



**CLARKSVILLE CITY COUNCIL  
EXECUTIVE SESSION  
JULY 26, 2018, 4:30 P.M.**

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

**AGENDA**

**1) PLANNING COMMISSION**

**ZONING: PUBLIC HEARING**

1. **ORDINANCE 9-2018-19** (First Reading) Amending the Zoning Ordinance and Map of the City of Clarksville, application of Paul Landrum for zone change on property located at the intersection of Memorial Drive and Landrum Place from O-1 Office, Medical, Institutional and Civic District to R-4 Multiple Family Residential District *(RPC: Approval/Approval)*
2. **ORDINANCE 10-2018-19** (First Reading) Amending the Zoning Ordinance and Map of the City of Clarksville, application of David Stiltner, J. Chris Fielder/DBS & Associates-Agent, for zone change on property located at the intersection of Martin Luther King, Jr., Parkway and South Gateway Plaza from C-4 Highway Interchange District to C-2 General Commercial District *(RPC: Disapproval/Approval)*

**ZONING AMENDMENT: POSTPONED**

1. **ORDINANCE 69-2017-18** (First Reading; Postponed June 7th) Amending the City of Clarksville Zoning Ordinance relative to ghost signs, murals, and works of art *(RPC: Approval/Approval)*

## 2) 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 1-2018-19** (Second Reading) Authorizing exercise of right of eminent domain to acquire easements, property, and/or rights-of-way for the Lafayette Road widening project
2. **ORDINANCE 2-2018-19** (Second Reading) Authorizing negotiations for purchase or use of eminent domain to acquire easements for drainage improvements on Lilac Lane
3. **ORDINANCE 3-2018-19** (Second Reading) Amending the Zoning Ordinance and Map of the City of Clarksville, application of Nick Dattilo for zone change on property located at the intersection of Purple Heart Parkway & Evans Road from RM-1 Single Family Mobile Home Residential District to R-4 Multiple Family Residential District
4. **ORDINANCE 4-2018-19** (Second Reading) Amending the Zoning Ordinance and Map of the City of Clarksville, application of Dapp Investments, Moore Design Services-Agent, for zone change on property located at the intersection of Ringgold Road and Ringgold Court from R-4 Multiple Family Residential District to R-6 Single Family Residential District
5. **RESOLUTION 4-2018-19** Approving appointments to the Ethics Commission, Human Relations Commission, Power Board, and Tree Board
  - *Ethics Commission: Pat Young (reappointment) - July 2018 through June 2021*
  - *Human Relations Commission: Mike Dale, Feleesha Johnson, Erin Lee (reappointments) - July 2018 through June 2021*
  - *Power Board: Bill Powers (reappointment) - July 2018 through June 2019*
  - *Tree Board: Dottie Mann, Joey Redman (reappointments) - July 2018 through June 2019*
6. **RESOLUTION 5-2018-19** Renewing the Certificate of Compliance for Billy G. Brown for operation of Bill's Package Store (1651 Fort Campbell Boulevard) (*CPD: No Criminal History*)
7. **RESOLUTION 6-2018-19** Rescinding **RESOLUTION 54-2017-18** and approving a Certificate of Compliance for operation of Queen City Liquors,, Inc. (101 Profit Drive, Suite A)

*NOTE: New state law requires a municipality to verify that when an existing retail liquor store moves, the new location is not within 1,500 feet of another retail liquor store.*

8. Adoption of Minutes: June 21, June 28, July 5

### 3) FINANCE COMMITTEE

*Jeff Burkhart, Chair*

1. **RESOLUTION 7-2018-19** Declaring the City's intent to reimburse itself not to exceed \$26,350,000 for certain project expenditures with proceeds of general obligation bonds, notes, or other debt obligations [FY19 Capital Projects] (*Finance Committee: Approval*)
2. **RESOLUTION 8-2018-19** Authorizing purchase of natural gas and approving a gas supply agreement with Tennessee Energy Acquisition Corporation (*Finance Committee: Approval*)

### 4) GAS & WATER COMMITTEE

*Bill Powers, Chair*

1. **ORDINANCE 8-2018-19** (First Reading) Authorizing extension of utilities to property on West Gratton Road; request of River Chase Marine Terminal
2. Department Reports

### 5) HOUSING & COMMUNITY DEVELOPMENT COMMITTEE

*David Allen, Chair*

1. Department Report

### 6) PARKS & RECREATION

*Valerie Guzman, Chair*

1. Department Report

### 7) PUBLIC SAFETY COMMITTEE

*Geno Grubbs, Chair*

1. **ORDINANCE 6-2018-19** (First Reading) Amending the Official Code relative to adoption of the 2017 National Electric Code (*Public Safety Committee: Approval*)
2. Department Reports

### 8) STREETS & GARAGE COMMITTEE

*Mike Alexander, Chair*

1. Department Reports

9)TRANSPORTATION COMMITTEE

*Deanna McLaughlin, Chair*

1. Department Reports

10)NEW BUSINESS

1. **ORDINANCE 7-2018-19** (First Reading) Amending **ORDINANCE 3-2017-18** authorizing purchase of certain property near Inglewood drive and Cherokee Trail for the purpose of a city park [Urban Wilderness] *(Mayor McMillan)*
2. **RESOLUTION 9-2018-19** Pertaining to an economic impact plan regarding a hotel/conference center development *(Mayor McMillan)*
3. **RESOLUTION 10-2018-19** Initial resolution authorizing issuance of capital outlay notes for reimbursement for purchase of land *(Mayor McMillan)*
4. Introduction of new Industrial Development Board Executive Director and presentation regarding potential retail development *(Mayor McMillan)*

11) MAYOR AND STAFF REPORTS

12) PUBLIC COMMENTS

13) ADJOURNMENT



## CITY ZONING ACTIONS

The following case(s) will be considered for action at the formal session of the Clarksville City Council on: August 2, 2018. The public hearing will be held on: August 2, 2018.

CITY ORD. #: 9-2018-19      RPC CASE NUMBER: Z-17-2018

Applicant:      PAUL LANDRUM

Agent:

Location:      Property fronting on the east frontage of Landrum Place, 820 +/- feet south of the Memorial Drive & Landrum Place intersection.

Ward #:      10

Request:      O-1 Office, Medical, Institutional and Civic District  
to  
R-4 Multiple-Family Residential District

STAFF RECOMMENDATION: APPROVAL

PLANNING COMMISSION RECOMMENDATION: APPROVAL

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CITY ORD. #: 10-2018-19      RPC CASE NUMBER: Z-18-2018

Applicant:      DAVID STILTNER

Agent:      J. Chris Fielder Dbs And Associates Eng.

Location:      Property located at the southeast corner of the Martin Luther King Parkway & S. Gateway Plaza Blvd. intersection.

Ward #:      10

Request:      C-4 Highway Interchange District  
to  
C-2 General Commercial District

STAFF RECOMMENDATION: DISAPPROVAL

PLANNING COMMISSION RECOMMENDATION: APPROVAL

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**CLARKSVILLE-MONTGOMERY COUNTY REGIONAL PLANNING**

**STAFF REVIEW - ZONING**

**RPC MEETING DATE** 7/25/2018

**CASE NUMBER:** Z - 17 - 2018

**NAME OF APPLICANT** Paul

Landrum

**AGENT:**

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**GENERAL INFORMATION**

**TAX PLAT:** 065-N-J

**PARCEL(S):** 020.00

**ACREAGE TO BE REZONED:** 0.87

**PRESENT ZONING:** O-1

**PROPOSED ZONING:** R-4

**EXTENSION OF ZONING**

**CLASSIFICATION:** YES TO THE EAST

**PROPERTY LOCATION:** Property fronting on the east frontage of Landrum Place, 820 +/- feet south of the Memorial Drive & Landrum Place intersection.

**CITY COUNCIL WARD:** 10

**COUNTY COMMISSION DISTRICT:** 21

**CIVIL DISTRICT:** 11

**DESCRIPTION OF PROPERTY** Existing maintained O-1 lot.

**AND SURROUNDING USES:**

**APPLICANT'S STATEMENT** To better utilize the property  
**FOR PROPOSED USE:**

**GROWTH PLAN AREA:** CITY

**PLANNING AREA:** Medical District Planning Area

**PREVIOUS ZONING HISTORY:**

①

# CLARKSVILLE-MONTGOMERY COUNTY REGIONAL PLANNING

## STAFF REVIEW - ZONING

### DEPARTMENT COMMENTS

- ☒ GAS AND WATER ENG. SUPPORT MGR.
- ☒ GAS AND WATER ENG. SUPPORT COOR.
- ☐ UTILITY DISTRICT
- ☒ JACK FRAZIER
- ☒ CITY STREET DEPT.
- ☒ TRAFFIC ENG. - ST. DEPT.
- ☐ COUNTY HIGHWAY DEPT.
- ☐ CEMC
- ☒ DEPT. OF ELECTRICITY (CDE)

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

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

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

Comments received from department and they had no concerns.

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

Comments received from department and they had no concerns.

#### **3. DRAINAGE COMMENTS:**

Comments received from department and they had no concerns.

#### **4. CDE/CEMC:**

No Comment(s) Received

#### **5. FIRE DEPT/EMERGENCY MGT.:**

Comments received from department and they had no concerns.

#### **6. POLICE DEPT/SHERIFF'S OFFICE:**

No Comment(s) Received

#### **7. CITY BUILDING DEPARTMENT/ COUNTY BUILDING DEPARTMENT:**

No Comment(s) Received

#### **8. SCHOOL SYSTEM:**

No Comment(s) Received

ELEMENTARY:

MIDDLE SCHOOL:

HIGH SCHOOL:

#### **9. FT. CAMPBELL:**

#### **10. OTHER COMMENTS:**

(2)

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

**PLANNING STAFF'S STUDY AND RECOMMENDATION**

**IMPACT OF PROPOSED USE ON Minimal**  
**SURROUNDING DEVELOPMENT:**

**INFRASTRUCTURE:**

**WATER SOURCE:** CITY

**SEWER SOURCE:** CITY

**STREET/ROAD ACCESSIBILITY:** Landrum Place

**DRAINAGE COMMENTS:** Varies

**RESIDENTIAL DEVELOPMENT**

**APPLICANT'S ESTIMATES    HISTORICAL ESTIMATES**

**LOTS/UNITS:**

**10**

**POPULATION:**

**ELEMENTARY SCHOOL STUDENTS:**

**MIDDLE SCHOOL STUDENTS:**

**HIGH SCHOOL STUDENTS:**

**APPLICABLE LAND USE PLAN**

Medical District- This Planning area was driven by the former Hospital located within the district. With the hospital being relocated and the former site being redeveloped as commercial and is expected to trigger major changes in the area.

**STAFF RECOMMENDATION:    APPROVAL**

- 1.** The proposed zoning request is consistent with the adopted Land Use Plan.
- 2.** Request is an extension of the existing R-4 multi-family district to the east.
- 3.** Adequate infrastructure serves the site.
- 4.** no adverse environmental issues were identified relative to this request.
- 5.**





