securities or funds held or set aside by the Municipality or by the Fiduciaries under the Resolution and shall not create or cause to be created any lien or charge on the Revenues, any separate account in the Debt Service Reserve Fund, any Tax Credit Payment Account or such moneys, securities or funds.

(b) No part of the System shall be sold, mortgaged, leased or otherwise disposed of, except as follows:

(i) the Municipality may sell or exchange at any time and from time to time any property or facilities constituting part of the System only if (A) the Municipality shall determine that such property or facilities are not needed or useful in the operation of the System, or (B) the net book value of the property or facilities sold or exchanged is not more than 5% of the net book value of the property and facilities of the System, or (C) there shall be filed with the records of the Municipality a certificate of a Consultant or a Consulting Engineer stating, in its opinion, that the sale or exchange of such property or facilities will not materially impair the ability of the Municipality to comply during the current or any future Fiscal Year with the provisions of Section 711. The proceeds of any sale or exchange of any property or facilities constituting a part of the System not used to acquire other property necessary or desirable for the safe or efficient operation of the System shall forthwith be deposited in the Revenue Fund; provided, however, that the amount of any such deposit to the Revenue Fund shall not constitute or be deemed to constitute Revenues for purposes of Section 711 of the Resolution;

(ii) The Municipality may lease or make contracts or grant licenses for the operation of, or make arrangements for the use of, or grant easements or other rights with respect to, any part of the System, provided that any such lease, contract, license, arrangement, easement or right (A) does not impede the operation by the Municipality or its agents of the System and (B) does not materially adversely affect the rights or security of the Holders of the Bonds under the Resolution. Any payments received by the Municipality under or in connection with any such lease, contract, license, arrangement, easement or right in respect of the System or any part thereof shall constitute Revenues for all purposes of the Resolution;

(iii) The limitations imposed upon the Municipality by subsection (b)(ii) (A) and (B) shall not apply to any disposition of property by the Municipality where: (A) such property is leased back to the Municipality under a lease having a term of years (including renewal options) (1) of not less than 75% of the remaining useful life of the property as estimated by the Municipality computed from the date of disposition and lease if such property is disposed of by sale or a lease for more than 90% of the remaining estimated useful life or any other means of disposition except as set forth in the following clause (2), or (2) 75% of the term of the lease out by the Municipality if such property is disposed of by a lease for less than 90% of the useful life of the property so estimated, (B) fair value to the Municipality (as determined by the Municipality) is received by the Municipality for the property subject to such transaction, and (C) there shall have been delivered to the Governing Body a Counsel's Opinion to the effect that the disposition and lease will not have a material adverse effect on the interests of the Holders of Outstanding Bonds (in rendering such opinion, such counsel may rely on such certifications of (1) any banking or financial institution serving as financial advisor to the Municipality, as to financial and economic matters, (2) the Consulting Engineer, as to matters within its field of expertise and (3) such other experts, as to matters within their fields of expertise as it, in its reasonable judgment, determines necessary or appropriate). The proceeds of any such transaction not used to acquire other property necessary or desirable for the safe or efficient operation of the System shall forthwith be deposited in the Revenue Fund; and

(iv) The Municipality may permanently discontinue the acquisition or construction of any portion of the System as provided in Section 503(d).

(c) Notwithstanding anything elsewhere provided in this Resolution, and without being subject to any of the foregoing restrictions, the Municipality shall have the right to sell, lease, transfer, or otherwise dispose of the System, as a whole or substantially as a whole, to any municipal corporation, county, political subdivision, governmental corporation, or governmental agency (each of which shall be included within the term "Transferee" as herein used), provided the Transferee thus acquiring the System from the Municipality will assume the performance of and be bound by all of the obligations of the Municipality to the holders of the Bonds under the covenants and provisions of this Resolution and the Municipality has received a Counsel's Opinion to the effect that (i) all of the provisions of the Resolution and the applicable Supplemental resolution(s) are enforceable against the Transferee and (ii) the transfer will not adversely affect the tax-exempt or tax-advantaged status of any Bonds, if applicable.

**SECTION 708. Limits on Additional Senior Lien Bonds.** The Municipality shall not issue or incur, cause to be issued or incurred or consent to the issuance or incurrence of any indebtedness or other obligations benefitting from a pledge of Revenues (or any portion thereof) on parity with or senior to the pledge benefitting the Bonds except upon satisfaction of the applicable provisions of Article II hereof.

**SECTION 709. Annual Budget.** The Municipality shall adopt an operating budget ("Annual Budget") covering the fiscal operations of the System prior to the beginning of each Fiscal Year. The Annual Budget need not necessarily be the budget prepared by the Municipality for Municipality budgeting purposes. The Annual Budget for the ensuing Fiscal Year shall set forth in reasonable detail the estimated Revenues, payments with respect to all obligations assumed or incurred by the Municipality with respect to the System (including, without limitation, the Senior Lien Bonds, the Bonds and Subordinated Indebtedness) and Operation and Maintenance Expenses and other expenditures for the System for such Fiscal Year, and shall include appropriations for the estimated payments with respect to such obligations for such Fiscal Year, the estimated Operation and Maintenance Expenses for the System for such Fiscal Year, including provisions for any general reserve for Operation and Maintenance Expenses or other reserves determined necessary or desirable by the Municipality. Such Annual Budget also shall set forth such detail with respect to such Revenues, payments with respect to such obligations,

Operation and Maintenance Expenses and other expenditures and may set forth such additional material as the Municipality may determine. The Municipality may at any time, as necessary, adopt an amended Annual Budget for the remainder of the then current Fiscal Year.

**SECTION 710. Operation and Maintenance of the System.** The Municipality shall at all times use its best efforts to operate or cause to be operated the System properly and in an efficient and economical manner, consistent with Prudent Utility Practice, and shall use its best efforts to maintain, preserve, reconstruct and keep the same or cause the same to be so maintained, preserved, reconstructed and kept, with the appurtenances and every part and parcel thereof, in good repair, working order and condition, and shall from time to time make, or use its best efforts to cause to be made, all necessary and proper repairs, replacements and renewals so that at all times the operation of the System may be properly and advantageously conducted.

**SECTION 711. Rates, Fees and Charges.** (a) The Municipality shall at all times fix, establish, maintain, charge and collect rates, fees and charges for the use or the sale of the output, capacity or service of the System which shall be sufficient to produce Net Revenues in each Fiscal Year at least equal to each of (but not the sum of) (i) and (i) below:

(i) 110% of the sum of the Debt Service Requirement on the Senior Lien Bonds and the Outstanding Bonds in such Fiscal Year.

(ii) 100% of the sum of:

(A) the Debt Service Requirement on the Senior Lien Bonds, the Outstanding Bonds and Subordinated Indebtedness in such Fiscal Year,

(B) the amounts required to be paid during such Fiscal Year into the Debt Service Reserve Fund established by the Senior Lien Bond Resolution,

(C) the amounts required to be paid during such Fiscal Year into the Debt Service Reserve Fund established by is Resolution, and

(D) the amount of all other charges and liens whatsoever payable out of Revenues during such Fiscal Year, including payments in lieu of taxes and any payments required during such Fiscal Year under Contracts to the extent not otherwise provided for in this subsection (ii).

(b) For purposes of this Section 711, the Municipality may, when calculating the Debt Service Requirement on Subordinated Indebtedness, make the adjustments and assumptions set forth in subsection (c) of the definition of "Debt Service Requirement", as if such provisions were applicable to Subordinated Indebtedness; provided however, that there shall be disregarded any scheduled principal amount of Subordinated Indebtedness which are notes or other evidences of indebtedness issued in anticipation of the issuance of Bonds or Senior Lien Bonds, the payment of which is anticipated to be paid from the proceeds of such Bonds or Senior Lien Bonds.

(c) For purposes of measuring compliance with subsection (a)(i) above, the computation of Net Revenues may be increased by the amount of transfers made or scheduled to be made (as applicable) during the Fiscal Year from the Rate Stabilization Fund to the Revenue Fund pursuant to Section 209 of the Senior Lien Bond Resolution, provided that in no event shall such computation be increased by an amount in excess of 10% of the Debt Service Requirement on the Senior Lien Bonds and the Outstanding Bonds in such Fiscal Year as a result of such transfers. For purposes of measuring compliance with

subsection (a)(i) above, the computation of Net Revenues shall be decreased by the amount of transfers made or scheduled to be made (as applicable) during the Fiscal Year from the Revenue Fund to the Rate Stabilization Fund pursuant to Section 206 of the Senior Lien Bond Resolution.

(d) If the Municipality fails to prescribe, fix, maintain, and collect rates, fees, and other charges, or to revise such rates, fees, and other charges, in accordance with the provisions of this section in any Fiscal Year, but the Municipality in the next Fiscal Year has promptly taken all available measures to revise such rates, fees and other charges as advised by a Consultant retained by the Municipality to review the operations of the System, there shall be no default under this Resolution until at least the end of such next Fiscal Year and only then if Net Revenues are less than the amount required by this section.

**SECTION 712. Maintenance of Insurance.** (a) With respect to the System, the Municipality will carry adequate public liability, fidelity, and property insurance, such as is maintained by similar utility systems; provided, the Municipality shall not be required to insure beyond the limits of immunity provided by Sections 29-20-101 et seq., Tennessee Code Annotated, as amended, and provided further, the Municipality may self-insure against any risks that the Governing Body deems appropriate provided the Municipality maintains adequate reserves, in such amounts as the Municipality determines is reasonable, for such self insurance. All such policies shall be for the benefit of and made payable to the Municipality and shall be on deposit with the Municipality.

(b) The proceeds received by the Municipality from any insurance policy shall be deposited in the Revenue Fund.

**SECTION 713. Accounts and Reports.** (a) The Municipality shall keep or cause to be kept proper books of record and account (separate from all other records and accounts) in accordance with generally accepted accounting principles (or other comprehensive basis of accounting) in which complete and correct entries shall be made of its transactions relating to the System, the amount of Revenues and the application thereof and each Fund and Account established under the Resolution, and which, together with all other books and papers of the Municipality, including insurance policies, relating to the System, shall, subject to the terms thereof, at all times be subject to the inspection of the Holders of an aggregate of not less than 5% in principal amount of the Bonds then Outstanding or their representatives duly authorized in writing.

(b) The Municipality shall annually, within 270 days after the close of each Fiscal Year, file with the records of the Municipality and otherwise as provided by law, a copy of an annual report for such Fiscal Year, accompanied by an Accountant's Certificate, relating to the System and including reasonably detailed information relating to the following: (i) the assets and liabilities of the System as of the end of such Fiscal Year; (ii) the Revenues and Operation and Maintenance Expenses of the System for such Fiscal Year; and (iii) a summary, with respect to each Fund and Account established under the Resolution, of the receipts therein and disbursements therefrom during such Fiscal Year and the amount held therein at the end of such Fiscal Year; provided, however, that nothing herein shall preclude such annual report from being included as part of the audited financial statements of the Municipality generally. Such Accountant's Certificate shall state whether or not, to the knowledge of the signer, the Municipality is in default with respect to any of the covenants, agreements or conditions on its part contained in the Resolution, and if so, the nature of such default.

(c) The reports, statements and other documents required to be prepared or obtained by the Municipality pursuant to any provisions of the Resolution shall be available for the inspection of Holders of the Bonds at the office of the Municipality and shall be mailed to each Holder of a Bond who shall file a written request therefor with the Municipality. The Municipality may charge each Holder of a Bond



requesting such reports, statements and other documents a reasonable fee to cover reproduction, handling and postage.

**SECTION 714. Payment of Taxes and Charges.** The Municipality will from time to time duly pay and discharge, or cause to be paid and discharged, all taxes, assessments and other governmental charges, or required payments in lieu thereof, lawfully imposed upon the properties of the Municipality or upon the rights, revenues, income, receipts, and other moneys, securities and funds of the Municipality when the same shall become due (including all rights, moneys and other property transferred, assigned or pledged under the Resolution), and all lawful claims for labor and material and supplies, except those taxes, assessments, charges or claims which the Municipality shall in good faith contest by proper legal proceedings if the Municipality shall in all such cases have set aside of its books reserves deemed adequate with respect thereto. Notwithstanding the foregoing, no payments in lieu of taxes may be paid to the Municipality from Revenues prior the payment of debt service on the Senior Lien Bonds and the Bonds.

**SECTION 715. Compliance with Senior Lien Bond Resolution.** For so long as any Senior Lien Bonds shall remain Outstanding, the Municipality shall comply with the provisions of the Senior Lien Bond Resolution.

**SECTION 716. General.** (a) The Municipality shall at all times maintain its corporate existence (or, if the Municipality shall be dissolved or abolished, a successor shall be named to assume the rights and obligations of the Municipality) and shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Municipality under the provisions of applicable Tennessee law and the Resolution.

(b) Upon the date of authentication and delivery of any of the Bonds, all conditions, acts and things required by law and the Resolution to exist, to have happened and to have been performed prior to and in connection with the issuance of such Bonds shall exist, have happened and have been performed, and the issuance of such Bonds, together with all other obligations of the Municipality, shall comply in all respects with the applicable laws of the State of Tennessee.

## **ARTICLE VIII REMEDIES OF HOLDERS OF THE BONDS**

Any Holder of any of the Bonds and any Contract counterparty may either at law or in equity, by suit, action, mandamus or other proceedings, in any court of competent jurisdiction enforce and compel performance of all duties imposed upon the Municipality by the provisions of this Resolution, including the making and collecting of sufficient rates, the proper application of and accounting for revenues of the System, and the performance of all duties imposed by the terms hereof.

If any default be made in the payment of any Principal Installment of, or any interest on the Bonds (determined without giving effect to any payments made with funds provided by any Credit Issuer pursuant to a Credit Facility), then upon the filing of suit by any Holder of said Bonds, any court having jurisdiction of the action may appoint a receiver to administer the System on behalf of the Municipality with power to charge and collect rates sufficient to provide for the payment of all bonds and obligations outstanding against the System and for the payment of Operation and Maintenance Expenses, and to apply the income and revenues of the System in conformity with the provisions of this Resolution.

## **ARTICLE IX THE FIDUCIARIES**

### **SECTION 901. Paying Agents.**

(a) The Municipality shall appoint one or more Paying Agents for the Bonds of each Series, and may at any time or from time to time appoint one or more other Paying Agents. Each Paying Agent shall be an officer of the Municipality, a transfer agent duly registered pursuant to the Securities Exchange Act of 1934, as amended, or a bank or trust company organized under the laws of any state of the United States or a national banking association, having capital stock, surplus and undivided earnings aggregating at least \$25,000,000, and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Resolution.

(b) Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by the Resolution by executing and delivering to the Municipality a written acceptance thereof.

(c) Unless otherwise provided, the designated corporate trust offices of the Paying Agents are designated as the respective offices or agencies of the Municipality for the payment of the interest on and principal or Redemption Price of the Bonds.

(d) Any Paying Agent may at any time resign and be discharged of the duties and obligations created by the Resolution by giving at least 60 days' written notice to the Municipality and the other Paying Agents, provided that no such resignation shall be effective until a successor shall have been appointed. Any Paying Agent may be removed at any time by an instrument filed with such Paying Agent and signed by an Authorized Finance Officer, provided that no such removal shall be effective until a successor shall have been appointed and the predecessor's fees and expenses shall have been paid. In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys and records held by it in such capacity to its successor.

**SECTION 902. Responsibilities of Fiduciaries.** The recitals of fact herein and in the Bonds contained shall be taken as the statements of the Municipality, and no Fiduciary assumes any responsibility for the correctness of the same. No Fiduciary makes any representations as to the validity or sufficiency of the Resolution or of any Bonds or as to the security afforded by the Resolution, and no Fiduciary shall incur any liability in respect thereof. Each Bond Registrar shall, however, be responsible

for its representation contained in its certificate of authentication on the Bonds. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid by such Fiduciary in accordance with the provisions of the Resolution to the Municipality or to any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect thereof, or to advance any of its own moneys, unless properly indemnified. No Fiduciary shall be liable in connection with the performance of its duties hereunder except for its own negligence, misconduct or default.

**SECTION 903. Evidence on Which Fiduciaries May Act.**

(a) Each Fiduciary, upon receipt of any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document furnished to it pursuant to any provision of the Resolution, shall examine such instrument to determine whether it conforms to the requirements of the Resolution and shall be protected in acting upon any such instrument believed by it to be genuine and to have been signed or presented by the proper party or parties. Each Fiduciary may consult with counsel, who may or may not be counsel to the Municipality, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under the Resolution in good faith and in accordance therewith.

(b) Whenever any Fiduciary shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under the Resolution, such matter (unless other evidence in respect thereof be therein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of an Authorized Finance Officer, and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of the Resolution upon the faith thereof; but in its discretion the Fiduciary may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as to it may seem reasonable.

(c) Except as otherwise expressly provided in the Resolution, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision thereof by the Municipality to any Fiduciary shall be sufficiently executed in the name of the Municipality by an Authorized Finance Officer.

**SECTION 904. Compensation.** The Municipality shall pay to each Fiduciary from time to time reasonable compensation for all services rendered under the Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents and employees, incurred in and about the performance of its powers and duties under the Resolution, in accordance with the agreements made from time to time between the Municipality and the Fiduciary. Subject to the provisions of Section 902, the Municipality further agrees to indemnify and save each Fiduciary harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder and which are not due to its negligence, misconduct or default.

**SECTION 905. Certain Permitted Acts.** Any Fiduciary may become the owner of any Bonds, with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Holders of the Bonds or to effect or aid in any reorganization growing out of the enforcement of the Bonds or the Resolution, whether or not any such committee shall represent the Holders of a majority in principal amount of the Bonds then Outstanding.

**SECTION 906. Merger or Consolidation.** Any company into which any Fiduciary may be merged or converted or with which it may be consolidated, or any company resulting from any merger,

conversion or consolidation to which it shall be a party or any company to which any Fiduciary may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a bank or trust company organized under the laws of any state of the United States or a national banking association and shall be authorized by law to perform all the duties imposed upon it by the Resolution, shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act.

**SECTION 907. Adoption of Authentication.** In case any of the Bonds shall have been authenticated but not delivered, any successor Bond Registrar may adopt the certificate of authentication of any predecessor Bond Registrar so authenticating such Bonds and deliver such Bonds so authenticated; and in case any of the said Bonds shall not have been authenticated, any successor Bond Registrar may authenticate such Bonds in the name of the predecessor Bond Registrar, or in the name of the successor Bond Registrar, and in all such cases such certificate shall have the full force which it is anywhere in said Bonds or in the Resolution provided that the certificate of the Bond Registrar shall have.

## **ARTICLE X SUPPLEMENTAL RESOLUTIONS**

**SECTION 1001. Supplemental Resolutions Effective Without Delivery of Counsel's Opinion as to No Material Adverse Effect and Without Consent of Holders of the Bonds.** For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution of the Municipality may be adopted, which, upon its adoption and compliance with the provisions of Section 1004, shall be fully effective in accordance with its terms:

(a) to close the Resolution against, or provide limitations and restrictions in addition to the limitations and restrictions contained in the Resolution on, the authentication and delivery of Bonds or the issuance of other evidences of indebtedness;

(b) to add to the covenants and agreements of the Municipality in the Resolution other covenants and agreements to be observed by the Municipality which are not contrary to or inconsistent with the Resolution as theretofore in effect;

(c) to add to the limitations and restrictions in the Resolution other limitations and restrictions to be observed by the Municipality which are not contrary to or inconsistent with the Resolution as theretofore in effect;

(d) to authorize Bonds of a Series and, in connection therewith, specify and determine the matters and things referred to in Article II, and also any other matters and things relative to such Bonds which are not contrary to or inconsistent with the Resolution as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first authentication and delivery of such Bonds;

(e) to provide for the issuance, execution, delivery, authentication, payment, registration, transfer and exchange of Bonds in loan agreement form payable to the counterparty thereto, and, in connection therewith, to specify and determine any matters and things relative thereto;

(f) to confirm, as further assurance, any security interest or pledge under, and the subjection to any security interest or pledge created or to be created by, the Resolution of the Revenues;

(g) if and to the extent authorized in a Supplemental Resolution authorizing an Additionally Secured Series of Bonds, to specify the qualifications of any provider of a Reserve Fund Credit Facility

and to establish the terms of reimbursement of such a provider of a Reserve Fund Credit Facility from amounts on deposit in the Debt Service Reserve Fund; and

(h) to modify any of the provisions of the Resolution in any other respect whatever, provided that (i) such modification shall be, and be expressed to be, effective only after all Bonds of each Series Outstanding at the date of the adoption of such Supplemental Resolution shall cease to be Outstanding, and (ii) such Supplemental Resolution shall be specifically referred to in the text of all Bonds of any Series authenticated and delivered after the date of the adoption of such Supplemental Resolution and of Bonds issued in exchange therefor or in place thereof.

**SECTION 1002. Supplemental Resolutions Effective Upon Delivery of Counsel's Opinion as to No Material Adverse Effect.** For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution may be adopted, which, upon delivery of a Counsel's Opinion to the effect that the provisions of such Supplemental Resolution will not have a material adverse effect on the interests of the Holders of Outstanding Bonds (in rendering such opinion, such counsel may rely on certifications of the Financial Adviser or a Consultant as to financial and economic matters, the Consulting Engineer, as to matters within its field of expertise and such other experts, as to matters within their fields of expertise as it, in its reasonable judgment, determines necessary or appropriate) and compliance with the provision of Section 1004, shall be fully effective in accordance with its terms:

(a) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Resolution;

(b) to insert such provisions clarifying matters or questions arising under the Resolution as are necessary or desirable and are not contrary to or inconsistent with the Resolution as theretofore in effect; or

(c) to make any other modification to or amendment of the Resolution which such counsel in its reasonable judgment shall determine will not have a material adverse effect on the interests of Holders of the Bonds.

Notwithstanding any other provision of the Resolution, in determining whether the interests of the Holders of Outstanding Bonds are materially adversely affected, such counsel shall consider the effect on the Holders of any Bonds for which a Credit Facility has been provided without regard to such Credit Facility.

**SECTION 1003. Supplemental Resolutions Effective with Consent of Holders of the Bonds.** At any time or from time to time, a Supplemental Resolution may be adopted subject to consent by Holders of the Bonds in accordance with and subject to the provisions of Article XI, which Supplemental Resolution, upon compliance with the provisions of said Article XI, shall become fully effective in accordance with its terms as provided in said Article XI.

**SECTION 1004. General Provisions.**

(a) The Resolution shall not be modified or amended in any respect except as provided in and in accordance with and subject to the provisions of this Article X and Article XI. Nothing in this Article X or Article XI contained shall affect or limit the right or obligation of the Municipality to adopt, make, do, execute, acknowledge or deliver any resolution, act or other instrument pursuant to the provisions of Section 704 or the right or obligation of the Municipality to execute and deliver to any Fiduciary any instrument which elsewhere in the Resolution it is provided shall be delivered to said Fiduciary.

(b) Any Supplemental Resolution referred to and permitted or authorized by Section 1001 or 1002 may be adopted by the Municipality without the consent of any of the Holders of the Bonds, but shall become effective only on the conditions, to the extent and at the time provided in said Sections, respectively. Prior to the effectiveness of any such Supplemental Resolution, the Municipality shall secure a Counsel's Opinion stating that such Supplemental Resolution has been duly and lawfully adopted in accordance with the provisions of the Resolution, is authorized or permitted by the Resolution, and is valid and binding upon the Municipality in accordance with its terms.

(c) No Supplemental Resolution shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto.

(d) Promptly following the adoption thereof, the Municipality shall send to each Credit Issuer a copy of each Supplemental Resolution adopted pursuant to Section 1002 or Article XI of the Resolution, together with a full transcript of all proceedings relating to the adoption thereof.

## **ARTICLE XI AMENDMENTS**

**SECTION 1101. Mailing.** Any provision in this Article for the mailing of a notice or other paper to Holders of the Bonds shall be fully complied with if it is mailed postage prepaid to each Holder of affected Bonds then Outstanding at its address, if any, appearing upon the registry books of the Municipality.

**SECTION 1102. Powers of Amendment.** Any modification or amendment of the Resolution and of the rights and obligations of the Municipality and of the Holders of the Bonds thereunder, in any particular, may be made by a Supplemental Resolution, with the written consent given as provided in Section 1103 of the Holders of not less than a majority in principal amount of the Bonds affected by such modification or amendment Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series and maturity remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holder of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto. For the purpose of this Section, a Series shall be deemed to be affected by a modification or amendment of the Resolution if the same adversely affects or diminishes the rights of the Holders of Bonds of such Series. The Municipality may in its discretion determine whether or not in accordance with the foregoing powers of amendment Bonds of any particular Series or maturity would be affected by any modification or amendment of the Resolution and any such determination shall, absent manifest error, be binding and conclusive on the Municipality and all Holders of Bonds. For the purpose of this Section, a change in the terms of redemption of any Outstanding Bond shall be deemed only to affect such Bond, and shall be deemed not to affect any other Bond. For the purpose of this Section, the Holders of any Bonds may include the initial Holder or Holders thereof, which shall in all cases be deemed to include the underwriter of such Bonds, and the consent of such initial Holder shall be fully binding on all subsequent Holders of such Bonds.

**SECTION 1103. Consent of Holders of the Bonds.** The Municipality may at any time adopt a Supplemental Resolution making a modification or amendment permitted by the provisions of Section

1102 to take effect when and as provided in this Section. A copy of such Supplemental Resolution (or brief summary thereof or reference thereto), together with a request to affected Holders of the Bonds for their consent thereto, shall be mailed by the Municipality to affected Holders of the Bonds (but failure of any affected Holder of a Bond to receive such copy and request shall not affect the validity of the Supplemental Resolution when consented to as in this Section provided). Such Supplemental Resolution shall not be effective unless and until (i) there shall have been filed with the Municipality (a) the written consents of Holders of the percentages of affected Outstanding Bonds specified in Section 1102 and (b) a Counsel's Opinion stating that such Supplemental Resolution has been duly and lawfully adopted and filed by the Municipality in accordance with the provisions of the Resolution, is authorized or permitted by the Resolution, and is valid and binding upon the Municipality in accordance with its terms, and (ii) a notice shall have been mailed as hereinafter in this Section 1103 provided. It shall not be necessary that the consents of Holders of Bonds approve the particular form of wording of the proposed modification or amendment or of the proposed Supplemental Resolution effecting such modification or amendment, but it shall be sufficient if such consents approve the substance of the proposed amendment or modification. Each such consent shall be effective only if accompanied by proof of the holding, at the date of such consent, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by Section 1202. A certificate or certificates executed by an Authorized Finance Officer stating that such Officer has examined such proof and that such proof is sufficient in accordance with Section 1202 shall be prima facie evidence that the consents have been given by the Holders of the Bonds described in such certificate or certificates. Any such consent shall be binding upon the Holder of the affected Bonds giving such consent and, anything in Section 1202 to the contrary notwithstanding, upon any subsequent Holder of such affected Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof) unless such consent is revoked in writing by the Holder of such Bonds giving such consent or a subsequent Holder thereof by filing with the Municipality, prior to the time when the written statement of the Municipality hereinafter in this Section 1103 provided for is filed, such revocation. The fact that a consent has not been revoked may likewise be proved by a certificate of an Authorized Finance Officer filed with the records of the Municipality to the effect that no revocation thereof is on file with the Municipality. At any time after the Holders of the required percentages of affected Bonds shall have filed their consents to the Supplemental Resolution, an Authorized Finance Officer shall make and file with the records of the Municipality a written statement that the Holders of such required percentages of affected Bonds have filed consents. Such written statements shall be prima facie evidence that such consents have been so filed. At any time thereafter, notice stating in substance that the Supplemental Resolution adopted by the Municipality on a stated date (a copy of which is on file with the Municipality) has been consented to by the Holders of the required percentages of affected Bonds and will be effective as provided in this Section 1103, may be given to affected Holders of the Bonds by the Municipality by mailing such notice to affected Holders of the Bonds (but failure of any affected Holder of a Bond to receive such notice shall not prevent such Supplemental Resolution from becoming effective and binding as in this Section 1103 provided) not more than 90 days after the Holders of the required percentages of affected Bonds shall have filed their consents to the Supplemental Resolution and the written statement of an Authorized Finance Officer hereinabove provided for is filed. The Municipality shall file with its records proof of the mailing of such notice. A record, consisting of the certificates or statements required or permitted by this Section 1103 to be made by the Municipality, shall be proof of the matters therein stated. Such Supplemental Resolution making such amendment or modification shall be deemed conclusively binding upon the Municipality, the Fiduciaries and the Holders of all Bonds at the expiration of 40 days after the filing with the records of the Municipality of the proof of the mailing of such last mentioned notice, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Resolution in a legal action or equitable proceeding for such purpose commenced within such 40 day period; provided, however, that any Fiduciary and the Municipality during such 40 day period and any such further period during which any such action or proceeding may be pending shall be entitled in their absolute discretion to take such

action, or to refrain from taking such action, with respect to such Supplemental Resolution as they may deem expedient.

**SECTION 1104. Modifications by Unanimous Consent.** The terms and provisions of the Resolution and the rights and obligations of the Municipality and of the Holders of the Bonds thereunder may be modified or amended in any respect upon the adoption by the Municipality of a Supplemental Resolution and the consent of the Holders of all of the affected Bonds then Outstanding, such consents to be given as provided in Section 1103 except that no notice to affected Holders of the Bonds by mailing shall be required; provided, however, that no such modification or amendment shall change or modify any of the rights or obligations of any Fiduciary without the filing with the records of the Municipality of the written assent thereto of such Fiduciary in addition to the consent of the affected Holders of the Bonds.

**SECTION 1105. Exclusion of Bonds.** Bonds owned or held by or for the account of the Municipality shall not be deemed Outstanding for the purpose of consent or other action or any calculation of affected Outstanding Bonds provided for in this Article XI, and the Municipality shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Article. At the time of any consent or other action taken under this Article, an Authorized Finance Officer shall file with the records of the Municipality a certificate as to all Bonds so to be excluded.

**SECTION 1106. Notation on Bonds.** Bonds authenticated and delivered after the effective date of any action taken as in Article X or this Article XI provided may, if the Municipality so determines, bear a notation by endorsement or otherwise in form approved by the Municipality as to such action, and in that case upon demand of the Holder of any Bond Outstanding at such effective date and presentation of its Bond for the purpose at the principal office of the Bond Registrar therefor or upon any transfer or exchange of any Bond Outstanding at such effective date, suitable notation shall be made on such Bond or upon any Bond issued upon any such transfer or exchange by such Bond Registrar as to any such action. If the Municipality shall so determine, new Bonds so modified as in the opinion of the Municipality to conform to such action shall be prepared, authenticated and delivered, and upon demand of the Holder of any Bond then Outstanding shall be exchanged, without cost to such Holder, for Bonds of the same Series, principal amount, maturity, interest rate and redemption provisions then Outstanding, upon surrender of such Bonds. Any action taken as in Article X or this Article XI provided shall be effective and binding upon all Holders of Bonds notwithstanding that the notation is not endorsed on all Bonds.