Z-17-2018

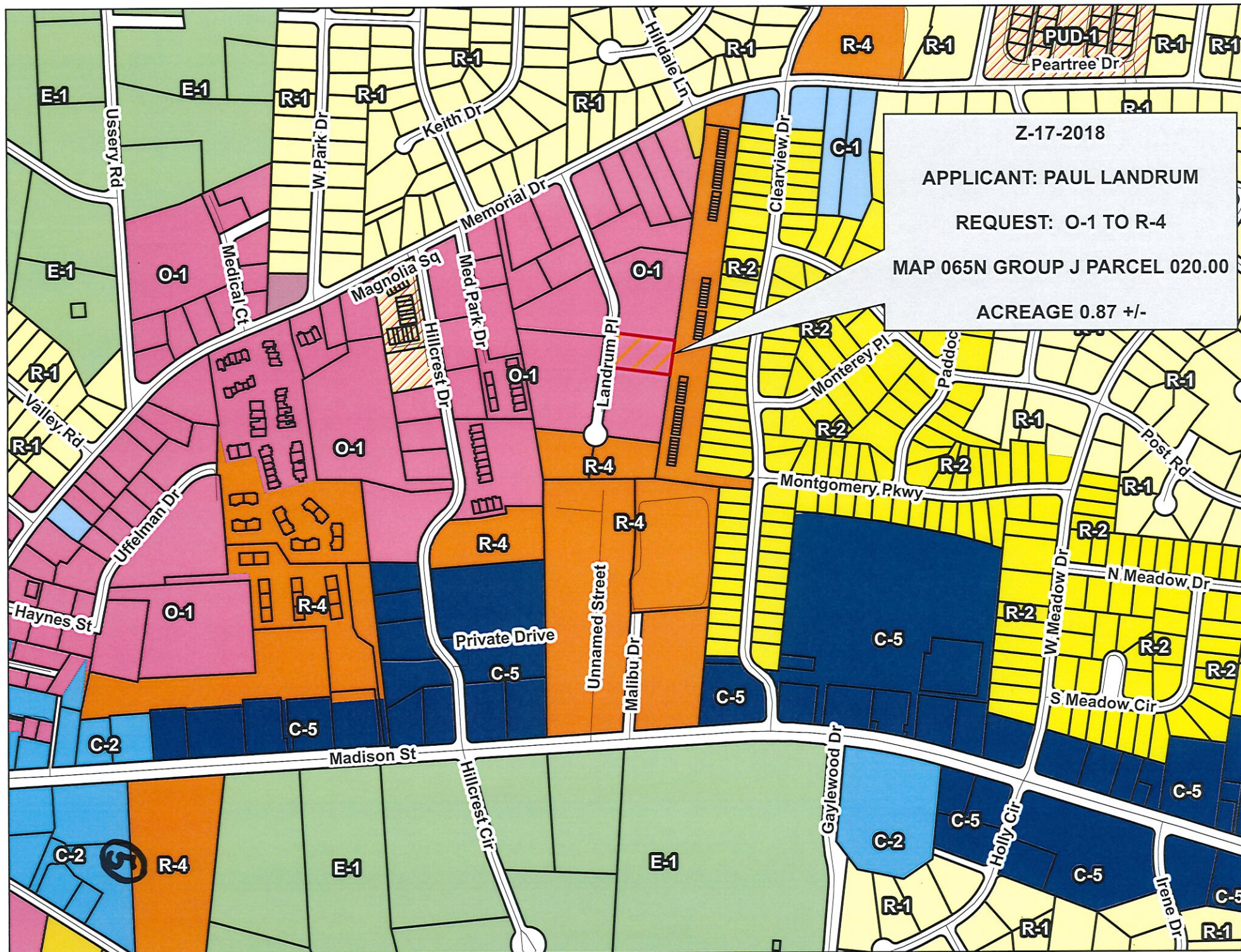
APPLICANT: PAUL LANDRUM

REQUEST: O-1 TO R-4

MAP 065N GROUP J PARCEL 020.00

ACREAGE 0.87 +/-







**CASE NUMBER:** Z 17 2018 **MEETING DATE** 7/25/2018

**APPLICANT:** Paul Landrum

**PRESENT ZONING** O-1

**PROPOSED ZONING** R-4

**TAX PLAT #** 065-N-J

**PARCEL** 020.00

**GEN. LOCATION** Property fronting on the east frontage of Landrum Place, 820 +/- feet south of the Memorial Drive & Landrum Place intersection.

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**PUBLIC COMMENTS**

None received as of 9:00 A.M. on 7/25/2018 (A.L.)

**CLARKSVILLE-MONTGOMERY COUNTY REGIONAL PLANNING**

**STAFF REVIEW - ZONING**

**RPC MEETING DATE** 7/25/2018

**CASE NUMBER:** Z - 18 - 2018

**NAME OF APPLICANT** David

Stiltner

**AGENT:** J. Chris Fielder

Dbz And Associates Eng.

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**GENERAL INFORMATION**

**TAX PLAT:** 063J-A

**PARCEL(S):** 008.00 & 009.00

**ACREAGE TO BE REZONED:** 4.51

**PRESENT ZONING:** C-4

**PROPOSED ZONING:** C-2

**EXTENSION OF ZONING**

**CLASSIFICATION:** YES

**PROPERTY LOCATION:** Property located at the southeast corner of the Martin Luther King Parkway & S. Gateway Plaza Blvd. intersection.

**CITY COUNCIL WARD:** 10

**COUNTY COMMISSION DISTRICT:** 15

**CIVIL DISTRICT:** 11

**DESCRIPTION OF PROPERTY AND SURROUNDING USES:** Dual frontage property with low area on the southern side of the property.

**APPLICANT'S STATEMENT FOR PROPOSED USE:** To conform more closely with the zoning of the property to the north and be in compliance with the zoning regulation for a childcare facility

**GROWTH PLAN AREA:** CITY

**PLANNING AREA:** Sango Planning Area

**PREVIOUS ZONING HISTORY:**



# CLARKSVILLE-MONTGOMERY COUNTY REGIONAL PLANNING

## STAFF REVIEW - ZONING

### DEPARTMENT COMMENTS

- ☒ GAS AND WATER ENG. SUPPORT MGR.
- ☒ GAS AND WATER ENG. SUPPORT COOR.
- ☐ UTILITY DISTRICT
- ☒ JACK FRAZIER
- ☒ CITY STREET DEPT.
- ☒ TRAFFIC ENG. - ST. DEPT.
- ☐ COUNTY HIGHWAY DEPT.
- ☐ CEMC
- ☒ DEPT. OF ELECTRICITY (CDE)

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

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

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

Comments received from department and they had no concerns.

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

Comments received from department and they had no concerns.

#### 3. DRAINAGE COMMENTS:

Comments received from department and they had no concerns.

#### 4. CDE/CEMC:

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

Comments received from department and they had no concerns.

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

No Comment(s) Received

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

No Comment(s) Received

#### 8. SCHOOL SYSTEM:

ELEMENTARY:

MIDDLE SCHOOL:

HIGH SCHOOL:

#### 9. FT. CAMPBELL:

#### 10. OTHER COMMENTS:

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

**PLANNING STAFF'S STUDY AND RECOMMENDATION**

**IMPACT OF PROPOSED USE ON** Minimal  
**SURROUNDING DEVELOPMENT:**

**INFRASTRUCTURE:**

**WATER SOURCE:** CITY

**SEWER SOURCE:** CITY

**STREET/ROAD ACCESSIBILITY:** Martin Luther King Parkway & S. Gateway Plaza

**DRAINAGE COMMENTS:** East

**RESIDENTIAL DEVELOPMENT**

**APPLICANT'S ESTIMATES** **HISTORICAL ESTIMATES**

**LOTS/UNITS:**

**POPULATION:**

**ELEMENTARY SCHOOL STUDENTS:**

**MIDDLE SCHOOL STUDENTS:**

**HIGH SCHOOL STUDENTS:**

**APPLICABLE LAND USE PLAN**

Sango Planning Area: Growth rate for this area is well above the overall county average.

**STAFF RECOMMENDATION:** **DISAPPROVAL**

1. The proposed zoning request is inconsistent with the adopted Land Use Plan.
2. The adopted Land Use Plan indicates that the present C-4 zoning classification is assumed to be correct unless the proposed zone is more consistent with the land use plan, the parcel was incorrectly zoned in the first place, or major changes of an economic, physical or social nature were not considered in the present plan which have substantially altered
3. The availability of C-4 Highway Interchange Zoning District is limited to the areas of the Interstate Exits. It is not encouraged to reduce the stock of C-4 zoning in the immediate vicinity of the interstate.
4. No adverse environmental issues were identified relative to this request.
- 5.