## **ARTICLE XII MISCELLANEOUS**

### **SECTION 1201. Defeasance.**

(a) Except as otherwise set forth in a Supplemental Resolution authorizing Bonds, all or any portion of the Bonds for the payment, prepayment or redemption of which sufficient moneys or sufficient Defeasance Securities shall have been deposited with the Paying Agent or an Escrow Agent (whether upon or prior to the maturity or the redemption date of such Bonds) shall be deemed to be paid and no longer Outstanding under the Resolution; provided, however, that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been duly given as provided in Article IV or firm and irrevocable arrangements shall have been made for the giving of such notice. Defeasance Securities shall be considered sufficient for purposes of this Section 1201 only: (i) if such Defeasance Securities are not callable by the issuer of the Defeasance Securities prior to their stated maturity, and (ii) if such Defeasance Securities fall due and bear interest in such amounts and at such times as will assure sufficient cash (whether or not such Defeasance Securities are redeemed by the Municipality pursuant to any right of redemption) to pay currently maturing interest and to pay principal and redemption



premiums, if any, when due on the Bonds without rendering the interest on any tax-exempt Bonds includable in gross income of any owner thereof for federal income tax purposes.

(b) For purposes of determining whether Bonds bearing interest at Variable Rates shall be deemed to have been paid prior to the maturity or redemption date thereof, as the case may be, in accordance with subsection (a) above, the interest to come due on such Bonds on or prior to the maturity date or redemption date thereof, as the case may be, shall be calculated at the maximum rate permitted by the terms thereof; provided, however, that if on any date, as a result of such Bonds having borne interest at less than such maximum rate for any period, the total amount of moneys and Defeasance Securities on deposit with the Escrow Agent for the payment of interest on such Bonds is in excess of the total amount which would have been required to be deposited with the Escrow Agent on such date in respect of such Bonds in order to satisfy subsection (a) above, the Escrow Agent shall, if requested by the Municipality, pay the amount of such excess to the Municipality free and clear of any trust, lien or pledge securing the Bonds or otherwise existing under the Resolution.

(c) The Municipality may at any time surrender to the Bond Registrar for cancellation by it any Bonds previously authenticated and delivered under the Resolution which the Municipality may have acquired in any manner whatsoever. All such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

(d) If all Bonds and related obligations secured by a lien on the Revenues have been paid or provision for payment thereof made pursuant to this Section 1201 and related Supplemental Resolution(s), then at the option of the Municipality, the terms and provisions of the Resolution may be determined as void and of no further force or effect.

#### **SECTION 1202. Evidence of Signatures of Holders of the Bonds and Ownership of Bonds.**

(a) Any request, consent, revocation of consent or other instrument which the Resolution may require or permit to be signed and executed by the Holders of the Bonds may be in one or more instruments of similar tenor, and shall be signed or executed by such Holders or by their attorneys appointed in writing. Proof of the execution of any such instrument, or of an instrument appointing any such attorney, shall be sufficient for any purpose of the Resolution (except as otherwise therein expressly provided) if made in the following manner, or in any other manner satisfactory to the Municipality, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

The fact and date of the execution by any Holder of a Bond or its attorney of such instrument may be proved by a guarantee of the signature thereon by a bank or trust company or by the certificate of any notary public or other officer authorized to take acknowledgements of deeds, that the person signing such request or other instrument acknowledged to such person the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature, guarantee, certificate or affidavit shall also constitute sufficient proof of the authority of such officer or member.

(b) The ownership of Bonds and the amount, numbers and other identification, and date of holding the same shall be proved by the registry books.

(c) Any request or consent by the owner of any Bond shall bind all future owners of such Bond in respect of anything done or suffered to be done by the Municipality or any Fiduciary in accordance therewith.

**SECTION 1203. Moneys Held for Particular Bonds.** The amounts held by any Fiduciary for the payment of the interest, principal or Redemption Price due on any date with respect to particular Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Holders of the Bonds entitled thereto.

**SECTION 1204. Preservation and Inspection of Documents.** All documents received by any Fiduciary under the provisions of the Resolution shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Municipality, any other Fiduciary, and by Holders of the Bonds and their agents and their representatives, any of whom may make copies thereof.

**SECTION 1205. Parties Interested Herein.** Nothing in the Resolution expressed or implied is intended or shall be construed to confer upon, or to give to, any person or corporation, other than the Municipality, the Fiduciaries, the Holders of the Bonds and any Credit Issuers and Qualified Hedge Providers, any right, remedy or claim under or by reason of the Resolution or any covenant, condition or stipulation thereof; and all the covenants, stipulations, promises and agreements in the Resolution contained by and on behalf of the Municipality shall be for the sole and exclusive benefit of the Municipality, the Fiduciaries, the Holders of the Bonds and any Credit Issuers and Qualified Hedge Providers; provided, however, that the foregoing shall not be construed so as to limit or restrict the Municipality's right to covenant in any other instrument for the benefit of any other entity that the Municipality will comply with any or all of such covenants, stipulations, promises or agreements, and that the Municipality will not amend, modify, supplement or change the same.

**SECTION 1206. No Recourse on the Bonds.** No recourse shall be had for the payment of the principal of or interest on the Bonds or for any claim based thereon or on the Resolution against any present or former member or officer of the Municipality or any person executing the Bonds.

**SECTION 1207. Publication of Notice; Suspension of Publication; Notice to Credit Enhancers.**

(a) Any publication to be made under the provisions of the Resolution in successive weeks or on successive dates may be made in each instance upon any business day of the week and need not be made in the same Authorized Newspaper for any or all of the successive publications but may be made in a different Authorized Newspaper.

(b) If, because of the temporary or permanent suspension of the publication or general circulation of any Authorized Newspaper or for any other reason, it is impossible or impractical to publish any notice pursuant to the Resolution in the manner herein provided, then such publication in lieu thereof shall constitute a sufficient publication of such notice.

(c) All notices and other documents required or permitted to be given to Holders of Bonds also shall be given to each Credit Issuer and Qualified Hedge Provider, at the address to be specified by it by notice in writing to the Municipality.

**SECTION 1208. Action by Credit Issuer When Action by Holders of the Bonds Required.** Except as otherwise provided in a Supplemental Resolution authorizing Bonds for which a Credit Facility is being provided, if not in default in respect of any of its obligations with respect to the Credit Facility for the Bonds of a Series, or a maturity within a Series, the Credit Issuer for, and not the actual Holders

of, the Bonds of a Series, or a maturity within a Series, for which such Credit Facility is being provided, shall be deemed to be the Holder of Bonds of any Series, or maturity within a Series, as to which it is the Credit Issuer at all times for the purpose of (a) giving any approval or consent to the effectiveness of any Supplemental Resolution or any amendment, change or modification of the Resolution as specified in Sections 1003, 1102, 1103 and 1104 or any other provision hereof, which requires the written approval or consent of Holders; provided, however, that the provisions of this Section shall not apply to any change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto and (b) giving any approval or consent, exercising any remedies or taking any other action in accordance with the provisions of Article VIII hereof.

**SECTION 1209. Severability of Invalid Provisions.** If any one or more of the covenants or agreements provided in the Resolution on the part of the Municipality or any Fiduciary to be performed should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of the Resolution.

**SECTION 1210. Holidays.** Except as may be provided otherwise in a Supplemental Resolution, if the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in the Resolution, shall be a legal holiday or a day on which banking institutions in the cities in which are located the principal offices of the Paying Agents are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are authorized by law to remain closed, with the same force and effect as if done on the nominal date provided in the Resolution, and no interest shall accrue for the period after such nominal date.

**ARTICLE XIII**

**EFFECTIVE DATE**Effective Date. Except for Articles XIII and XIV, this Resolution shall become effective upon the Date of Issuance of the first Series of Bonds issued hereunder. Articles XIII and XIV of this Resolution shall take effect from and after its adoption, the welfare of the Municipality requiring it.

Adopted and approved this 6<sup>th</sup> day of June, 2013.

\_\_\_\_\_  
Kim McMillan, Mayor

ATTEST:

\_\_\_\_\_  
Sylvia Skinner, City Clerk

STATE OF TENNESSEE            )  
  )  
COUNTY OF MONTGOMERY        )

I, Sylvia Skinner, hereby certify that I am the duly qualified and acting City Clerk of the City of Clarksville, 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 City Council of the Municipality held on June 6, 2013; (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 issuance of subordinate lien water, sewer and gas revenue refunding bonds by the Municipality; (4) that the actions by the City Council 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 the City Council was present and acting throughout said meeting.

WITNESS my official signature and seal of said Municipality this \_\_\_\_ day of June, 2013.

\_\_\_\_\_  
Sylvia Skinner, City Clerk

(SEAL)

FIRST SUPPLEMENTAL RESOLUTION AUTHORIZING THE EXECUTION, TERMS, ISSUANCE, SALE AND PAYMENT OF SUBORDINATE LIEN WATER, SEWER AND GAS REVENUE REFUNDING BONDS IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$24,225,000.

WHEREAS, pursuant to the Sections 7-34-101 et seq. and 9-21-101 et seq., Tennessee Code Annotated (collectively, the "Act"), the City of Clarksville, Tennessee (the "Municipality") owns and operates a water, sewer and gas system (the "System");

WHEREAS, the Municipality is authorized under the Act, to issue its water, sewer and gas revenue bonds for the purposes of refunding outstanding water, sewer and gas indebtedness; and

WHEREAS, the City Council (the "Governing Body") on the date hereof adopted a resolution (the "Subordinate Lien Water, Sewer and Gas Bond Resolution"), authorizing the issuance from time to time of subordinate lien water, sewer and gas revenue bonds upon the adoption by the Governing Body of a supplemental resolution, and providing for the terms of such subordinate lien water, sewer and gas revenue bonds; and

WHEREAS, the Governing Body hereby finds that it is advisable to approve the issuance of subordinate lien water, sewer and gas revenue bonds pursuant to the Subordinate Lien Water, Sewer and Gas Bond Resolution for the purpose of refunding all of the Municipality's outstanding Revolving Fund Loan Agreements by and among the Tennessee Department of Environment and Conservation, the Tennessee Local Development Authority and the Municipality (the "Refunded Obligations"), because such refunding will achieve debt service savings for the System; and

WHEREAS, the plan of refunding for the Refunded Obligations has been submitted to the Director of State and Local Finance (the "State Director") as required by Section 9-21-1003, Tennessee Code Annotated, as amended, and she has acknowledged receipt thereof to the Municipality and submitted her report thereon to the Municipality; and

WHEREAS, for the purpose of refunding the Refunded Obligations, the Governing Body hereby finds it to be in the best interest of the citizens of the Municipality to issue its subordinate lien water, sewer and gas revenue bonds pursuant to the terms of the Subordinate Lien Water, Sewer and Gas Bond Resolution.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CLARKSVILLE, TENNESSEE AS FOLLOWS:

ARTICLE I.  
AUTHORITY; FINDINGS; DEFINITIONS

Section 1.1. Resolution Supplemental to the Subordinate Lien Water, Sewer and Gas Bond Resolution. This First Supplemental Resolution is a Supplemental Resolution, as defined in the Subordinate Lien Water, Sewer and Gas Bond Resolution, providing for the issuance of the first series of Bonds to be issued thereunder.

Section 1.2. Findings. The Governing Body hereby finds that the refunding of the Refunded Obligations is advisable for the reasons described in the fourth paragraph of the preamble hereto. The Municipality has adopted a debt management policy, as required by the State Funding Board of the State of Tennessee. The Governing Body hereby finds that the issuance and sale of the Series 2013 Bonds, as proposed herein, are consistent with the Municipality's debt management policy. The Governing Body

also hereby acknowledges receipt of the Report on Plan of Refunding, a copy of which is attached hereto as Exhibit C, and all cost and other disclosures regarding the Series 2013 Bonds required by the debt management policy.

Section 1.3. Definition of Terms. Capitalized terms not otherwise defined herein shall have the meaning ascribed in the Subordinate Lien Water, Sewer and Gas Bond Resolution. The following words and terms as used herein, whether or not the words have initial capitals, shall have the following meanings, unless the context or use indicates another or different meaning or intent, and such definitions shall be equally applicable to both the singular and plural forms of any of the words and terms herein defined:

**Bond Purchase Agreement** means the bond purchase agreement providing for the purchase and sale of the Series 2013 Bonds, by and between the Underwriters and the Municipality, in substantially the form attached hereto as Exhibit B, with such modifications thereto as shall be necessary to properly describe the Series 2013 Bonds being purchased.

**DTC** means The Depository Trust Company, a limited purpose company organized under the laws of the State of New York, and its successors and assigns.

**DTC Participant(s)** means securities brokers and dealers, banks, trust companies and clearing corporations that have access to the DTC system.

**Financial Advisor** means Public Financial Management, Inc.

**First Supplemental Resolution** means this resolution, which is the first supplement to the Subordinate Lien Water, Sewer and Gas Bond Resolution.

**Letter of Representation** means the Blanket Issuer Letter of Representations to DTC of the Municipality.

**Official Statement** and **Preliminary Official Statement** mean the Official Statement and Preliminary Official Statement described herein pertaining to the sale of the Series 2013 Bonds.

**Refunded Obligations** has the meaning ascribed in the preamble.

**Series 2013 Bonds** means the series of subordinate lien Water, Sewer and Gas revenue bonds authorized by this First Supplemental Resolution.

**Underwriters** means Morgan Stanley & Co. LLC, and the other underwriters designated in the Bond Purchase Agreement by the Mayor.

**Subordinate Lien Water, Sewer and Gas Bond Resolution** has the meaning ascribed in the preamble.

ARTICLE II.  
AUTHORITY, PLEDGE OF TRUST ESTATE, NOT AN ADDITIONALLY SECURED SERIES

Section 2.1. Authority. For the purposes of refunding the Refunded Obligations and paying costs incident to the sale and issuance of the Series 2013 Bonds, there shall be issued pursuant to, and in accordance with, the provisions of the Act, the Subordinate Lien Water, Sewer and Gas Bond Resolution and other applicable provisions of law, subordinate lien Water, Sewer and Gas revenue bonds of the Municipality in one or more series in an aggregate principal amount of not to exceed \$24,225,000.

Section 2.2. Pledge of Revenues. The Series 2013 Bonds shall be payable from and secured by the Revenues, as more fully set forth in the Subordinate Lien Water, Sewer and Gas Bond Resolution.

Section 2.3. Series 2013 Bonds Not an Additionally Secured Series. The Series 2013 Bonds shall not be an Additionally Secured Series.

ARTICLE III.  
FORM AND TERMS OF SERIES 2013 BONDS

Section 3.1. Authorized Bonds. The aggregate principal amount of Series 2013 Bonds that may be issued under this First Supplemental Resolution shall not exceed \$24,225,000.

Section 3.2. Form of Bonds. The Series 2013 Bonds are issuable only as fully registered bonds, without coupons, in the denomination of \$5,000 or any integral multiple thereof. The Series 2013 Bonds shall be substantially in the form set forth in Exhibit A attached hereto, with such appropriate variations, omissions, and insertions as are permitted or required by this First Supplemental Resolution, the blanks therein to be appropriately completed when the Series 2013 Bonds are prepared, and may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law with respect thereto or as otherwise desired by the Municipality.

Section 3.3. Maturities, Interest Rates, Book-Entry Bond.

(a) The Series 2013 Bonds shall be designated "Subordinate Lien Water, Sewer and Gas Revenue Refunding Bonds, Series 2013" and shall be dated the date of their issuance. The Series 2013 Bonds shall bear interest from the date thereof at fixed rates not exceeding the maximum interest rate permitted by applicable law, such interest being payable semi-annually on the first day of February and August of each year, commencing February 1, 2014. The Series 2013 Bonds shall mature, subject to prior redemption as hereinafter provided, either serially or through mandatory redemption, commencing on February 1, 2014 and ending on February 1, 2020, as shall be provided in the Bond Purchase Agreement. The foregoing terms are subject to adjustment as described in Section 6.1.

(b) The Series 2013 Bonds will be Book Entry Bonds, registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Bonds. Transfers of beneficial ownership will be effected on the records of DTC pursuant to rules and procedures established by DTC. Payments of principal, interest, and redemption premium, if any, with respect to the Series 2013 Bonds, so long as DTC is the only owner of the Series 2013 Bonds, shall be paid by the Paying Agent directly to DTC or its nominee, Cede & Co., as provided in the Letter of Representation.

The Paying Agent appointed herein is hereby authorized to take such actions as may be necessary from time to time to qualify and maintain the Series 2013 Bonds for deposit with DTC, including but not limited to, wire transfers of interest and principal payments with respect to the Series 2013 Bonds,



utilization of electronic book entry data received from DTC in place of actual delivery of Series 2013 Bonds and provision of notices with respect to Series 2013 Bonds registered by the DTC (or any of its designees identified to the Registration Agent) by overnight delivery, courier service, telegram, telecopy or other similar means of communication. No such arrangements with DTC may adversely affect the interest of any of the owners of the Series 2013 Bonds, provided, however, that the Paying Agent shall not be liable with respect to any such arrangements it may make pursuant to this section.

ARTICLE IV.  
REDEMPTION OF BONDS PRIOR TO MATURITY

Section 4.1. Redemption Dates and Prices.

(a) Subject to the adjustments permitted pursuant to Section 6.1 hereof, the Series 2013 Bonds shall not be subject to redemption prior to maturity at the option of the Municipality.

(b) In the event that, pursuant to Section 6.1, all or a portion of the Series 2013 Bonds are made subject to optional redemption, and except as set forth below, if less than all the Series 2013 Bonds shall be called for redemption, the maturities to be redeemed shall be selected by the Governing Body in its discretion. If less than all of the Series 2013 Bonds within a single maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

(i) if the Series 2013 Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the Series 2013 Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

(ii) if the Series 2013 Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Series 2013 Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

(c) Pursuant to Section 6.1 hereof, the Mayor is authorized to sell the Series 2013 Bonds, or any maturities thereof, as term bonds ("Term Bonds") with mandatory redemption requirements corresponding to the maturities established pursuant to the terms hereof. In the event any or all the Series 2013 Bonds are sold as Term Bonds, the Municipality shall redeem Term Bonds on redemption dates corresponding to the maturity dates set forth herein, in aggregate principal amounts equal to the amounts provided in the Bond Purchase Agreement for each redemption date at a price of par plus accrued interest thereon to the date of redemption. The interest of each Participant in the Term Bonds to be so redeemed shall be selected by DTC, or such person as shall then be serving as the securities depository for the Series 2013 Bonds, using its procedures generally in use at that time. If DTC, or another securities depository is no longer serving as securities depository for the Series 2013 Bonds, the Term Bonds to be so redeemed shall be selected by the Paying Agent by lot or such other random manner as the Paying Agent in its discretion shall select.

(d) At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such redemption date, the Municipality may (i) deliver to the Paying Agent for cancellation Series 2013 Bonds to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under the mandatory redemption provisions set forth in (c) above for any Series 2013 Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and canceled by the Paying Agent and not theretofore applied as a credit against any redemption obligation under this

mandatory sinking fund provision. Each Bond so delivered or previously purchased or redeemed shall be credited by the Paying Agent at 100% of the principal amount thereof on the obligation of the Municipality on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Series 2013 Bonds to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced. The Municipality shall on or before the forty-fifth (45th) day next preceding each payment date furnish the Paying Agent with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this subsection are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.

Section 4.2. Notice of Redemption.

Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent on behalf of the Municipality not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Series 2013 Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Series 2013 Bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for redemption of any of the Series 2013 Bonds for which proper notice was given. If at the time of the giving of the notice of optional or mandatory redemption there shall not be on deposit with the Registration Agent moneys sufficient to redeem all the Series 2013 Bonds of a series called for redemption, the notice of redemption shall state that the redemption of such Series 2013 Bonds of such series is conditional upon and subject to deposit of moneys with the Registration Agent sufficient to redeem all such Series 2013 Bonds not later than the opening of business on the redemption date and that such notice shall be of no effect if such moneys are not on deposit. The Registration Agent shall mail said notices, in the case of mandatory redemption of Term Bonds, as and when provided herein and in the Series 2013 Bonds, and, in the case of optional redemption, as and when directed by the Municipality pursuant to written instructions from an Authorized Officer of the Municipality given at least forty-five (45) days prior to the redemption date (unless a shorter notice period shall be satisfactory to the Registration Agent).

Section 4.3. Payment of Redeemed Bonds.

(a) If notice of redemption shall have been given in the manner and under the conditions provided in Section 4.2 hereof and if on the date so designated for redemption the Registration Agent shall hold sufficient monies to pay the redemption price of, and interest to the redemption date on, the Series 2013 Bonds to be redeemed as provided in this First Supplemental Resolution, then: (1) the Series 2013 Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Series 2013 Bonds on such date; (2) interest on the Series 2013 Bonds so called for redemption shall cease to accrue; and, (3) such Series 2013 Bonds shall no longer be Outstanding or secured by, or be entitled to, the benefits of the First Supplemental Resolution, except to receive payment of the redemption price thereof and interest thereon from monies then held by the Registration Agent.

(b) If on the redemption date, monies for the redemption of all Series 2013 Bonds or portions thereof to be redeemed, together with interest thereon to the redemption date, shall not be held by the Registration Agent so as to be available therefor on such date, the Series 2013 Bonds or portions thereof so called for redemption shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption and shall continue to be secured by and be entitled to the benefits of this First Supplemental Resolution.

ARTICLE V.  
PAYING AGENT AND BOND REGISTRAR

The Mayor is hereby authorized and directed to appoint the Paying Agent and Bond Registrar for the Series 2013 Bonds. The Paying Agent and Bond Registrar so appointed is hereby authorized and directed to maintain registration records with respect to the Series 2013 Bonds, to authenticate and deliver the Series 2013 Bonds at original issuance, upon transfer, or as otherwise directed by the Municipality, to effect transfers of the Series 2013 Bonds, to give all notices of redemption as required herein, to make all payments of principal and interest with respect to the Series 2013 Bonds as provided herein, to cancel and destroy Series 2013 Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer, to furnish the Municipality at least annually a certificate of destruction with respect to Series 2013 Bonds canceled and destroyed, and to furnish the Municipality at least annually an audit confirmation of Series 2013 Bonds paid, Series 2013 Bonds Outstanding and payments made with respect to interest on the Series 2013 Bonds. The Mayor is hereby authorized to execute such written agreements between the Municipality and the Paying Agent as she shall deem necessary or proper with respect to the obligations, duties and rights of the Paying Agent and Bond Registrar. The payment of all reasonable fees and expenses of the Paying Agent for the discharge of its duties and obligations hereunder or under any such agreement is hereby authorized and directed. The Mayor is hereby authorized to enter into agreements with the Paying Agent for the performance of these duties on terms consistent with this Supplemental Resolution.

ARTICLE VI.  
SALE OF BONDS AND APPLICATION OF PROCEEDS

Section 6.1. Sale of Series 2013 Bonds.

(a) The Series 2013 Bonds shall be sold at a negotiated sale by the Mayor, as permitted by law at a price of not less than 98% of par, without regard to any original issue discount, in consultation with the Financial Advisor. The Mayor is authorized to execute the Bond Purchase Agreement with the Underwriters, providing the details of the terms of sale. The sale of the Series 2013 Bonds to the Underwriters shall be binding on the Municipality, and no further action of the Governing Body with respect thereto shall be required.

(b) The Mayor is authorized to cause to be sold an aggregate principal amount of Series 2013 Bonds less than the amount provided in Section 3.1 hereof, and to make corresponding adjustments to the maturity schedule thereof.

(c) The Mayor is further authorized with respect to each series of Series 2013 Bonds to:

- (1) change the dated date to a date other than the date of issuance;
- (2) change the series designation;
- (3) change the first interest payment date to a date other than February 1, 2014, provided that such date is not later than twelve months from the date of issuance;
- (4) establish the principal and interest payment dates and determine maturity or mandatory redemption amounts of the Series 2013 Bonds, provided that (A) the total principal amount of the Series 2013 Bonds does not exceed the total amount of Series 2013 Bonds authorized herein, and (B) the final maturity date of the Series 2013 Bonds shall be not later than

the end of the Fiscal Year in which the current final maturity of the Refunded Obligations is due for payment;

(5) make the Series 2013 Bonds subject to optional redemption and establish the terms thereof; and

(6) sell the Series 2013 Bonds or any maturities thereof as Term Bonds with mandatory redemption requirements as determined by the Mayor and as deemed most advantageous to the Municipality.

(d) The form of the Series 2013 Bonds set forth in Exhibit A hereto shall be conformed to reflect any changes made pursuant to this Section 6.1 hereof.

(e) The Mayor and the City Clerk are authorized to cause the Series 2013 Bonds to be authenticated and delivered by the Paying Agent to the Underwriters and the Mayor and other officers of the Municipality are authorized to execute, publish, and deliver all certificates and documents as they shall deem necessary or appropriate in connection with the sale and delivery of the Series 2013 Bonds.

Section 6.2. Official Statement. The Mayor and other officers of the Municipality, working with the Financial Advisor, are hereby authorized and directed to provide for the preparation and distribution of a Preliminary Official Statement describing each series of the Series 2013 Bonds (the "Preliminary Official Statement"). After the Series 2013 Bonds have been sold, the Mayor and other officers of the Municipality shall make such completions, omissions, insertions and changes in the Preliminary Official Statement not inconsistent herewith as are necessary or desirable to complete it as a final Official Statement for such series of Series 2013 Bonds for purposes of Rule 15c2-12(e)(3) of the Securities and Exchange Commission. The Mayor and other officers of the Municipality shall arrange for the delivery to the Underwriters of a reasonable number of copies of the Official Statement within seven business days after the Series 2013 Bonds have been sold.

The Mayor is authorized, on behalf of the Municipality, to deem the Preliminary Official Statement and the Official Statement in final form, each to be final as of its date within the meaning of Rule 15c2-12(b)(1), except for the omission in the Preliminary Official Statement of certain pricing and other information allowed to be omitted pursuant to such Rule 15c2-12(b)(1). The distribution of the Preliminary Official Statement and the Official Statement in final form shall be conclusive evidence that each has been deemed in final form as of its date by the Municipality except for the omission in the Preliminary Official Statement of such pricing and other information.

Section 6.3. Disposition of Bond Proceeds. The proceeds of the sale of the Series 2013 Bonds shall be disbursed as follows:

(a) An amount which, together with other legally available funds of the Municipality, if any, is sufficient to prepay the Refunded Obligations will be paid to the Tennessee Local Development Authority on the date of issuance.

(b) The balance of the proceeds of the Series 2013 Bonds shall be expended on the costs of issuing the Series 2013 Bonds, and if not needed therefor, shall be deposited to the Debt Service Fund and used to pay debt service on the Series 2013 Bonds.

Section 6.4. Tax Matters. The Municipality recognizes that the purchasers and owners of the Series 2013 Bonds will have accepted them on, and paid therefor a price that reflects, the understanding that interest thereon is excludable from gross income for purposes of federal income taxation under laws

in force on the date of delivery of the Series 2013 Bonds. In this connection, the Municipality agrees that it shall take no action which may cause the interest on any of said Series 2013 Bonds to be included in gross income for purposes of federal income taxation. It is the reasonable expectation of the Governing Body that the proceeds of the Series 2013 Bonds will not be used in a manner which will cause the Series 2013 Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and to this end the said proceeds of the Series 2013 Bonds and other related funds established for the purposes herein set out shall be used and spent expeditiously for the purposes described herein. The Municipality further covenants and represents that in the event it shall be required by Section 148(f) of the Code to pay any investment proceeds of the Series 2013 Bonds 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 Series 2013 Bonds from being included in gross income for federal income tax purposes. The Mayor and other officers of the Municipality are authorized and directed to make such certifications in this regard in connection with the sale of the Series 2013 Bonds as they shall deem appropriate, and such certifications shall constitute a representation and certification of the Municipality.

## ARTICLE VII. MISCELLANEOUS

Section 7.1. Miscellaneous Acts. The appropriate officers of the Municipality are hereby authorized, empowered, and directed to do any and all such acts and things, and to execute, acknowledge, deliver, and, if applicable file or record, or cause to be filed or recorded, in any appropriate public offices, all such documents, instruments, and certifications, 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 Supplemental Resolution, or any of the documents herein authorized and approved, or for the authorization, issuance, and delivery by the Municipality of the Series 2013 Bonds.

Section 7.2. Amendment. The Governing Body is hereby authorized to make such amendments to this Supplemental Resolution as will not impair the rights of the Bondholders.

Section 7.3. No Recourse Under Resolution or on Series 2013 Bonds. All stipulations, promises, agreements, and obligations of the Municipality contained in the Resolution or this Supplemental 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 Series 2013 Bonds or for any claim based thereon or on the Resolution or this Supplemental Resolution against any officer, director, or employee of the Municipality or against any official or individual executing the Series 2013 Bonds.

Section 7.4. Partial Invalidity. If any one or more of the provisions of this Supplemental Resolution, or of any exhibit or attachment thereto, shall be held invalid, illegal, or unenforceable in any respect, by final decree of any court of lawful jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, or of any exhibit or attachment thereto, but this Supplemental Resolution, and the exhibits and attachments thereto, shall be construed the same as if such invalid, illegal, or unenforceable provision had never been contained herein, or therein, as the case may be.

Section 7.5. Continuing Disclosure. The Municipality hereby covenants and agrees that it will provide financial information and event notices as required by Rule 15c2-12 of the Securities Exchange Commission for the Series 2013 Bonds. The Mayor is authorized to execute at the Closing of

the sale of the Series 2013 Bonds, an agreement for the benefit of and enforceable by the owners of the Series 2013 Bonds specifying the details of the financial information and event notices to be provided and its obligations relating thereto. Failure of the Municipality to comply with the undertaking herein described and to be detailed in said closing agreement, shall not be a default hereunder, but any such failure shall entitle the owner or owners of any of the Series 2013 Bonds to take such actions and to initiate such proceedings as shall be necessary and appropriate to cause the Municipality to comply with its undertaking as set forth herein and in said agreement, including the remedies of mandamus and specific performance.

Section 7.6. Conflicting Resolutions Repealed. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed.

Section 7.7. Effective Date. This Supplemental Resolution shall take effect from and after its adoption, the welfare of the Municipality requiring it.

Adopted and approved this 6<sup>th</sup> day of June, 2013.

\_\_\_\_\_  
Kim McMillan, Mayor

ATTEST:

\_\_\_\_\_  
Sylvia Skinner, City Clerk

EXHIBIT A

FORM OF BOND

REGISTERED  
Number \_\_\_\_\_

REGISTERED  
\$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF TENNESSEE  
COUNTY OF MONTGOMERY  
CITY OF CLARKSVILLE  
WATER, SEWER AND GAS REVENUE REFUNDING BOND  
SERIES 2013

Interest Rate

Maturity Date

Date of Bond:

CUSIP No.:

Registered Owner:

Principal Amount:

KNOW ALL MEN BY THESE PRESENTS: That the City of Clarksville, Tennessee (the "Municipality"), a lawfully organized and existing municipal corporation, for value received hereby promises to pay to the registered owner hereof, hereinabove named, or registered assigns, in the manner hereinafter provided, the principal amount hereinabove set forth on the maturity date hereinabove set forth, and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on said principal amount at the annual rate of interest hereinabove set forth from the date hereof until said maturity date or redemption date, said interest being payable on February 1, 2014 and semi-annually thereafter on the first day of February and August in each year until this Bond matures or is redeemed. Both principal hereof and interest hereon are payable in lawful money of the United States of America at the designated corporate trust office of \_\_\_\_\_, as registration and paying agent (the "Registration Agent"). The Registration Agent shall make all interest payments with respect to this Bond on each interest payment date to the registered owner hereof shown on the bond registration records maintained by the Registration Agent as of the close of business on the 15th day of the calendar month next preceding an interest payment date (the "Regular Record Date") by check or draft, or by wire transfer, as provided by the Bond Resolution, as such term is hereinafter defined, mailed to such owner at such owner's address shown on said bond registration records, without, except for final payment, the presentation or surrender of this Bond, and all such payments shall discharge the obligations of the Municipality to the extent of the payments so made. Any such interest not so punctually paid or duly provided for on any interest payment date shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such defaulted interest shall be payable to the person in whose name this Bond is registered at the close of business on the date (the "Special Record Date") for payment of such defaulted interest to be fixed by the Registration Agent, notice of which shall be given to the owners of the Bonds of the issue of which this Bond is one not less than ten (10) days prior to such Special Record Date. Payment of principal of and premium, if any, on this Bond shall be made when due upon presentation and surrender of this Bond to the Registration Agent.

Except as otherwise provided herein or in the Bond Resolution, as hereinafter defined, this Bond shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York,

New York ("DTC"), which will act as securities depository for the Bonds of the series of which this Bond is one. One Bond for each maturity of the Bonds shall be issued to DTC and immobilized in its custody. A book-entry system shall be employed, evidencing ownership of the Bonds in \$5,000 denominations, or multiples thereof, with transfers of beneficial ownership effected on the records of DTC and the DTC Participants, as defined in the Bond Resolution, pursuant to rules and procedures established by DTC. So long as Cede & Co., as nominee for DTC, is the registered owner of the Bonds, the Municipality and the Registration Agent shall treat Cede & Co., as the only owner of the Bonds for all purposes under the Bond Resolution, including receipt of all principal and maturity amounts of and interest on the Bonds, receipt of notices, voting and requesting or taking or not taking, or consenting to, certain actions hereunder. Payments of principal, maturity amounts, interest, and redemption premium, if any, with respect to the Bonds, so long as DTC is the only owner of the Bonds, shall be paid directly to DTC or its nominee, Cede & Co. DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners, as defined in the Bond Resolution. Neither the Municipality nor the Registration Agent shall be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants. In the event that (1) DTC determines not to continue to act as securities depository for the Bonds or (2) the Municipality determines that the continuation of the book-entry system of evidence and transfer of ownership of the Bonds would adversely affect its interests or the interests of the Beneficial Owners of the Bonds, the Municipality may discontinue the book-entry system with DTC. If the Municipality fails to identify another qualified securities depository to replace DTC, the Municipality shall cause the Registration Agent to authenticate and deliver replacement Bonds in the form of fully registered Bonds to each Beneficial Owner. Neither the Municipality nor the Registration Agent shall have any responsibility or obligations to any DTC Participant or any Beneficial Owner with respect to (i) the Bonds; (ii) the accuracy of any records maintained by DTC or any DTC Participant; (iii) the payment by DTC or any DTC Participant of any amount due to any Beneficial Owner in respect of the principal or maturity amounts of and interest on the Bonds; (iv) the delivery or timeliness of delivery by DTC or any DTC Participant of any notice due to any Beneficial Owner that is required or permitted under the terms of the Bond Resolution to be given to Beneficial Owners, (v) the selection of Beneficial Owners to receive payments in the event of any partial redemption of the Bonds; or (vi) any consent given or other action taken by DTC, or its nominee, Cede & Co., as owner.

[Bonds of the issue of which this Bond is one shall not be subject to redemption prior to maturity at the option of the Municipality.]

[Subject to the credit hereinafter provided, the Municipality shall redeem Bonds maturing \_\_\_\_\_ on the redemption dates set forth below opposite the maturity dates, in aggregate principal amounts equal to the respective dollar amounts set forth below opposite the respective redemption dates at a price of par plus accrued interest thereon to the date of redemption. DTC, as securities depository for the series of Bonds of which this Bond is one, or such Person as shall then be serving as the securities depository for the Bonds, shall determine the interest of each Participant in the Bonds to be redeemed using its procedures generally in use at that time. If DTC, or another securities depository is no longer serving as securities depository for the Bonds, the Bonds to be redeemed within a maturity shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall select. The dates of redemption and principal amount of Bonds to be redeemed on said dates are as follows:

<u>Final</u> <u>Maturity</u>	<u>Redemption</u> <u>Date</u>	<u>Principal Amount</u> <u>of Bonds</u> <u>Redeemed</u>
---------------------------------	----------------------------------	---



**\*Final Maturity**

At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such redemption date, the Municipality may (i) deliver to the Registration Agent for cancellation Bonds to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Bond so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the Municipality on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of Bonds to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced. The Municipality shall on or before the forty-fifth (45th) day next preceding each payment date furnish the Registration Agent with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this subsection are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.]

Notice of call for redemption shall be given by the Registration Agent not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any such defect in any such notice so mailed shall affect the sufficiency of the proceedings for the redemption of any of the Bonds for which proper notice was given. If at the time of the giving of the notice of optional or mandatory redemption there shall not be on deposit with the Registration Agent moneys sufficient to redeem all the Bonds called for redemption, the notice of redemption shall state that the redemption of such Bonds is conditional upon and subject to deposit of moneys with the Registration Agent sufficient to redeem all such Bonds not later than the opening of business on the redemption date and that such notice shall be of no effect if such moneys are not on deposit. As long as DTC, or a successor depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor depository, as the registered owner of the Bonds, as and when above provided, and neither the Municipality nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor depository, to provide notice to any DTC Participant will not affect the validity of such redemption. From and after any redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided as set forth in the Bond Resolution, as hereafter defined.

This Bond is transferable by the registered owner hereof in person or by such owner's attorney duly authorized in writing at the principal corporate trust office of the Registration Agent set forth on the front side hereof, but only in the manner, subject to limitations and upon payment of the charges provided in the Resolution, as hereafter defined, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds of authorized denominations of the same maturity and interest rate for the same aggregate principal amount will be issued to the transferee in exchange therefor. The person in whose name this Bond is registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the Municipality nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Bond shall be overdue. Bonds, upon surrender to the Registration Agent, may, at the option of the registered owner thereof, be exchanged for an equal

aggregate principal amount of the Bonds of the same maturity in authorized denomination or denominations, upon the terms set forth in the Resolution. The Registration Agent shall not be required to transfer or exchange any Bond during the period commencing on a Regular Record Date or Special Record Date and ending on the corresponding interest payment date of such Bond, nor to transfer or exchange any Bond after the notice calling such Bond for redemption has been made, nor during a period following the receipt of instructions from the Municipality to call such Bond for redemption.

This Bond is one of a total authorized issue aggregating \$\_\_\_\_\_ and issued by the Municipality for the purpose of providing funds to refund the Municipality's outstanding Revolving Fund Loan Agreements with agencies and instrumentalities of the State of Tennessee and pay costs of issuance of the Bonds, all as authorized by resolution of the Governing Body, adopted on June 6, 2013, as supplemented by resolution of the Governing Body, adopted on June 6, 2013 (together, the "Bond Resolution"), and is issued pursuant to, and in full compliance with, the Constitution and the statutes of the State of Tennessee, including, but not limited to Title 7, Chapter 34 and Title 9, Chapter 21 of the Tennessee Code Annotated, (collectively, the "Act"). Copies of the Bond Resolution are on file at the office of the City Clerk of the Municipality, and reference is hereby made to the Bond Resolution and the Act for a description of the nature, manner, and description of the pledge securing the Bonds, the nature, manner, and extent of enforcement of such pledge, the rights and remedies of the registered owners of the Bonds with respect to such pledge, the terms and conditions upon which the Bonds are issued thereunder, and a statement of the rights, duties, immunities, and obligations of the Municipality. Such pledge and other obligations of the Municipality under the Bond Resolution may be discharged at or prior to the maturity or redemption of the Bonds upon the making of provision for the payment thereof on the terms and conditions set forth in the Bond Resolution.

This Bond, both principal and interest as the same shall become due, is payable from and secured by a pledge of the revenues of the Municipality's Water, Sewer and Gas system (the "System"), subject to prior pledges of such revenues in favor of the Municipality's outstanding Water, Sewer and Gas Revenue Refunding Bonds, Series 2002, Water, Sewer and Gas Revenue Refunding and Improvement Bonds, Series 2007, Water, Sewer and Gas Revenue Refunding Bonds, Series 2011, Water, Sewer and Gas Revenue Bonds, Series 2013 and bonds hereafter issued on parity therewith. No taxation power of the Municipality has been pledged to the payment of the principal of, or the premium, if any, or interest on, this Bond.

This Bond and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) inheritance, transfer and estate taxes, (b) Tennessee excise taxes on interest on the Bond during the period the Bond is held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee, and (c) Tennessee franchise taxes by reason of the inclusion of the book value of the Bond in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

It is hereby certified, recited, and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other indebtedness of the Municipality, does not exceed any limitation prescribed by the constitution and statutes of the State of Tennessee.

IN WITNESS WHEREOF, the Municipality has caused this Bond to be signed by its Mayor and attested by its City Clerk under an imprint of the corporate seal of the Municipality, all as of the day and date hereinabove set forth.

CITY OF CLARKSVILLE, TENNESSEE

By: \_\_\_\_\_  
Mayor

(SEAL)

ATTESTED:

\_\_\_\_\_  
City Clerk

Transferable and payable at the  
principal corporate trust office of: \_\_\_\_\_  
\_\_\_\_\_

Date of Registration: \_\_\_\_\_, 2013

This Bond is one of the issue of Bonds issued pursuant to the Resolution hereinabove described.

\_\_\_\_\_  
Registration Agent

By: \_\_\_\_\_  
Authorized Officer

## FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns, and transfers unto \_\_\_\_\_, whose address is \_\_\_\_\_, (Please insert Social Security or Federal Tax Identification Number \_\_\_\_\_) the within Bond of the City of Clarksville, Tennessee, and does hereby irrevocably constitute and appoint \_\_\_\_\_, attorney, to transfer the said Bond on the records kept for registration thereof with full power of substitution in the premises.

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

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature guaranteed:

\_\_\_\_\_  
NOTICE: Signature(s) must be guaranteed by a member firm of a Medallion Program acceptable to the Registration Agent.

EXHIBIT B

FORM OF BOND PURCHASE AGREEMENT

(attached)

CITY OF CLARKSVILLE, TENNESSEE

\$[ ]  
WATER, SEWER AND GAS REVENUE  
REFUNDING BONDS, SERIES 2013

\$[ ]  
SUBORDINATE LIEN WATER, SEWER AND GAS REVENUE  
REFUNDING BONDS, SERIES 2013

BOND PURCHASE AGREEMENT

June [ ], 2013

City of Clarksville, Tennessee  
One Public Square  
Clarksville, Tennessee 37041

Ladies and Gentlemen:

This is to confirm the agreement (the "Bond Purchase Agreement") by and among the City of Clarksville, Tennessee (the "Issuer" or the "City") and Morgan Stanley & Co. LLC (the "Representative"), on behalf of itself and Piper Jaffray & Co. and Raymond James & Associates, Inc. (collectively, the "Underwriters"), concerning the sale by the Issuer and the purchase by the Underwriters of the Issuer's \$[ ] Water, Sewer and Gas Revenue Refunding Bonds, Series 2013 (the "2013 Senior Lien Bonds") and the Issuer's \$[ ] Subordinate Lien Water, Sewer and Gas Revenue Refunding Bonds, Series 2013 (the "2013 Subordinate Lien Bonds"). The 2013 Senior Lien Bonds and the 2013 Subordinate Lien Bonds are herein collectively referred to as the "Series 2013 Bonds", and dated, maturing, bearing interest at rates and subject to redemption as set forth in Exhibit A herein. This offer is made subject to acceptance by the Issuer prior to 8:00 p.m. CDT, on the date hereof. If this offer is not so accepted by the date and time provided, it is subject to withdrawal by the Underwriters upon notice to the Issuer at any time prior to acceptance. Capitalized terms used herein but not defined herein shall have the meanings set forth in the Bond Resolution or Official Statement referred to below.

1. Purpose of Financing, Security and Authorization. The proceeds of the 2013 Senior Lien Bonds will be used to (i) prepay that certain Loan Agreement dated December 23, 2010 (the "PBA Loan"), between the Issuer and The Public Building Authority of the City of Clarksville, Tennessee, (ii) fund a debt service reserve fund, and (iii) pay certain costs of issuing the 2013 Senior Lien Bonds. The proceeds of the 2013 Subordinate Lien Bonds will be used to: (i) prepay certain State of Tennessee Revolving Loans SRF97-1042004 and DWF 01-044 (collectively, the "SRF Loans"), and (ii) pay certain costs of issuing the 2013 Subordinate Lien

Bonds. The PBA Loan and the SRF Loans provided financing for various capital improvements to the Issuer's water, sewer and gas system (the "System").

The Series 2013 Bonds will be issued pursuant to Chapter 21 of Title 9 of the Tennessee Code Annotated, as amended. The 2013 Senior Lien Bonds are subject to the terms and conditions contained in the resolutions of the City Council of the Issuer (the "City Council") adopted on June 6, 2013, supplementing and amending the resolution of the City Council adopted on February 7, 1985, as supplemented and amended February 1, 1991, November 7, 1991, October 1, 1992, May 1, 1997, November 5, 1998, and June 1, 2001, as amended and restated on May 6, 2004, as further supplemented and amended on March 29, 2007 and April 7, 2011 (collectively, the "Senior Lien Bond Resolution"). The 2013 Subordinate Lien Bonds are subject to the terms and conditions contained in the resolutions of the City Council adopted on June 6, 2013 (collectively, the "Subordinate Lien Bond Resolution"). The Senior Lien Bond Resolution and the Subordinate Lien Bond Resolution are herein collectively referred to as the "Bond Resolution." The Series 2013 Bonds are limited obligations of the Issuer payable solely from and secured solely by a pledge of the revenues of the System, subject to the payment of System operating expenses and, in the case of the 2013 Subordinate Lien Bonds, to prior pledges of such revenues in favor of bonds of the Issuer issued pursuant to the Senior Lien Bond Resolution.

The Bond Resolution and the Series 2013 Bonds will be in the forms previously supplied by you, with only such subsequent amendments as shall be approved by you and us.

The prepayment of the PBA Loan will be accomplished by paying to The Bank of New York Mellon Trust Company, N.A., a portion of the proceeds of the 2013 Senior Lien Bonds, together with other monies of the Issuer, if any, sufficient to prepay the PBA Loan in full on or before [\_\_\_\_], 2013. The prepayment of the SRF Loans will be accomplished by paying to the State of Tennessee a portion of the proceeds of the 2013 Subordinate Lien Bonds, together with other monies of the Issuer, if any, sufficient to prepay the SRF Loans in full on or before [\_\_\_\_], 2013.

2. Good Faith Deposit and Liquidated Damages. Concurrently with the execution and delivery of this Bond Purchase Agreement by the Representative, the Representative on behalf of the Underwriters will deliver to the Issuer a corporate check, certified or bank cashier's check, payable to the order of the Issuer for \$[\_\_\_\_\_] (the "Good Faith Deposit"). This check will be held uncashed as security for the performance by the Underwriters of their obligation to accept and pay for the Series 2013 Bonds at the Closing. Upon the Underwriters' compliance with such obligation, such check shall be returned to the Representative. If the Issuer fails to deliver the Series 2013 Bonds at the Closing or to satisfy the conditions to the Underwriters' obligations contained herein, or if the Underwriters exercise their right to cancel their obligations to accept and pay for the Series 2013 Bonds for any reason permitted by Section 9 of this Bond Purchase Agreement, such check shall be immediately returned to the Representative.

If the Issuer accepts this offer and if the Underwriters fail (other than for a reason permitted hereunder) to accept and pay for the Series 2013 Bonds upon tender thereof by the

Issuer at the Closing as herein provided, the parties hereby agree that the damages to the Issuer shall be fixed at one percent (1%) of the aggregate principal amount of the Series 2013 Bonds and, upon such failure of the Underwriters to accept and pay for the Series 2013 Bonds, the Underwriters shall be obligated to pay to the Issuer such amount as and for full liquidated damages for such failure and for any and all defaults hereunder on the part of the Underwriters. Upon such payment the Underwriters shall be fully released and discharged of all claims, rights and damages for such failure and for any and all such defaults. In no event shall the Issuer be entitled to damages of any nature other than the liquidated damages herein specified, except that expenses set forth in Section 10 herein shall survive the termination of this Bond Purchase Agreement.

3. Representative of Underwriters. Any authority, discretion or other power conferred upon the Underwriters under any provision of this Bond Purchase Agreement may be exercised by the Representative, as set forth in the Agreement Among Underwriters, by and among the Representative and the Underwriters. The payment for, acceptance of, and delivery and execution of any receipt for the Series 2013 Bonds and any other instruments upon or in connection with the Closing (defined herein) by the Representative, on behalf of the Underwriters, shall be valid and sufficient for all purposes and binding upon each of the Underwriters, provided that such action by the Representative shall not impose any obligation or liability upon it or any other Underwriter other than as may arise as expressly set forth in this Bond Purchase Agreement.

4. Representations and Warranties of the Issuer.

The Issuer makes the following representations and warranties, all of which shall survive the delivery of the Series 2013 Bonds:

(a) the Preliminary Official Statement (hereinafter defined) was, as of its date and the Official Statement (hereinafter defined) was, as of its date, is, and at all times subsequent thereto up to and including the Closing Date (defined herein), will be, true and correct in all material respects and contained, presently contains and will at all such times up to and including the Closing Date contain no untrue or misleading statement of a material fact and did not, does not and will not at any such time up to and including the Closing Date omit to state any material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading. If the Official Statement is supplemented or amended pursuant to subsection (f) of Section 5 herein, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subsection) at all times subsequent thereto up to and including the Closing Date, each such supplement or amendment will not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(b) the Issuer is an existing public corporation of the State of Tennessee;

(c) the Issuer has full right, power and authority under the laws of the State of Tennessee (i) to issue bonds, such as the Series 2013 Bonds, for the purposes set forth in the



Official Statement, (ii) to use the proceeds of the Series 2013 Bonds as set forth in the Official Statement, and (iii) to pay the Series 2013 Bonds from the Revenues of the System and amounts on deposit within certain funds established by the Bond Resolution and otherwise to secure the Series 2013 Bonds in the manner contemplated by the Bond Resolution and the Official Statement;

(d) the Issuer has and had, as the case may be, full legal right, power and authority (i) to adopt the Bond Resolution, (ii) to execute and deliver this Bond Purchase Agreement, (iii) to issue, sell and deliver the Series 2013 Bonds to the Underwriters as provided in this Bond Purchase Agreement, and (iv) to carry out and consummate all other transactions contemplated by the aforesaid instruments, and the Issuer will have complied as of the Closing Date with all provisions of applicable law in all matters relating to such transactions;

(e) the City Council has duly adopted the Bond Resolution and the City Council has duly authorized all necessary action to be taken by the Issuer for: (i) the offering, issuance, sale, and delivery of the Series 2013 Bonds upon the terms set forth herein and in the Official Statement, (ii) the execution and delivery by the Issuer of the Series 2013 Bonds, the Continuing Disclosure Certificate, this Bond Purchase Agreement, and the performance of its obligations under the Series 2013 Bonds, Continuing Disclosure Certificate, this Bond Purchase Agreement, the Bond Resolution, and any and all such other agreements and documents as may be required to be executed, delivered, and received by the Issuer in order to carry out, give effect to, and consummate the transactions contemplated hereby and by the Official Statement, (iii) the use and distribution of the Preliminary Official Statement and the execution, delivery, use and distribution of the Official Statement, and (iv) the Issuer to carry out, give effect to and consummate the transactions contemplated by the aforesaid instruments;

(f) the Bond Resolution constitutes, and this Bond Purchase Agreement, and any other instrument or agreement to which the Issuer is a party and which has been or will be executed in connection with the consummation of the transactions contemplated by the foregoing documents, constitute or, with respect to documents not yet executed and delivered, when executed and delivered by the parties hereto and thereto, will constitute, the legal, valid and binding obligations of the Issuer, and the same are enforceable in accordance with their respective terms;

(g) the Issuer has complied, or will at the Closing be in compliance, in all respects, with the Bond Resolution;

(h) when delivered to and paid for by the Underwriters at the Closing in accordance with the provisions of this Bond Purchase Agreement, the Series 2013 Bonds will be duly authorized, executed, issued and delivered and will constitute legal, valid and binding obligations of the Issuer enforceable in accordance with their terms and the terms of the Bond Resolution;

(i) at the Closing, all approvals, consents and orders of and filings with any governmental authority or agency which would constitute a condition precedent to the issuance of the Series 2013 Bonds or the execution and delivery of or the performance by the Issuer of its

obligations under this Bond Purchase Agreement, the Series 2013 Bonds or the Bond Resolution, will have been obtained or made and any consents, approvals and orders so received or filings so made will be in full force and effect; provided, however, that no representation is made concerning compliance with the securities or Blue Sky laws of the various states;

(j) the adoption by the Issuer of the Bond Resolution, and the authorization, execution, delivery and performance of this Bond Purchase Agreement and the Series 2013 Bonds and any other agreement or instrument to which the Issuer is a party and which is used or is to be used or is contemplated for use in consummation of the transactions contemplated hereby or by the Official Statement, and compliance with the provisions of each such agreement or instrument, do not and will not conflict with, or constitute or result in a violation or breach of or a default under, the Constitution of the State of Tennessee, or any existing law, administrative regulation, rule, decree or order, state or federal, or material provision of any agreement, indenture, mortgage, lease, note or other instrument to which the Issuer or its properties or any of the officers of the Issuer as such is subject, and do not and will not result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the taxes, revenues, property or assets of the Issuer under the terms of the Constitution of the State of Tennessee or any law, instrument or agreement;

(k) there is no action, suit, proceeding, inquiry, or investigation, at law or in equity, or before or by any court, public board or body, other than as described in the Official Statement, pending or, to the best of the Issuer's knowledge, threatened, against or affecting the Issuer or any of the officers of the Issuer in their respective capacities as such (or to the best of the Issuer's knowledge, any basis therefor), wherein an unfavorable decision, ruling or finding would, in any way, materially adversely affect (i) the transactions contemplated by this Bond Purchase Agreement or by the Official Statement, or (ii) the validity or enforceability of the Series 2013 Bonds, the Bond Resolution, this Bond Purchase Agreement, or any other agreement or instrument to which the Issuer is a party and which is used or is to be used or is contemplated for use in consummation of the transactions contemplated hereby, or (iii) the excludability from federal income taxation of the interest on the Series 2013 Bonds;

(l) the Issuer will not take or omit to take any action, which action or omission would adversely affect the excludability from federal income taxation of the interest on the Series 2013 Bonds under the Internal Revenue Code of 1986, as amended;

(m) the Issuer will reasonably cooperate with the Underwriters and their counsel in any endeavor to qualify the Series 2013 Bonds for offering and sale under the securities or "Blue Sky" laws of such jurisdictions of the United States as the Underwriters may request; provided that in connection therewith, it shall not be unreasonable for the Issuer to refuse to file a general consent to service of process in any jurisdiction. The Issuer consents to the use of the Preliminary Official Statement prior to the availability of the Official Statement by the Underwriters, in obtaining such qualification, subject to the right of the Issuer to withdraw such consent for cause by written notice to the Representative.

(n) other than as disclosed in the Official Statement, the Issuer has not, during the twenty years immediately preceding the date hereof, been in default in the payment of

principal of, premium, if any, or interest on, or otherwise been in default with respect to any bonds, notes or other indebtedness which it has issued, assumed or guaranteed as to payment of principal, premium, if any, or interest; and

(o) any certificate signed by the appropriate official of the Issuer and delivered to the Underwriters in connection with the issuance or sale of the Series 2013 Bonds shall be deemed to be a representation and warranty by the Issuer to the Underwriters as to the statements made therein.

The representations and warranties set forth in this Bond Purchase Agreement shall survive the Closing and shall remain operative and in full force and effect regardless of (i) any investigation made by or on behalf of the Underwriters and (ii) payment for the Series 2013 Bonds.

5. Official Statement; Offering by the Underwriters.

(a) Upon acceptance of this offer by the Issuer, the Issuer shall prepare a final Official Statement in substantially the form of the Issuer's Preliminary Official Statement dated June [ ], 2013 (the "Preliminary Official Statement"). The Issuer confirms that the Preliminary Official Statement is in a form "deemed final" by the Issuer, as of its date, within the meaning of Section (b)(1) of Rule 15c2-12 ("Rule 15c2-12") promulgated by the United States Securities and Exchange Commission (the "SEC") pursuant to the Securities and Exchange Act of 1934. As soon as and in any event no later than the earlier of seven (7) business days after the time of your acceptance hereof or in sufficient time to accompany customer confirmations requesting payment, the Issuer shall deliver to the Underwriters (i) the Official Statement of the Issuer relating to the Series 2013 Bonds, dated the date hereof, in "designated electronic format" as defined by MSRB Rule G-32 and (ii) as many copies of the Official Statement of the Issuer relating to the Series 2013 Bonds, dated the date hereof, as required to permit the Underwriters to comply with the requirements of Rule 15c2-12 (which, together with all appendices thereto and all supplements or amendments thereto which are approved by the Underwriters, is herein called the "Official Statement").

(b) The Issuer authorizes, consents to and ratifies the use of the Preliminary Official Statement (in printed and electronic form) prior to the date hereof and the Official Statement by the Underwriters in the offering and sale of the Series 2013 Bonds.

(c) The Underwriters agree to make a bona fide initial offering to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) of all of the Series 2013 Bonds of each maturity at prices not greater than, and yields not less than, those set forth in Exhibit A hereto. If such public offering does not result in the sale of all Series 2013 Bonds, the Underwriters may offer and sell the Series 2013 Bonds without any request or prior notice to certain bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers at prices lower than the public offering prices or yields higher than the yields as set forth in Exhibit A hereto; provided, however, the Underwriters reasonably expect that, based upon prevailing market conditions, at least ten (10%) percent of each maturity of each of the Series 2013 Bonds will be

sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at initial offering prices not greater than, or yields less than, those shown on Exhibit A hereto in the bona fide initial offering to the public.

(d) The Underwriters certify that at the time of the execution of this Bond Purchase Agreement, based upon the prevailing market conditions, the Underwriters do not have any reason to believe that any of the Series 2013 Bonds will be initially sold by the Underwriters to the public (excluding such bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at prices greater than, or yields less than, those set forth in Exhibit A hereto. At the Closing, as a condition to the Issuer's obligation to deliver the Series 2013 Bonds, the Underwriters shall deliver to the Issuer a certificate, containing provisions substantially in the form of Exhibit G hereto, in order to enable Bond Counsel to render its opinion as to the exclusion from gross income tax purposes of interest on the Series 2013 Bonds under the Internal Revenue Code of 1986, as amended (the "Code").

(e) The Issuer shall take all actions as the Issuer shall determine reasonable (i) to provide all information reasonably requested by the Underwriters necessary or desirable to register the Series 2013 Bonds under, or comply with, any state Blue Sky laws, provided that in connection therewith, the Issuer shall not be required to file a general consent to service of process in any jurisdiction, and (ii) to ensure that the Official Statement at all times during the initial offering and distribution of the Series 2013 Bonds does not contain any untrue statement of a material fact and does not omit to state any material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(f) During the period between the date of this Bond Purchase Agreement and including the date which is 25 days after the "end of the underwriting period" (as defined below), (i) the Issuer shall not supplement or amend the Official Statement or cause the Official Statement to be supplemented or amended without the prior written consent of the Representative and (ii) if an event shall occur that might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the Issuer shall notify the Representative and, if in the reasonable opinion of the Underwriters, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Issuer shall, at its own expense, supplement or amend the Official Statement in a form and in a manner approved by the Representative. For purposes of the preceding sentence, the Issuer may assume the "end of the underwriting period" (as defined in Rule 15c2-12) is the Closing, unless the Underwriters notify the Issuer in writing prior to the Closing that any Series 2013 Bond remains unsold, in which case the end of the underwriting period shall be deemed to be extended for 30 calendar days from the date of such notice.

(g) The Issuer represents and warrants that the Issuer is currently in compliance with and has not failed to comply in all material respects during the past five years with any continuing disclosure obligation pursuant to Rule 15c2-12, except as otherwise disclosed in the Official Statement.

6. Issuance, Sale and Purchase of Series 2013 Bonds. On the basis of the representations and warranties contained herein and the other agreements referred to herein and subject to the terms and conditions set forth herein, the Issuer agrees to issue and sell to the Underwriters, and the Underwriters agree to purchase from the Issuer (a) the 2013 Senior Lien Bonds at a purchase price of \$[ ] (representing the principal amount of the 2013 Senior Lien Bonds, plus original issue premium of \$[ ], less an Underwriters' discount of \$[ ]), and (b) the 2013 Subordinate Lien Bonds at a purchase price of \$[ ] (representing the principal amount of the 2013 Subordinate Lien Bonds, plus original issue premium of \$[ ], less an Underwriters' discount of \$[ ]). This Bond Purchase Agreement provides, with respect to the Series 2013 Bonds, that all of the Series 2013 Bonds will be purchased by the Underwriters, if any of the Series 2013 Bonds of such issue are purchased.

Having approved the terms of such issuance and sale, the Issuer hereby sells the Series 2013 Bonds to the Underwriters, subject to the terms of this Bond Purchase Agreement. The delivery and sale of the Series 2013 Bonds (the "Closing") will be at such place in Clarksville, Tennessee, as the Underwriters may designate, at 9:00 a.m., CDT, on June [ ], 2013, or at such other time or such other place or on such other date as the Issuer and the Underwriters may agree upon (the "Closing Date"). The Underwriters shall pay for the Series 2013 Bonds by wire transfer of federal funds in the amount of the purchase price for each series of Series 2013 Bonds payable to the order of the Issuer.

A single typewritten bond for each maturity of each series of the Series 2013 Bonds shall be delivered by the Issuer, duly executed and authenticated, with CUSIP identification numbers thereon, registered in the name of Cede & Co., as nominee of The Depository Trust Company. Bond certificates or replacement Series 2013 Bonds may be delivered as provided in the Bond Resolution.