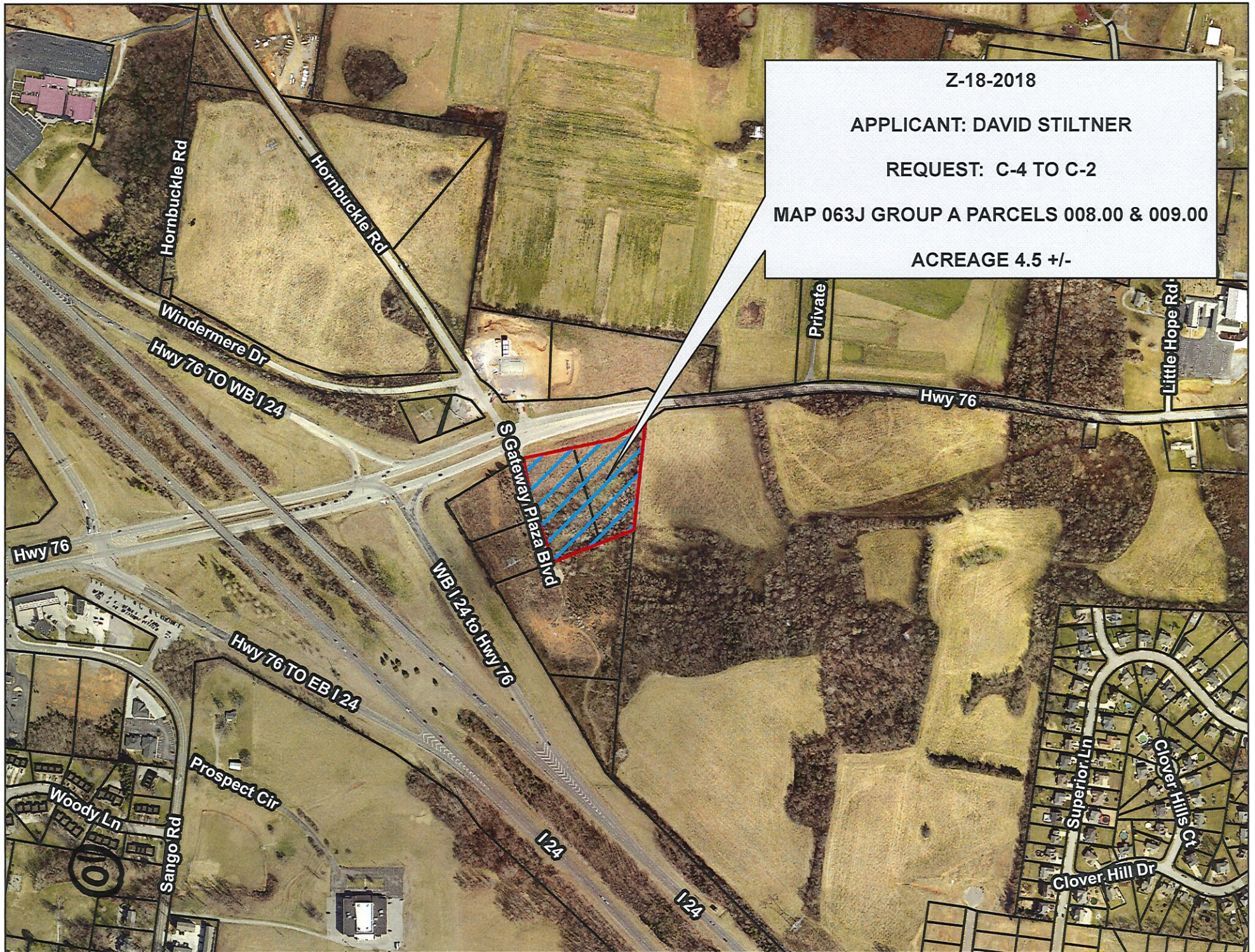
Z-18-2018

APPLICANT: DAVID STILTNER

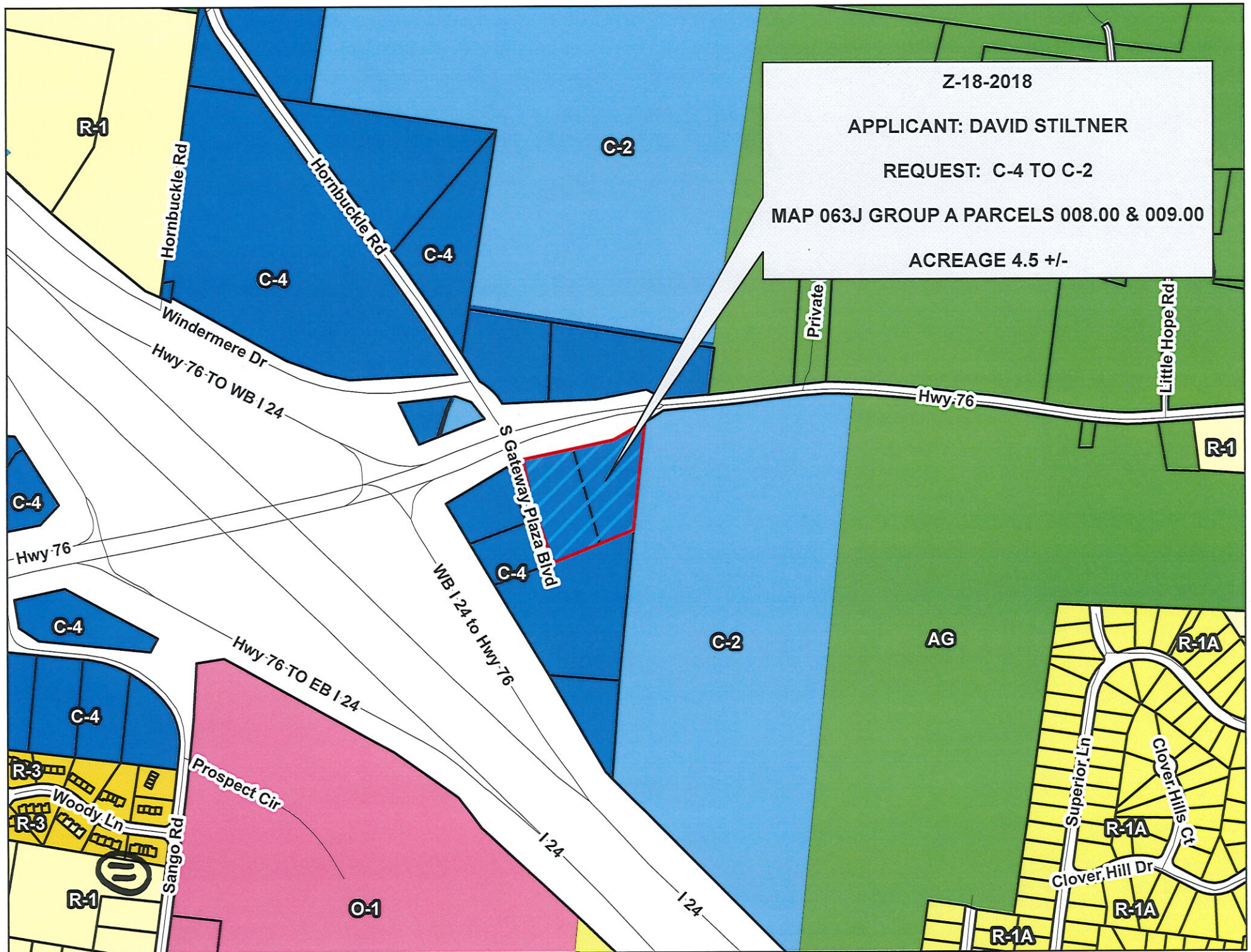
REQUEST: C-4 TO C-2

MAP 063J GROUP A PARCELS 008.00 & 009.00

ACREAGE 4.5 +/-







**CASE NUMBER:** Z 18 2018 **MEETING DATE** 7/25/2018

**APPLICANT:** David Stiltner

**PRESENT ZONING** C-4

**PROPOSED ZONING** C-2

**TAX PLAT #** 063J-A

**PARCEL** 008.00 & 009.00

**GEN. LOCATION** Property located at the southeast corner of the Martin Luther King Parkway & S.  
Gateway Plaza Blvd. intersection.

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**PUBLIC COMMENTS**

None received as of 9:00 a.m. on 7/25/2018 (A.L.)

ORDINANCE 9-2018-19

AMENDING THE ZONING ORDINANCE AND MAP OF THE CITY OF CLARKSVILLE, APPLICATION OF PAUL LANDRUM FOR ZONE CHANGE ON PROPERTY LOCATED AT THE INTERSECTION OF MEMORIAL DRIVE AND LANDRUM PLACE

*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 O-1 Office, Medical, Institutional & Civic District, as R-4 Multiple Family Residential District.

*PUBLIC HEARING:*

*FIRST READING:*

*SECOND READING:*

*EFFECTIVE DATE:*

EXHIBIT A

Beginning at a point said point being 724 +/- feet in a southeasterly direction of the centerline of the Memorial Dr. & Landrum Place intersection, said point being located in the eastern right of way boundary of the Landrum Place, said point also being the southwest corner of the Physicans Venture Fund LLC property, thence in a easterly direction 253 +/- feet with the southern boundary of the Physicans Venture Fund LLC property to a point, said point being in the western boundary of the Morris Properties property, thence in a southerly direction 150 +/- feet with the western boundary of the Morris Properties to a point, said point being the northeast corner of the Tallus Land Company LLC property, thence in a westerly direction 255 +/- feet with the northern boundary of the Tallus Land Company LLC northern boundary to a point, said point being in the eastern right of way margin Landrum Place, thence in a northerly direction 150 +/- feet with the eastern right of way margin of Landrum place to the point of beginning, said herein described tract containing 0.87 +/- acres, further identified as Tax Map 65-N-J, Parcel 20.00

ORDINANCE 10-2018-19

AMENDING THE ZONING ORDINANCE AND MAP OF THE CITY OF CLARKSVILLE, APPLICATION OF DAVID STILTNER, J. CHRIS FIELDER/DBS & ASSOCIATES-AGENT, FOR ZONE CHANGE ON PROPERTY LOCATED AT THE INTERSECTION OF MARTIN LUTHER KING, JR. PARKWAY & SOUTH GATEWAY PLAZA

*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 C-4 Highway Interchange District, as C-2 General Commercial District.

*PUBLIC HEARING:*

*FIRST READING:*

*SECOND READING:*

*EFFECTIVE DATE:*

EXHIBIT A

Beginning at a point, said point being in the south right of way of SR Highway 76 & the east right of way S. Gateway Plaza Blvd. where they intersect, thence in a easterly direction 550 +/- feet with the southern right of way of SR Highway 76 to a point, said point being the northwest corner of the Maude C. Powers property, thence in a southerly direction 467 +/- feet with the western boundary of the Powers to a point, said point being the northeast corner of the State of Tennessee property, thence in a westerly direction 369 +/- feet with the northern boundary of the State of Tennessee property to a point, said point being in the eastern right of way of S. Gateway Plaza Blvd., thence in a northerly direction 460 +/- feet with the eastern right of way boundary of S. Gateway Plaza Blvd. to the point of beginning, said herein described tract containing 4.51 +/- acres, further identified as tax Map 63-J-A, Parcel(s) 8.00 & 9.00



## ORDINANCE 69-2017-18

AN ORDINANCE AMENDING THE CITY OF CLARKSVILLE TENNESSEE ZONING ORDINANCE RELATIVE TO GHOST SIGNS, MURALS, AND WORKS OF ART

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

That the City of Clarksville, Tennessee Zoning Ordinance, Title 11, is hereby amended as follows:

***The following Definitions shall be added alphabetically into Title 11, Chapter 2.2 Definitions. Title 11, Chapter 2.2 Definitions shall be renumbered accordingly.***

**Definitions:**

*Ghost Sign*- A remaining image of a hand painted sign on the exterior of a building or structure that existed prior to 1970.

*Mural*- A sanctioned painting, mosaic, other work of art painted or applied to a wall.

*Work of Art*- A sanctioned piece of creative work in the arts, including paintings, sculptures, or other visual artistic expressions.

***Renumber the following sections (and corresponding subsections) of Title 11, Chapter 9.4.2 “Design Standards and Guidelines”***

***~~2.1~~ 1.10 Flags and Flagpoles***

***~~2.2~~ 1.11 Temporary Signs***

***The following language shall be inserted under Title 11, Chapter 9.4.2 “Design Standards and Guidelines”***

**1.12 Murals, Works of Art & Ghost Signs - Madison Street Overlay**

**1.12.1 Approval Process**



1.12.1.1 An Application of Appropriateness is required to be reviewed and acted on by the Common Design Review Board.

1.12.1.2 While murals and public art can be a benefit to the community, under no circumstances does the submittal of a proposal guarantee an approval/allowance. The application process is at the applicant's expense.

1.12.1.3 The Common Design Review Overlay Board shall review the Application based on its appropriateness to the building, site, location, surroundings, numbers of murals/public art and scale to the structure it is proposed. The Common Design Review Overlay Board may vote to recommend approval of the application or disapprove the application. A recommendation of approval permits the application to proceed to final approval.

1.12.1.4 Final Approval of a Mural and/or Work of Art within the Design Overlay Districts shall be by an approved resolution as Public Art by the City Council. No application shall proceed to consideration of City Council without first being granted a recommendation of Approval by the Common Design Overlay Board. Consideration of the final design of the Mural and/or Work of Art lies primarily with the consideration of City Council.

#### **1.12.2 Location**

1.12.2.1 Murals and/or Works of Art shall be prohibited on the exterior of any structure located within a Historic Overlay District.

1.12.2.2 It shall be the duty of the Common Design Review Board to preserve the historic character of the surroundings and properties located within the Downtown Overlay District.

1.12.2.3 Mural art may not be located on an unpainted brick structure within any Overlay District under the Common Design Review Board's purview. Mural art may not cover up any architectural features of the existing building or structure.

1.12.2.4 Mural art shall not be located on a street frontage building facade.

1.12.2.5 Mural art should be located on buildings meeting the current Design Guidelines for the district. Mural art shall not be used to avoid or delay building maintenance or rehabilitation.

1.12.2.6 Under no circumstances should mural art take precedence over the restoration of historic buildings.

1.12.2.7 The location of mural art should be aesthetically pleasing and tastefully placed.

#### **1.12.3 Design**

1.12.3.1 Mural art should be reviewed based on its appropriateness to the building, site, location, surroundings, numbers of murals/public art and scale.

1.12.3.2 The replication & rehabilitation of a ghost sign is not considered mural art. Painting over or modifying any part of an existing ghost sign by any part of a mural and/or work of art shall be prohibited.

1.12.3.3 Excessively bright, fluorescent, or neon paints shall not be used.

#### **1.12.4 Materials and Maintenance**

1.12.4.1 Mural art shall not damage any historic materials.

1.12.4.2 If a masonry wall has already been painted, the Board may approve the painting of mural art directly onto the structure.

1.12.4.3 Materials shall be of high quality materials and a historic character by using non-synthetic materials.

1.12.4.4 If a mural is not painted onto the façade of a building, mounting details must be provided for review and approval. The application of a mural shall not damage the original material.

1.12.4.5 Murals or Works of Art affixed to an exterior wall shall not project out from the exterior wall or extend above the building eave line or parapet.

1.12.4.6 The installation of a mural or work of art shall not compromise the integrity of the material or structure to which it is applied.

#### **1.12.5 Ghost Signs**

1.12.5.1 Ghost signs shall be preserved in their existing state.

1.12.5.2 Any rehabilitation of a ghost sign shall be performed by a professional in the rehabilitation of ghost signs and by means approved by the Common Design Review Board.

***The following language shall be inserted under Title 11, Chapter 9.5.3  
“Downtown Urban Design Standards and Guidelines”***

#### **K. Murals, Works of Art & Ghost Signs – Downtown Overlay District**

##### **1. Approval Process**

- a. An Application of Appropriateness is required to be reviewed and acted on by the Common Design Review Board.
- b. While murals and public art can be a benefit to the community, under no circumstances does the submittal of a proposal guarantee an approval/allowance. The application process is at the applicant’s expense.
- c. The Common Design Review Overlay Board shall review the Application based on its appropriateness to the building, site, location, surroundings, numbers of murals/public

art and scale to the structure it is proposed. The Common Design Review Overlay Board may vote to recommend approval of the application or disapprove the application. A recommendation of approval permits the application to proceed to final approval.

- d. Final Approval of a Mural and/or Work of Art within the Design Overlay Districts shall be by an approved resolution as Public Art by the City Council. No application shall proceed to consideration of City Council without first being granted a recommendation of Approval by the Common Design Overlay Board. Consideration of the final design of the Mural and/or Work of Art lies primarily with the consideration of City Council.

## **2. Location**

- a. Murals and/or Works of Art shall be prohibited on the exterior of any structure located within a Historic Overlay District.
- b. It shall be the duty of the Common Design Review Board to preserve the historic character of the surroundings and properties located within the Downtown Overlay District.
- c. Mural art may not be located on an unpainted brick structure within any Overlay District under the Common Design Review Board's purview. Mural art may not cover up any architectural features of the existing building or structure.
- d. Mural art shall not be located on a street frontage building facade.
- e. Mural art should be located on buildings meeting the current Design Guidelines for the district. Mural art shall not be used to avoid or delay building maintenance or rehabilitation.
- f. Under no circumstances should mural art take precedence over the restoration of historic buildings.
- g. The location of mural art should be aesthetically pleasing and tastefully placed.

## **3. Design**

- a. Mural art should be reviewed based on its appropriateness to the building, site, location, surroundings, numbers of murals/public art and scale.
- b. The replication & rehabilitation of a ghost sign is not considered mural art. Painting over or modifying any part of an existing ghost sign by any part of a mural and/or work of art shall be prohibited.
- c. Excessively bright, fluorescent, or neon paints shall not be used.

## **4. Materials and Maintenance**

- a. Mural art shall not damage any historic materials.
- b. If a masonry wall has already been painted, the Board may approve the painting of mural art directly onto the structure.
- c. Materials shall be of high quality materials and a historic character by using non-synthetic materials.
- d. If a mural is not painted onto the façade of a building, mounting details must be provided for review and approval. The application of a mural shall not damage the original material.

- e. Murals or Works of Art affixed to an exterior wall shall not project out from the exterior wall or extend above the building eave line or parapet.
- f. The installation of a mural or work of art shall not compromise the integrity of the material or structure to which it is applied.

**5. Ghost Signs**

- a. Ghost signs shall be preserved in their existing state.
- b. Any rehabilitation of a ghost sign shall be performed by a professional in the rehabilitation of ghost signs and by means approved by the Common Design Review Board.