7. Conditions. The Underwriters' obligations hereunder are subject to:

(a) the accuracy on the Closing Date, as if made as of such date, of all representations and warranties of the Issuer contained herein;

(b) the due performance by the Issuer of its obligations hereunder;

(c) there being no material change in the condition (financial or otherwise) of the System between the most recent dates as to which information is given in the Official Statement and the Closing Date, other than as reflected in or contemplated by the Official Statement, and there being on the Closing Date no material transactions or obligations (not in the ordinary course of business) entered into by the Issuer related to the System subsequent to the date of the Official Statement other than as reflected in or contemplated by the Official Statement; and

(d) delivery of all documentation required by Section 8.

8. Closing Documentation. There shall be delivered to the Underwriters at Closing the following, all dated the Closing Date and in form and substance reasonably satisfactory to the Underwriters and their counsel:

(a) the Official Statement executed on behalf of the Issuer by the duly authorized officials or representatives thereof;

(b) the certificate of the Mayor of the Issuer in substantially the form attached as Exhibit B hereto, which certifications may be included within another certificate of the Issuer that is signed by the Mayor;

(c) the federal tax certificate, dated as of the Closing Date executed by the Issuer, in form satisfactory to Bond Counsel and Underwriters' Counsel;

(d) the original or certified copy of the Bond Resolution;

(e) a specimen 2013 Senior Lien Bond and a specimen 2013 Subordinate Lien Bond;

(f) the opinion of the City Attorney for the Issuer in substantially the form attached as Exhibit C hereto;

(g) the unqualified approving opinions of Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel, in substantially the forms set forth in the Official Statement;

(h) the supplemental opinion of Bass, Berry & Sims PLC, Nashville, Tennessee, addressed to the Underwriters, in substantially the form attached as Exhibit D hereto;

(i) the opinion of Adams and Reese LLP, Nashville, Tennessee, Counsel to the Underwriters, in substantially the form attached as Exhibit E hereto;

(j) the certificate of Public Financial Management, Memphis, Tennessee, in substantially the form attached as Exhibit F hereto;

(k) verification from Moody's Investors Service and Fitch, Inc. that the 2013 Senior Lien Bonds have been rated at least [ ] and [ ], respectively, and the 2013 Subordinate Lien Bonds have been rated at least [ ] and [ ], respectively;

(l) an executed copy of the Continuing Disclosure Certificate of the Issuer dated June [ ], 2013, relating to the Series 2013 Bonds; and

(m) such additional legal opinions, certificates, proceedings, instruments and other documents the Underwriters or Bond Counsel may reasonably request to evidence compliance by the Issuer with legal requirements, the truth and accuracy as of the Closing Date of the representations of the Issuer herein, in the Preliminary Official Statement and in the

Official Statement and the due performance or satisfaction by the Issuer at or prior to the Closing Date of all agreements then to be satisfied.

9. Termination. The Underwriters may terminate this Bond Purchase Agreement at any time prior to the Closing Date by notice to the other parties hereto if, between the date hereof and the Closing Date:

(a) legislation shall have been enacted or a bill shall have been favorably reported out of committee of either house, or a decision by any court of the United States, including the Tax Court, shall have been rendered, or a ruling, regulation or official statement by or on behalf of the Treasury Department of the United States or any branch thereof, including the Internal Revenue Service, or any other governmental agency shall have been made or proposed, with respect to federal taxation upon revenues or other income of the general character derived by the Issuer or upon interest received on obligations of the general character of the Series 2013 Bonds or other action or events shall have transpired that (i) may have the purpose or effect, directly or indirectly, of making interest on the Series 2013 Bonds subject to federal income taxation or (ii) in the reasonable opinion of the Representative of the Underwriters, materially adversely affects the market price of the Series 2013 Bonds or the market price generally of obligations of the general character of the Series 2013 Bonds;

(b) any legislation, ordinance, rule or regulation shall have been passed by the legislature or enacted or proposed by any governmental body, department or agency of the State of Tennessee or the Issuer or any decision by any court of competent jurisdiction within the State of Tennessee shall have been rendered that, in the reasonable opinion of the Representative of the Underwriters, materially affects the market price of the Series 2013 Bonds;

(c) any stop order or legislation shall have been enacted or a bill shall have been proposed or favorably reported out of a legislative committee, any decision by a court of the United States shall have been rendered or any stop order, ruling, regulation or official statement by or on behalf of the SEC or other governmental agency shall have been made to the effect that obligations of the general character of the Series 2013 Bonds or the Bond Resolution, in the reasonable opinion of Counsel to the Underwriters, are not exempt from registration, qualification or other requirements of the Securities Act of 1933, as amended (the "Securities Act"), or the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act");

(d) any event shall have occurred or condition shall exist that, in the reasonable opinion of the Representative of the Underwriters, makes untrue or incorrect in any material respect as of the Closing Date any material statement of information contained in the Official Statement or that is not reflected in the Official Statement but should be reflected therein as of such time in connection with the offering and sale of the Series 2013 Bonds in order to make the statements and information contained therein, in light of the circumstances under which they were made, not misleading, including, without limitation, events or conditions relating to the business and affairs of the System or the Issuer related to the System; or

(e) in the reasonable opinion of the Representative of the Underwriters, the market price of the Series 2013 Bonds, or the market price generally of obligations of the general

character of the Series 2013 Bonds, has been adversely affected because (i) a general suspension of trading on the New York Stock Exchange shall have occurred or additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange, (ii) a general banking moratorium shall have been established by federal, New York or Tennessee authorities, or (iii) war or an outbreak of hostilities or other national or international calamity or crisis shall have occurred or any armed conflict shall have occurred or escalated to such a magnitude as in the reasonable opinion of the Representative of the Underwriters to have a materially adverse effect on the ability of the Underwriters to market the Series 2013 Bonds; or

(f) any rating on the Series 2013 Bonds is reduced or withdrawn by any major credit rating agency; or

(g) any new restriction on transactions in securities materially affecting the market for securities (including the imposition of any limitation on interest rates) or the extension of credit by, or a charge to the net capital requirements of, underwriters shall have been established by the New York Stock Exchange, the SEC, any other federal or State agency or the Congress of the United States, or by Executive Order.

10. Expenses. All expenses and costs of the Issuer incident to the performance of its obligations in connection with the authorization, issuance and sale of the Series 2013 Bonds to the Underwriters, including but not limited to the costs of pre-sale advertising of the Series 2013 Bonds, printing or reproducing the Preliminary Official Statement, the Official Statement, the Bond Resolution, the Blue Sky and legal investment surveys, and all ancillary papers, fees of consultants, including the fees of the accountants, fees and expenses of counsel to the Issuer, fees and expenses of Bond Counsel, rating agency fees, fees and expenses of the financial advisor, paying agent fees and expenses, and the fees and expenses of the Underwriters and of counsel to the Underwriters shall be paid from the proceeds of the Series 2013 Bonds. The Issuer shall pay for the travel, lodging, meal, entertainment and deal memento expenses of its own employees and officials.

11. Reimbursement for Certain Liabilities.

(i) The Issuer shall indemnify and hold harmless, to the extent permitted by applicable law, the Underwriters, the directors, officer, employees, attorneys and agents of the Underwriters, and each person who controls the Underwriters, within the meaning of Section 15 of the Securities Act or Section 20 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), (the Underwriter and each such director, officer, employee, agent and person being herein referred to as an "Underwriter Protected Party"), against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under the Securities Act, the Exchange Act or other federal or state law or regulation, at common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon (a) a claim in connection with the public offering of the Series 2013 Bonds to the effect that the Series 2013 Bonds or any related security are required to be registered under the Securities Act or any indenture is required to be qualified under the Trust Indenture Act or (b) any untrue statement or alleged untrue statement of a material fact contained



in the Preliminary Official Statement or the Official Statement (or in a supplement or amendment thereto) or the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and, to the extent permitted by applicable law, the Issuer shall be liable to reimburse each such Underwriter Protected Party, as incurred, for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the Issuer will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission made in the Preliminary Official Statement or the Official Statement, or in any amendment thereof or supplement thereto, in reliance upon and in conformity with written information furnished to the Issuer by or on behalf of any of the Underwriters specifically for inclusion therein. The obligation of the Issuer to provide indemnification pursuant to this Section 11 shall be effective only to the fullest extent permitted by applicable law, as to which no representation is made by the Issuer.

(ii) Each Underwriter, severally and not jointly, will indemnify and hold harmless the Issuer, together with each of its members, directors, officers and employees, and each person who controls the Issuer within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act (the Issuer and each such member, director, officer, employee and person being herein referred to as an "Issuer Protected Party"), to the same extent as the foregoing reimbursement from the Issuer to the Underwriters, but only with reference to written information relating to any of the Underwriters furnished by any of the Underwriters specifically for use in the preparation of the Preliminary Official Statement or the Official Statement. This reimbursement agreement will be in addition to any liability which any Underwriter may otherwise have. The Issuer acknowledges that the statements under the caption "UNDERWRITING" in the Preliminary Official Statement and the Official Statement constitute the only information furnished in writing by or on behalf of the Underwriters for inclusion in the Preliminary Official Statement and the Official Statement.

(iii) For purposes of this Section 11, the term "Protected Party" shall include each Issuer Protected Party and each Underwriter Protected Party. In case any claim shall be made or action brought against a Protected Party for which reimbursement may be sought against any reimbursing party, as provided above, the Protected Party shall promptly notify the reimbursing party in writing setting forth the particulars of such claim or action (but the failure to so notify the indemnifying party shall not relieve it from liability under Sections 11 (i) and (ii) hereof unless and to the extent such failure results in the forfeiture by the indemnifying party of substantial rights and defenses) and the reimbursing party shall assume the defense thereof, including the retaining of counsel acceptable to such Protected Party and the payment of all expenses and shall have the right to negotiate and consent to settlement. A Protected Party shall have the right to retain separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Protected Party unless the employment of such counsel has been specifically authorized by the reimbursing party, or the reimbursing party shall not have employed counsel reasonably acceptable to the Protected Party to have charge of the defense of such action or proceeding, or the Protected Party shall have reasonably concluded that there may be defenses available to it which are different

from or additional to those available to the reimbursing party (in which case the reimbursing party shall not have the right to direct the defense of such action or proceeding on behalf of the Protected Party), in any of which events, such legal or other expenses shall be borne by the reimbursing party. No party shall be liable for any settlement of any action effected without its consent, but if settled with the consent of the reimbursing party or if there is a final judgment for the plaintiff in any action with or without written consent of the reimbursing party, to the extent permitted by applicable law, the reimbursing party agrees to reimburse and hold harmless the Protected Parties to the extent of the provisions set forth above from and against any loss or liability by reason of such settlement or judgment. Any such settlement entered into without the consent of a Protected Party (1) must include an unconditional release of each Protected Party from all liability arising out of such action and (2) must not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of any Protected Party.

(iv) If the reimbursement for which this Section 11 provides is unenforceable, or is unavailable to a Protected Party in respect of any losses, claims, damages or liabilities (or actions in respect thereof) of the type subject to reimbursement herein, then the reimbursing party shall, in lieu of reimbursing such Protected Party, and to the extent permitted by applicable law, contribute to the amount paid or payable by such Protected Party as a result of such losses, claims, damages or liabilities (or actions in respect thereof). In the case of the Issuer and the Underwriters, contribution shall be in such proportion as is appropriate to reflect the relative benefits received by the Issuer, on the one hand, and the Underwriters, on the other, from the sale of the Series 2013 Bonds. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law, then the reimbursing party shall contribute, to the extent permitted by applicable law, to such amount paid or payable by such Protected Party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Issuer, on the one hand, and the Underwriters, on the other, in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or action in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Issuer, on the one hand, and the Underwriters, on the other, shall be deemed to be in the same proportion as the total proceeds of the sale of the Series 2013 Bonds paid to the Issuer pursuant to Section 6 hereof (before deducting expenses) bear to the underwriting discount received by the Underwriters (the difference between the initial public offering price for the Series 2013 Bonds and the price to be paid therefor by the Underwriters as set forth in the Official Statement under the caption "UNDERWRITING"). The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Issuer or the Underwriters and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such untrue statement or omission. The Issuer and the Underwriters agree that it would not be just and equitable if contribution pursuant to this Section 11 were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section 11(iv). The amount paid or payable to any Protected Party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above shall be deemed to include any legal or other expenses reasonably incurred by such Protected Party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 11(iv), however, the Underwriters shall not be required to contribute an amount in excess of the amount

by which such initial public offering price exceeds the amount of any damages which the Underwriters have otherwise been required to pay by reason of such untrue or alleged untrue statement or omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 10(b) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations in this Section 11(iv) to contribute are several in proportion to their respective underwriting obligations and not joint.

12. Finders. The Issuer and the Underwriters each represent and warrant that no finder or other agent has been employed or consulted by it in connection with this transaction.

13. Notices. Any notice or other communication to be given to the Issuer under this Bond Purchase Agreement may be given by delivering the same in writing at the address of the Issuer set forth above and any such notice or other communication to be given to the Underwriters may be given by delivering the same in writing to the Representative, as follows: Morgan Stanley & Co. LLC, 440 South LaSalle Street, One Financial Place, 37<sup>th</sup> Floor, Chicago, IL 60605 (Attention: William D. Mack, Executive Director).

14. Continuation of the Agreement. All representations, warranties and agreements hereunder of the Issuer shall remain operative and in full force and effect, regardless of any investigations made by or on behalf of the Underwriters and shall survive the Closing and any termination of this Bond Purchase Agreement by the Underwriters pursuant to the terms hereof.

15. Governing Law. This Bond Purchase Agreement shall be governed by the applicable laws of the State of Tennessee.

16. Counterparts. This Bond Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

17. Effective Date. This Bond Purchase Agreement shall become effective upon your acceptance hereof.

18. Miscellaneous.

(a) The Issuer acknowledges and agrees that: (i) the primary role of the Underwriters, as underwriters, is to purchase securities, for resale to investors, in an arm's-length commercial transaction between the Issuer and the Underwriters and that the Underwriters have financial and other interests that differ from those of the Issuer; (ii) the Underwriters are not acting as a municipal advisor, financial advisor, or fiduciary to the Issuer and have not assumed any advisory or fiduciary responsibility to the Issuer with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriters have provided other services or are currently providing other services to the Issuer on other matters); (iii) the only obligations the Underwriters have to the Issuer with respect to the transaction contemplated hereby expressly are set forth in this Bond Purchase Agreement; and (iv) the Issuer has consulted its own financial and/or municipal, legal,

accounting, tax and other advisors, as applicable, to the extent it deems appropriate. If the Issuer would like a municipal advisor in this transaction that has legal fiduciary duties to the Issuer, then the Issuer is free to engage a municipal advisor to serve in that capacity.

(b) This Bond Purchase Agreement is made solely for the benefit of and is binding on each of the parties and their respective successors and assigns. It is the entire agreement of the parties, superseding all prior agreements, and may not be modified except in writing signed by all of the parties hereto.

(signature page follows)

Morgan Stanley & Co. LLC  
Piper Jaffray & Co.  
Raymond James & Associates, Inc.

MORGAN STANLEY & CO. LLC  
As Representative

By: \_\_\_\_\_  
William D. Mack, Executive Director

Accepted:

CITY OF CLARKSVILLE, TENNESSEE

BY: \_\_\_\_\_  
Kim McMillan, Mayor

Exhibit A

CITY OF CLARKSVILLE, TENNESSEE

\$[ ]  
WATER, SEWER AND GAS REVENUE  
REFUNDING BONDS, SERIES 2013

\$[ ]  
SUBORDINATE LIEN WATER, SEWER AND GAS REVENUE  
REFUNDING BONDS, SERIES 2013

Terms of Series 2013 Bonds

The Series 2013 Bonds shall be in the denomination of Five Thousand Dollars (\$5,000) or any integral multiple thereof. The Series 2013 Bonds shall be dated their date of issuance. Interest on the Series 2013 Bonds is payable at the rates per annum as set forth below, semi-annually on February 1 and August 1, commencing February 1, 2014. Interest on the Series 2013 Bonds will be calculated on the basis of a 30-day month and a 360-day year. The Series 2013 Bonds shall mature on the 1st day of February, in each of the years and the principal amounts as follows:

**2013 SENIOR LIEN BONDS**

<b><u>Due</u> <u>February 1</u></b>	<b><u>Principal</u> <u>Amount</u></b>	<b><u>Interest</u> <u>Rate</u></b>	<b><u>Yield</u></b>
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			

\$[ ] [ ]% Term Bond Due February 1, 2038, Yield [ ]%

## 2013 SUBORDINATE LIEN BONDS

<u>Due February 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>
2014			
2015			
2016			
2017			
2018			
2019			
2020			

### Optional Redemption of the Series 2013 Bonds

The 2013 Senior Lien Bonds maturing on or before February 1, 2023 may not be redeemed prior to their maturities. The Issuer may redeem 2013 Senior Lien Bonds maturing on or after February 1, 2024 at any time, in whole or in part, on or after February 1, 2023, at a price of par plus accrued interest to the redemption date.

The 2013 Subordinate Lien Bonds are not subject to optional redemption prior to maturity.

### [Mandatory Redemption of the Series 2013 Bonds

The 2013 Senior Lien Bonds maturing on February 1, 2038 are subject to scheduled mandatory redemption prior to maturity in part (as selected by DTC or its successor) at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date, in the following principal amounts and on the dates set forth below:

<u>Redemption Date (February 1)</u>	<u>Principal Amount</u>
2034	\$
2035	
2036	
2037	
2038 (Maturity)	

At its option, to be exercised on or before the forty-fifth (45<sup>th</sup>) day next preceding any such mandatory redemption date, the Issuer, may (i) deliver to the Registration Agent for cancellation the 2013 Senior Lien Bonds to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any 2013 Senior Lien Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each 2013 Senior Lien Bond so delivered or previously purchased or redeemed

shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the Issuer on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of 2013 Senior Lien Bonds to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced. The Issuer shall, on or before the forty-fifth (45th) day next preceding each payment date, furnish the Registration Agent with its certificate indicating whether or not and to what extent the provisions of clauses (i) and (ii) of this paragraph are to be availed of with respect to such payment and confirm that funds for the balance of the next succeeding prescribed payment will be paid on or before the next succeeding payment date.]

### **Selection of Bonds for Redemption**

If less than all of the Series 2013 Bonds are to be redeemed, the Registration Agent, upon written instruction from the Issuer, shall select the Series 2013 Bonds for redemption from such maturity dates and in such amounts as are selected by the Issuer. If less than all of the Series 2013 Bonds within a single maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

(i) if the Series 2013 Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the Series 2013 Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

(ii) if the Series 2013 Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Series 2013 Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine. In any event, the portion of any Series 2013 Bond to be redeemed in part shall be in the principal amount of \$5,000 or any integral multiple thereof.



Exhibit B

CERTIFICATE OF CITY OF CLARKSVILLE, TENNESSEE

I, Kim McMillan, Mayor of the City of Clarksville, Tennessee (the "Issuer"), hereby certify on the date hereof, being the date of delivery of and payment for the Issuer's Water, Sewer and Gas Revenue Refunding Bonds, Series 2013 and Subordinate Lien Water, Sewer and Gas Revenue Refunding Bonds, Series 2013 (collectively, the "Series 2013 Bonds"), that: (a) the representations and warranties of the Issuer contained in the Bond Purchase Agreement dated June [ ], 2013 (the "Purchase Agreement") are true and correct in all material respects as of the Closing Date and all of the obligations required under or specified in the Purchase Agreement to be performed by the Issuer at or prior to the Closing have been performed; (b) the Issuer has complied or is presently in compliance with all agreements and has satisfied all conditions on its part to be observed or satisfied under the Purchase Agreement and the Bond Resolution at or prior to the Closing; (c) since the respective dates as of which information is given in the Official Statement and except as set forth therein, there has not been any material adverse change in the condition, financial or otherwise, of the Issuer; and (d) the Issuer has no knowledge or reason to believe that the Official Statement as of its date or as of the date hereof makes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

Unless the context indicates otherwise, all terms not otherwise defined herein shall have the meaning ascribed to them in the Purchase Agreement.

Dated this [ ] day of June, 2013.

CITY OF CLARKSVILLE, TENNESSEE

By: \_\_\_\_\_  
Kim McMillan, Mayor

Exhibit C

(Proposed Opinion of City Attorney)

[date]

Bass, Berry & Sims PLC  
150 Third Avenue South, Suite 2800  
Nashville, Tennessee 37201

Morgan Stanley & Co. LLC,  
as Representative of the Underwriters  
440 South LaSalle Street, 37th Floor  
Chicago, Illinois 60605

**Re: The City of Clarksville, Tennessee Water, Sewer and Gas Revenue Refunding Bonds, Series 2013 (the "2013 Senior Lien Bonds") and Subordinate Lien Water, Sewer and Gas Revenue Refunding Bonds, Series 2013 (the "2013 Subordinate Lien Bonds")**

Ladies and Gentlemen:

As the duly appointed and acting City Attorney for the City of Clarksville, Tennessee (the "Issuer"), I am familiar with the matters relating to the issuance by the Issuer of its Water, Sewer and Gas Revenue Refunding Bonds, Series 2013 (the "2013 Senior Lien Bonds") and its Subordinate Lien Water, Sewer and Gas Revenue Refunding Bonds, Series 2013 (the "2013 Subordinate Lien Bonds" and, together with the 2013 Senior Lien Bonds, the "Series 2013 Bonds").

In my capacity as City Attorney, I have examined and relied upon originals and copies, certified or otherwise identified to my satisfaction of the following:

- (i) the resolutions of the City Council of the Issuer (the "City Council") adopted on June 6, 2013, supplementing and amending the resolution of the City Council adopted on February 7, 1985, as supplemented and amended February 1, 1991, November 7, 1991, October 1, 1992, May 1, 1997, November 5, 1998, and June 1, 2001, as amended and restated on May 6, 2004, as further supplemented and amended on March 29, 2007 and April 7, 2011 (collectively, the "Senior Lien Bond Resolution");
- (ii) the resolutions of the City Council adopted on June 6, 2013 (collectively, the "Subordinate Lien Bond Resolution" and, together with the Senior Lien Resolution, the "Bond Resolution");

- (iii) the Official Statement dated June [ ], 2013 used in the marketing of the Series 2013 Bonds (the "Official Statement");
- (iv) the Bond Purchase Agreement, dated June [ ], 2013 between the Issuer and Morgan Stanley & Co. LLC, as representative of the underwriters of the Bonds (the "Bond Purchase Agreement");
- (v) the provisions of Chapter 44, Title 8, *Tennessee Code Annotated*, as amended (the "Open Meetings Act");
- (vi) the Continuing Disclosure Certificate of the Issuer; and
- (vii) such other documents and proofs as I have considered necessary for the purposes of rendering this opinion.

I have assumed the authenticity of all signatures (other than those of officials of the Issuer) on documents submitted to me as certified, conformed or photostatic copies. I am admitted to the Bar of the State of Tennessee, and I express no opinion as to the laws of any jurisdiction other than the State of Tennessee. I further express no opinion as to the tax-exempt status of the Bonds.

Based on the foregoing, I am of the opinion as follows:

1. The Issuer is a municipal corporation, lawfully organized and existing under the laws of the State of Tennessee, and has the right and authority under Tennessee law, to adopt the Bond Resolution.

2. The execution, delivery and performance, as applicable, by the Issuer of the Series 2013 Bonds, the Bond Resolution, the Official Statement and the Continuing Disclosure Certificate have been duly authorized and approved by all necessary action of the Issuer. No provision or action heretofore taken by the City Council pertaining to the authorization and issuance of the Series 2013 Bonds, including but not limited to the Bond Resolution, has been repealed, revoked or amended (except as noted in (i) and (ii) above), and said Bond Resolution is in full force and effect according to its terms.

3. To the best of my knowledge after due inquiry, the execution, delivery and performance, as applicable, by the Issuer, of its obligations under the Bond Resolution, the Series 2013 Bonds, the Bond Purchase Agreement, the Official Statement and the Continuing Disclosure Certificate, the adoption of the Bond Resolution, and compliance with the provisions of the foregoing under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the Issuer a breach or default under any agreement, trust agreement, loan agreement, bond, note, resolution, ordinance or other instrument or legal restriction to which the Issuer is a part or is otherwise subject or any existing law or administrative regulation, or any court order, judgment or consent decree to which the Issuer is subject and do not result in or require the creation of any lien, security interest or other charge or encumbrance upon or with respect to any properties of the Issuer other than as may be

contemplated by the Bond Resolution. To my knowledge, the Issuer is not in default under the terms and provisions of the Bond Resolution.

4. No authorization, consent, waiver, approval or other action by and no notice to or filing or registration with, any officer, board, authority, agency or instrumentality of the Issuer, not already obtained, was required as of the date the City Council adopted the Bond Resolution, or is or was required as of the date hereof for the due execution, delivery and performance, as applicable by the Issuer of the Series 2013 Bonds, the Bond Resolution, the Bond Purchase Agreement, the Official Statement and the Continuing Disclosure Certificate.

5. The Issuer is lawfully organized and all present officials thereof have good and sufficient title to their respective official positions. The Honorable Kim McMillan is the duly elected, qualified and acting Mayor of the Issuer.

6. The requirements of the Open Meetings Act as they relate to regular and special meetings, as applicable, of the City Council were fulfilled with respect to its June 6, 2013 meeting.

7. The Issuer has good right and lawful authority to operate, maintain and improve the water, sewer and gas systems of the Issuer and to fix, establish and maintain or cause to be fixed, established and maintained rates and charges for the provision and sale of water, sewer and gas services and to perform all its obligations under the Bond Resolution in those respects.

8. Except as disclosed in the Official Statement, no litigation of any nature is now pending, or, to the knowledge of the undersigned, threatened, seeking to restrain or enjoin the Issuer's execution and delivery of the Series 2013 Bonds, or the collection of revenues sufficient to pay the principal amount of the Series 2013 Bonds or interest thereon, or in any manner questioning the proceedings and authority therefor or affecting the validity of said Series 2013 Bonds or the revenues of the System securing the Series 2013 Bonds; that neither the existence nor the present boundaries of the Issuer nor the title of the present officers to their respective offices is being contested; that no authority or proceeding for the execution and delivery of said Series 2013 Bonds has been repealed, revoked or rescinded; and that there has been no change in the status of pending litigation from that indicated in the Official Statement.

9. The 2013 legislative session of the General Assembly of the State of Tennessee has adjourned and no legislation was been passed during such 2013 session affecting the power and authority of the Issuer to execute and deliver the Series 2013 Bonds.

Without having undertaken to determine independently the accuracy and completeness of the statements contained in the Official Statement, nothing has come to my attention that would lead me to believe that the Official Statement as of its date or as of the date hereof contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

I do not express any opinion regarding the Series 2013 Bonds except as expressly set forth above.

I hereby consent to the reference to me in the Official Statement.

Yours very truly,

Lance Baker, Esq.  
City Attorney  
City of Clarksville, Tennessee

Exhibit D

[FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL]

[Letterhead of Bass, Berry & Sims PLC]

[Dated Closing Date]

Morgan Stanley & Co. LLC, as  
Representative  
440 South LaSalle Street, 37<sup>th</sup> Floor  
Chicago, Illinois 60605

Ladies and Gentlemen:

With respect to the issuance by the City of Clarksville, Tennessee (the "Issuer") of its Water, Sewer and Gas Revenue Refunding Bonds, Series 2013 and Subordinate Lien Water, Sewer and Gas Revenue Refunding Bonds, Series 2013 (collectively, the "Series 2013 Bonds"), this opinion is furnished to you pursuant to Section 8(h) of that certain Bond Purchase Agreement, dated June [ ], 2013 (the "Purchase Agreement"), by and between the Issuer and you, as Representative of the Underwriters (collectively, the "Underwriters"). We have reviewed such documents and proceedings and matters of law, as we have considered necessary or appropriate for the purpose of this opinion. Unless the context indicates otherwise, all terms not otherwise defined herein shall have the meaning ascribed to such terms in the Purchase Agreement.

On the basis of our review, we are of the opinion that:

1. The Purchase Agreement has been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the other parties thereto, constitutes a valid and legally binding agreement of the Issuer enforceable in accordance with its terms, subject to any applicable bankruptcy, insolvency, reorganization or similar laws affecting the enforcement of creditors' rights generally and the application of equitable principles where equitable remedies are sought.

2. The Continuing Disclosure Certificate by the Issuer dated June [ ], 2013 has been duly authorized, executed and delivered by the Issuer and constitutes a valid and legally binding agreement of the Issuer enforceable in accordance with its terms.

3. The information in the Official Statement under the captions "THE SERIES 2013 BONDS" and "TAX MATTERS", insofar as such information purports to summarize certain provisions of the Series 2013 Bonds (other than financial or statistical data or descriptions of the book-entry-only system), the Internal Revenue Code of 1986, as amended, and our opinion of even date herewith approving the validity of the Series 2013 Bonds are accurate and fair statements or summaries.

4. Under existing laws, the Series 2013 Bonds may be offered and sold without registration under the Securities Act of 1933, as amended, and the Bond Resolution (as defined in the Purchase Agreement) is not required to be qualified under the Trust Indenture Act of 1939, as amended.

This letter is furnished by us as bond counsel to the Issuer. No attorney-client relationship has existed or exists between our firm and yourselves in connection with the Series 2013 Bonds or by virtue of this letter and we have no obligation to update this letter. This letter is delivered to you as Underwriters of the Series 2013 Bonds, is solely for your benefit as such Underwriters and is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person without our consent. This letter is not intended to be relied upon by owners of the Series 2013 Bonds.

Very truly yours,

Exhibit E

[FORM OF OPINION OF UNDERWRITERS COUNSEL]

[Adams and Reese LLP Letterhead]

[Dated Closing Date]

Morgan Stanley & Co. LLC, as  
Representative  
440 South LaSalle Street, 37<sup>th</sup>  
Floor Chicago, Illinois 60605

CITY OF CLARKSVILLE, TENNESSEE

\$[ ]  
WATER, SEWER AND GAS REVENUE REFUNDING BONDS, SERIES 2013

\$[ ]  
SUBORDINATE LIEN WATER, SEWER AND GAS REVENUE REFUNDING BONDS,  
SERIES 2013

Ladies and Gentlemen:

We have acted as counsel for the Underwriters (the "Underwriters") named in the Bond Purchase Agreement dated June [ ], 2013 (the "Bond Purchase Agreement") between the City of Clarksville, Tennessee (the "Issuer") and you, as Representative of the Underwriters, in connection with purchase and sale by the Underwriters of the Issuer's Water, Sewer and Gas Revenue Refunding Bonds, Series 2013 and Subordinate Lien Water, Sewer and Gas Revenue Refunding Bonds, Series 2013 (collectively, the "Series 2013 Bonds"), upon their initial issuance and delivery. Capitalized terms defined in the Bond Purchase Agreement are used with the same meanings herein.

As such counsel, we have reviewed such documents and have made such investigations of law as we have deemed relevant and necessary as the basis for the opinion hereinafter expressed.

Under existing laws, the Series 2013 Bonds may be offered and sold without registration under the Securities Act of 1933, as amended, and the Bond Resolution is not required to be qualified under the Trust Indenture Act of 1939, as amended.

We are not passing upon, and assume no responsibility for, the accuracy, completeness or fairness of the statements contained in the Official Statement. Without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Official Statement, but on the basis of our conferences with representatives of the Issuer,



Bond Counsel and the Underwriters and our examination of certain documents referred to in the Official Statement, nothing has come to our attention which would lead us to believe that the Official Statement (except for the financial, forecast, technical or statistical data and the information respecting The Depository Trust Company included therein, as to which we do not express an opinion) contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

We are of the further opinion that the Continuing Disclosure Certificate complies as to form in all material respects with the requirements of paragraph (b)(5) of the Rule. In addition, but limited to and based solely upon our reliance on the Issuer's representations contained in or relied upon in certain of the documents, instruments, certificates and opinions included in the transcript of proceedings of the Series 2013 Bonds, we are of the opinion, assuming the historical, current and continuing accuracy of such representations, that the undertakings contained in the Continuing Disclosure Certificate provide a suitable basis for the Underwriters to reasonably determine that the Issuer has undertaken to provide the information required to be provided in connection with the primary offering of the Series 2013 Bonds pursuant to paragraph (b)(5)(i) of the Rule. We do not opine upon the enforceability of the Continuing Disclosure Certificate and have relied upon the opinion of Bond Counsel to the Issuer that the Continuing Disclosure Certificate has been duly authorized, executed and delivered and constitutes a valid and binding obligation upon the Issuer.

We have not passed upon, and the foregoing is subject to, the validity of the Series 2013 Bonds and the exclusion from gross income for federal income tax purposes of the interest on the Series 2013 Bonds, as to which we understand that you are relying upon the opinion, dated the date hereof, of Bass, Berry & Sims PLC, Nashville, Tennessee.

We assume no responsibility for updating this opinion to take into account any event, action, interpretation or change of law occurring subsequent to the date hereof that may affect the validity of any of the opinions expressed herein. This opinion is furnished by us solely for the benefit of the Underwriters for use in connection with the transactions contemplated by the Bond Purchase Agreement and it may not be furnished or quoted to, or relied upon by, any other person, without our prior written consent, except that this opinion may be included in a transcript of proceedings in connection with the issuance of the Series 2013 Bonds.

Very truly yours,

Exhibit F

FINANCIAL ADVISOR CERTIFICATE WITH RESPECT TO THE PRELIMINARY  
OFFICIAL STATEMENT AND OFFICIAL STATEMENT IN CONNECTION WITH  
THE CITY OF CLARKSVILLE, TENNESSEE

\$[ ]  
WATER, SEWER AND GAS REVENUE REFUNDING BONDS, SERIES 2013

\$[ ]  
SUBORDINATE LIEN WATER, SEWER AND GAS REVENUE REFUNDING  
BONDS, SERIES 2013

The undersigned, an authorized officer of Public Financial Management, Inc., Memphis, Tennessee, Financial Advisor, in connection with the issuance of the City of Clarksville, Tennessee Water, Sewer and Gas Revenue Refunding Bonds, Series 2013 and Subordinate Lien Water, Sewer and Gas Revenue Refunding Bonds, Series 2013 (collectively, the "Series 2013 Bonds"), hereby certifies that we have participated in the preparation of the Preliminary Official Statement dated June [ ], 2013 and Official Statement dated June [ ], 2013, both relating to the Series 2013 Bonds, and that the information contained in the Preliminary Official Statement and the Official Statement accurately reflects information received from public records, discussions with public officials and employees and other sources which we believe are reliable; provided, however, that we have not made an independent investigation of the information supplied to us in the preparation of the Preliminary Official Statement and the Official Statement, and we are not passing upon or warranting the truth or the accuracy of such information. To the best of our knowledge and belief (a) the Preliminary Official Statement did not, as of its date, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, (b) as of the date hereof, the Official Statement does not contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and (c) as of this date there has been no material adverse change in the financial condition or financial affairs of the City of Clarksville, Tennessee since the date of issuance of said Official Statement on June [ ], 2013.

Dated this [ ] day of June, 2013.

PUBLIC FINANCIAL MANAGEMENT,  
INC.

By: \_\_\_\_\_

Its: \_\_\_\_\_

Exhibit G

REPRESENTATIVE'S CERTIFICATE WITH RESPECT TO THE  
BONA FIDE OFFERING OF THE SERIES 2013 BONDS

The undersigned, as representative (the "Representative") of the Underwriters (as defined in the Bond Purchase Agreement) in connection with the issuance of the City of Clarksville, Tennessee (the "Issuer") \$[ ] Water, Sewer and Gas Revenue Refunding Bonds, Series 2013 and \$[ ] Subordinate Lien Water, Sewer and Gas Revenue Refunding Bonds, Series 2013 (collectively, the "Series 2013 Bonds"), hereby certifies that:

On June [ ], 2013 (the "Sale Date"), the Underwriters made a bona fide offering of the Series 2013 Bonds to the Public (as defined below) at the respective prices set forth on the cover of the Official Statement distributed in connection with the Series 2013 Bonds. For purposes of this certificate, the "Public" does not include bond houses, brokers, and similar persons or organizations acting in the capacity of underwriters or wholesalers. On the Sale Date, the Underwriters sold at least 10% of each maturity of the Series 2013 Bonds to the Public at or below the respective prices set forth on the cover of the Official Statement.

The Issuer may rely on the statements made herein in connection with making the representations set forth in the Tax Exemption Certificate and Agreement for the Series 2013 Bonds and in its efforts to comply with the conditions imposed by the Internal Revenue Code of 1986, as amended (the "Code"). Bass, Berry & Sims PLC may also rely on this Certificate for purposes of its opinion regarding the treatment of interest on the Series 2013 Bonds as excludable from gross income for federal income tax purposes. Any reliance accorded to the Issuer or to Bass, Berry & Sims PLC is qualified to the effect that nothing herein represents our interpretation of any laws, and in particular, regulations under section 148 of the Internal Revenue Code.

Dated this [ ] day of June, 2013.

MORGAN STANLEY & CO. LLC,  
as Representative of the Underwriters

By: \_\_\_\_\_  
William D. Mack, Executive Director

EXHIBIT C

STATE REPORT OF PLAN OF REFUNDING

(attached)



**STATE OF TENNESSEE  
COMPTROLLER OF THE TREASURY  
OFFICE OF STATE AND LOCAL FINANCE  
SUITE 1600 JAMES K. POLK STATE OFFICE BUILDING  
505 DEADERICK STREET  
NASHVILLE, TENNESSEE 37243-1402  
PHONE (615) 401-7872  
FAX (615) 741-5986**

May 24, 2013

Honorable Kim McMillan, Mayor  
City of Clarksville  
City Hall  
One Public Square  
Clarksville, TN 37040

Dear Mayor McMillan:

This letter acknowledges receipt of a request on May 15, 2013, to review a plan of refunding (the "Plan") for the proposed issuance by the City of Clarksville (the "City") of an estimated \$20,545,000 Water, Sewer & Gas (Subordinate) Revenue Refunding Bonds, Series 2013B (the "2013B Refunding Bonds") to current refund an estimated:

- \$19,849,618 State Revolving Loan, Series 1997-104 (the "1997 SRF"); and
- \$3,188,528 State Revolving Loan, Series 2001-044 (the "2001 SRF").

The 1997 SRF and 2001 SRF are the "Refunded Loan Agreements." The 2013B Refunding Bonds are estimated to sell at a premium of \$2,630,799. The total refunded principal is \$23,038,146.

Pursuant to the provisions of Tennessee Code Annotated Title 9, Chapter 21 a plan of refunding must be submitted to our Office for review prior to the adoption of a resolution by the governing body of a local government authorizing the issuance of revenue refunding bonds. The information presented in the plan of refunding includes the assertions of the City and may not reflect either the City's current or future financial condition or current market conditions or market conditions at the time of sale.

**FINANCIAL PROFESSIONALS**

The City has identified Public Financial Management, Inc. as its municipal advisor. Municipal advisors have a fiduciary responsibility to the City. Underwriters have no fiduciary responsibility to the City. They represent the interests of their firm and are not required to act in the City's best interest without regard to their own or other interests. The Plan was prepared by the City with the assistance of its municipal advisor.

**THE CITY'S PROPOSED REFUNDING OBJECTIVE**

The City indicated its purpose for the refunding is to realize net present value savings. The Plan estimates net present value savings of \$1,610,945 or 7.84% of the refunded principal.

#### **COMPLIANCE WITH THE CITY'S DEBT MANAGEMENT POLICY**

The City provided a copy of its debt management policy (the "Policy"). When the City submits Form CT-0253 within 45 days of issuance of the debt approved in this letter, the City must describe, in specifics, how its debt issue complies with its Policy.

#### **PRIVATE NEGOTIATED SALE APPROVAL**

The approval of the Office of State and Local Finance is required when a municipality desires to sell refunding general obligation debt through a negotiated sale process. The City has requested approval to sell the Refunding Bonds through negotiated sale.

This letter constitutes approval to negotiate the sale of the 2013A Refunding Bonds, conditioned upon the requirement that the bonds are sold with the debt service payment schedule having the same principal repayment schedule as presented in the plan or the principal repayment schedule is accelerated.

#### **REPORT OF THE REVIEW OF THE PLAN OF REFUNDING**

Enclosed is the report of the review of the plan of refunding required by TENN. CODE ANN. § 9-21-1003 for distribution to the members of the governing body.

This letter and this report including the Plan are to be posted on the City's website prior to the meeting of the governing body adopting the refunding bond resolution. The same letter and report for the Plan is to be provided to each member of the governing body for review at the Public Meeting adopting the refunding bond resolution.

The enclosed report does not constitute approval or disapproval for the proposed Plan or a determination that a refunding is advantageous or necessary nor that any of the outstanding obligations should be called for redemption on the first or any subsequent available redemption date or remain outstanding until their respective dates of maturity.

This letter and the enclosed report do not address the compliance with federal tax regulations and are not to be relied upon for that purpose. The City should discuss these issues with a bond counsel or tax attorney.

*Each report is effective for a period of one hundred and twenty (120) days. If the refunding has not been completed during this time, a supplemental plan of refunding must be submitted to this Office, at that time we will issue a report thereon pursuant to the statutes. In lieu of submitting a supplemental plan, a statement may be submitted to our Office after the 120-day period has elapsed stating that the information contained in the current plan of refunding remains valid. Such statement must be submitted by either the Chief Executive Officer or the Chief Financial Officer of the local government. We will acknowledge receipt of such statement and will issue our letter confirming that this refunding report remains valid for an additional 120-day period. However, with regard to the report currently being issued by this Office, during the initial 120-day period or any subsequent 120-day period no refunding reports will be issued relating to the debt obligations indicated herein as being refunded unless the Chief Executive Officer or the Chief Financial Officer notifies our Office that the plan of refunding which has been submitted is no longer valid.*

*We recognize that the information provided in the Plan submitted to our Office is based on preliminary analysis and estimates, and that actual results will be determined by market conditions at the time of sale of the debt obligations. However, if it is determined prior to the issuance of these obligations that the actual results will be significantly different from the information provided in the plan which has been submitted, and the local government determines to proceed with the issue, our Office should subsequently be notified by either the Chief Executive Officer or the Chief Financial Officer of the local government regarding these differences, and that the local government was aware of the differences and determined to proceed with the issuance of the debt*

*obligations. Notification to our Office will be necessary only if there is an increase or decrease of greater than fifteen percent (15%) in any of the following: (1) the principal amount of the debt obligations issued; (2) the costs of issuance; (3) the cumulative savings or loss with regard to any refunding proposal. We consider this notification necessary to insure that this Office and officials of the local government are aware of any significant changes that occur with regard to the issuance of the proposed indebtedness.*

**Report on Debt Obligation**

We are enclosing a revised State Form CT-0253, Report on Debt Obligation. Pursuant to § 9-21-151 *Tennessee Code Annotated*, this form is to be completed and filed with the governing body of the City no later than forty-five (45) days after the issuance of this debt, with a copy (including attachments, if any) filed with the Director of the Office of State and Local Finance by mail to the address on this letterhead or by email to [stateandlocalfinance.publicdebtform@cot.tn.gov](mailto:stateandlocalfinance.publicdebtform@cot.tn.gov). No public entity may enter into additional debt if it has failed to file the Report on Debt Obligation.

Sincerely,

*Mary-Margaret Collier*  
J.S.

Mary-Margaret Collier  
Director of the Office of State & Local Finance

Cc: Mr. Jim Arnette, Director of Local Government Audit, COT  
Mr. Fred Klein, City of Clarksville  
Mr. Joshua McCoy, Public Financial Management, Inc.  
Mr. Jeff Oldham, Bass Berry & Sims  
Ms. Lillian Blackshear, Bass Berry & Sims

Enclosures (2): Report of the Director of the Office of State & Local Finance  
State Form CT-0253, Report on Debt Obligation

**REPORT OF THE DIRECTOR OF THE OFFICE OF STATE AND LOCAL FINANCE  
CONCERNING THE PROPOSED ISSUANCE OF  
WATER, SEWER & GAS (SUBORDINATE) REVENUE REFUNDING BONDS, SERIES 2013B  
CITY OF CLARKSVILLE, TENNESSEE**

The City of Clarksville, Tennessee ("the City") submitted a plan of refunding (the "Plan") as required by Tenn. Code Ann. § 9-21-1003 regarding the proposed issuance of an estimated \$20,545,000 Water, Sewer & Gas (Subordinate) Revenue Refunding Bonds, Series 2013B (the "2013B Refunding Bonds") to current refund an estimated:

- \$19,849,618 State Revolving Loan, Series 1997-104 (the "1997 SRF"); and
- \$3,188,528 State Revolving Loan, Series 2001-044 (the "2001 SRF").

The 1997 SRF and 2001 SRF are the "Refunded Loan Agreements." The 2013B Refunding Bonds are estimated to sell at a premium of \$2,630,799. The total refunded principal is \$23,038,146.

The Plan was prepared with the assistance of the City's Municipal Advisor, Public Financial Management, Inc. The information presented in the Plan includes the assertions of the City and may not reflect either the City's current or future financial condition or current market conditions or market conditions at the time of sale.

**THE CITY'S PROPOSED REFUNDING OBJECTIVE**

The City indicated its purpose for the refunding is to realize net present value savings.

**REFUNDING ANALYSIS**

- The results for the refunding are based on the assumption that an estimated \$20,545,000 series 2013B Refunding Bonds will be sold at negotiated sale and will be priced at a premium.
- The Plan estimates net present value savings of \$1,610,945 or 7.84% of the refunded principal.
- The estimated savings are generated by reducing the interest rates on the 1997 SRF of 2.76% and the 2001 SRF of 3.22% to an estimated true interest cost of 1.57% for the 2013B Refunding Bonds.
- Estimated costs of issuance are \$133,812 or \$6.51 per \$1,000 of par amount for the 2013B Refunding Bonds. See Table 1 for individual costs of issuance.

Table 1

**Costs of Issuance of Water, Sewer & Gas Revenue Refunding  
Bonds, Series 2013B**

	Amount	Price per \$1,000 bond
Underwriter's Discount	\$ 58,295.55	\$ 2.84
Financial Advisor	26,970.27	1.31
Bond Counsel	22,210.81	1.08
Other Costs	26,335.68	1.28
Total Cost of Issuance	<u>\$ 133,812.31</u>	<u>\$ 6.51</u>

The City has identified Public Financial Management Inc. as its municipal advisor. Municipal advisors have a fiduciary responsibility to you, the issuer. Underwriters have no fiduciary responsibility to you. They represent the interests of their firm.

This report of the Office of State and Local Finance does not constitute approval or disapproval by the Office for the proposed plan or a determination that a refunding is advantageous or necessary nor that any of the Refunded Loan Agreements should be called for redemption on the first or any subsequent available redemption date or remain outstanding until their respective dates of maturity. This report is based on information as presented in the Plan by the City. The assumptions included in the City's Plan may not reflect either current market conditions or market conditions at the time of sale. If all of the Refunded Loan Agreements are not refunded as a part of the Series 2013B Refunding Bonds, then a new plan must be submitted to this Office for review of a plan of refunding for the residual bonds.

*Mary-Margaret Collier*  
Mary-Margaret Collier  
Director of the Office of State and Local Finance  
Date: May 24, 2013



STATE OF TENNESSEE )

COUNTY OF MONTGOMERY )

I, Sylvia Skinner, hereby certify that I am the duly qualified and acting City Clerk of the City of Clarksville, 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 City Council of the Municipality held on June 6, 2013; (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 issuance of subordinate Series 2013 water, sewer and gas revenue refunding bonds by the Municipality; (4) that the actions by the City Council 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 the City Council was present and acting throughout said meeting.

WITNESS my official signature and seal of said Municipality this \_\_\_\_ day of June, 2013.

\_\_\_\_\_  
Sylvia Skinner, City Clerk

(SEAL)

ORDINANCE 92-2012-13

AN ORDINANCE AUTHORIZING EXTENSION OF CITY OF CLARKSVILLE UTILITY SERVICES OUTSIDE THE CLARKSVILLE CITY LIMITS; REQUEST OF DANELL WELCH FOR PROPERTY LOCATED AT 3301 HIGHWAY 41-A SOUTH, CMAP 82 PARCEL 169.00 AND 170.00,

*WHEREAS*, proper application has been made by Weakley Brothers Engineering, Britt Little, on behalf of Danell Welch for extensions of City utility service to property located at Cmap 82, Parcel 169.00 and 170.00 with the property address of 3301 Highway 41-A South outside the corporate boundary of the City, said property and the extension of service thereto, which is more particularly described in Exhibit A attached hereto and incorporated herein; and

*WHEREAS*, the City of Clarksville Gas and Water Department has recommended approval of said application; and

*WHEREAS*, the Gas, Water and Sewer Committee of the Clarksville City Council has recommended approval of said application; and

*WHEREAS*, the Clarksville City Council finds that all of the requirements of City Code Section 13-405 have been or are satisfied and the extension of water and sewer service to property as described in Exhibit A will be in the best interest of the City.

*NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CLARKSVILLE, TENNESSEE:*

That the City of Clarksville Gas, Water and Sewer Department is hereby authorized to extend utility service to property located at Cmap 82, Parcel 169.00 and 170.00 with the property address of 3301 Highway 41-A South outside the City corporate limits as described in Exhibit A attached hereto and incorporated herein and subject to and in accordance with the provisions of the City Code and Ordinance 37-2009-10.

*FIRST READING:*

*SECOND READING:*

*EFFECTIVE DATE*

[illegible]

ORDINANCE 93-2012-13

AN ORDINANCE AUTHORIZING EXTENSION OF CITY OF CLARKSVILLE UTILITY SERVICES OUTSIDE THE CLARKSVILLE CITY LIMITS; REQUEST OF DAVID WELCH FOR PROPERTY LOCATED AT ASHLAND CITY ROAD, CMAP 88 PARCEL 112.03.

*WHEREAS,* proper application has been made by Weakley Brothers Engineering, Britt Little, on behalf of David Welch for extensions of City utility service to property located at Cmap 88, Parcel 112.03 with the property address of Ashland City Road outside the corporate boundary of the City, said property and the extension of service thereto, which is more particularly described in Exhibit A attached hereto and incorporated herein; and

*WHEREAS,* the City of Clarksville Gas and Water Department has recommended approval of said application; and

*WHEREAS,* the Gas, Water and Sewer Committee of the Clarksville City Council has recommended approval of said application; and

*WHEREAS,* the Clarksville City Council finds that all of the requirements of City Code Section 13-405 have been or are satisfied and the extension of water and sewer service to property as described in Exhibit A will be in the best interest of the City.

*NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CLARKSVILLE, TENNESSEE:*

That the City of Clarksville Gas, Water and Sewer Department is hereby authorized to extend utility service to property located at Cmap 88, Parcel 112.03 with the property address of Ashland City Road outside the City corporate limits as described in Exhibit A attached hereto and incorporated herein and subject to and in accordance with the provisions of the City Code and Ordinance 37-2009-10.

*FIRST READING:*

*SECOND READING:*

*EFFECTIVE DATE*





ORDINANCE 99-2012-13

AN ORDINANCE AMENDING THE OFFICIAL CODE, TITLE 10 (OFFENSES-MISCELLANEOUS), CHAPTER 2 (ENUMERATED) RELATIVE TO FIREWORKS

*BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CLARKSVILLE, TENNESSEE:*

That the Official Code of the City of Clarksville, Title 10, Offenses-Miscellaneous, Chapter 2, Enumerated, Section 10-215, Fireworks –Unlawful to explode, is hereby amended as follows:

Except as set out below, it shall be unlawful for any person to explode, fire, or set off, or allow to be exploded, fired, or set off, any firecrackers, Roman candles, sparklers, powder-loaded pinwheels, torpedoes, or any other article thought of as constituting "fireworks."

Fireworks which may be lawfully purchased inside the city limits of the city, as specified in [section 10-217](#) may be exploded, fired, or set off inside the city limits of the city on the following dates and times:

July 1 through July 5, between the hours of 6:00 p.m. and 10:00 p.m.; December 28 through December 30, between the hours of 6:00 p.m. and 10:00 p.m.; December 31 between the hours of 6:00 p.m. and 12:00 midnight; and January 1 between the hours of 6:00 p.m. and 10:00 p.m.

*It shall be at all times and days of the year, unlawful for any person or organization to possess and/or shoot any type of fireworks from within City Parks. If someone is caught with or discharging fireworks in a city park, the chief of police and/or fire marshal is hereby authorized to issue a citation and items will be confiscated. Exception is for City of Clarksville Department of Parks and Recreation for utilizing a professional pyrotechnics/fireworks company during special events.*

It shall at all times be unlawful for any person under the age of sixteen (16) years to use, explode or possess any fireworks within the city limits unless they are under the direct supervision of an adult of at least eighteen (18) years of age.

In addition to those times specified herein, and by a majority vote of those present and voting at any meeting of the city council, activities hereinabove prohibited may be authorized for a certain occasion or occasions.

*FIRST READING:*

*SECOND READING:*

*EFFECTIVE DATE:*

ORDINANCE 80-2012-13

AN ORDINANCE AMENDING THE OFFICIAL CODE, [TITLE 1, CHAPTER 8, SECTION 1-821] RELATIVE TO RETIRING LAW ENFORCEMENT ANIMALS

- WHEREAS*, the City of Clarksville, through the Clarksville Police Department (CPD) has previously established a K-9 Unit; and
- WHEREAS*, the CPD K-9 Unit consists of certain Officers of the Clarksville Police Department and patrol service dogs; and
- WHEREAS*, the City and CPD desire to ensure the adequate care and well being for these K-9 unit dogs after those animals have been retired from law enforcement after years of dutiful service; and
- WHEREAS*, many of these K-9 unit animals live with their police officer handlers and their families both as law enforcement animals and family pets during the years of active K-9 unit service; and
- WHEREAS*, upon retirement from the K-9 unit, the dogs frequently continue living with the police officers and their families as pets; and
- WHEREAS*, the care of these retired K-9 unit animals can become expensive and potentially burdensome on the officers caring for the retired dogs; and
- WHEREAS*, the City and CPD wish to assist the officers and owners caring for these retired K-9 unit animals with financial support for the animals' veterinary care, food expenses, and respite care in appreciation of the animals who have given much effort and service to the City in the name of law enforcement.

*NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CLARKSVILLE, TENNESSEE:*

- (1) That Title 1, Chapter 8, Section 1-821 of the official Clarksville City Code be amended by adding the following language:

**Section 1-821 - Retired law enforcement animals**

- a. It is the policy of the City of Clarksville that former police department canine (K-9) unit dogs be adequately provided for following their service to the Clarksville Police Department.
- b. Once the police department determines that an animal is no longer fit for active service with the department, the department shall first offer to donate the animal to the police officer assigned to the animal at the time such determination is made. If the police officer assigned to the animal declines to accept the donation of the animal, the police department shall offer to donate the retired animal to a different active or retired officer of the police department. If the police officer assigned to

the animal and any other active or retired CPD officers decline to accept the donation of the animal, then the police department shall make a reasonable effort to contact the person(s) that donated the animal to the police department and offer to return the animal to him/her. If neither the police officer assigned to the animal, nor any other active or retired police officers, nor the person(s) that donated the animal to the police department accept the donation of the animal, the police department shall have the authority to donate the animal to another person, law enforcement agency, or organization the department deems appropriate. If the retired K-9 unit animal is donated to a person or group who is not an active or retired CPD officer, the financial support provisions for veterinary care, food expenses, and respite care detailed in subsections (c) through (e) will not apply.

- c. The provisions of subsections (d) through (f) shall apply to all former police department K-9 unit animals under the ownership and care of an active or retired police officer, and to all K-9 unit animals donated to active or retired police officers in the future.
- d. The Clarksville Police Department will be responsible for the veterinary care expenses for retired K-9 unit animals up to two thousand five hundred dollars (\$2,500.00) per animal per calendar year, provided that the animal remains in the possession and care of an active or retired Clarksville police officer and such veterinary care is provided by a licensed veterinarian. Veterinarian expenses incurred by the active or retired police officer shall be reimbursed in accordance with procedures established by the chief of police or the chief's designee.
- e. The Clarksville Police Department shall be responsible for the food expenses for every retired K-9 unit animal in the custody and control of an active or retired police officer up to one thousand dollars (\$1,000.00) per calendar year per animal for the life of the animal.
- f. The Clarksville Police Department shall be responsible for the expenses associated with animal boarding and respite care for up to fourteen days per calendar year for the life of the animal for every retired K-9 unit animal in the custody and control of an active or retired police officer.
- g. All persons, organizations, or agencies accepting a donated animal from the police department shall sign a general release form prepared by the City Attorney's office releasing the City from any liability for the future actions of the animal and indemnifying the City from any and all actions, claims, and demands arising out of the control, possession, maintenance, and/or conduct of the animal.

*FIRST READING:*

*SECOND READING:*

*EFFECTIVE DATE:*



ORDINANCE 94-2012-13

AN ORDINANCE TO RESCHEDULE THE JULY 2013 REGULAR MEETING OF  
THE CITY COUNCIL

*WHEREAS*, the regular meeting of the City Council is now set, per City Code, Section 1-201, for July 4, 2013; and

*WHEREAS*, the City Council has determined that it is appropriate to reschedule said regular meeting of the City Council.

*NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CLARKSVILLE, TENNESSEE:*

(1) Notwithstanding any provision of Section 1-201 of the Official City Code to to the contrary, the regular meeting of the City Council scheduled to occur on July 4, 2013, per said City Code provision, is hereby canceled, and a new regular meeting date of July 2, 2013, at 7:00 p.m. at the City Council Chambers in City Hall is scheduled instead.

(2) That this ordinance shall be effective upon passage.

*FIRST READING:*

*SECOND READING:*

*EFFECTIVE DATE:*

ORDINANCE 97-2012-13

AN ORDINANCE PERTAINING TO POLICE DEPARTMENT ESCORT OF FUNERAL PROCESSIONS

*WHEREAS*, recently, the Clarksville Police Department implemented a new funeral procession escort policy which would limit the number of vehicles to seven, including the hearse, that the City, through the CPD, would be responsible for escorting in funeral processions, although the number of vehicles in the procession would not be limited; and

*WHEREAS*, there has been a longstanding tradition and custom in our community, and throughout the southeastern United States, for police departments to escort funeral processions of unlimited numbers of vehicles in order to assist family members and friends of the deceased to arrive safely and promptly from the church, chapel or funeral home to the graveside service, and as a sign of respect for the departed; and

*WHEREAS*, there has been an enormous outcry from the citizens of Clarksville pertaining to the change in policy limiting the number of vehicles for which the CPD would be responsible for escorting, although not limiting the actual number of vehicles in a funeral procession; and

*WHEREAS*, it appears that the new policy provides for preferential treatment or may allow for same at the discretion of the Mayor who may decide that some citizens shall be accorded special treatment wherein additional CPD resources / personnel may be used to escort funeral processions larger than seven vehicles for which CPD would be responsible; and

*WHEREAS*, the change in policy could place those vehicles and family members and friends of the deceased that are behind the seven vehicle maximum at risk of not arriving in a timely manner for the graveside service and paying their final respects to the dearly departed and providing comfort by their presence to their family.

*NOW THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CLARKSVILLE, TENNESSEE:*

(1) That the City Code, Title 1 (Administration, Officers, and Personnel), Chapter 8 (Police Department), be amended, by adding the following language as a new Section 1-821:

**Section 1-821. Police Department Funeral Escorts.**

The Clarksville Police Department shall provide the personnel, vehicles, and other resources reasonably necessary to safely escort the total number of vehicles involved in any funeral procession, as may be requested from time to time by

Clarksville citizens, or funeral home directors, or pastors, preachers, priests, clergy, and the like, within the limits of the City and one mile therefrom, except in cases of dire and immediate emergency or threat to public safety when the Chief of Police, or his designee who shall be at least of the rank of captain, shall have determined that the personnel, vehicles, and other resources reasonably necessary to safely escort the total number of vehicles involved in any such funeral procession cannot be provided due to the emergency or threat to public safety, in which such case, the Clarksville Police Department shall provide such personnel, vehicles, and other resources, if any, as the Chief of Police or his designee may determine may be used without detriment to public safety to escort all or any number of vehicles involved in any such funeral procession as the Chief of Police or his designee may determine may be safely escorted.

*FIRST READING:*

*SECOND READING:*

*EFFECTIVE DATE:*

ORDINANCE 98-2012-13

AN ORDINANCE AMENDING PART II (CODE OF ORDINANCES), TITLE 2 (ALCOHOLIC BEVERAGES), CHAPTER 1 (BEER) OF THE OFFICIAL CODE OF THE CITY OF CLARKSVILLE RELATIVE TO SPECIAL EVENT BEER PERMITS

*WHEREAS*, the City Council has determined that it is appropriate to amend the Official Code of Ordinances of the City of Clarksville;

*NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CLARKSVILLE, TENNESSEE:*

(1) That **Section 2-105**, pertaining to beer “classes of permits,” is amended by deleting the last sentence of said section and substituting therefore the following:

**Section 2-105. Classes of permits.**

- (1)
- (2)
- (3)
- (4) *Special events permit.*
- ...

Non-profit organizations may receive no more than four (4) special events permits during a calendar year.

*FIRST READING:*

*SECOND READING:*

*EFFECTIVE DATE:*

RESOLUTION 54-2012-13

A RESOLUTION AUTHORIZING APPLICATION TO THE TENNESSEE DEPARTMENT OF TRANSPORTATION FOR GRADING PERMITS FOR INTERSECTION MODIFICATIONS

*BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CLARKSVILLE, TENENSSEE:*

That the City of Clarksville is hereby authorized to apply to the Tennessee Department of Transportation for grading permits, attached hereto as Exhibit A, for intersection modification at SR48 & Hazelwood Road, SR236 & North Henderson Way, and SR237 and SR374 at Rossvie Road.