*POSTPONED:* June 7, 2018  
*PUBLIC HEARING:*  
*FIRST READING:*  
*SECOND READING:*  
*EFFECTIVE DATE:*

ORDINANCE 1-2018-19

AN ORDINANCE AUTHORIZING THE EXERCISE OF RIGHT OF EMINENT DOMAIN TO ACQUIRE EASEMENTS, PROPERTY, AND/OR RIGHTS OF WAY FOR UTILITY RELOCATION REQUIRED TO FACILITATE CONSTRUCTION OF THE LAFAYETTE ROAD WIDENING PROJECT

*WHEREAS,* the Clarksville City Council finds it to be in the public interest to acquire easements, property, and/or rights of way for the purpose of utility relocation required to facilitate construction of the Lafayette Road widening project.

*WHEREAS,* it may not be possible to effectively negotiate timely easements and property acquisition with the affected property owners for the required construction activities.

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

That, if negotiation efforts are not timely or effective, the City of Clarksville, Tennessee is hereby authorized to exercise the right of eminent domain and institute condemnation actions in the appropriate court for acquisition of any and all necessary property rights from affected property owners for the purpose of utility relocation required to facilitate construction of the Lafayette Road widening project at the addresses listed below:

- Property Address: Lafayette Road  
Map 044, Parcel 005.01
- Property Address: Walnut Grove Road  
Map 044, Parcel 005.02
- Property Address: 1301 Lafayette Road  
Map 044, Parcel 006.01
- Property Address: Lafayette Road  
Map 044, Parcel 006.00
- Property Address: Lafayette Road  
Map 044, Parcel 001.01
- Property Address: 1303 Lafayette Road  
Map 044, Parcel 001.02

*FIRST READING:* July 5, 2018

*SECOND READING:*

*EFFECTIVE DATE:*

ORDINANCE 2-2018-19

AN ORDINANCE OF THE CITY OF CLARKSVILLE AUTHORIZING THE MAYOR, OR HER DESIGNEE, TO CONDUCT NEGOTIATIONS AND TO ENTER AN AGREEMENT FOR PURCHASE OF EASEMENTS AND/OR FEE TITLE, OR SHOULD NEGOTIATIONS FAIL, TO PURSUE CONDEMNATION THROUGH USE OF EMINENT DOMAIN FOR ACQUISITION OF PROPERTY FOR A PUBLIC PURPOSE FOR THE LILAC LANE DRAINAGE IMPROVEMENTS PROJECT

*WHEREAS,* the Clarksville City Council finds that improvements to localized drainage within the City is a vital component to the proper function of the overall drainage system and enhanced quality of life for city residents; and

*WHEREAS,* the Clarksville City Council finds it to be in the public interest to acquire easements and/or fee title for the purpose of constructing a regional detention basin at Lilac Lane.

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

That the Mayor, or her designee, may negotiate and enter into an agreement for the purchase of any necessary property rights from affected property owners for the Drainage Improvements Project at Lilac Lane, and further, that if agreements cannot be reached on a reasonable purchase price in a timely manner, then the Mayor, acting through the City Attorney or his designee, and on behalf of the City of Clarksville, is hereby authorized to exercise the right of eminent domain and institute a condemnation action in the appropriate court for acquisition of any necessary property rights from affected property owners for the Drainage Improvements Project, and said negotiations, acquisitions, and /or exercise of the right of eminent domain should be performed in compliance with Tennessee Department of Transportation policies.

*FIRST READING:* July 5, 2018

*SECOND READING:*

*EFFECTIVE DATE:*

ORDINANCE 3-2018-19

AMENDING THE ZONING ORDINANCE AND MAP OF THE CITY OF CLARKSVILLE, APPLICATION OF NICK DATTILO FOR ZONE CHANGE ON PROPERTY AT THE INTERSECTION OF PURPLE HEART PARKWAY & EVANS 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 RM-1 Single Family Mobile Home Residential District, as R-4 Multiple Family Residential District.

*PUBLIC HEARING:* July 5, 2018  
*FIRST READING:* July 5, 2018  
*SECOND READING:*  
*EFFECTIVE DATE:*

EXHIBIT A

Beginning at a point, said point being 552 +/- feet south of the centerline of the intersection of Purple Heart Parkway (SR 374) & Evans Road, said point being in the eastern right of way margin of Evans Road further identified as the southwest corner of Sieglinde Griffy property, thence in a easterly direction 599 +/- feet with the southern boundary of the Griffy property to a point, said point being in the west property boundary of the Peter Vogt property, thence in a southerly direction 511 +/- feet with the western boundary of the Vogt property & Tennessee Partners XIV LP property to a point, said point being the northeast corner of the Nick Dattilo property, thence in a westerly direction 388 +/- feet with the northern boundary of the Dattilo property to a point, said point being in the eastern right of way boundary of Evans Road, thence in a northerly direction 473 +/- feet with the eastern right of way margin of Evans Road to the point of beginning, said herein described tract containing 5.5 +/- acres, further identified as Tax map 44-D-B, Parcels 10, 11, 12, & 13.

ORDINANCE 4 -2018-19

AMENDING THE ZONING ORDINANCE AND MAP OF THE CITY OF CLARKSVILLE, APPLICATION OF DAPP INVESTMENTS, MOORE DESIGN SERVICES-AGENT, FOR ZONE CHANGE ON PROPERTY LOCATED AT THE INTERSECTION OF RINGGOLD ROAD AND RINGGOLD COURT

*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, as R-6 Single Family Residential District.

*PUBLIC HEARING:* July 5, 2018

*FIRST READING:* July 5, 2018

*SECOND READING:*

*EFFECTIVE DATE:*

EXHIBIT A

Beginning at a point, said point being 478 +/- feet northeast of the centerline of the Ringgold Road & Ringgold Court intersection, said point being in the northern right of way margin of Ringgold Road, further identified as the southeast corner of the First Korean Presbyterian Church of Clarksville, Inc., thence in a northerly direction 631 +/- feet with the eastern boundary of the First Korean Presbyterian Church of Clarksville, Inc., to a point, said pint being in the southern boundary of the Jennifer Addison property, thence in a easterly direction 650 +/- feet with the southern boundary of the Addison property & others, to a point, said point being in the western boundary of the City of Clarksville property (abandoned rail bed), thence in a southerly direction 526 +/- feet with the City of Clarksville property to a point, said point being in the northern right of way margin of Ringgold Road, thence in a westerly direction 457 +/- feet with the northern right of way margin of Ringgold Road to the point of beginning, said herein described tract containing 5.79 +/- acres, further identified as Tax map 30, Parcels, 28.00 & 28.03



RESOLUTION 4-2018-19

A RESOLUTION APPROVING APPOINTMENTS TO THE ETHICS COMMISSION,  
HUMAN RELATIONS COMMISSION, POWER BOARD, AND TREE BOARD

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

That the Clarksville City Council hereby approves the following appointments:

Ethics Commission: Pat Young - July 2018 through June 2021

Human Relations Commission: Mike Dale, Feleesha Johnson, Erin Lee - July 2018  
through June 2021

Power Board: Bill Powers - July 2018 through June 2019

Tree Board: Dottie Mann, Joey Redman - July 2018 through June 2019

*ADOPTED:*

RESOLUTION 5-2018-19

A RESOLUTION RENEWING A RETAIL LIQUOR STORE CERTIFICATE OF COMPLIANCE FOR OPERATION OF BILL'S PACKAGE STORE

*WHEREAS*, Billy G. Brown has applied for a Certificate of Compliance from the City of Clarksville according to regulations of the Tennessee Alcoholic Beverage Commission, for operation of Bill's Package Store, 1651 Fort Campbell Boulevard; and

*WHEREAS*, according to a local criminal history check, the applicant who are to be in actual charge of said business has 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*; and

*WHEREAS*, the applicant has secured a location which complies with all restrictions of the laws, ordinances, or resolutions; and

*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 Billy G. Brown for operation of Bill's Package Store, 1651 Fort Campbell Boulevard, Clarksville, Tennessee.

*ADOPTED:*

RESOLUTION 6-2018-19

A RESOLUTION RENEWING A RETAIL LIQUOR STORE CERTIFICATE OF COMPLIANCE FOR OPERATION OF QUEEN CITY LIQUORS, INC.

*WHEREAS*, Rajan Daswani has applied for a Certificate of Compliance from the City of Clarksville according to regulations of the Tennessee Alcoholic Beverage Commission, for operation of Queen City Liquors, Inc., 101 Profit Drive, Suite A; and

*WHEREAS*, Rajan Daswani intends to relocate Queen City Liquors, Inc., from its current location at 1232 Tylertown Road to 101 Profit Drive, Suite A; and

*WHEREAS*, according to a local criminal history check, the applicant who are to be in actual charge of said business has 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*; and

*WHEREAS*, the applicant has secured a location which complies with all restrictions of the laws, ordinances, or resolutions; and

*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 Rajan Daswani for operation of Queen City Liquors, Inc., 101 Profit Drive, Clarksville, Tennessee.

*BE IT FURTHER RESOLVED* that the City of Clarksville Building & Codes Department has determined that 101 Profit Drive, Suite A, is not within 1,500 feet of another retail liquor store.

*BE IT FURTHER RESOLVED* that upon the opening of Queen City Liquors, Inc. at 101 Profit Drive, Suite A, the Certificate of Compliance for Queen City Liquors, Inc., 1232 Tylertown Road, approved July 5, 2018, shall be rescinded.

*BE IT FURTHER RESOLVED* that RESOLUTION 54-2017-18, adopted June 7, 2018, is hereby rescinded.

*ADOPTED:*



# **CLARKSVILLE CITY COUNCIL**

## **SPECIAL SESSION**

### **JUNE 21, 2018**

## **MINUTES**

### **CALL TO ORDER**

A special session of the Clarksville City Council was called to order by Mayor Kim McMillan on Thursday, June 21, 2018, at 4:30 p.m. in City Council Chambers, 106 Public Square, Clarksville, Tennessee.

A prayer was offered by Councilman David Allen; the Pledge of Allegiance was led by Mayor Pro Tem Valerie Guzman.

### **ATTENDANCE**

**PRESENT:** Richard Garrett (Ward 1), Deanna McLaughlin (Ward 2), Ron Erb (Ward 3), Tim Chandler (Ward 4), Valerie Guzman, Mayor Pro Tem (Ward 5), Wanda Smith (Ward 6), Geno Grubbs (Ward 7), David Allen (Ward 8), Jeff Henley (Ward 9), Mike Alexander (Ward 10), Bill Powers (Ward 11), Jeff Burkhart (Ward 12)

### **PURCHASING CODE AMENDMENT**

**ORDINANCE 80-2017-18** (First Reading) Amending the Official Code relative to purchasing

Mayor McMillan made a motion to adopt this ordinance on first reading. The motion was seconded by Councilman Burkhart. City Attorney Lance Baker said

this ordinance would bring the City Code into compliance with new state laws effective July 1, 2018. He said the dollar amounts for certain purchases would be raised due to inflation and noted the proposed addition of a new section relative to acquisition of real property. Councilwoman McLaughlin suggested adding language relative to purchases made with grant funds. The following vote was recorded:

AYE: Alexander, Allen, Burkhart, Chandler, Erb, Garrett, Grubbs, Guzman, Henley, McLaughlin, Powers, Smith

The motion to adopt this ordinance on first reading passed.

#### FY19 BUDGETS: SECOND READING

##### DEPARTMENT OF ELECTRICITY

**ORDINANCE 73-2017-18** Amending the FY18 Budget and establishing the FY19 Budget for Clarksville Department of Electricity

Councilman Grubbs made a motion to adopt this ordinance on second reading. The motion was seconded by Councilman Powers. The following vote was recorded:

AYE: Alexander, Allen, Burkhart, Chandler, Erb, Garrett, Grubbs, Guzman, Henley, McLaughlin, McMillan, Powers, Smith

The motion to adopt the FY19 CDE Budget on second reading passed.

##### GAS & WATER DEPARTMENT

**ORDINANCE 74-2017-18** Amending the FY18 Budget and establishing the FY19 Budget for Clarksville Gas & Water Department

Councilman Grubbs made a motion to adopt this ordinance on second reading. The motion was seconded by Councilman Powers. The following vote was recorded:

AYE: Alexander, Allen, Burkhart, Chandler, Erb, Garrett, Grubbs, Guzman, Henley, McLaughlin, McMillan, Powers, Smith

The motion to adopt the FY19 Gas & Water Department Budget on second reading passed.

#### HOUSING & COMMUNITY DEVELOPMENT

**ORDINANCE 75-2017-18** Amending the FY18 Budget and establishing the FY19 Budget for Clarksville Housing & Community Development

Councilman Grubbs made a motion to adopt this ordinance on second reading. The motion was seconded by Councilman Henley. The following vote was recorded:

AYE: Alexander, Allen, Burkhart, Chandler, Erb, Garrett, Grubbs, Guzman, Henley, McLaughlin, McMillan, Powers, Smith

The motion to adopt the FY19 Housing & Community Development Budget on second reading passed.