*ADOPTED:*



**STATE OF TENNESSEE  
DEPARTMENT OF TRANSPORTATION**

REGION 3 TRAFFIC OFFICE  
6603 CENTENNIAL BOULEVARD  
NASHVILLE, TENNESSEE 37243-0360  
(615) 350-4189

May 14, 2013

**JOHN C. SCHROER**  
COMMISSIONER

**BILL HASLAM**  
GOVERNOR

City of Clarksville  
Attn: Chris Cowan  
1900 10<sup>th</sup> Street  
Clarksville, TN 37040

Re: Grading Permit  
SR 48 [LM 4.6]  
Clarksville, Montgomery County

Dear Mr. Cowan:

As requested enclosed are the necessary permit forms, a surety bond form, and a copy regulations which must be followed in order to work on state right of way in conformance with Departmental standards.

Please have both copies signed by the property owner and forward them, the bond and a certificate of liability insurance, to this office within thirty (30) days. If you do not respond within thirty days we will assume that you do not wish to proceed, and your application will be discarded. Any future attempt to obtain a permit for this location would then require a new application.

Your application is still in the processing stage. Once we receive the documentation listed above, we will mail you a copy of the fully executed permit signed by Department representatives. Construction may not begin until you receive this fully executed permit.

If I can be of further assistance please let me know.

Sincerely,

Phillip R. Trammel, PE  
Region III Traffic Engineer

Tennessee  
Department of Transportation  
Region III Traffic Office  
Transportation Management Center  
6603 Centennial Blvd., 2nd Floor  
Nashville, TN 37243-0360  
(615) 350-4330 or (615) 350-4332

## GRADING PERMIT

In order to assure that construction on State right of-way is to be performed properly and that the State will be protected from liability the following requirements must be met:

### 1. Permit forms:

Both copies of the permit must be signed by the property owner or a legal representative of the corporation which owns the property. Do not fill in any other blanks on permit form.

### 2. Insurance:

Either the property owner or the contractor shall carry general liability insurance with an insurer and in a form acceptable to the State. Proof of said insurance shall be furnished to the State in the form of an insurance certificate indicating coverage which shall match the exposure of the State to claims for negligence as set forth in Tenn. Code Ann. Section 9-8-307 as it may be from time to time amended and construed. Said limits are currently three hundred thousand dollars (\$300,000) per person and one million dollars (\$1,000,000) for each occurrence. Certificate holder must be: State of Tennessee, Department of Transportation. Such insurance shall remain in full force and effect from the beginning of construction on the right of way until such construction has been completed and approved, in writing, by the Tennessee Department of Transportation. Please specify permittee's name (property owner), and identify the location (State Route, and county) covered by this certificate of insurance. If this information is not provided the permit process may be delayed.

### 3. Bond: NA

Please direct correspondence concerning this permit to the above address.

**ACORD™ CERTIFICATE OF LIABILITY INSURANCE**

DATE (MM/DD/YYYY)

PRODUCER Phone: Fax: f

Insurance Company  
AddressTHIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION  
ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE  
HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR  
ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED

Property Owner (Permittee)  
OR Contractor  
Mailing Address

INSURERS AFFORDING COVERAGE

NAIC #

INSURER A:

INSURER B:

INSURER C:

INSURER D:

INSURER E:

**COVERAGES**THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED.  
NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS  
CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL  
THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO- JECT <input type="checkbox"/> LOC			For the duration of the Permit	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ 300,000 GENERAL AGGREGATE \$ PRODUCTS - COM/OP AGG \$
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EA ACC \$ AGG \$
A	EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$ \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below				WC STATU- TORY LIMITS OTH- ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	OTHER				Limit: Ded:

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

Permittee (Name)

Permit Location (State Route, City, County)

**CERTIFICATE HOLDER**State of Tennessee (Dept of Transportation)  
Region 3 - Traffic Office  
6603 Centennial Boulevard  
Nashville, TN 37243-0360**CANCELLATION**SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED  
BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER  
WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE  
CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO  
SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON  
THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

*Christie Reese*



**TENNESSEE DEPARTMENT OF TRANSPORTATION  
PERMIT TO STATE AGENCY OR LOCAL GOVERNMENT  
FOR PROJECT WITHIN HIGHWAY RIGHT-OF-WAY**

The State of Tennessee, Tennessee Department of Transportation  
("TDOT"), hereby grants this special permit for the use of State property under  
the following terms and conditions:

PERMITTEE: City of Clarksville  
Attn: Chris Cowan  
1900 10<sup>th</sup> Street  
Clarksville, TN 37040

AUTHORIZED USE: Construct turn lanes to TDOT standards and specifications  
per drawing received 5/10/2013, attached hereto and incorporated by reference.

LOCATION OF PREMISES: SR 48 & Hazelwood Road, Clarksville, Montgomery  
Co.

EFFECTIVE DATES OF PERMIT:

**STANDARD TERMS AND CONDITIONS**

1. PERMITTEE shall assume all liability for third-party claims for damages  
arising from its use of the Premises.
2. Prior to commencing the work authorized herein, PERMITTEE shall obtain  
any other permits or approvals required by federal, state or local laws, and  
shall notify any utility company affected by this project. PERMITTEE shall be  
financially responsible for any relocation or replacement of such utilities.
3. Prior to commencing the work authorized herein, PERMITTEE shall notify  
Tennessee One Call regarding any excavation(s) and shall ensure that the  
provisions of TCA 65-31-101 et seq. are met.

4. Access to the Premises shall only be at those points that have been previously approved by TDOT. Equipment and vehicles shall be confined to unpaved portions of the Premises.
5. A. PERMITTEE shall not cut any tree or similar vegetation that has a trunk over four inches in diameter.  
B. PERMITTEE shall not cut any flowering trees regardless of size
6. All work on the premises shall be performed in compliance with current TDOT Standard Specifications for Road and Bridge Construction and TDOT Standard Drawings, in addition to applicable federal, state and local law and regulations.
7. PERMITTEE must obtain prior, written approval from TDOT before deviating from the scope of the project or the manner of its construction as described in this permit, including Attachment A.
8. At no time will work authorized by this permit interfere with the normal flow of traffic on roadways adjoining the Premises. PERMITTEE is responsible for providing traffic control for this work zone in accordance with the requirements of the current *Manual on Uniform Traffic Control Devices*. If proper traffic control is not in place, TDOT may order PERMITTEE to stop work until proper traffic control is put in place.
9. While the project is underway, TDOT may conduct inspections to insure compliance with this Permit. Upon completion of the project, PERMITTEE shall notify TDOT so that the project may be inspected and approved by TDOT.
10. PERMITTEE shall be liable for any damage to state property resulting from the subject work, including but not limited to, the roadway, shoulders,

guardrail, drainage, landscaping, signs and controlled-access fences. All repair or replacement of such damage shall be made in accordance with the current TDOT Standard Specifications for Road and Bridge Construction, TDOT Standard Drawings and any other applicable design and/or construction standards or guidelines.

11. PERMITTEE shall keep all debris, soil, refuse or waste of any kind associated with the project from accumulating within the highway right-of-way. [PERMITTEE shall pay TDOT \$ n/a per cubic yard for usable materials removed from the Premises.] ~~Include this last sentence only if applicable.~~
12. PERMITTEE does hereby covenant and agree that in the event the Permit is for the construction or use of or access to space on, over, or under real property acquired, or improved under the Federal-Aid Highway Program, the PERMITTEE shall comply with all requirements imposed pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-assisted programs of the Department of Transportation – Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.
13. Nothing in this Permit shall be construed to limit TDOT's right to enter the Premises at any time.
14. If the PERMITTEE fails to comply with any of the foregoing conditions, TDOT shall have the right to revoke this permit, and require the immediate vacation of the Premises by the PERMITTEE. In the event of revocation, PERMITTEE must restore the Premises to its original condition. If PERMITTEE fails to do so within a reasonable time after revocation, TDOT may restore the Premises at the expense of the PERMITTEE.

15. This permit is non-transferable.

16. This permit shall not be construed as a conveyance of any interest in real property.

17. All notices required to be given to TDOT under this Permit shall be sent to:

Phillip R. Trammel, P.E.  
Regional Traffic Engineer  
Traffic Management Center  
6603 Centennial Blvd, 2<sup>nd</sup> Floor  
Nashville, TN. 37243-0360

IN WITNESS WHEREOF, the parties, through their authorized representatives, have executed this agreement.

**STATE OF TENNESSEE  
TENNESSEE DEPARTMENT OF TRANSPORTATION**

BY: \_\_\_\_\_  
REGIONAL ENGINEERING DIRECTOR      DATE \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
REGIONAL ATTORNEY      DATE \_\_\_\_\_

**PERMITTEE:**

BY: \_\_\_\_\_  
DATE \_\_\_\_\_

TITLE: \_\_\_\_\_



**STATE OF TENNESSEE  
DEPARTMENT OF TRANSPORTATION**

REGION 3 TRAFFIC OFFICE  
6603 CENTENNIAL BOULEVARD  
NASHVILLE, TENNESSEE 37243-0360  
(615) 350-4189

May 14, 2013

JOHN C. SCHROER  
COMMISSIONER

BILL HASLAM  
GOVERNOR

City of Clarksville  
Attn: Chris Cowan  
1900 10<sup>th</sup> Street  
Clarksville, TN 37040

Re: Grading Permit  
SR 236 [LM 10.5]  
Clarksville, Montgomery County

Dear Mr. Cowan:

As requested enclosed are the necessary permit forms, a surety bond form, and a copy regulations which must be followed in order to work on state right of way in conformance with Departmental standards.

Please have both copies signed by the property owner and forward them, the bond and a certificate of liability insurance, to this office within thirty (30) days. If you do not respond within thirty days we will assume that you do not wish to proceed, and your application will be discarded. Any future attempt to obtain a permit for this location would then require a new application.

Your application is still in the processing stage. Once we receive the documentation listed above, we will mail you a copy of the fully executed permit signed by Department representatives. Construction may not begin until you receive this fully executed permit.

If I can be of further assistance please let me know.

Sincerely,

A handwritten signature in blue ink, reading "Phillip R. Trammel", is written over the typed name.

Phillip R. Trammel, PE  
Region III Traffic Engineer

Tennessee  
Department of Transportation  
Region III Traffic Office  
Transportation Management Center  
6603 Centennial Blvd., 2nd Floor  
Nashville, TN 37243-0360  
(615) 350-4330 or (615) 350-4332

## GRADING PERMIT

In order to assure that construction on State right of-way is to be performed properly and that the State will be protected from liability the following requirements must be met:

### 1. Permit forms:

Both copies of the permit must be signed by the property owner or a legal representative of the corporation which owns the property. Do not fill in any other blanks on permit form.

### 2. Insurance:

Either the property owner or the contractor shall carry general liability insurance with an insurer and in a form acceptable to the State. Proof of said insurance shall be furnished to the State in the form of an insurance certificate indicating coverage which shall match the exposure of the State to claims for negligence as set forth in Tenn. Code Ann. Section 9-8-307 as it may be from time to time amended and construed. Said limits are currently three hundred thousand dollars (\$300,000) per person and one million dollars (\$1,000,000) for each occurrence. Certificate holder must be: State of Tennessee, Department of Transportation. Such insurance shall remain in full force and effect from the beginning of construction on the right of way until such construction has been completed and approved, in writing, by the Tennessee Department of Transportation. Please specify permittee's name (property owner), and identify the location (State Route, and county) covered by this certificate of insurance. If this information is not provided the permit process may be delayed.

### 3. Bond: NA

Please direct correspondence concerning this permit to the above address.



**ACORD™ CERTIFICATE OF LIABILITY INSURANCE**

DATE (MM/DD/YYYY)

PRODUCER Phone: Fax: f

Insurance Company  
AddressTHIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION  
ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE  
HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR  
ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE

NAIC #

INSURED

Property Owner (Permittee)  
OR Contractor  
Mailing Address

INSURER A:

INSURER B:

INSURER C:

INSURER D:

INSURER E:

**COVERAGES**THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED.  
NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS  
CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL  
THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	<b>GENERAL LIABILITY</b> <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LOC			For the duration of the Permit	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ 300,000 GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$
A	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident) \$  BODILY INJURY (Per person) \$  BODILY INJURY (Per accident) \$  PROPERTY DAMAGE (Per accident) \$
	<b>GARAGE LIABILITY</b> <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY: AGG \$
A	<b>EXCESS/UMBRELLA LIABILITY</b> <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE  DEDUCTIBLE RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$ \$
B	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below				WC STATU- TORY LIMITS OTH- ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	<b>OTHER</b> -				Limit: Ded:

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

Permittee (Name)

Permit Location (State Route, City, County)

**CERTIFICATE HOLDER**State of Tennessee (Dept of Transportation)  
Region 3 - Traffic Office  
6603 Centennial Boulevard  
Nashville, TN 37243-0360**CANCELLATION**SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED  
BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER  
WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE  
CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO  
SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON  
THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

*Christi Reese*

**TENNESSEE DEPARTMENT OF TRANSPORTATION  
PERMIT TO STATE AGENCY OR LOCAL GOVERNMENT  
FOR PROJECT WITHIN HIGHWAY RIGHT-OF-WAY**

The State of Tennessee, Tennessee Department of Transportation  
("TDOT"), hereby grants this special permit for the use of State property under  
the following terms and conditions:

PERMITTEE: City of Clarksville  
Attn: Chris Cowan  
1900 10<sup>th</sup> Street  
Clarksville, TN 37040

AUTHORIZED USE: Construct turn lanes to TDOT standards and specifications  
per drawing received 5/10/2013, attached hereto and incorporated by reference.

LOCATION OF PREMISES: SR 236 & North Henderson Way, Clarksville,  
Montgomery Co.

EFFECTIVE DATES OF PERMIT:

**STANDARD TERMS AND CONDITIONS**

1. PERMITTEE shall assume all liability for third-party claims for damages  
arising from its use of the Premises.
2. Prior to commencing the work authorized herein, PERMITTEE shall obtain  
any other permits or approvals required by federal, state or local laws, and  
shall notify any utility company affected by this project. PERMITTEE shall be  
financially responsible for any relocation or replacement of such utilities.
3. Prior to commencing the work authorized herein, PERMITTEE shall notify  
Tennessee One Call regarding any excavation(s) and shall ensure that the  
provisions of TCA 65-31-101 et seq. are met.



4. Access to the Premises shall only be at those points that have been previously approved by TDOT. Equipment and vehicles shall be confined to unpaved portions of the Premises.
5. A. PERMITTEE shall not cut any tree or similar vegetation that has a trunk over four inches in diameter.  
B. PERMITTEE shall not cut any flowering trees regardless of size
6. All work on the premises shall be performed in compliance with current TDOT Standard Specifications for Road and Bridge Construction and TDOT Standard Drawings, in addition to applicable federal, state and local law and regulations.
7. PERMITTEE must obtain prior, written approval from TDOT before deviating from the scope of the project or the manner of its construction as described in this permit, including Attachment A.
8. At no time will work authorized by this permit interfere with the normal flow of traffic on roadways adjoining the Premises. PERMITTEE is responsible for providing traffic control for this work zone in accordance with the requirements of the current *Manual on Uniform Traffic Control Devices*. If proper traffic control is not in place, TDOT may order PERMITTEE to stop work until proper traffic control is put in place.
9. While the project is underway, TDOT may conduct inspections to insure compliance with this Permit. Upon completion of the project, PERMITTEE shall notify TDOT so that the project may be inspected and approved by TDOT.
10. PERMITTEE shall be liable for any damage to state property resulting from the subject work, including but not limited to, the roadway, shoulders,

guardrail, drainage, landscaping, signs and controlled-access fences. All repair or replacement of such damage shall be made in accordance with the current TDOT Standard Specifications for Road and Bridge Construction, TDOT Standard Drawings and any other applicable design and/or construction standards or guidelines.

11. PERMITTEE shall keep all debris, soil, refuse or waste of any kind associated with the project from accumulating within the highway right-of-way. [PERMITTEE shall pay TDOT \$ \_\_\_\_\_ per cubic yard for usable materials removed from the Premises.] *Include this last sentence only if applicable.*
12. PERMITTEE does hereby covenant and agree that in the event the Permit is for the construction or use of or access to space on, over, or under real property acquired, or improved under the Federal-Aid Highway Program, the PERMITTEE shall comply with all requirements imposed pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-assisted programs of the Department of Transportation – Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.
13. Nothing in this Permit shall be construed to limit TDOT's right to enter the Premises at any time.
14. If the PERMITTEE fails to comply with any of the foregoing conditions, TDOT shall have the right to revoke this permit, and require the immediate vacation of the Premises by the PERMITTEE. In the event of revocation, PERMITTEE must restore the Premises to its original condition. If PERMITTEE fails to do so within a reasonable time after revocation, TDOT may restore the Premises at the expense of the PERMITTEE.

15. This permit is non-transferable.

16. This permit shall not be construed as a conveyance of any interest in real property.

17. All notices required to be given to TDOT under this Permit shall be sent to:

Phillip R. Trammel, P.E.  
Regional Traffic Engineer  
Traffic Management Center  
6603 Centennial Blvd, 2<sup>nd</sup> Floor  
Nashville, TN. 37243-0360

IN WITNESS WHEREOF, the parties, through their authorized representatives, have executed this agreement.

**STATE OF TENNESSEE  
TENNESSEE DEPARTMENT OF TRANSPORTATION**

BY: \_\_\_\_\_  
REGIONAL ENGINEERING DIRECTOR      DATE \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
REGIONAL ATTORNEY      DATE \_\_\_\_\_

**PERMITTEE:**

BY: \_\_\_\_\_  
DATE \_\_\_\_\_

TITLE: \_\_\_\_\_



**STATE OF TENNESSEE  
DEPARTMENT OF TRANSPORTATION**

REGION 3 TRAFFIC OFFICE  
6603 CENTENNIAL BOULEVARD  
NASHVILLE, TENNESSEE 37243-0360  
(615) 350-4189

May 14, 2013

**JOHN C. SCHROER**  
COMMISSIONER

**BILL HASLAM**  
GOVERNOR

City of Clarksville  
Attn: Chris Cowan  
1900 10<sup>th</sup> Street  
Clarksville, TN 37040

Re: Grading Permit  
SR 237 & SR 374 [LM 0.0 & 3.8]  
Clarksville, Montgomery County

Dear Mr. Cowan:

As requested enclosed are the necessary permit forms, a surety bond form, and a copy regulations which must be followed in order to work on state right of way in conformance with Departmental standards.

Please have both copies signed by the property owner and forward them, the bond and a certificate of liability insurance, to this office within thirty (30) days. If you do not respond within thirty days we will assume that you do not wish to proceed, and your application will be discarded. Any future attempt to obtain a permit for this location would then require a new application.

Your application is still in the processing stage. Once we receive the documentation listed above, we will mail you a copy of the fully executed permit signed by Department representatives. Construction may not begin until you receive this fully executed permit.

If I can be of further assistance please let me know.

Sincerely,

A handwritten signature in blue ink, reading "Phillip R. Trammel".

Phillip R. Trammel, PE  
Region III Traffic Engineer

Tennessee  
Department of Transportation  
Region III Traffic Office  
Transportation Management Center  
6603 Centennial Blvd., 2nd Floor  
Nashville, TN 37243-0360  
(615) 350-4330 or (615) 350-4332

## GRADING PERMIT

In order to assure that construction on State right of-way is to be performed properly and that the State will be protected from liability the following requirements must be met:

### 1. Permit forms:

Both copies of the permit must be signed by the property owner or a legal representative of the corporation which owns the property. Do not fill in any other blanks on permit form.

### 2. Insurance:

Either the property owner or the contractor shall carry general liability insurance with an insurer and in a form acceptable to the State. Proof of said insurance shall be furnished to the State in the form of an insurance certificate indicating coverage which shall match the exposure of the State to claims for negligence as set forth in Tenn. Code Ann. Section 9-8-307 as it may be from time to time amended and construed. Said limits are currently three hundred thousand dollars (\$300,000) per person and one million dollars (\$1,000,000) for each occurrence. Certificate holder must be: State of Tennessee, Department of Transportation. Such insurance shall remain in full force and effect from the beginning of construction on the right of way until such construction has been completed and approved, in writing, by the Tennessee Department of Transportation. Please specify permittee's name (property owner), and identify the location (State Route, and county) covered by this certificate of insurance. If this information is not provided the permit process may be delayed.

### 3. Bond: NA

Please direct correspondence concerning this permit to the above address.

# ACORD<sup>TM</sup> CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

PRODUCER Phone: Fax: f

Insurance Company  
Address

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE

NAIC #

INSURED

Property Owner (Permittee)  
OR Contractor  
Mailing Address

INSURER A:

INSURER B:

INSURER C:

INSURER D:

INSURER E:

## COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	<b>GENERAL LIABILITY</b> <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LOC			For the duration of the Permit	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ 300,000 GENERAL AGGREGATE \$ PRODUCTS - COM/OP AGG \$
A	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	<b>GARAGE LIABILITY</b> <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EA ACC \$ AGG \$
A	<b>EXCESS/UMBRELLA LIABILITY</b> <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE  <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$ \$
B	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below				WC STATUTORY LIMITS OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	OTHER				Limit: Ded:

EXAMPLE ONLY

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

Permittee (Name)

Permit Location (State Route, City, County)

## CERTIFICATE HOLDER

State of Tennessee (Dept of Transportation)  
Region 3 - Traffic Office  
6603 Centennial Boulevard  
Nashville, TN 37243-0360

## CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

*Christie Reese*

**TENNESSEE DEPARTMENT OF TRANSPORTATION  
PERMIT TO STATE AGENCY OR LOCAL GOVERNMENT  
FOR PROJECT WITHIN HIGHWAY RIGHT-OF-WAY**

The State of Tennessee, Tennessee Department of Transportation  
("TDOT"), hereby grants this special permit for the use of State property under  
the following terms and conditions:

PERMITTEE: City of Clarksville  
Attn: Chris Cowan  
1900 10<sup>th</sup> Street  
Clarksville, TN 37040

AUTHORIZED USE: Construct turn lanes to TDOT standards and specifications  
per drawing received 5/10/2013, attached hereto and incorporated by reference.

LOCATION OF PREMISES: SR 237 [LM 0.0] & SR 374 [LM 3.8], Clarksville,  
Montgomery Co.

EFFECTIVE DATES OF PERMIT:

**STANDARD TERMS AND CONDITIONS**

1. PERMITTEE shall assume all liability for third-party claims for damages arising from its use of the Premises.
2. Prior to commencing the work authorized herein, PERMITTEE shall obtain any other permits or approvals required by federal, state or local laws, and shall notify any utility company affected by this project. PERMITTEE shall be financially responsible for any relocation or replacement of such utilities.
3. Prior to commencing the work authorized herein, PERMITTEE shall notify Tennessee One Call regarding any excavation(s) and shall ensure that the provisions of TCA 65-31-101 et seq. are met.

4. Access to the Premises shall only be at those points that have been previously approved by TDOT. Equipment and vehicles shall be confined to unpaved portions of the Premises.
5. A. PERMITTEE shall not cut any tree or similar vegetation that has a trunk over four inches in diameter.  
B. PERMITTEE shall not cut any flowering trees regardless of size
6. All work on the premises shall be performed in compliance with current TDOT Standard Specifications for Road and Bridge Construction and TDOT Standard Drawings, in addition to applicable federal, state and local law and regulations.
7. PERMITTEE must obtain prior, written approval from TDOT before deviating from the scope of the project or the manner of its construction as described in this permit, including Attachment A.
8. At no time will work authorized by this permit interfere with the normal flow of traffic on roadways adjoining the Premises. PERMITTEE is responsible for providing traffic control for this work zone in accordance with the requirements of the current *Manual on Uniform Traffic Control Devices*. If proper traffic control is not in place, TDOT may order PERMITTEE to stop work until proper traffic control is put in place.
9. While the project is underway, TDOT may conduct inspections to insure compliance with this Permit. Upon completion of the project, PERMITTEE shall notify TDOT so that the project may be inspected and approved by TDOT.
10. PERMITTEE shall be liable for any damage to state property resulting from the subject work, including but not limited to, the roadway, shoulders,



guardrail, drainage, landscaping, signs and controlled-access fences. All repair or replacement of such damage shall be made in accordance with the current TDOT Standard Specifications for Road and Bridge Construction, TDOT Standard Drawings and any other applicable design and/or construction standards or guidelines.

11. PERMITTEE shall keep all debris, soil, refuse or waste of any kind associated with the project from accumulating within the highway right-of-way.
12. PERMITTEE does hereby covenant and agree that in the event the Permit is for the construction or use of or access to space on, over, or under real property acquired, or improved under the Federal-Aid Highway Program, the PERMITTEE shall comply with all requirements imposed pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-assisted programs of the Department of Transportation – Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.
13. Nothing in this Permit shall be construed to limit TDOT's right to enter the Premises at any time.
14. If the PERMITTEE fails to comply with any of the foregoing conditions, TDOT shall have the right to revoke this permit, and require the immediate vacation of the Premises by the PERMITTEE. In the event of revocation, PERMITTEE must restore the Premises to its original condition. If PERMITTEE fails to do so within a reasonable time after revocation, TDOT may restore the Premises at the expense of the PERMITTEE.
15. This permit is non-transferable.

16. This permit shall not be construed as a conveyance of any interest in real property.

17. All notices required to be given to TDOT under this Permit shall be sent to:

Phillip R. Trammel, P.E.  
Regional Traffic Engineer  
Traffic Management Center  
6603 Centennial Blvd, 2<sup>nd</sup> Floor  
Nashville, TN. 37243-0360

IN WITNESS WHEREOF, the parties, through their authorized representatives, have executed this agreement.

**STATE OF TENNESSEE  
TENNESSEE DEPARTMENT OF TRANSPORTATION**

BY: \_\_\_\_\_  
REGIONAL ENGINEERING DIRECTOR      DATE

APPROVED AS TO FORM:

\_\_\_\_\_  
REGIONAL ATTORNEY      DATE

**PERMITTEE:**

BY: \_\_\_\_\_  
DATE

TITLE: \_\_\_\_\_

RESOLUTION 56-2012-13

A RESOLUTION APPOINTING THE COMMISSIONER OF FINANCE/DIRECTOR  
OF FINANCE/CHIEF FINANCIAL OFFICER

*BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CLARKSVILLE,  
TENNESSEE:*

That, in accordance with Article IV, Section 5 of the Official Charter, the Clarksville City Council hereby appoints Laurie Matta as Commissioner of Finance/Director of Finance/Chief Financial Officer July 1, 2013.

*ADOPTED:*

February 2, 2013

Clarksville Montgomery County Career Center  
350 Pageant Lane, Suite 406  
Clarksville, TN 37040

Dear Sirs:

I would appreciate being considered for the Chief Financial Officer position advertised on the GFOA website. I am an experienced municipal finance director and chief financial officer seeking a focused progressive governmental entity. For the majority of my career I have worked in the governmental and non-profit areas as my preference has been to provide for citizens instead of creating profits for investors.

By viewing my personal work history and educational background I believe it proves my dedication and commitment to excellence. In positions I've held, I'm quickly called upon to increase areas of responsibility and considered for promotional opportunities.

As CFO I am committed to providing ethical and accurate oversight and control over the finances of the organization. Under my direction I implemented performance measures and key performance indicators. I have been intimately involved in the creation of the Strategic Plans and Initiatives. I have directed the implementation the creation of internal controls throughout two organizations. As everything ultimately ends in the Finance Division, I quickly gain knowledge of all areas of operations to work collaboratively with all Directors and team members to achieve goals and objectives.

I have extensive customer service and utility billing experience not only directing the department in two organizations but implementing performance improvements and training to provide excellent customer service to rate and tax payers as well as internal customers. I am extremely experienced and knowledgeable of Statutes, Ordinances and Resolutions that guide municipal operations.

From my resume you can see I have 7+ years experience in executive municipal leadership, and 20+ years experience in general accounting and various positions. I hold myself to the highest ethical standards. I am committed and dedicated to the organization of which I am employed in doing what is in the best interest of the citizens and the employees.

Thank you for your consideration,

Laurie Matta

## **Laurie Matta**

79 Fort Caroline Lane

Palm Coast, FL 32137

(386) 864-0251

[klinkenl@bellsouth.net](mailto:klinkenl@bellsouth.net)

### **OBJECTIVE**

To provide the knowledge, skills and abilities acquired through executive leadership, various employment positions and educational knowledge to lead the organization to greater success.

### **EDUCATION**

University of Central Florida, Orlando, FL

May 2010

Masters in Business Administration

with honors

University of Central Florida, Orlando, FL

December 2005

Bachelors of Science/Business Administration

with honors

Major: Accounting

### **PROFILE**

- Committed to continuous incremental improvements in technology and processes. Implementer of key performance indicators.
- Experienced in creating and implementing Strategic Plans, goals and objectives.
- Dependable, dedicated and committed to the organization, meets and exceeds time constraints and expectations.
- Management style is extremely collaborative to achieve win-win solutions.
- Extensive knowledge of local government, utility operations and management.
- Experienced working with and for developers and small home builders, adds to my knowledge of construction projects and infrastructure needs.
- Extensive knowledge and experience planning and directing budget preparations and financial statements.
- Effective team builder/relationship builder across silo departments to a team environment
- Experienced in grant administration and compliance and control implementations.
- Change Management – directed numerous changes across multiple divisions from process improvements, technology and organizational restructuring.
- Successfully implemented succession planning and career pathing.
- Extensive knowledge of Procurement Management and Inventory Control processes
- Experience with labor unions and business managers in labor negotiations and settlements.
- Extensive knowledge and experience in bond issuances and financing/investment strategies.
- Pre-disaster planning and coordination with FEMA after natural disaster to full recovery efforts - FEMA – ISO-100, 200, 700, and 800 Certified
- FMEA, FMPPA, APPA and GFOA affiliations
- Extensive knowledge of FERC, NARUC, GAAP, GASB, SAS and FASB standards and requirements.
- Crystal River & St. Lucie Nuclear Experience in budgeting, planning, technology, rules and regulations and decommissioning.

## **EMPLOYMENT EXPERIENCE**

### **Village of Wellington, Florida**

**10/12-present**

#### ***Interim Chief Financial Officer***

Directs financial activities of the organization through financial planning, control, reporting and compliance matters. Directs Purchasing, Payroll, Utility Billing, Customer Service, Accounting, Budget, Treasury Management, Risk and Support Services. Responsible for the administration of a \$75 million operating budget, five and ten year capital improvement plan. Responsible for Grant administration, accounting and compliance. Directs financial statement preparation, financial planning, debt administration, annual audit and strategic planning for the City's future.