#### INTERNAL SERVICE FUND

**ORDINANCE 76-2017-18** Amending the FY18 Budget and establishing the FY19 Budget for Clarksville Internal Service Fund

Councilman Grubbs made a motion to adopt this ordinance on second reading. The motion was seconded by Councilman Alexander. The following vote was recorded:

AYE: Alexander, Allen, Burkhart, Chandler, Erb, Garrett, Grubbs, Guzman, Henley, McLaughlin, McMillan, Powers, Smith

The motion to adopt the FY19 Internal Service Fund Budget on second reading passed.

## PARKING COMMISSION

**ORDINANCE 77-2017-18** Amending the FY18 Budget and establishing the FY19 Budget for Clarksville Parking Commission

Councilman Grubbs made a motion to adopt this ordinance on second reading. The motion was seconded by Councilman Powers. The following vote was recorded:

AYE: Alexander, Allen, Burkhart, Chandler, Erb, Garrett, Grubbs, Guzman, Henley, McLaughlin, McMillan, Powers, Smith

The motion to adopt the FY19 Parking Commission Budget on second reading passed.

## CLARKSVILLE TRANSIT SYSTEM

**ORDINANCE 78-2017-18** Amending the FY18 Budget and establishing the FY19 Budget for Clarksville Transit System

Councilman Powers made a motion to adopt this ordinance on second reading. The motion was seconded by Councilman Henley. The following vote was recorded:

AYE: Alexander, Allen, Burkhart, Chandler, Erb, Garrett, Grubbs, Guzman, Henley, McLaughlin, McMillan, Powers, Smith

The motion to adopt the FY19 Clarksville Transit System Budget on second reading passed.

## GENERAL GOVERNMENT

**ORDINANCE 79-2017-18** Amending the FY18 Budget and establishing the FY19 Budget for City of Clarksville General fund

Councilman Grubbs made a motion to adopt this ordinance on second reading. The motion was seconded by Councilwoman Guzman.

## AMENDMENT 1 - LIBERTY PARK LIGHTING

Councilman Garrett made a motion to transfer \$300,000 from the athletic complex project to lighting for Liberty Park. The motion was seconded by Councilman Henley. Mayor McMillan said Liberty Park is closed at night so there was no need for additional lighting. The following vote was recorded:

AYE: Garrett

NAY: Alexander, Allen, Burkhardt, Chandler, Erb, Grubbs, Guzman, Henley, McLaughlin, McMillan, Powers, Smith

Councilman Garrett's amendment to transfer \$300,000 to lighting for Liberty Park failed.

## AMENDMENT 2 - PERFORMING ARTS/FROSTY MORN

Councilwoman McLaughlin made a motion to delete \$1,515,000 for a Performing Arts Center and add \$1,515,000 to rehabilitation/redevelopment of the Frosty Morn building. The motion was seconded by Councilwoman Smith. Councilman Chandler objected to deleting funding for the PAC and felt this amount would not be sufficient for improvements to the Frosty Morn property. Councilman Allen said the City should set an example and remove the vacant building and properly maintain the site. Councilwoman Smith supported demolition of the building and used other members as examples of private citizens who do not maintain their property. Councilman Powers called for a point of order stating Councilwoman Smith's statements were personal attacks. Mayor McMillan ruled in favor of the point of order.

Councilman Alexander called for the question. The question was seconded by Councilman Chandler. The following vote was recorded:

AYE: Alexander, Allen, Burkhardt, Chandler, Erb, Garrett, Grubbs, Guzman, Henley, McLaughlin, McMillan, Powers, Smith

The motion to cease discussion on this amendment passed. The following vote on the amendment was recorded:

AYE: Allen, Burkhardt, Erb, McLaughlin, Smith



NAY: Alexander, Chandler, Garrett, Grubbs, Guzman, Henley, McMillan, Powers

Councilwoman McLaughlin's amendment (Amendment #2) to delete funding for the Performing Arts Center and add funding for Frosty Morn rehabilitation failed.

#### AMENDMENT 3 - REGIONAL AIRPORT

Councilman Chandler made a motion to delete \$539,342 of shared expenses for airport capital improvements [new hangar]. The motion was seconded by Councilwoman McLaughlin. Councilman Erb, Councilwoman McLaughlin, Councilman Alexander, and Councilman Allen said the Austin Peay State University aviation program would be a benefit to Veterans and local residents. Councilman Allen called for the question. The question was seconded by Councilman Alexander. A voice vote was taken; the motion to cease discussion on this amendment passed. The following vote on the amendment was recorded:

AYE: Chandler

NAY: Alexander, Allen, Burkhart, Erb, Garrett, Grubbs, Guzman, Henley, McLaughlin, Powers, Smith

Councilman Chandler's amendment (Amendment #3) to delete shared funding for airport capital [new hangar] failed.

#### PERFORMING ARTS CENTER

In response to Councilman Allen's question, Mayor McMillan said funds budgeted for a performing arts center were not for a particular property and said it is possible the scope of the project could change. Councilman Allen said there should be a plan for capital projects when funds are approved and funding should not be rolled over each budget year.

#### AMENDMENT 4 - URBAN WILDERNESS

Councilwoman McLaughlin made a motion to delete \$300,000 for purchase of the Tanglewood property for the Urban Wilderness project. The motion was seconded by Councilman Erb. Councilwoman McLaughlin said this property is a great distance from the actual park property. Councilman Allen felt public

parking could be a problem for the adjacent church building. Mayor McMillan said the church had offered to sell the land and buildings to the City. Councilwoman McLaughlin mentioned the possibility of acquiring nearby county property for parking. Councilman Alexander called for the question. The question was seconded by Councilman Chandler. A voice vote was taken; the motion to cease discussion passed. The following vote on the amendment was recorded:

AYE: Alexander, Allen, Burkhart, Erb, Garrett, McLaughlin, Smith

NAY: Chandler, Grubbs, Guzman, Henley, McMillan, Powers

Councilwoman McLaughlin's amendment (Amendment 4) to delete \$300,000 from the Urban Wilderness project passed.

#### AMENDMENT 5 - STREET PAVING CREW

Councilman Burkhart made a motion to delete \$343,007 requested for a new Street Department paving crew. The motion was seconded by Councilman Garrett. Mayor McMillan said the Street Department and Gas & Water Department had reached an agreement for patching utility cuts and that the General Fund will be reimbursed for the patching expenses. Councilman Burkhart and Councilman Allen said the existing contract for patching should be fulfilled. Councilwoman McLaughlin made a motion to go out of session to hear comments from Chief Financial Officer Laurie Matta. The motion was seconded by Councilman Alexander. There was no objection. Ms. Matta said the company holding the current contract for patching utility cuts was aware the contract may be temporary. There was no objection to reverting to regular session.

Councilman Garrett called for the question. The question was seconded by Councilman Alexander. A voice vote was taken; with some objection, the motion to cease discussion on this amendment passed. The following vote on the amendment was recorded:

AYE: Allen, Burkhart, Chandler, Erb, McLaughlin, Smith

NAY: Alexander, Garrett, Grubbs, Guzman, Henley, McMillan, Powers

Councilman Burkhart's amendment (Amendment #5) to delete \$343,007 for the Street Department paving crew failed.

#### CONFLICT OF INTEREST STATEMENTS

Councilwoman McLaughlin stated her husband was a city employee and she would be voting based on what her constituents desire and not on what would benefit her family.

Councilman Grubbs stated his son-in-law was employed by Clarksville Fire & Rescue and he would not benefit from voting on the General Fund Budget.

Councilwoman Guzman stated her brother was employed by the Clarksville Police Department and she would not benefit from voting on the General Fund Budget.

Councilman Chandler said his brother was employed by the Clarksville Gas & Water Department and his other brother and son were employed by Clarksville Fire & Rescue and he would not benefit from voting on the General Fund budget.

#### CEASE DISCUSSION

Councilman Garrett called for the question on the main motion. The motion was seconded by Councilman Alexander. The following vote was recorded:

AYE: Alexander, Chandler, Garrett, Grubbs, Henley, McMillan, Powers, Smith

NAY: Allen, Burkhart, Erb, Guzman, McLaughlin

The motion to cease discussion on the FY19 General Government Budget failed due to lack of 2/3 majority.

#### AMENDMENT 6 - PARKING GARAGE/NORTHEAST CONNECTOR

Councilman Burkhart made a motion to transfer \$6,508,700 from the Public Square Parking Garage project to the Northeast Connector project. The motion was seconded by Councilman Henley. Councilwoman McLaughlin made a motion to allow input from Ms. Matta. The motion was seconded by Councilman

Chandler. A voice vote was taken; the motion passed. Ms. Matta said the parking garage project would require \$2,793,000 funded by the Parking Commission and \$3,715,700 by general fund debt. She said if the funds are transferred, the amount budgeted from the parking fund would be added to the general fund debt. There was no objection to reverting to special session.

Mayor McMillan said adding funds to this capital project would not accelerate the completion of the road and noted the Street Department had not requested the additional funds. Councilman Allen called for a point of order stating Mayor McMillan should wait to make comments after council members have had their opportunity to speak. Mayor McMillan ruled that the Chair has the privilege to make a statement prior to others speaking, and then ended her comments.

In response to Councilwoman Guzman's question, Ms. Matta said this transfer would not initially affect the fund balance because debt would be issued for the project. Councilman Burkhart said appropriating \$6,508,700 toward the Northeast Connector now would indicate an effort to complete the estimated \$25,000,000 project sooner.

Councilman Henley called for the question on this amendment. The question was seconded by Councilman Alexander. A voice vote was taken; the motion to cease discussion on this amendment passed. The following vote was recorded:

AYE: Allen, Burkhart, Chandler, Erb, Garrett, Guzman, Smith

NAY: Alexander, Grubbs, Henley, McMillan, Powers

ABSTAIN: McLaughlin

Councilman Burkhart's amendment (Amendment #6) to transfer \$6,508,700 from the Public Square parking garage project to the Northeast Connector project passed.

#### AMENDMENT 7 - PERFORMING ARTS CENTER

Councilwoman McLaughlin made a motion to delete \$1,515,000 for a Performing Arts Center. The motion was seconded by Councilman Allen. Councilwoman McLaughlin felt the City should not add this cost to the current debt and said there should be a clear plan for involvement of the Roxy Regional Theater.

Councilman Allen called for the question on this amendment. The question was seconded by Councilman Chandler. A voice vote was taken; the motion to cease discussion on this amendment passed. The following vote was recorded:

AYE: Allen, Burkhart, Erb, Garrett, McLaughlin, Smith

NAY: Alexander, Chandler, Grubbs, Guzman, Henley, McMillan, Powers

Councilwoman McLaughlin's amendment (Amendment #7) to delete \$1,515,000 for a Performing Arts Center failed.

#### CEASE DISCUSSION

Councilman Chandler called for the question on the main motion. The question was seconded by Councilman Alexander. The following vote was recorded:

AYE: Alexander, Allen, Burkhart, Chandler, Erb, Garrett, Grubbs, Guzman, Henley, McLaughlin, Powers, Smith

The motion to cease discussion on **ORDINANCE 79-2017-18** passed.

#### ADOPTION OF FY19 GENERAL FUND BUDGET

The following vote on **ORDINANCE 79-2017-18** on second reading as amended was recorded:

AYE: Alexander, Allen, Burkhart, Chandler, Garrett, Grubbs, Guzman, Henley, McMillan, Powers, Smith

NAY: Erb, McLaughlin

The motion to adopt the FY19 General Government Budget on second reading as amended passed.

#### ADJOURNMENT

The meeting was adjourned at 6:26 p.m.



**CLARKSVILLE CITY COUNCIL  
SPECIAL SESSION  
JUNE 28, 2018**

**MINUTES**

**CALL TO ORDER**

A special session of the Clarksville City Council was called to order by Mayor Kim McMillan on Thursday, June 28, 2018, at 4:30 p.m. in City Council Chambers, 106 Public Square, Clarksville, Tennessee.

A prayer was offered by Councilman Richard Garrett; the Pledge of Allegiance was led by Councilman Mike Alexander

**ATTENDANCE**

**PRESENT:** Richard Garrett (Ward 1), Deanna McLaughlin (Ward 2), Ron Erb (Ward 3), Tim Chandler (Ward 4), Valerie Guzman, Mayor Pro Tem (Ward 5), Wanda Smith (Ward 6), Geno Grubbs (Ward 7), David Allen (Ward 8), Mike Alexander (Ward 10), Bill Powers (Ward 11), Jeff Burkhart (Ward 12)

**ABSENT:** Jeff Henley (Ward 9)

**PURCHASING CODE AMENDMENT**

**ORDINANCE 80-2017-18** (Second Reading) Amending the Official Code relative to purchasing

Councilman Grubbs made a motion to adopt this ordinance on second reading. The motion was seconded by Councilman Powers.

Councilman Grubbs made a motion to adopt revisions as recommended by the Purchasing Supervisor and City Attorney. The motion was seconded by Councilman Allen. City Attorney Lance Baker briefly reviewed the recommended changes.

Councilwoman Smith made a motion to add language to name the assistant director as the department head's designee. The motion was not seconded.

Councilman Allen made a motion to amend the proposed language by deleting "and/or rights of way" from Paragraph (2), Subparagraph (i) of the ordinance. The motion was seconded by Councilwoman McLaughlin. A voice vote was taken; the motion passed without objection.

There was no objection to hearing comments from Purchasing Supervisor Camille Thomas. Mrs. Thomas said the Purchasing Department's current policy requires changes to comply with Federal Law effective July 1, 2018. Councilman Burkhardt made a motion to amend this ordinance by deleting the proposed Paragraph (2), establishing Section 6-106, "Purchase or acquisition of real property," and by inserting the current City Code language relative to purchases of real property into the proposed Paragraph (1), Sec. 6-102, "Purchasing," Paragraph (g), "Exemption from competitive procurement process," Subparagraph (5) "Reserved." The motion was seconded by Councilwoman Guzman. A voice vote was taken; Councilman Burkhardt's amendment passed.

Councilman Allen called for the question on the main motion. The question was seconded by Councilman Garrett. A voice vote was taken; the motion to cease discussion on this ordinance passed. The following vote was recorded:

AYE: Alexander, Allen, Burkhardt, Chandler, Erb, Garrett, Grubbs, Guzman, McLaughlin, Powers

NAY: Smith

The motion to adopt **ORDINANCE 80-2017-18** as amended passed.

## ADJOURNMENT

The meeting was adjourned at 5:14 p.m.



**CLARKSVILLE CITY COUNCIL  
REGULAR SESSION  
JULY 5, 2018  
MINUTES**

**PUBLIC COMMENTS**

Louis Marshall said members of the black community were being arrested without reason and some citizens cannot afford court and jail fines.

**CALL TO ORDER**

The regular session of the Clarksville City Council was called to order by Mayor Kim McMillan on Thursday, July 5, 2018, at 7:00 p.m. in City Council Chambers, 106 Public Square, Clarksville, Tennessee.

A prayer was offered by Councilman Richard Garrett; the Pledge of Allegiance was led by Councilman Bill Powers.

**ATTENDANCE**

**PRESENT:** Richard Garrett (Ward 1), Deanna McLaughlin (Ward 2), Ron Erb (Ward 3), Tim Chandler (Ward 4), Wanda Smith (Ward 6), Geno Grubbs (Ward 7), David Allen (Ward 8; arrived 4:44 p.m.), Jeff Henley (Ward 9), Mike Alexander (Ward 10), Bill Powers (Ward 11), Jeff Burkhart (Ward 12)

**ABSENT:** Valerie Guzman, Mayor Pro Tem (Ward 5)

**SPECIAL RECOGNITIONS**

There were no special recognitions.



## ZONING: PUBLIC HEARING AND FIRST READING

Councilman Grubbs made a motion to conduct a public hearing to receive comments regarding requests for zone change. The motion was seconded by Councilwoman McLaughlin. There was no objection.

**ORDINANCE 3-2018-19** Amending the Zoning Ordinance and Map of the City of Clarksville, application of Nick Dattilo for zone change on property located at the intersection of Purple Heart Parkway & Evans Road from RM-1 Single Family Mobile Home Residential District to R-4 Multiple Family Residential District

There was no one present to speak for or against this request.

**ORDINANCE 4-2018-19** Amending the Zoning Ordinance and Map of the City of Clarksville, application of Dapp Investments, Moore Design Services-Agent, for zone change on property located at the intersection of Ringgold Road and Ringgold Court from R-4 Multiple Family Residential District to R-6 Single Family Residential District

There was no one present to speak for or against this request.

**ORDINANCE 5-2018-19** Amending the Zoning Ordinance and Map of the City of Clarksville, application of Terrell Brody, Sr., for zone change on property located at the intersection of Paradise Hill Road and East Happy Hollow Drive from R-2 Single Family Residential District to R-4 Multiple Family Residential District

Houston Smith, DBS Engineering, said the R-4 zone would be the most appropriate classification for this property because of geographical limitations and noted the applicant had no specific plans for development. Terrell Brody said he wanted to develop this land because of his family history in the area.

Shirley McKinley and Tonya Burney said the area already had several multi-family developments and expressed their concern about traffic problems.

In rebuttal, Mr. Brody felt a multi-family development would enhance the growing community and that additional street lights could be installed.

In rebuttal, Ms. McKinley said street lights were already present near this site.

Councilman Grubbs made a motion to revert to regular session. The motion was seconded by Councilman Alexander. There was no objection.

## ADOPTION OF ZONING

The recommendations of the Regional Planning Staff and Commission were for approval of **ORDINANCE 3-2018-19**. Councilman Grubbs made a motion to adopt this ordinance on first reading. The motion was seconded by Councilwoman McLaughlin. The following vote was recorded:

AYE: Alexander, Allen, Burkhart, Chandler, Erb, Garrett, Grubbs, Henley, McLaughlin, Powers, Smith

The motion to adopt this ordinance on first reading passed.

The recommendations of the Regional Planning Staff and Commission were for approval of **ORDINANCE 4-2018-19**. Councilman Grubbs made a motion to adopt this ordinance on first reading. The motion was seconded by Councilman Alexander. The following vote was recorded:

AYE: Alexander, Allen, Burkhardt, Garrett, Grubbs, Henley, McLaughlin, Powers, Smith

NAY: Chandler, Erb

The motion to adopt this ordinance on first reading passed.

The recommendations of the Regional Planning Staff and Commission were for disapproval of **ORDINANCE 5-2018-19**. Councilman Grubbs made a motion to adopt this ordinance on first reading. The motion was seconded by Councilman Garrett. Councilwoman Smith said the applicant did not state how he would beautify the area. Councilman Allen was concerned about potential traffic issues. The following vote was recorded:

NAY: Alexander, Allen, Burkhardt, Chandler, Erb, Garrett, Grubbs, Henley, McLaughlin, Powers, Smith

The motion to adopt this ordinance on first reading failed.

#### ZONING: REQUEST TO WITHDRAW

**ORDINANCE 61-2017-18** (First Reading Postponed May 3rd; Public Hearing May 3rd) Amending the Zoning Ordinance and Map of the City of Clarksville, application of John Goodrich, Joshua Jerles-Agent, for zone change on property at the intersection of Rossvie Road and Old Russellville Pike from R-1 Single Family Residential District to R-3 Three Family Residential District

The public hearing for this request was conducted May 3, 2018, followed by postponement to this regular session. The applicant requested withdrawal of this request on June 15, 2018. Councilman Grubbs made a motion to adopt this ordinance on first reading. The motion was seconded by Councilman Chandler, then the second was withdrawn.

The motion to adopt this ordinance on first reading failed due to lack of a second.

#### 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 64-2017-18** (Second Reading) Accepting property from McClardy Rd. Partnership for the Rossview Place Pump Station
2. **ORDINANCE 65-2017-18** (Second Reading) Accepting property from Powers Family Trust for the Prestwicke Place Pump Station
3. **ORDINANCE 66-2017-18** (Second Reading) Accepting property from Charles Clay Powers for Hickory Wild #2 Pump Station
4. **ORDINANCE 67-2017-18** (Second Reading) Accepting property from Powers Family Trust for Cedar Springs Circle Pump Station
5. **ORDINANCE 68-2017-18** (Second Reading) Accepting property from GC Land Development for Boyer Farms Pump Station
6. **ORDINANCE 70-2017-18** (Second Reading) Amending the Zoning Ordinance and Map of the City of Clarksville, application of 451 Alfred Thun Road Partners, Tom Cunningham-Agent, for zone change on property located at the intersection of Alfred Thun Road and Corporate Parkway Boulevard from M-1 Light Industrial District to C-4 Highway Interchange District
7. **ORDINANCE 71-2017-18** (Second Reading) Amending the Zoning Ordinance and Map of the City of Clarksville, application of River Chase Marine Terminal, LLC, for zone change on property south of Ashland City Road, west of Beacon Drive, and east of the Cumberland River from R-1 Single Family Residential District and M-2 General Industrial District to R-4 Multiple Family Residential District and R-1 Single Family Residential District
8. **RESOLUTION 1-2018-19** Renewing the Certificate of Compliance for operation of Queen City Liquors (1232 Tylertown Road)
9. **RESOLUTION 2-2018-19** Approving appointments to the Clarksville Housing Authority, Convention & Visitors Bureau, and Tree Board
10. Adoption of Minutes: May 30, June 7 Special Session, June 7 Regular Session, June 14

Councilman Burkhart made a motion to adopt the Consent Agenda as presented. The motion was seconded by Councilwoman McLaughlin. The following vote was recorded:

AYE: Alexander, Allen, Burkhart, Chandler, Erb, Garrett, Grubbs, Henley, McLaughlin, Powers, Smith

The motion to adopt the Consent Agenda as presented passed.

## FINANCE COMMITTEE

*Jeff Burkhart, Chair*

**ORDINANCE 1-2018-19** (First Reading) Authorizing exercise of right of eminent domain to acquire easements, property, and/or rights-of-way for the Lafayette Road widening project

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

AYE: Alexander, Allen, Burkhart, Chandler, Erb, Garrett, Grubbs, Henley, McLaughlin, Powers, Smith

The motion to adopt this ordinance on first reading passed.

## GAS & WATER COMMITTEE

*Bill Powers, Chair*

Councilman Powers reported the Service Department completed 5,100 work orders, responded to 327 after-hours calls, and read 97,000 meters during the previous month.

## HOUSING & COMMUNITY DEVELOPMENT COMMITTEE

*David Allen, Chair*

Councilman Allen said re-construction projects had begun on Dumas Street, Poston Street, and Gibson Street, all in Ward 6. Emergency HVAC repair projects were completed in Wards 1, 6, and 5.

## PARKS & RECREATION

*Jeff Henley*

On behalf of Councilwoman Guzman, Councilman Henley expressed appreciation to the Parks & Recreation Department, Clarksville Transit System, and Clarksville Police Department for providing an excellent Independence Day celebration at Liberty Park on July 3rd.

Councilman Henley announced upcoming events including the Downtown Market, Beat the Heat party at New Providence Pool, and Movies in the Park.

## PUBLIC SAFETY COMMITTEE

*Geno Grubbs, Chair*

Councilman Grubbs shared the following monthly department statistics: Building & Codes: 2,008 inspections, 475 code enforcement cases, 77 single-family permits, 99 abatement work orders; Fire & Rescue: 1,199 emergency runs; Police: 13,523 calls for service.

## STREETS & GARAGE COMMITTEE

*Mike Alexander, Chair*

**ORDINANCE 2-2018-19** (First Reading) Authorizing negotiations for purchase or use of eminent domain to acquire easements for drainage improvements on Lilac Lane

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

AYE: Alexander, Allen, Burkhardt, Chandler, Erb, Garrett, Grubbs, Henley, McLaughlin, Powers, Smith

The motion to adopt this ordinance on first reading passed.

Councilman Alexander reported 236 work orders were completed by the Street Department during June, including paving of Bennington Court, Brentwood Circle, Kingston Drive, Ringgold Court, Beth Drive, Leann Court, Quinton Drive, Sarah Drive, Short Ridge, Monarch Drive, and Monarch Court.

Councilman Alexander said the City Garage completed 649 work orders with unleaded fuel at a cost of \$2.25 and diesel at \$2.24 per gallon.

## TRANSPORTATION COMMITTEE

*Deanna McLaughlin, Chair*

Councilwoman McLaughlin shared the following monthly department statistics for Clarksville Transit System: 60,201 passengers including 5,789 senior citizens, 791 wheelchair passengers, 2,169 APSU students, 1,595 Youth-Ride-Free passengers, and also 3,068 Lift passengers. CTS transported 1,956 passengers during the Independence Day event.

## VA/CPD AGREEMENT

**RESOLUTION 3-2018-19** Authorizing a Memorandum of Understanding between the U.S. Department of Veterans Affairs Police and the Clarksville Police Department for law enforcement services at Veterans Affairs Tennessee Valley Healthcare locations

Councilman Grubbs made a motion to adopt this resolution. The motion was seconded by Councilman Powers. The following vote was recorded:

AYE: Alexander, Allen, Burkhardt, Chandler, Erb, Garrett, Grubbs, Henley, McLaughlin, Powers, Smith

The motion to adopt this resolution passed.

## MAYOR AND STAFF REPORTS

Mayor McMillan and Councilman Grubbs thanked the Parks & Recreation Department for a memorable fireworks show during the Independence Day celebration at Liberty Park.