### **City of Daytona Beach, Florida**

**02/11-03/12**

#### ***Chief Financial Officer***

Directs financial activities of the organization through financial planning, control, reporting and compliance matters. Directs Utility Billing, Purchasing, Information Technology, Telecommunications, Accounting, Budgeting and Treasury Management. Responsible for the administration of a \$205 million operating budget; annual and five year capital improvement plan, 26,000 utility customers, 8 governmental funds, 15 special revenue funds (including 5 CRA's), 20 enterprise funds and 4 internal service funds. Responsible for Grant administration, accounting and compliance. Directs financial statement preparation, financial planning, debt administration, annual audit and strategic planning for the City's future.

### **Utilities Commission, City of New Smyrna Beach, FL**

**03/05-02/11**

#### ***Chief Financial Officer and Director of Finance***

**10/06 – 02/11**

Directs financial activities of the organization through financial planning, control, reporting and compliance matters. Directs Customer Service, Meter Department, Materials Management (including warehousing), Accounting and Budgeting. Directs creation of management reports from Financial Statements to Forecasts to provide timely accurate information. Recommends economic objectives, manages investment portfolio. Direct internal controls, entity wide, to identify and mitigate the risk of fraud. Responsible for grant administration, accounting and compliance. Directed the implementation of an automated fixed asset system, fully integrated with the accounting system, for control and accurate record keeping of assets.

#### ***Chief Accountant***

**10/05 – 10/06**

Responsible for timely and accurate reporting of the financial status of the UC. Creation of monthly financial statements, balancing all bank accounts including investment portfolios. Responsible for creating budget based on all Divisions information. Continuous improvement from a CAFR in 2005 with material weaknesses to CAFR of 2006 with no material weaknesses. Reduced time to publish monthly financial statements from 45 days to 10 days. Worked extensively and coordinated the successful exit of the Telecom industry. Created the first Budget document that was easily understood by our stakeholders.

**Accountant****03/05 – 10/05**

Responsible for creating reconciliations to assist the Chief Accountant. Responsible for creating reconciliation of cash flows and accounts receivable for the telecommunications division. After four months duties were reassigned within the Accounting Department, while still the Accountant became responsible for bank reconciliations and general ledger administration including creating monthly financial statements.

**Federal Aviation Administration Center for Management Development  
(American Systems Corporation), Palm Coast, FL****7/98 – 3/04*****Administrative Assistant to the Director of New Business Development***

Responsible for recruiting and coordinating fee-for-service course deliveries with potential customers. Responsible for preparing financial reports regarding potential clients, as well as preparing annual budget projections with representative graphs and managerial accounting reports. Create and maintain several Access databases, including queries and reports as requested by management. Prepare rough order magnitude cost estimates for potential clients. Assist Associate Director of Professional Development in preparing the Quality performance Plan, monthly operating reports and scheduling of professional development activities. Maintain reports on instructor training and prepare documentation for college accreditation review board. Assisted the Associate Director of Finance in preparation of financial and managerial reporting to the parent company as well as the Centers' Director.

**Pack Rat Discount Pack and Ship, Palm Coast, FL****10/97 – 6/98*****Manager***

Was hired to open a pack and ship store, a new venture from the core company. Developed costing structure, hired employees, located distributors and negotiated contracts. General responsibilities included ordering supplies, implementing cost procedures, computerize shipping, scheduling and supervision of employees. Daily balancing of cash drawer and preparation of profit summaries. Monthly preparation of income and expense reports as well as managerial reporting.

**St. Elizabeth Ann Seton Catholic Church, Palm Coast, FL****11/93 – 10/97*****Financial Secretary and Bulletin Editor***

Maintained multiple bank accounts including all investments (CD's, Bonds and Mutual Funds). Costing accounting and budget preparation for 1.7 million dollars annually. Maintained personnel files, new employee orientation and payroll for 30+ employees. Group Administrator for medical, dental and pension plans. Maintained tax deferred annuities, long-term disability and workman's compensation claims. Prepared monthly financial reporting to the Diocese (headquarters). Prepared 941's, payroll tax deposits, unemployment compensation and workman's compensation reports. Prepared annual financial statements, W-2's and 1099's. Troubleshoot and trained all employees on computer software as well as maintained and upgraded computer hardware. Created and published weekly bulletin and telecommunicated to a printing company. Maintained parish census and mailings.

***Operations Manager***

Managed a busy real estate office and acted on behalf of broker in her absence. Maintained all aspects of Multiple Listing Service computer system, maintained files on house and lot closings, prepared weekly sales update brochure, maintained inventory of houses and lots for sale, calculated commissions and updated information on closings. Acted as liaison between closing agents and customers. Prepared advertising for several publications. Maintained the bookkeeping and financial reporting, including payroll.

**COMPUTER SKILLS**

Microsoft products including: Word, Excel, Powerpoint, Outlook, Access, and Project; Word Perfect, Adobe Acrobat, Visual Basic, COBOL programming language, Quickbooks, Quicken, Cogsdale, Great Plains, Naviline/HTE, Flow Charter, Lotus Notes.

**HONORS AND COMMUNITY SERVICE**

- Lifetime member Beta Gamma Sigma, International Business Honors Society recognized as “Best in Business”, April 2010
- Past Secretary of Volusia/Flagler Government Financial Officers Association
- Recipient of GFOA’s Certificate of Achievement in Financial Reporting 30 years (6 of which were under my direction).
- Recipient – University of Central Florida’s Diversity Scholarship, April 2004
- University of Central Florida President’s List 2004 through 2010
- Daytona Beach Community College Dean’s List 2001 through 2003
- Volunteered as a religious education teacher for 5 years
- **Co-directed St. Mary’s Angels for 4 years – a non-profit dance troop to benefit abused children (instrumental in funding an office in Flagler County, ultimately became Children’s Home Society)**
- Director of Toys for Tots campaign for 3 years



ORDINANCE 85-2012-13

AN ORDINANCE AMENDING THE 2012-2013 BUDGET AND APPROVING THE 2013-2014 ACTION PLAN AND BUDGET AND AUTHORIZING APPLICATION FOR COMMUNITY DEVELOPMENT BLOCK GRANT AND HOME INVESTMENT PARTNERSHIP FUNDS

*WHEREAS*, Regulation 24 CFR Part 91 issued by the U.S. Department of Housing and Urban Development (HUD) requires the city to submit and receive HUD approval of an annual action plan as part of a HUD-approved five-year consolidated plan for the city of Clarksville; and

*WHEREAS*, Title I of the Housing and Community Development Act of 1974, as amended, establishes a Community Development Block Grant (CDBG) program for the purpose of developing viable urban communities by providing decent housing and suitable living environments and expanding economic opportunities and preventing and/or eliminating conditions of slum and blight, principally for persons of low and moderate income; and

*WHEREAS*, the Statement of Purpose for this Ordinance reflects comments from agencies, organizations and citizens as related to funding received from two HUD programs; the Community Development Block Grant and the HOME Investment Partnership Program; and

*WHEREAS*, Article V, Section 3 of the Official Charter of the City of Clarksville provides for the approval and adoption of a budget; and

*WHEREAS*, the provisions of the Tennessee Code Annotated require each municipality to operate under an annual appropriation ordinance; and

*WHEREAS*, the governing body has published the annual operating budget and budgetary comparisons of the proposed budget with the prior year (actual) and the current year (estimated) in a newspaper of general circulation not less than ten (10) days prior to the meeting where the governing body will consider final passage of the budget.

***NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CLARKSVILLE, TENNESSEE:***

That the 2013-2014 Annual Action Plan and the 2013-2014 “Budget and Program of Expenditures” is hereby adopted and approved.

Section 1. Revenues and Expenses. Revenues and expenses for the COMMUNITY DEVELOPMENT BLOCK GRANT AND HOME INVESTMENT PARTNERSHIP FUNDS are shown on the budget schedule below. The budgets shown below are on a cash basis. Revenues are estimated to be sufficient to pay the estimated expenses of the operations.

**Community Development**  
Fiscal Year 2012, 2013, and 2014

Description	FY 2012 Actual	FY 2013		FY 2014 Proposed
		Budget	Estimated	
<b>Section 1. Revenues</b>				
Grants	1,499,659	1,202,276	1,687,757	1,860,619
Other Revenues	195,711	215,000	179,894	140,500
Transfers from Other Funds	75,000	80,000	80,000	88,000
<b>Total Revenues and Other Financing Sources</b>	<b>1,770,370</b>	<b>1,497,276</b>	<b>1,947,651</b>	<b>2,089,119</b>
<b>Section 2. Expenditures</b>				
Expenditures of Program	1,816,743	1,497,276	1,889,734	2,074,119
<b>Total Expenditures and Other Financing Uses</b>	<b>1,816,743</b>	<b>1,497,276</b>	<b>1,889,734</b>	<b>2,074,119</b>
Excess (Deficiency) of Revenues and Other Financing Uses Over (Under) Expenditures and Other Financing Uses	(46,373)	-	57,917	15,000
Beginning Fund Equity	358,052	311,679	311,679	369,596
<b>Total Ending Fund Equity of Community Development Fund</b>	<b>311,679</b>	<b>311,679</b>	<b>369,596</b>	<b>384,596</b>

*FIRST READING:*

*SECOND READING:*

*EFFECTIVE DATE:*

### ORDINANCE 86- 2012-13

AN ORDINANCE AMENDING THE FISCAL YEAR 2013 BUDGET AND ESTABLISHING THE OPERATING BUDGET FOR FISCAL YEAR 2014 FOR THE CLARKSVILLE PARKING AUTHORITY, A PROPRIETARY FUND.

WHEREAS, Article V, Section 3 of the Official Charter of the City of Clarksville provides for the approval and adoption of a budget; and

WHEREAS, the provisions of the Tennessee Code Annotated require each municipality to operate under an annual appropriation ordinance; and

**WHEREAS**, the governing body has published the annual operating budget and budgetary comparisons of the proposed budget with the prior year (actual) and the current year (estimated) in a newspaper of general circulation not less than ten (10) days prior to the meeting where the governing body will consider final passage of the budget.

THEREFORE BE IT ORDAINED BY THE CITY OF CLARKSVILLE, TENNESSEE, THAT THE AMENDED REVENUES AND EXPENSES OF THE CITY OF CLARKSVILLE'S PARKING AUTHORITY FOR THE FISCAL YEAR 2013 AND THE ESTIMATED REVENUES AND EXPENSES FOR THE FISCAL YEAR 2014 ARE AS FOLLOWS:

Section 1. Revenues and Expenses. Revenues and expenses for the City of Clarksville's Parking Authority (a Proprietary Fund) are shown on the budget schedules below. The budgets shown below are on a cash basis. Revenues are estimated to be sufficient to pay the estimated expenses of the Parking Authority's operations and the annual debt service.

Enterprise Funds - Parking Authority Fiscal Year 2014			
	2012 Actual	2013 Estimated	2014 Budgeted
Fees and Fines	\$ 366,623	\$ 350,761	\$ 335,500
Rental Income	95,983	101,708	99,000
Miscellaneous/Accruals	790	880	500
Interest Income	210	190	200
Total Operating & Non-Operating Revenue	\$ 463,606	\$ 453,539	\$ 435,200
Capital Expenses	\$ 878	\$ -	\$ -
Debt Exp/Accruals	76,881	77,000	77,500
Interest Expense	4,669	3,037	3,037
Transfers Out-Management Fee	302,497	308,066	305,595
Total Expenses&Transfers	\$ 384,925	\$ 388,103	\$ 386,132
Changes in Cash	210	84,947	126,568
Beginning Cash	314,750	314,960	399,907
Ending Cash	314,960	399,907	526,475
Net Assets	\$ 2,162,592	\$2,184,218	\$ 2,206,060

<sup>(1)</sup> REVENUES: Revenues to fund the enforcement and operation of public parking in the central business district (downtown) of the city are derived primarily from parking lot rentals, meters, other fees, and fines.

<sup>(2)</sup> EXPENSES/CASH OUTFLOWS: Expenses/cash outflow related to enforcing and operating public parking in the downtown area are primarily management fees to general fund, interest on debt, payment of principal (cash basis), and capital outlays (cash basis).

<sup>(3)</sup> BASIS OF ACCOUNTING: For financial reporting purposes, the accrual basis of accounting is used. The accrual basis recognizes the financial effect of a transaction, event or inter-fund activity when it occurs regardless of the timing of the related cash flow, whereas the cash basis of accounting recognizes the transaction or event when the related cash is received or disbursed.

*FIRST READING:*

*SECOND READING:*

*EFFECTIVE DATE:*

ORDINANCE 87-2012-13

**AN ORDINANCE AMENDING THE OPERATING AND CAPITAL BUDGETS FOR FISCAL YEAR 2013 AND ADOPTING THE OPERATING AND CAPITAL BUDGETS FOR FISCAL YEAR 2014 FOR THE CLARKSVILLE TRANSIT SYSTEM**

**WHEREAS**, Article V, Section 3 of the official charter of the City of Clarksville provides for the approval and adoption of a budget; and

**WHEREAS**, *Tennessee Code Annotated* Title 9 Chapter 1 Section 116 requires that all funds shall first be appropriated before being expended and that only funds that are available shall be appropriated, and

**WHEREAS**, the governing body has published the annual operating budget and budgetary comparisons of the proposed budget with the prior year (actual) and the current year (estimated) in a newspaper of general circulation not less than ten (10) days prior to the meeting where the governing body will consider final passage of the budget.

**NOW THEREFORE BE IT ORDAINED BY THE CITY OF CLARKSVILLE, TENNESSEE THAT THE ESTIMATED REVENUES AND EXPENDITURES OF THE CLARKSVILLE TRANSIT SYSTEM FOR THE FISCAL YEARS 2013 AND 2014 ARE AMENDED AND/OR APPROVED AS FOLLOWS:**

**Section 1.** That the governing body estimates anticipated revenues from all sources for the CLARKSVILLE TRANSIT SYSTEM to be as follows:

	2012	2013	2014
	<u>Actual</u>	<u>Estimated</u>	<u>Budgeted</u>
Operating Revenue	\$ 733,476	\$ 788,548	\$ 853,406
Federal, State & Local Funds	<u>5,169,012</u>	<u>4,938,481</u>	<u>5,351,142</u>
Total Revenue	\$ 5,902,488	\$5,727,029	\$6,204,548

**Section 2.** That the governing body appropriates from these anticipated revenues and unexpended and unencumbered funds as follows:

	2012	2013	2014
	<u>Actual</u>	<u>Estimated</u>	<u>Budgeted</u>
Operating Expenses	\$6,530,118	\$5,954,263	\$6,140,671

**Section 3.** At the end of the current fiscal year the governing body estimates balances as follows:

Changes in Cash	\$ 139,196	\$(167,035)	\$143,448
Beginning Cash	<u>369,197</u>	<u>508,393</u>	<u>341,358</u>
Ending Cash	\$ 508,393	\$341,358	\$ 484,806

*FIRST READING:*

*SECOND READING:*

*EFFECTIVE DATE:*

ORDINANCE 88-2012-13

**AN ORDINANCE AMENDING THE OPERATING AND CAPITAL BUDGETS FOR FISCAL YEAR 2013 AND ADOPTING THE OPERATING AND CAPITAL BUDGETS FOR FISCAL YEAR 2014 FOR CDE LIGHTBAND**

**WHEREAS**, Article V, Section 3 of the official charter of the City of Clarksville provides for the approval and adoption of a budget; and

**WHEREAS**, the governing body has published the annual operating budget and budgetary comparisons of the proposed budget with the prior year (actual) and the current year (estimated) in a newspaper of general circulation not less than ten (10) days prior to the meeting where the governing body will consider final passage of the budget; and

**WHEREAS**, *Tennessee Code Annotated* Title 9 Chapter 1 Section 116 requires that all funds shall first be appropriated before being expended and that only funds that are available shall be appropriated, and

**NOW THEREFORE BE IT ORDAINED BY THE CITY OF CLARKSVILLE, TENNESSEE THAT THE ESTIMATED REVENUES AND EXPENDITURES OF CDE LIGHTBAND FOR THE FISCAL YEARS 2013 AND 2014 ARE AMENDED AND/OR APPROVED AS FOUND IN THE CDE LIGHTBAND 2013-2014 FISCAL YEAR BUDGET ATTACHMENT.**

Enterprise Funds - Electric Division  
Fiscal Year 2014

Electric Description	FY 2012	FY 2013		FY 2014
	Actual	Budget	Amended	Proposed
Section 1. Operating Revenues and Financing Sources				
Revenues and Financing Sources				
Operating Revenues	152,858,073	159,367,175	159,367,175	162,158,903
Other Revenue	604,379	4,200,000	4,200,000	4,200,000
Total Revenues and Financing Sources	153,462,452	163,567,175	163,567,175	166,358,903

Section 2. Expenditures and Financing Uses				
Purchased Power	109,520,923	115,682,587	115,682,587	118,212,295
Operating Costs	17,216,498	20,898,663	20,898,663	22,743,396
Capital Expenditures	17,926,520	20,094,815	20,094,815	19,274,314
In-Lieu of Taxes	4,185,692	5,100,000	5,100,000	5,400,000
Total Expenditures and Financing Uses	148,849,633	161,776,065	161,776,065	165,630,005

Section 3 - Change in Fund Balance				
Net Surplus (Deficit)	4,612,819	1,791,110	1,791,110	728,898
Beginning Cash	34,063,309	38,676,128	38,676,128	40,467,238
Ending Cash	\$38,676,128	\$40,467,238	\$40,467,238	\$41,196,136

Enterprise Funds - Broadband Division  
Fiscal Year 2014

Broadband Description	FY 2012	FY 2013		FY 2014
	Actual	Budget	Amended	Proposed
Section 1. Operating Revenues and Financing Sources				
Revenues and Financing Sources				
Operating Revenues	12,060,459	15,909,242	15,909,242	14,742,430
Other Revenue				
Total Revenues and Financing Sources	12,060,459	15,909,242	15,909,242	14,742,430

Section 2. Expenditures and Financing Uses				
Programming/Connectivity	7,053,859	7,063,784	7,063,784	7,684,763
Operating Costs	294,436	1,505,435	1,505,435	1,414,260
Capital Expenditures	1,178,373	1,923,682	1,923,682	1,202,150
In-Lieu of Taxes	99,811	72,000	72,000	120,000
Transfer to Electric	4,322,723	5200000	5,200,000	4,200,000
Total Expenditures and Financing Uses	12,949,202	15,764,901	15,764,901	14,621,173

Section 3 - Change in Fund Balance				
Net Surplus (Deficit)	-888,743	144,341	144,341	121,257
Beginning Cash	1,893,698	1,004,955	1,004,955	1,149,296
Ending Cash	1,004,955	1,149,296	1,149,296	1,270,553

*FIRST READING:*

*SECOND READING:*

*EFFECTIVE DATE:*



ORDINANCE 89-2012-13

**AN ORDINANCE AMENDING THE OPERATING AND CAPITAL BUDGETS FOR FISCAL YEAR 2013 AND ADOPTING THE OPERATING AND CAPITAL BUDGETS FOR FISCAL YEAR 2014 FOR THE CLARKSVILLE GAS & WATER DEPARTMENT**

**WHEREAS**, Article V, Section 3 of the official charter of the City of Clarksville provides for the approval and adoption of a budget; and

**WHEREAS**, *Tennessee Code Annotated* Title 9 Chapter 1 Section 116 requires that all funds shall first be appropriated before being expended and that only funds that are available shall be appropriated, and

**WHEREAS**, the governing body has published the annual operating budget and budgetary comparisons of the proposed budget with the prior year (actual) and the current year (estimated) in a newspaper of general circulation not less than ten (10) days prior to the meeting where the governing body will consider final passage of the budget.

**NOW THEREFORE BE IT ORDAINED BY THE CITY OF CLARKSVILLE, TENNESSEE THAT THE ESTIMATED REVENUES AND EXPENSES OF THE CLARKSVILLE GAS & WATER DEPARTMENT FOR THE FISCAL YEARS 2013 AND 2014 ARE AMENDED AND/OR APPROVED AS FOLLOWS:**

Gas Department Summary of Revenues, Financing Sources, Expenses, Financing Uses and Changes in Net Assets FY 2012, FY 2013, and FY 2014:

Gas Description	FY 2012	FY 2013		FY 2014
	Actual	Budgeted	Amended	Proposed
Section 1. Operating Revenues and Financing Sources				
Operating Revenues	23,714,528	26,780,000	24,780,000	24,953,000
Interest Income	48,288	39,000	39,000	36,000
Other Income	22,427	-	-	-
Capital Contributions	29,181	-	-	-
Total Revenues and Financing Sources	23,814,424	26,819,000	24,819,000	24,989,000

Section 2. Expenditures and Financing Uses				
Operating Expenses	23,141,248	25,463,900	23,463,900	23,485,769
Debt Service Interest	628,865	659,100	659,100	560,500
Payment-in-Lieu of Taxes	497,905	631,950	631,950	637,544
Amortization Expense	-	-	-	18,050
Total Expenses and Financing Uses	24,268,018	26,754,950	24,754,950	24,701,863

Section 3. Change in Net Assets				
Net Surplus (Deficit)	(453,594)	64,050	64,050	287,137
Net Assets Beginning	51,268,078	50,814,484	50,814,484	50,878,534
Net Assets Ending	\$50,814,484	\$50,878,534	\$50,878,534	\$51,165,671

Water & Sewer Department Summary of Revenues, Financing Sources, Expenses, Financing Uses and Changes in Net Assets FY 2012, FY 2013, and FY 2014:

Water & Sewer Description	FY 2012	FY 2013		FY 2014
	Actual	Budget	Amended	Proposed
Section 1. Operating Revenues and Financing Sources				
Operating Revenues	50,079,914	51,441,183	49,441,183	52,900,600
Interest Income	104,062	97,000	97,000	60,000
Other Income	200,819	45,000	45,000	41,400
Capital Contributions	34,107,184	27,300,000	26,100,000	12,500,000
Total Revenues and Financing Sources	84,491,979	78,883,183	75,683,183	65,502,000

Section 2. Expenditures and Financing Uses				
Operating Expenses	37,713,250	40,896,428	39,624,201	41,128,990
Debt Service Interest	7,286,422	7,396,600	7,291,215	7,853,400
Payment-in-Lieu of Taxes	2,391,924	2,581,129	2,581,129	2,837,484
Amortization Expense	-	-	-	261,950
Total Expenses and Financing Uses	47,391,596	50,874,157	49,496,545	52,081,824

Section 3 - Change in Net Assets				
Net Surplus (Deficit)	37,100,383	28,009,026	26,186,638	13,420,176
Net Assets Beginning	164,447,833	201,548,216	201,548,216	227,734,854
Net Assets Ending	\$201,548,216	\$229,557,242	\$227,734,854	\$241,155,030

*FIRST READING:*  
*SECOND READING:*  
*EFFECTIVE DATE:*

**ORDINANCE 90-2012-2013**

AN ORDINANCE AMENDING THE FISCAL YEAR 2013 AND ADOPTING THE OPERATING BUDGET FOR FISCAL YEAR 2014 FOR THE INTERNAL SERVICE FUNDS.

WHEREAS, Article V, Section 3 of the Official Charter of the City of Clarksville provides for the approval and adoption of a budget; and

WHEREAS, the provisions of the Tennessee Code Annotated require each municipality to operate under an annual appropriation ordinance; and

**WHEREAS**, the governing body has published the annual operating budget and budgetary comparisons of the proposed budget with the prior year (actual) and the current year (estimated) in a newspaper of general circulation not less than ten (10) days prior to the meeting where the governing body will consider final passage of the budget.

THEREFORE BE IT ORDAINED BY THE CITY OF CLARKSVILLE, TENNESSEE, THAT THE ESTIMATED REVENUES AND EXPENSES OF THE CITY OF CLARKSVILLE'S INTERNAL SERVICE FUNDS FOR THE FISCAL YEARS 2013 AND 2014 ARE APPROVED AS FOLLOWS:

Section 1. Revenues and Expenses. Revenues and expenses for the City of Clarksville's Internal Service Funds are shown below. Revenues are estimated to be sufficient to pay the estimated expenses of the Internal Service Funds' operations. The basis of accounting for the purpose of budget preparation is cash basis.

Internal Service Funds  
Sources, Expenditures, Financing Uses and Changes in Net Assets  
FY2012, FY2013, and FY2014

Dental Fund

Description	FY 2012 Actual	FY 2013		FY 2014 Proposed
		Budget	Amended	
Premiums/Revenues	809,981	812,287	\$ 852,614	\$ 943,622
Claims/Expenditures	822,632	800,005	951,119	963,183
Surplus (Deficit)	(12,651)	12,282	(98,505)	(19,561)
Rebate Back to Other Funds	198,041	-	-	-
Net Assets Beginning	403,619	192,927	192,927	94,422
Net Assets Ending	192,927	205,209	94,422	74,861

Health Fund

Description	FY 2012 Actual	FY 2013		FY 2014 Proposed
		Budget	Amended	
Premiums/Revenues	8,942,968	9,255,300	9,176,668	9,477,000
Wellness Revenue	-	-	132,300	793,800
Claims/Expenditures	9,918,869	9,750,000	10,335,624	9,500,000
Wellness Clinic Expenditures	-	-	270,110	665,148
Surplus (Deficit)	(975,901)	(494,700)	(1,296,766)	105,652
Rebate Back to Other Funds	203,090	-	-	-
Net Assets Beginning	2,561,020	1,382,029	1,382,029	85,263
Net Assets Ending	1,382,029	887,329	85,263	190,915

Self-Insurance Fund

Description	FY 2012 Actual	FY 2013		FY 2014 Proposed
		Budget	Amended	
Premiums/Revenues	1,290,036	1,269,981	1,279,905	958,950
Claims/Expenditures	875,656	1,097,000	988,408	1,087,249
Surplus (Deficit)	414,380	172,981	291,497	(128,299)
Rebate Back to Other Funds	470,973	-	-	-
Net Assets Beginning	744,036	687,443	687,443	978,940
Net Assets Ending	\$ 687,443	\$ 860,424	\$ 978,940	\$ 850,641

*FIRST READING:*

*SECOND READING:*

*EFFECTIVE DATE:*

FY 2014 BUDGET  
AND  
FY 2013 AMENDMENTS



GOVERNMENTAL FUNDS  
(EXCLUDING COMMUNITY DEVELOPMENT)  
Ordinance 91-2012-2013

**ORDINANCE 91-2012-2013****AN ORDINANCE AMENDING THE OPERATING AND CAPITAL BUDGETS FOR FISCAL YEAR 2013 AND ADOPTING THE OPERATING AND CAPITAL BUDGETS FOR FISCAL YEAR 2014 FOR THE GOVERNMENTAL FUNDS AND ADOPTING THE TAX RATE FOR THE FISCAL YEAR BEGINNING JULY 1, 2013 AND ENDING JUNE 30, 2014**

**WHEREAS**, Article V, Section 3 of the official charter of the City of Clarksville provides for the approval and adoption of a budget; and

**WHEREAS**, *Tennessee Code Annotated* Title 9 Chapter 1 Section 116 requires that all funds shall first be appropriated before being expended and that only funds that are available shall be appropriated, and

**WHEREAS**, the governing body has published the annual operating budget and budgetary comparisons of the proposed budget with the prior year (actual) and the current year (estimated) in a newspaper of general circulation not less than ten (10) days prior to the meeting where the governing body will consider final passage of the budget.

**NOW THEREFORE BE IT ORDAINED BY THE CITY OF CLARKSVILLE, TENNESSEE THAT THE ESTIMATED REVENUES AND EXPENDITURES OF THE CITY OF CLARKSVILLE FOR THE FISCAL YEARS 2013 AND 2014 ARE AMENDED AND/OR APPROVED AS FOLLOWS:**

**Section 1.** That the governing body estimates anticipated revenues for its governmental funds from all sources to be as follows in all of the attachments that follow.

**Section 2.** That the governing body appropriates from these anticipated revenues and unexpended and unencumbered funds as follows in all of the attachments that follow.

**Section 3.** At the end of the current fiscal year, the governing body estimates balances as follows in all of the attachments that follow.