Referencing speakers during public comment periods, Councilman Chandler said he appreciates living in a country that allows citizens to express themselves in a public setting.

## ADJOURNMENT

The meeting was adjourned at 7:38 p.m.

## RESOLUTION 7-2018-19

A RESOLUTION DECLARING THE INTENT OF THE CITY OF CLARKSVILLE, TENNESSEE TO REIMBURSE ITSELF IN A NOT TO EXCEED AMOUNT OF \$26,350,000 FOR CERTAIN PROJECT EXPENDITURES WITH THE PROCEEDS OF GENERAL OBLIGATION BONDS, NOTES OR OTHER DEBT OBLIGATIONS TO BE ISSUED BY THE CITY

WHEREAS, it is the intention of the City Council of the City of Clarksville, Tennessee (the "City") to provide funds for the (i) acquisition of land for and/or acquisition, construction, improvement, repair, renovation, maintenance and/or equipping of (a) fire department equipment, including engines, (b) parks, recreational facilities and community centers, (c) municipal buildings, including garages, (d) refueling tanks, (e) police buildings and (f) streets, roads and bridges, including but not limited to sidewalks, signage, signalization, related facilities, lighting and drainage improvements; (ii) acquisition of all property real or personal, appurtenant thereto, or connected with the foregoing; (iii) payment of architectural, engineering, legal, fiscal and administrative costs incident to the foregoing; and (iv) payment of costs incident to the issuance and sale of related debt obligations; and

WHEREAS, it is the intention of the City Council of the City to pay all or a portion of the costs associated with the aforementioned activities by the sale of general obligation bonds or notes, in one or more emissions, or other debt obligations of the City; and

WHEREAS, it is anticipated that it will be necessary to make expenditures in payment of said costs prior to the issuance of said bonds, notes or other debt obligations; and

WHEREAS, the City Council of the City wishes to state its intentions with respect to reimbursements for said expenditures, in a not to exceed amount of \$26,350,000, in accordance with the requirements of final regulations applicable thereto promulgated by the United States Department of the Treasury.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CLARKSVILLE, TENNESSEE, AS FOLLOWS:

SECTION 1. It is reasonably expected that the City will reimburse itself for certain expenditures, in a not to exceed amount of \$26,350,000, made by the City in connection with the activities hereinabove described. The City further reasonably expects to reimburse all such expenditures from the proceeds of its general obligation bonds, notes or other debt obligations. The expenditures made prior to the issuance of said bonds, notes or other debt obligations are expected to be paid from the General Fund of the City, and reimbursement shall be made to the General Fund. Notwithstanding the above, certain expenditures related to the garage(s) made prior to issuance of the City's aforementioned debt obligations may be paid from the City's Parking Fund with reimbursement made to the Parking Fund. Debt service on the bonds, notes

or other debt obligations is expected to be paid from unlimited ad valorem taxes to be levied on all taxable property within the corporate limits of the City.

SECTION 2. This resolution shall be placed in the minutes of the City Council and shall be made available for inspection by the general public at the office of the City Clerk.

SECTION 3. This resolution constitutes a declaration of official intent under Treas. Reg. §1.150-2.

SECTION 4. 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.

*ADOPTED:*



## RESOLUTION 8-2018-19

A RESOLUTION OF the City of Clarksville AUTHORIZING THE PURCHASE OF NATURAL GAS FROM THE TENNESSEE ENERGY ACQUISITION CORPORATION; APPROVING THE EXECUTION AND DELIVERY OF A GAS SUPPLY AGREEMENT AND OTHER DOCUMENTS RELATING TO SAID PURCHASE; CONSENTING TO THE ASSIGNMENT OF CERTAIN OBLIGATIONS UNDER THE GAS SUPPLY AGREEMENT IN CONNECTION WITH THE ISSUANCE OF BONDS BY THE TENNESSEE ENERGY ACQUISITION CORPORATION; AND RELATED MATTERS

WHEREAS, The Tennessee Energy Acquisition Corporation ("TEAC") is organized as an energy acquisition Corporation, a public corporation and instrumentality of the State of Tennessee and certain municipalities, organized pursuant to the provisions of the Tennessee Energy Acquisition Corporations Act, § 7-39-101 *et seq.*, Tennessee Code, as amended; and

WHEREAS, TEAC was formed, among other reasons, for the purpose of acquiring, financing, and managing secure and economically priced supplies of natural gas for sale to its Associated Municipalities (as defined in the Act) and other public gas distribution systems and joint action agencies inside and outside the State of Tennessee pursuant to the provisions of the Act; and

WHEREAS, TEAC has planned and developed a project to acquire long-term gas supplies from J. Aron & Company LLC, a New York limited liability company and an affiliate of The Goldman Sachs Group, Inc., pursuant to a Prepaid Natural Gas Sales Agreement, to meet a portion of the requirements of the City of Clarksville (the "Gas Purchaser") and other public gas distribution systems and joint action agencies that elect to participate (each, a "Project Participant") through a prepayment (the "Prepaid Project"); and

WHEREAS, TEAC will issue its Gas Project Revenue Bonds, Series 2018 (the "TEAC Bonds") to finance the acquisition of gas supplies under the Prepaid Project; and

WHEREAS, Gas Purchaser is a Municipality organized under the laws of the State of Tennessee; and

WHEREAS, Gas Purchaser has determined that it is in the best interest of its customers to be a Project Participant and thereby purchase a portion of Gas Purchaser's natural gas requirements from TEAC pursuant to a natural gas supply contract to be entered into by TEAC and Gas Purchaser (the "Gas Supply Agreement"); and

WHEREAS, under the Gas Supply Agreement, Gas Purchaser will agree to purchase from TEAC the amounts of gas specified in the Gas Supply Agreement, at the prices specified in the Gas Supply Agreement, for a term specified in the Gas Supply Agreement; and

WHEREAS, the TEAC Bonds will be issued pursuant to a Trust Indenture between TEAC and a corporate trustee (the "Indenture") and purchased by the underwriters or original purchasers of the TEAC Bonds (the "Underwriters") pursuant to one or more bond purchase agreements or similar agreements; and

WHEREAS, TEAC will pledge to the payment of the TEAC Bonds certain assets of TEAC, including the Gas Supply Agreement between TEAC and Gas Purchaser; and

WHEREAS, Gas Purchaser shall have no financial liability with respect to the TEAC Bonds, and Gas Purchaser's only obligations relating to the Prepaid Project shall be as set forth in the Gas Supply Agreement; and

WHEREAS, in order to authorize the purchase of natural gas from TEAC and the execution of the Gas Supply Agreement, to consent to the assignment of the Gas Supply Agreement to secure the TEAC Bonds, to authorize the sale of the gas purchased from TEAC, as applicable, and to authorize and take such other necessary and appropriate action in furtherance of the Prepaid Project, the City of Clarksville adopts this Resolution.

NOW, THEREFORE, BE IT HEREBY RESOLVED by Clarksville City Council (the "Governing Body"), as follows:

SECTION 1: City of Clarksville ("Gas Purchaser") is authorized to enter into a Gas Supply Agreement with TEAC, pursuant to which Gas Purchaser will purchase natural gas from TEAC as provided in the Gas Supply Agreement. The Gas Supply Agreement shall (a) have a term of not greater than 366 months, (b) provide for the purchase by Gas Purchaser of not more than 5,655 MMBtu per day, and (c) provide for a projected minimum savings (prior to payment of the project administration fee as set forth in the Gas Supply Agreement) through monthly and annual discounts of not less than \$0.35 per MMBtu to Gas Purchaser for the initial five year rate period, \$0.20 per MMBtu over the next five year rate period, and \$0.25 per MMBtu on a cumulative basis through the end of each successive reset period (but never less than \$0.20 per MMBtu), unless Gas Purchaser elects to purchase gas at a lesser discount during any reset period, as set forth in the Gas Supply Agreement.

SECTION 2: The Gas Supply Agreement shall be in substantially the form submitted and attached hereto as Exhibit A, which such form is hereby approved, with such completions, deletions, insertions, revisions, and other changes as may be approved by the officers executing same with the advice of counsel, their execution to constitute

conclusive evidence of their approval of any such changes.

SECTION 3: The gas purchased by Gas Purchaser from TEAC shall be resold by Gas Purchaser to its retail customers in its service area, or, as applicable, to its members or municipal distribution customers, which shall resell the gas to their retail customers within their respective established service areas, all pursuant to published tariffs or pursuant to qualified requirements contracts approved by tax counsel to TEAC, under terms approved by tax counsel to TEAC.

SECTION 4: The Mayor (the "Authorized Officer") is hereby authorized to execute and deliver the Gas Supply Agreement and the City Clerk (the "Attesting Officer") is hereby authorized to attest the Gas Supply Agreement.

SECTION 5: The officers, employees, and agents of Gas Purchaser are hereby authorized and directed to take such actions and do all things necessary to cause the purchase of said gas to take place, including the payment of all amounts required to be paid in order to purchase the gas in accordance with the Gas Supply Agreement.

SECTION 6: The Governing Body consents to the assignment and pledge of all of TEAC's right, title and interest under the Gas Supply Agreement, including the right to receive performance by Gas Purchaser of its obligations thereunder, to secure the payment of principal of and interest on the TEAC Bonds.

SECTION 7: The officers and employees of Gas Purchaser, as well as any other agent or representative of Gas Purchaser, are hereby authorized and directed to cooperate with and provide TEAC, the underwriters of the TEAC Bonds, and their agents and representatives with such information relating to Gas Purchaser as is necessary for use in the preparation and distribution of a preliminary official statement or other disclosure document used in connection with the sale of the TEAC Bonds. After the TEAC Bonds have been sold, any officer or employee of Gas Purchaser, or any agent or representative designated by Gas Purchaser, shall make such completions, deletions, insertions, revisions, and other changes in the preliminary official statement relating to Gas Purchaser not inconsistent with this Resolution as are necessary or desirable to complete it as a final official statement for purposes of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"). The Governing Body hereby covenants and agrees that Gas Purchaser will cooperate with TEAC in the discharge of TEAC's obligations to provide annual financial and operating information and notification as to material events with respect to Gas Purchaser as may be required by the Rule. Any officer or any employee of Gas Purchaser, or such other agent or representative of Gas Purchaser as shall be appropriate, is hereby authorized and directed to provide such information as shall be required for such compliance, and such officer or employee may execute a continuing disclosure agreement with respect to the provision of such information if requested to do so by the underwriters of the TEAC Bonds.

SECTION 8: The TEAC Bonds are not obligations of Gas Purchaser but are limited obligations of TEAC payable solely from the revenues and receipts pledged by TEAC under the Indenture, including the revenues and receipts arising from the sale of gas to the Project Participants. By consenting to the assignment of the Gas Supply Agreement and agreeing to provide information for inclusion in the official statement, Gas Purchaser is not incurring any financial liability with respect to the TEAC Bonds.

SECTION 9: All acts and doings of the officers and employees of Gas Purchaser or any other agent or representative of Gas Purchaser which are in conformity with the purposes and intent of this Resolution and in furtherance of the execution and delivery of and performance under the Gas Supply Agreement, and in furtherance of the issuance and sale of the TEAC Bonds, shall be and the same hereby are in all respects approved and confirmed, including without limitation the execution and delivery by the officers of Gas Purchaser of all certificates and documents as they shall deem necessary in connection with the Gas Supply Agreement and the TEAC Bonds.

SECTION 10: 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.

SECTION 11: All other resolutions or 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 12: This Resolution shall take effect immediately upon its adoption.

Adopted and approved this \_\_ day of \_\_\_\_\_, 2018.

Kim McMillan  
Mayor

I, \_\_\_\_\_, do hereby certify that I am the duly qualified and acting \_\_\_\_\_ of \_\_\_\_\_, and as such official I further certify that the foregoing is a true and correct copy of a Resolution adopted by the [Board of Directors/City Council or other name of Governing Body] at a public meeting, a quorum being present and acting throughout, held on \_\_\_\_\_, 2018.

Secretary

**EXHIBIT A**  
**FORM OF GAS SUPPLY AGREEMENT**

[Attached]



**GAS SUPPLY AGREEMENT**

**BY AND BETWEEN**

**THE TENNESSEE ENERGY ACQUISITION CORPORATION**

**AND**

**[GAS PURCHASER]**

**DATED AS OF AUGUST 1 , 2018**

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FORM OF CLOSING CERTIFICATE



## **GAS SUPPLY AGREEMENT**

### **PREAMBLE**

This Gas Supply Agreement, dated as of August 1, 2018 (the “Agreement”), is made and entered into by and between [Gas Purchaser], a [municipality/public utility district/authority/etc.] organized and existing under the laws of the State of Tennessee (“Gas Purchaser”), and The Tennessee Energy Acquisition Corporation (“TEAC”), a public corporation and instrumentality of certain municipalities and the State of Tennessee, organized and existing under the laws of the State of Tennessee, including particularly the Energy Acquisition Corporations Act, Section 7-39-101 *et seq.*, Tennessee Code, as amended (the “Act”). Gas Purchaser and TEAC are sometimes hereinafter referred to in this Agreement collectively as the “Parties” or individually as a “Party”.

### **RECITALS**

WHEREAS, TEAC is an energy acquisition corporation, an instrumentality of certain municipalities and the State of Tennessee, organized and existing pursuant to the provisions of the Act; and

WHEREAS, Gas Purchaser is a [municipality/utility district/authority/etc.] organized under the laws of the State of Tennessee; and

WHEREAS, TEAC has planned and developed a project to acquire long-term Gas supplies from J. Aron & Company LLC, a New York limited liability company (“J. Aron”) and a wholly-owned subsidiary of The Goldman Sachs Group, Inc., pursuant to a Prepaid Natural Gas Sales Agreement, dated as of \_\_\_\_\_, 2018 (the “Prepaid Gas Agreement”), to meet a portion of the Gas supply requirements of the Gas Purchaser and other public gas distribution

systems and joint action agencies that elect to participate (together, the "Project Participants") through a gas prepayment project (the "Prepaid Project"); and

WHEREAS, Gas Purchaser desires to enter into an agreement with TEAC for the purchase of Gas supplies from the Prepaid Project; and

WHEREAS, TEAC will finance the prepayment under, and the other costs of, the Prepaid Project by issuing Bonds; and

WHEREAS, Gas Purchaser owns and operates a natural gas utility under authority of the laws of the State of Tennessee for the transmission, distribution, sale, and delivery of Gas to retail gas consumers within its service area; and

WHEREAS, Gas Purchaser is agreeable to purchasing a portion of its Gas requirements from TEAC under the terms and conditions set forth in this Agreement and TEAC is agreeable to selling to Gas Purchaser such supplies of Gas under the terms and conditions set forth in this Agreement; and

WHEREAS, as a condition precedent to the effectiveness of the Parties' obligations under this Agreement, TEAC shall have entered into the Prepaid Gas Agreement and shall have issued the Bonds.

NOW, THEREFORE, in consideration of the premises and mutual covenants set forth in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, TEAC and Gas Purchaser agree as follows.

## **ARTICLE I**

### **DEFINITIONS AND CONSTRUCTION**

#### **I.1. Construction of the Agreement**

. The Preamble and the Recitals set forth above are incorporated into this Agreement for all purposes. References to Articles, Sections, and Exhibits throughout this Agreement are references to the corresponding Articles, Sections, and Exhibits of this Agreement unless otherwise specified. All Exhibits are incorporated into this Agreement for all purposes. References to the singular are intended to include the plural and vice versa. The word “including” and related forms thereof are intended to be interpreted inclusively, whether or not the phrase “but not limited to” follows such word or words. The words “will” and “shall” indicate mandatory requirements of the Parties except in the Recitals.

## I.2. Definitions

. Unless another definition is expressly stated in this Agreement, the following terms and abbreviations, when used in this Agreement, are intended to and shall mean as follows:

- (a) “Act” is defined in the Preamble.
- (b) “Agreement” is defined in the Preamble.
- (c) “Alternate Delivery Point” has the meaning specified in Section 3.1.
- (d) “Annual Refund” means the annual refund, if any, provided to the Gas Purchaser and calculated pursuant to the procedures specified in Section 4.5.
- (e) “Annualized Daily Quantity” or “ADQ” means for any Year the sum of the Daily Contract Quantities divided by the number of days in the Year.
- (f) “Available Discount” means, for each Delivery Month of a Reset Period, the amount, expressed in cents per MMBtu (rounded down to the nearest one-half cent), determined by the Calculation Agent pursuant to the Re-Pricing Agreement. The Available Discount shall equal the sum of the Monthly Discount and any anticipated Annual Refunds for

the applicable Reset Period, and shall be the discount available to Gas Purchaser before application of the Project Administration Fee. During the Initial Rate Period, the Available Discount shall be no less than 35 cents per MMBtu.

(g) “Board of Directors” means the Board of Directors of TEAC.

(h) “Bond Counsel” means bond counsel or special tax counsel of nationally recognized standing in matters pertaining to the tax-exempt status of interest on obligations issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state or commonwealth of the United States, and selected by TEAC.

(i) “Bond Indenture” means the Trust Indenture dated as of August 1, 2018, between TEAC and The Bank of New York Mellon Trust Company, N.A., as Trustee, providing for the issuance of and security for the Bonds, together with any other trust indenture providing for the issuance of and security for any refunding Bonds, in each case as the same may be amended from time to time.

(j) “Bonds” means TEAC’s Gas Supply Revenue Bonds (Project No. 1) issued to finance TEAC’s purchase of Gas from J. Aron under the Prepaid Gas Agreement and other costs of the Prepaid Project associated therewith, and any refunding Bonds issued by TEAC under the Bond Indenture.

(k) “Btu” means one British thermal unit, the amount of heat required to raise the temperature of one pound of water one degree Fahrenheit at 60 degrees Fahrenheit, and is the International Btu. The reporting basis for Btu is 14.73 pounds per square inch absolute and 60 degrees Fahrenheit; provided, however, that the definition of Btu as determined by the operator of the relevant Delivery Point shall be deemed conclusive in accordance with Article VI of the

Prepaid Gas Agreement; and provided further that in the event of an inconsistency in the definition of “Btu” between this definition and the definition of “Btu” in the Prepaid Gas Agreement, the definition in the Prepaid Gas Agreement shall apply.

(l) “Business Day” means (i) with respect to payments and general notices required to be given under this Agreement, any day other than (a) a Saturday or Sunday, (b) a Federal Reserve Bank holiday, (c) any day on which commercial banks located in either New York, New York, or the State of Tennessee are required or authorized by law or other governmental action to close, or (d) any other day excluded pursuant to the Bond Indenture, and (ii) with respect to Gas deliveries and notices with respect thereto, any day.

(m) “Calculation Agent” has the meaning specified in the Re-Pricing Agreement.

(n) “Central Prevailing Time” or “CPT” means Central Daylight Savings Time when such time is applicable and otherwise means Central Standard Time.

(o) “Cf” means cubic foot of Gas, defined as the amount of Gas required to fill a cubic foot of space when the Gas is at an absolute pressure of 14.73 pounds per square inch absolute and at a temperature of 60 degrees Fahrenheit.

(p) “Code” means the Internal Revenue Code of 1986, as amended, 26 U.S.C. §1 *et seq.* References herein to the Code or a section of the Code include the U.S. Treasury Regulations thereunder.

(q) “Commercially Reasonable” or “Commercially Reasonable Efforts” means, with respect to any decision, purchase, sale or other action required to be made, attempted or taken by a Party under this Agreement, such decision or efforts as a reasonably

prudent Person would make or undertake, as the case may be, for the protection of its own interest under the conditions affecting such decision, purchase, sale or other action. For the avoidance of doubt, the reasonableness of any action taken by a Party under this Agreement shall be determined at the time of such action, taking into full account the facts, circumstances and competitive environment surrounding such action.

(r) “Commodity Swap” means (i) the ISDA Master Agreement dated as of August 1, 2018, together with the Schedule thereto and a related Confirmation, dated \_\_\_\_\_, 2018, each between TEAC and the Commodity Swap Counterparty, pursuant to which agreement TEAC is the floating price payer and the Commodity Swap Counterparty is the fixed price payer with respect to notional quantities of gas corresponding to quantities of gas to be delivered under the Gas Purchase Agreement, and (ii) each replacement commodity swap entered into pursuant to the Prepaid Gas Agreement..

(s) “Commodity Swap Counterparty” means TEAC’s counterparty under the Commodity Swap, which initially shall be \_\_\_\_\_.

(t) “Contract Price” means the price per MMBtu described in Section 4.1.

(u) “Daily Contract Quantity” or “DCQ” means, for each Month, the quantity of Gas in MMBtu that shall be delivered by TEAC to Gas Purchaser and received by Gas Purchaser from TEAC each Gas Day during such Month, as set forth in Exhibit B.

(v) “Delivery Period” is defined in Section 2.1.

(w) “Delivery Point” is defined in Section 3.1.

(x) “Dth” means one dekatherm, which is equivalent to one MMBtu.



(y) “Event of Insolvency” means with respect to any Person the occurrence and continuance of one or more of the following events: (a) the issuance, under the laws of the state or other jurisdiction having primary regulatory authority over such Person or any successor provision thereto (or any other law under which such Person is at the time organized), of an order for relief, rehabilitation, reorganization, conservation, liquidation or dissolution of such Person that is not dismissed within 30 days; (b) the commencement by such Person of a voluntary case or other proceeding seeking an order for relief, liquidation, rehabilitation, conservation, reorganization or dissolution with respect to itself or its debts under the laws of the state or other jurisdiction of incorporation or formation of such Person or any bankruptcy, insolvency or other similar law now or hereafter in effect including, without limitation, the appointment of a trustee, receiver, liquidator, custodian or other similar official for itself or any substantial part of its property; (c) the consent of such Person to any relief referred to in the preceding clause (b) in an involuntary case or other proceeding commenced against it; (d) the appointment of a trustee, receiver, liquidator, custodian or other similar official for such Person or any substantial part of its property by a Government Agency or authority having the jurisdiction to do so; (e) the making by such Person of an assignment for the benefit of creditors; (f) the failure of such Person generally to pay its debts or claims as they become due; (g) the Person shall admit in writing its inability to pay its debts when due; (h) the declaration of a moratorium with respect to the payment of the debts of such Person; or (i) the initiation by such Person of any action to authorize any of the foregoing.

(z) “Failed Remarketing” has the meaning specified in the Bond Indenture.

(aa) “FERC” means the Federal Energy Regulatory Commission and any successor thereto.

(bb) “FERC Gas Tariff” means the interstate pipeline tariff filed by a Transporter pursuant to FERC regulations and approved by FERC, as amended from time to time.

(cc) “Firm” means that performance by a Person may be interrupted without liability only to the extent that such performance is prevented by reasons of Force Majeure with respect to such Person asserting Force Majeure.

(dd) “Force Majeure” is defined in Section 13.2.

(ee) “Gas” means natural gas or any other mixture of hydrocarbon gases, or of hydrocarbons and liquids or liquefiables, or of hydrocarbons and non-combustible gases, consisting predominantly of methane.

(ff) “Gas Day” means a period of 24 consecutive hours beginning at 9:00 a.m. CPT on a calendar day and ending at 9:00 a.m. CPT on the next calendar day. The date of the Gas Day shall be the date at its beginning. If, through standardization of business practices in the industry or for any other reason, a Transporter, or the FERC with general applicability, changes the definition of Gas Day, such change shall apply to the definition of Gas Day in this Agreement with respect to such Transporter or generally, as applicable.

(gg) “Gas Purchaser” is defined in the Preamble.

(hh) “Gas Purchaser’s Transporter” means the Transporter receiving Gas on Gas Purchaser’s behalf at the Delivery Point.

(ii) “Government Agency” means the United States of America, any state or commonwealth thereof, any local jurisdiction, any political subdivision of any of the foregoing, and any other division of government of any of the foregoing, including but not limited to courts, administrative bodies, departments, commissions, boards, bureaus, agencies, municipalities, or instrumentalities.

(jj) “Imbalance Charges” means any fees, penalties, costs or other charges (in cash or in kind) assessed by a Transporter for failure to satisfy the Transporter’s balancing, scheduling and/or nomination requirements based on such Transporter’s FERC Gas Tariff.

(kk) “Index Price” means the Monthly market index price described in Section 4.2, and any substitute index price determined under Section 4.2.

(ll) “Initial Rate Period” means the period from and including April 1, 2019 to and including March 31, 2024.

(mm) “J. Aron” is defined in the Recitals.

(nn) “Maturity Date of the Bonds” means the Final Maturity Date of the Bonds, as defined in the Bond Indenture.

(oo) “Mcf” means 1,000 Cf of Gas.

(pp) “Minimum Discount” means 35 cents per MMBtu for the Initial Rate Period; and thereafter an amount that would ensure the Available Discount realized from the Initial Rate Period through the end of such Reset Period, excluding any Reset Period for which the Gas Purchaser delivered a Remarketing Election Notice, to be an average of no less than 25 cents per MMBtu, but in any event no less than 20 cents per MMBtu, and in every case includes

the Monthly Discount plus the projected Annual Refund and is stated before the application of the Project Administration Fee/.

(qq) “MMBtu” means 1,000,000 Btu, which is equivalent to one dekatherm.

(rr) “Month” means the period beginning at the beginning of the first Gas Day of a calendar month and ending at the beginning of the first Gas Day of the next calendar month. The term “Monthly” shall be construed accordingly.