Description	FY 2012	FY 2013		FY 2014
	Actual	Budget	Amended	Proposed
<b>Section 1 - Operating Revenues and Financing Sources</b>				
Taxes	\$ 49,486,226	\$46,802,192	\$ 47,816,638	\$ 49,277,248
Intergovernmental Revenues	15,767,613	15,446,885	16,442,589	16,381,034
Licenses and Permits	1,845,028	1,860,100	1,575,576	1,576,621
Charges for Services	2,271,017	2,135,145	2,246,016	2,331,946
Fines and Forfeits	930,321	873,000	814,152	836,760
Investment Income	25,937	47,000	37,500	35,000
Miscellaneous	1,836,334	97,650	256,560	239,671
<b>Operating Revenues</b>	<b>72,162,476</b>	<b>67,261,972</b>	<b>69,189,031</b>	<b>70,678,280</b>
Other Financing Sources		160,000	-	-
Transfer from GWS, in lieu of taxes	2,889,829	3,213,079	3,213,079	3,475,028
Transfer from CDE, in lieu of taxes	3,289,910	3,525,746	3,189,122	3,957,955
Sale of Surplus Property/Compensation for losses	92,300	85,000	70,162	35,000
Transfer from Parking Authority	302,497	305,816	291,541	305,595
Insurance Refunds	691,090	-	-	-

Transfer from CPRD	1,500,000	-	-	-
Debt Proceeds	2,558,153	-	-	-
FEMA/TEMA Reimbursement	-	598,960	261,317	-
Financing Sources	11,323,779	7,888,601	7,025,221	7,773,578
Total Revenues and Financing Sources	83,486,255	75,150,573	76,214,252	78,451,858

Section 2 - Operating Expenditures				
2.1 Departments and Programs				
Legislative/Administrative	559,592	670,477	632,797	556,451
Building Codes/Board of Zoning Appeals	1,727,506	1,887,311	1,850,732	1,876,039
City Court	420,554	417,851	381,883	398,601
Finance & Revenue/Parking	1,321,254	1,430,493	1,363,479	1,467,346
Retirement and Pension Benefits/Unemployment Ins.	845,975	927,739	869,020	1,104,589
Fire Department	13,905,381	14,235,447	13,864,523	14,777,705
Garage	883,673	960,358	934,678	990,295
Golf Course-Mason Rudolph	212,639	230,554	224,231	231,014
Golf Course-Swan Lake	800,287	868,423	845,622	787,566
Human Resources	530,637	656,439	605,433	689,573
Legal Department	431,806	316,760	221,705	420,869
Information Technology	1,503,225	1,461,678	1,476,154	1,491,913
Internal Audit	211,960	190,923	294,783	307,454
Mayor's Office	513,218	542,424	529,108	562,030
Municipal Properties	636,850	878,199	931,136	691,918
Parks and Recreation/Tree Board	5,366,092	6,425,972	6,244,534	6,403,636
Police Department/Dispatch	23,497,898	25,816,402	25,496,225	26,265,002
Purchasing	141,285	137,998	138,898	146,675
Street Department	10,985,176	11,406,169	11,383,351	11,534,546
Crime Stoppers	10,500	13,000	13,000	15,000
Human Relations Commission	5,761	6,000	6,000	5,000
Total Departments and Programs	64,511,269	69,480,617	68,307,292	70,723,222



2.2 Shared Expenditures w/State and County				
50% Share of State Liquor Taxes Paid toMontg.Co.	312,342	282,500	320,000	329,600
Appraisal and Reappraisal of Property-Montg. Co. Trustee	108,337	101,820	101,820	148,983
Montgomery County - Pictometry	50,419	39,554	39,554	58,952
E-911	52,453	54,551	54,551	54,511
GIS	84,000	84,000	84,000	84,000
Regional Airport-Operating	253,009	200,919	200,919	216,633
Regional Airport-Capital	-	113,375	113,375	68,500
Regional Planning Commission	332,227	287,000	287,000	287,000
Regional Planning Comm. (Metro.Planning Org.)	-	24,112	24,112	16,364
Two Rivers Company	73,300	77,520	77,520	98,944
Clarksville Montgomery County School System	-	-	16,000	-
<b>Total Shared Expenditures w/State and County</b>	<b>1,266,087</b>	<b>1,265,351</b>	<b>1,318,851</b>	<b>1,363,487</b>

2.3 Miscellaneous Agencies				
Humane Society of Clarksville-Montgomery County	15,000	10,200	10,200	9,800
Roxy Regional Theater	27,064	21,000	21,000	16,800
Habitat for Humanity of Montgomery County	4,840	2,550	2,550	2,800
Mt. Olive Cemetery Historical Society - Garden	500	525	525	-
American Red Cross	10,000	10,500	10,500	8,400
Mid-Cumberland	6,000	7,040	7,040	5,215
Salvation Army Shelter on Greenwood	-	21,000	21,000	16,800
Hispanic Org. for Progress & Education	5,000	-	-	-
Clarksville Area Ministers Technical Assistance Network	5,959	7,000	7,000	4,258
Imagination Library	500	-	-	-
Manna Café Ministries	10,000	20,000	20,000	19,694
People Helping People	5,959	7,000	7,000	4,900
The Emmanuel Family Life Center	9,066	-	-	-
The Old Firehouse Day Shelter	10,000	14,000	14,000	-
United Methodist Urban Ministries	9,066	7,000	7,000	5,600
United Way - VITA Program	6,142	-	-	-
LEAP(Leadership,Enlightenment,AcademicAch,Persev)	-	7,650	7,650	14,700
Big Brothers/Big Sisters of Clarksville	-	-	-	4,900
CMCCAA Old Firehouse Day Shelter	-	-	-	12,600
Montgomery Co. Vet Van Transportation Service	-	-	-	3,150
Parents of Murdered Children	-	-	-	7,203
<b>Total Miscellaneous Agencies</b>	<b>125,096</b>	<b>135,465</b>	<b>135,465</b>	<b>136,820</b>

Section 2.4 - Other City Funded Agencies				
Senior Citizens Center	281,389	313,073	313,073	313,078
Senior Citizens Capital	-	58,000	58,000	18,000
Arts and Heritage Development Council	40,000	40,000	40,000	40,000
Component Units:				
Customs House Museum: Operating	488,351	488,351	488,351	556,551
Museum Capital: Electrical Grounding	-	17,000	17,000	-
Museum Capital: Exterior Waterproofing	-	75,000	75,000	-
<b>Total Other City Funded Agencies</b>	<b>809,740</b>	<b>991,424</b>	<b>991,424</b>	<b>927,629</b>
<b>Total Operating Expenditures</b>	<b>66,712,193</b>	<b>71,872,857</b>	<b>70,753,032</b>	<b>73,139,658</b>

Section 3 - Other Financing Uses				
Clarksville Transit System-Operating	1,815,602	1,122,703	1,122,703	1,127,455
Clarksville Transit System-Capital	-	80,027	80,027	98,608
Clarksville Transit System-Jobs Access	-	144,919	144,919	96,492
Clarksville Transit System-OPEB	-	374,481	374,481	388,336
Clarksville Transit System-CMAQ	-	34,375	34,375	34,375
Capital Projects	-	59,120	59,120	150,766
Community Development/Housing	75,000	80,000	80,000	80,000
Gas, Water, & Sewer Subsidy	151,526	160,000	130,000	110,000
Dept. of Electricity-Operating Subsidy	-	-	-	-
Transfer to Debt Service Fund	5,269,423	6,391,576	6,391,576	6,461,680
Transfer to Debt Service Fund	-	-	632,337	-
Transfer to Special Revenue Funds	35,497	36,985	36,985	36,985
FEMA Flood Buyouts	387,986	684,525	298,648	-
<b>Total Other Financing Uses</b>	<b>7,735,034</b>	<b>9,168,711</b>	<b>9,385,171</b>	<b>8,584,697</b>

<b>Total Expenditures and Financing Uses</b>	<b>74,447,227</b>	<b>81,041,568</b>	<b>80,138,203</b>	<b>81,724,355</b>
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Section 4 - Change in Fund Balance				
Net Surplus (Deficit) from Operations	9,039,028	(5,890,995)	(3,923,951)	(3,274,441)
Expenditures related to Encumbrances	-	-	-	-
Beginning Fund Balance	16,379,337	25,418,365	25,418,365	21,494,414
<b>Ending Fund Balance</b>	<b>\$ 25,418,365</b>	<b>\$ 19,527,370</b>	<b>\$ 21,494,414</b>	<b>\$ 18,219,973</b>

Attachment 2 - Debt Service Fund Summary of Revenues, Financing Sources, Expenditures, Financing Uses and  
Changes in Fund Balance FY 2012, FY 2013, and FY 2014

Description	FY 2012 Actual	FY 2013		FY 2014 Proposed
		Budget	Amended	

Section 1. Operating Revenues and Financing Sources				
Transfer From General Fund	\$ 5,269,423	\$ 6,391,576	\$ 6,391,576	\$ 6,461,680
Transfer in From Sal/Ben savings	-	-	632,337	-
Payments by Others on Self-Supporting Debt (E-911)	389,993	390,393	390,393	389,780
Transfer In From Capital Improvements Fund	1,252,102	1,963,785	1,963,785	2,500,209
<b>Total Revenues and Financing Sources</b>	<b>6,911,518</b>	<b>8,745,754</b>	<b>9,378,091</b>	<b>9,351,669</b>

Section 2. Expenditures and Financing Uses				
Debt Service of General Government	5,567,217	6,386,026	6,386,026	7,094,016
Debt Service Paid by Others on Self-Supporting Debt (E-911)	389,993	390,393	390,393	389,780
Debt Service-Paid by CPRD	1,252,102	1,963,785	1,963,785	2,500,209
Other Expenditures	5,400	5,550	5,550	95,650
<b>Total Expenditures and Financing Uses</b>	<b>7,214,712</b>	<b>8,745,754</b>	<b>8,745,754</b>	<b>10,079,655</b>

Section 3 - Change in Fund Balance				
Net Surplus (Deficit)	(303,194)	-	632,337	(727,986)
Beginning Fund Equity	1,931,123	1,627,929	1,627,929	2,260,266
<b>Total Ending Fund Equity of Debt Service Fund</b>	<b>\$1,627,929</b>	<b>\$1,627,929</b>	<b>\$2,260,266</b>	<b>\$1,532,280</b>

Attachment 3 - Police Special Revenue Fund Summary of Revenues, Financing Sources, Expenditures,  
Financing Uses and Changes in Fund Balance FY 2012, FY 2013, and FY 2014

Description	FY 2012	FY 2013		FY 2014
	Actual	Budget	Amended	Proposed
Section 1. Operating Revenues and Financing Sources				
Clarksville Domestic Violence Project PD033	134,205	-	-	-
Police Dept. Donations	397	-	440	-
Police Dept. Donations-Youth Coalition	-	-	8,332	4,600
Federal Seized Money-shared+interest	17,412	-	16,481	-
Impaired Driver Abate.2010Grant	1,750	-	-	-
PD034(transfer in 2012)				
JAG STIM Grant 09/10 AR20	103,349	-	-	-
2009 Bulletproof Vest Grant PD040	2,180	-	-	-
JAG 2009 regular PD041	1,130	-	-	-
Impaired Driver Grant 10-11 - PD045	25,532	-	-	-
Transfer in from General Fund - PD049	11,355	-	-	-
JAG 2010 - PD050	-	35,052	42,982	1,653
JAG 2010 interest - PD050	70,498	-	-	-
Transfer in from General Fund - PD051	1,483	-	-	-
Multiple Violation Grant PD052	34,256	12,500	40,648	-
Multiple Violation-Transfer in from GenFund	-	-	1,166	-
PD052				
Byrne Justice Assistance Grant-PD053	44,899	44,899	34,973	9,926
Port Security Grant PD044	299,455	57,209	12,892	-
BURN/JAG -New Providence Area TCCR	378,259	440,731	286,219	460,258
Traffic School	125,854	180,000	103,525	96,250
Impared Driver Grant 2012-13 PD054	-	89,184	75,345	22,242
2012 JAG Grant PD055	-	60,434	30,217	30,217
2012 Bullet Proof Vest Grant PD057	-	2,000	16,547	5,995
2012 Bullet Proof Vest Gen.Fund Transfer in	-	2,000	986	5,995
PD057				

2013 Impaired Driver Grant GHSO PD058	-	-	-	100,181
2013 JAG Grant PD059	-	-	-	40,000
Operation Defiance II Grant PD060	-	-	-	11,886
<b>Total Revenues and Financing Sources</b>	<b>1,252,014</b>	<b>924,009</b>	<b>670,753</b>	<b>789,203</b>

Section 2. Expenditures and Financing Uses				
Federal Seized Money Expenditures	20,234	17,413	14,886	20,982
Clarksville Domestic Violence Project PD033	133,917	-	-	-
Disproportionate Minority Grant FY10 PD042	-	-	-	-
Other Supplies	358	397	397	440
Impaired Driver Abatement 2010 Grant PD034	-	-	-	-
JAG STIM Grant 09/10 AR20	103,349	-	-	-
JAG 2009 regular PD041	1,130	-	-	-
Port Security Grant PD044	299,455	57,209	12,892	-
Impaired Driver Grant FY11 - PD045	21,650	-	-	-
Bullet Proof Vest Partnership - PD049	22,710	-	-	-
JAG 2010 - PD050	70,498	35,052	42,982	1,653
Traffic School	36,159	297,085	137,869	165,765
Bulletproof Vest Partnership-PD051	2,965	-	-	-
Multiple Violation Grant FY11/12-PD052	36,490	12,500	41,813	-
Byrne Justice Assistance Grant-PD053	44,899	44,899	34,973	9,926
Impaired Driving Grant 2012-13 PD054	-	89,184	75,345	22,242
2012 JAG Grant PD055	-	60,434	30,217	30,217
2012 Bullet Proof Vest Gen.Fund Transfer in PD057	-	4,000	1,971	11,990
BURN/JAG -New Providence Area TCCR	378,259	440,731	286,219	460,258
Youth Coalition - YC	-	-	6,517	5,300
2013 Impaired Driver Grant GHSO PD058				100,181
2013 JAG Grant PD059				40,000
Operation Defiance II Grant PD060				11,886
<b>Total Expenditures and Financing Uses</b>	<b>1,172,073</b>	<b>1,058,904</b>	<b>686,081</b>	<b>880,840</b>

Section 3 - Change in Fund Balance				
Net Surplus (Deficit)	79,941	(134,895)	(15,328)	(91,637)
Beginning Fund Equity	31,606	111,547	111,547	96,219
Total Ending Fund Equity of Police Special Revenue Fund	\$111,547	\$(23,348)	\$96,219	\$ 4,582

Attachment 3 - Capital Projects Revenue District Special Revenue Fund Summary of Revenues,  
Financing Sources, Expenditures, Financing Uses and Changes in Fund Balance  
FY2012, FY2013, and FY2014

Description	FY 2012 Actual	FY 2013		FY 2014 Proposed
		Budget	Amended	
Section 1 - Operating Revenues and Operating Transfers From Other Funds				
Local Taxes	\$1,450,000	\$1,900,000	\$1,900,000	\$2,500,000
From Montgomery County	250,000	-	-	-
Operating Revenues	1,700,000	1,900,000	1,900,000	2,500,000

Section 2 - Expenditures and Operating Transfers Out to Other Funds				
Transfer to Capital Projects Fund	976,000	-	-	-
Transfer to Debt Service Fund	1,252,102	1,963,785	1,963,785	2,500,209
Other Financing Uses	1,500,000	-	-	-
Expenditures and Financing Uses	3,728,102	1,963,785	1,963,785	2,500,209

Section 3 - Change in Fund Balance				
Net Surplus (Deficit) of Revenues and Financing Sources Over Expenditures and Financing Uses	(2,028,102)	(63,785)	(63,785)	(209)
Beginning Fund Balance	2,172,308	144,206	144,206	80,421
Ending Fund Balance	\$144,206	\$80,421	\$80,421	\$80,212

Attachment 3 - Special Events Special Revenue Fund Summary of Revenues, Financing  
Sources, Expenditures, Financing Uses and Changes in Fund Balance  
FY2012, FY2013, and FY2014

Description	FY 2012 Actual	FY 2013		FY 2014 Proposed
		Budget	Amended	

Section 1. Operating Revenues and Financing Sources				
Revenues and Financing Sources				
Program Revenues	76,267	121,000	82,276	139,775
Federal Grants	-	-	-	-
State Grants	2,000	4,600	5,000	5,000
Miscellaneous Revenue	69,745	60,775	39,650	51,300
Transfers in From Other Funds	-	-	-	-
<b>Total Revenues and Financing Sources</b>	<b>148,012</b>	<b>186,375</b>	<b>126,926</b>	<b>196,075</b>

Section 2. Expenditures and Financing Uses				
Expenditures and Financing Uses				
Operating Expenditures	143,725	205,375	135,053	196,075
<b>Total Expenditures and Financing Uses</b>	<b>143,725</b>	<b>205,375</b>	<b>135,053</b>	<b>196,075</b>
Section 3 - Change in Fund Balance				
Net Surplus (Deficit)	4,287	(19,000)	(8,127)	-
Beginning Fund Balance	88,879	93,166	88,879	80,752
<b>Total Ending Fund Balance</b>	<b>\$93,166</b>	<b>\$74,166</b>	<b>\$80,752</b>	<b>\$80,752</b>

Attachment 3 - Traffic Camera - Police Special Revenue Fund Summary of Revenues, Financing  
Sources, Expenditures, Financing Uses and Changes in Fund Balance  
FY2012, FY2013, and FY2014

Description	FY 2012 Actual	FY 2013		FY 2014 Proposed
		Budget	Amended	

Section 1. Operating Revenues and Financing Sources				
Revenues and Financing Sources				
Fines and Fees	277,058	355,700	238,623	235,130
Miscellaneous Revenue	-	-	-	-
Transfers in From Other Funds	-	-	-	-
<b>Total Revenues and Financing Sources</b>	<b>277,058</b>	<b>355,700</b>	<b>238,623</b>	<b>235,130</b>

Section 2. Expenditures and Financing Uses				
Expenditures and Financing Uses				
Operating Expenditures	186,004	191,722	137,749	127,058
Property Purchases	12,147	289,472	175,985	158,023
<b>Total Expenditures and Financing Uses</b>	<b>198,151</b>	<b>481,194</b>	<b>313,734</b>	<b>285,081</b>

Section 3 - Change in Fund Balance				
Net Surplus (Deficit)	78,907	(125,494)	(75,111)	(49,951)
Beginning Fund Balance	52,758	131,665	131,665	56,554
<b>Total Ending Fund Balance</b>	<b>\$131,665</b>	<b>\$6,171</b>	<b>\$56,554</b>	<b>\$6,603</b>



Attachment 3 - Traffic Camera - Parks Special Revenue Fund Summary of Revenues, Financing  
Sources, Expenditures, Financing Uses and Changes in Fund Balance  
FY2012, FY2013, and FY2014

Description	FY 2012 Actual	FY 2013		FY 2014 Proposed
		Budget	Amended	
Section 1. Operating Revenues and Financing Sources				
Revenues and Financing Sources				
Fines and Fees	118,739	120,000	101,602	104,568
Transfers in From Other Funds	-	86,500	86,500	-
Total Revenues and Financing Sources	118,739	206,500	188,102	104,568

Section 2. Expenditures and Financing Uses				
Expenditures and Financing Uses				
Operating Expenditures	84,334	210,000	197,554	78,016
Total Expenditures and Financing Uses	84,334	210,000	197,554	78,016

Section 3 - Change in Fund Balance				
Net Surplus (Deficit)	34,406	(3,500)	(9,452)	26,552
Beginning Fund Balance	9,124	43,530	43,530	34,078
Total Ending Fund Balance	\$43,530	\$40,030	\$34,078	\$60,630

Attachment 3 - Drug Fund Summary of Revenues, Financing Sources, Expenditures, Financing Uses and Changes  
in Fund Balance FY 2012, FY 2013, and FY 2014

Description	FY 2012 Actual	FY 2013		FY 2014 Proposed
		Budget	Amended	

Section 1 - Operating Revenues and Financing Sources				
Fines and Forfeitures	\$357,773	\$225,789	\$301,830	\$329,918
Other Revenues	-	-	-	-
Transfers from General Fund	-	-	-	-
<b>Total Revenues and Other Financing Sources</b>	<b>357,773</b>	<b>225,789</b>	<b>301,830</b>	<b>329,918</b>

Section 2. Expenditures and Financing Uses				
Drug Enforcement Buy Money, Drug Enforcement Other Expenditures, and Other Eligible Drug Enforcement Expenditures and Transfers Out	145,300	374,060	328,560	269,026
<b>Total Expenditures and Other Financing Uses</b>	<b>145,300</b>	<b>374,060</b>	<b>328,560</b>	<b>269,026</b>

Section 3 - Change in Fund Balance				
Net Surplus (Deficit)	212,473	(148,271)	(26,730)	60,892
Beginning Fund Balance	209,362	421,835	421,835	395,105
<b>Ending Fund Balance of Drug Fund</b>	<b>\$421,835</b>	<b>\$273,564</b>	<b>\$395,105</b>	<b>\$455,997</b>

Misc. Special Revenue Funds  
Fiscal Year 2014

Attachment 3 - Safe Routes to Schools - Moore (ST001) & Minglewood (ST003) Summary of Revenues,  
Financing Sources,Expenditures,Financing Uses and Changes in Fund Balance FY 2012,FY  
2013,andFY2014

Description	FY 2012	FY 2013		FY 2014
	Actual	Budget	Amended	Proposed

Section 1. Operating Revenues and Financing Sources				
State Grants	-	-	-	-
Funds Transferred in From General Fund	-	-	-	-
Total Revenues and Financing Sources	-	-	-	-

Section 2. Expenditures and Financing Uses				
Operating Expenditures	-	-	-	-
Total Expenditures and Financing Uses	-	-	-	-

Section 3 - Change in Fund Balance				
Net Surplus (Deficit)	-	-	-	-
Beginning Fund Balance	6,295	6,295	6,295	6,295
Ending Fund Balance	6,295	6,295	6,295	6,295

Attachment 3 - Clarksville Roadscapes-Phase I (ST004)Summary of Revenues, Financing Sources, Expenditures, Financing Uses and Changes in Fund Balance FY 2012, FY 2013, and FY 2014

Description	FY 2012 Actual	FY 2013		FY 2014 Proposed
		Budget	Amended	

Section 1. Operating Revenues and Financing Sources				
Federal Grant	-	18,568	-	18,568
Transfer in From General Fund	2,160	-	-	-
Total Revenues and Financing Sources	2,160	18,568	-	18,568

Section 2. Expenditures and Financing Uses				
Operating Expenditures	-	23,210	-	23,210
Total Expenditures and Financing Uses	-	23,210	-	23,210

Section 3 - Change in Fund Balance				
Net Surplus (Deficit)	2,160	(4,642)	-	(4,642)
Beginning Fund Balance	2,482	4,642	4,642	4,642
Ending Fund Balance	4,642	-	4,642	-

Attachment 3 - Safe Routes to Schools (ST007) Summary of Revenues, Financing Sources, Expenditures, Financing Uses and Changes in Fund Balance FY 2012, FY 2013, and FY 2014

Description	FY 2012 Actual	FY 2013		FY 2014 Proposed
		Budget	Amended	

Section 1. Operating Revenues and Financing Sources				
Federal Grant	(7,757)	-	65,822	-
Transfer in From General Fund	-	-	-	-
Total Revenues and Financing Sources	(7,757)	-	65,822	-

Section 2. Expenditures and Financing Uses				
Operating Expenditures	7,043	79,298	51,022	-
Total Expenditures and Financing Uses	7,043	79,298	51,022	-

Section 3 - Change in Fund Balance				
Net Surplus (Deficit)	(14,800)	(79,298)	14,800	-
Beginning Fund Balance	-	(14,800)	(14,800)	-
Ending Fund Balance	(14,800)	(94,098)	-	-

Attachment 3 - Clarksville Roadscapes-2008 (ST009) Summary of Revenues, Financing Sources,  
Expenditures, Financing Uses and Changes in Fund Balance FY 2012, FY 2013, and FY 2014

Description	FY 2012 Actual	FY 2013		FY 2014 Proposed
		Budget	Amended	

Section 1. Operating Revenues and Financing Sources				
Federal Grant	-	-	-	83,635
Transfer in From General Fund	20,909	-	-	-
<b>Total Revenues and Financing Sources</b>	20,909	-	-	83,635

Section 2. Expenditures and Financing Uses				
Operating Expenditures	-	-	-	104,544
<b>Total Expenditures and Financing Uses</b>	-	-	-	104,544

Section 3 - Change in Fund Balance				
Net Surplus (Deficit)	20,909	-	-	(20,909)
Beginning Fund Balance	-	-	20,909	20,909
<b>Ending Fund Balance</b>	20,909	-	20,909	-

Misc. Special Revenue Funds Total

<b>Ending Fund Balance</b>	17,047	(87,803)	31,846	6,295
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**Section 4.** That the governing body recognizes that the municipality has bonded and other indebtedness as follows:

Bonded or Other Indebtedness	Debt Redemption	Interest Requirements	Debt Authorized and Unissued
Bonds	47,993,950	1,912,004	-
Notes	60,590,090	1,272,052	10,607,620
Other Debt	-	-	-

**Section 5. During the coming fiscal year the governing body has planned capital projects and proposed funding as follows:**

Attachment 4- Capital Projects Fund Summary of Revenues, Financing Sources, Expenditures,  
Financing Uses and Changes in Fund Balance

FY 2012, FY 2013, FY 2014				
	FY 2012	FY 2013		FY 2014
Description	Actual	Budget	Amended	Proposed
<b>Section 1 - Operating Revenues and Financing Sources</b>				
Revenues and Financing Sources				
Revenues				
Interest	2,016	-	8,999	-
Federal/State Grants	1,173,526	4,697,761	940,886	2,966,183
Contributions	1,187	-	60,234	-
Financing Sources				
Bond Proceeds	7,084,290	18,268,315	14,937,972	7,883,735
Transfers In	976,000	59,120	6,604	150,766
<b>Total Revenues and Financing Sources</b>	<b>9,237,019</b>	<b>23,025,196</b>	<b>15,878,867</b>	<b>11,000,684</b>
<b>Section 2. Expenditures and Financing Uses</b>				
Expenditures and Transfers Out				
Capital Projects	13,374,621	12,271,520	1,975,149	8,034,501
Capital Investments	291,516	-	-	-
Expenditures Prior Yr. Projects	-	8,104,146	4,109,064	12,690,275
<b>Total Expenditures and Financing Uses</b>	<b>13,666,137</b>	<b>20,375,666</b>	<b>6,084,213</b>	<b>20,724,776</b>
<b>Section 3 - Change in Fund Balance</b>				
Net Surplus (Deficit) from Operations	(4,429,118)	2,649,530	9,794,654	(9,724,092)
Beginning Fund Equity	4,492,869	63,751	63,751	9,858,405
<b>Total Ending Fund Balance</b>	<b>63,751</b>	<b>2,713,281</b>	<b>9,858,405</b>	<b>134,313</b>

**Section 6.** No appropriation listed above may be exceeded without an amendment of the budget ordinance as required by Article V, Section 3 of the Clarksville City Charter. Amendments to the adopted budget ordinance may be approved by ordinance at any time during the fiscal year by the affirmative vote of a majority of the council on two separate readings.

**Section 7. Tax Rate.** The City of Clarksville's fiscal year 2014 (tax year 2013) tax rate for real and personal property shall be **ONE DOLLAR TWENTY-FOUR CENTS (\$1.24)** per each ONE HUNDRED DOLLARS (\$100) OF ASSESSED VALUE.

**Section 8. Payments to Tennessee Consolidated Retirement System.** For the fiscal year 2014, the City of Clarksville's rate of funding to the Tennessee Consolidated Retirement System (TCRS) will be 17.38% of covered salaries and wages for public safety employees and 13.88% for all others.

**Section 9. Other Post Employment Benefits.** The City recognizes that under the provisions of Governmental Accounting Standards Board (GASB) Statement 45 that it has an obligation for "Other Post Employment Benefits" ("OPEB"). In FY 2014, the City's governmental funds will continue on a pay-as-you-go basis. Nothing in this section shall prevent any proprietary fund, agency, or component unit of the city from funding its OPEB obligations under the provisions of GASB 45 in FY 2014.

**Section 10. In Lieu of Taxes, Clarksville Department of Electricity and Clarksville Department of Gas, Water & Sewer.** The City has budgeted to collect the maximum in lieu of tax payment permitted by the Tennessee Code Annotated from the Clarksville Department of Gas, Water & Sewer and accounts for this payment in the general fund as operating revenues. The city has budgeted to collect the maximum in lieu of tax payment permitted by the Tennessee Code Annotated from the Department of Electricity with the exception of an amount predetermined to be withheld by the Department of Electricity for repayment of a portion of an interfund receivable. These funds are accounted for in the general fund as operating revenues.

**Section 11. Payments to Montgomery County – In Lieu of Taxes.** Under the provisions of the Tennessee Code Annotated, 22.5% of the in lieu of tax payment actually paid to the city by the Clarksville Department of Electricity to the City of Clarksville's general government must be paid over to Montgomery County. The amount of the appropriation to be paid over to Montgomery County contained within this appropriating ordinance is based on an estimated annual in lieu of tax payment included in the financing sources of the city. The Chief Financial Officer is authorized to comply with the legal requirement that provides for the actual payment of 22.5% of the in-lieu-of-tax paid to the city to be paid to Montgomery County irrespective of the appropriation contained within this ordinance.

**Section 12. Payments to Montgomery County – Share of State Liquor Taxes.** Under the provisions of the Tennessee Code Annotated, 50% of the state liquor taxes paid to the City of Clarksville by the State of Tennessee must be paid over to Montgomery County for the purpose of funding education. The amount of the appropriation to be paid over to Montgomery County contained within this appropriating ordinance is based on an annual revenue estimate of the state shared revenue for the liquor tax. The Chief Financial Officer is authorized to comply with the legal requirement to pay over to Montgomery County 50% of the state liquor taxes received by the city irrespective of the appropriation contained within this ordinance.

**Section 13. Payments to State of Tennessee.** Under the provisions of the Tennessee Code Annotated, 15% of the business taxes collected on gross receipts of covered businesses (the "business tax") collected by the City of Clarksville must be paid over to the State of Tennessee. The amount of the appropriation to be paid over to State of Tennessee contained within this appropriating ordinance is based on an annual revenue estimate of the business tax revenue. The actual business tax revenues on which the 15% payment to the state is calculated spans two fiscal years. The Chief Financial Officer is authorized to pay over to the State of Tennessee 15% of the business taxes for the June 2013 through May 2014 period irrespective of the appropriated amount.

**Section 14. Property Purchases (Capital Outlay) Within Departments' Budgets and unused Salary and Benefit Expenses within Departments' Budgets.** Surplus funding resulting from property purchases (capital outlay expenditures) below budgeted amounts and salary and benefit savings due to employee vacancies throughout the fiscal year shall be unavailable for further expenditure by the departments and shall be returned to the general fund to increase the fund balance.

**Section 15.** A departmental budget and the published operating budget and budgetary comparisons shown by fund with beginning and ending fund balances and the number of full time equivalent employees authorized by fund will be attached and become a part of this ordinance.

**Section 16. Policy for Funding of Miscellaneous Agencies**

1. Per State Law:

- a. Organization must be a 501-c-3, 501-c-4, or 501-c-6 with documentation provided from the Internal Revenue Service.
- b. Organization provides year-round services benefitting the general welfare of the city's residents.
- c. Organization files a copy of an annual audit of its business affairs and related transactions
- d. Organization supplies a mission statement proposing the use of the funds requested from the city.
- e. Funding may be withheld by the Finance department until all requirements are current.



2. If awarded funding by the City of Clarksville, the organization must agree to allow access to the financial records and other records that the City may request to review to ascertain that the funds provided by the City are used for the purposes now being requested.
  - a. The organization must agree the funds will only be used for the purposes stated and approved.
  - b. Any proposed significant changes during the fiscal year to the budget presented to the Miscellaneous Agency Committee requesting funding based on providing a specific service or program must be submitted to and approved by the entire Council.
3. Organizations will submit quarterly financial reports no later than 45 days after the end of the quarters ending September, December, March and June of each year.
4. Organizations receiving more than \$50,000 are required to follow the city's purchasing policy on bids and quotes for purchases from city contributions.
5. Organizations that receive audit findings will disclose these findings with their annual funding request and Finance may withhold additional funding until a written plan to address those findings is received.

**Section 17.** If for any reason a budget ordinance is not adopted prior to the beginning of the next fiscal year, the appropriations in this budget ordinance shall become the appropriations for the next fiscal year until the adoption of the new budget ordinance, provided sufficient revenues are being collected to support the continuing appropriations. Approval of the Director of the Division of Local Finance in the Comptroller of the Treasury for a continuation budget will be requested if any indebtedness is outstanding.

**Section 18.** Notwithstanding any provision of the Official Code of the City of Clarksville to the contrary, based on current market conditions and city finances, there is a proposed general wage increase budgeted for employees in Fiscal Year 2013-2014 of 2%.

**Section 19.** All retired personnel that are paid retirement benefits from the city's general fund or from the funds of Gas, Water, and Sewer Departments shall receive a three percent (3%) increase in their gross retirement pension benefits effective July 1, 2013.

**Section 20. Capital Project Revenue District.** In order to provide accountability, since the exact amount due as a result of increased valuations and which would be available to the CPRD, the amount of Property Tax to be transferred to the CPRD fund will be capped at \$2,500,000 for Fiscal Year 2014.

**Section 21.** This ordinance shall take effect July 1, 2013, the public welfare requiring it.

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**MAYOR**

**ATTEST:**

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**CITY CLERK**

BUDGET SUMMARY PUBLISHED: May 20, 2013  
FIRST READING:  
PUBLIC HEARING:  
SECOND READING:  
EFFECTIVE DATE: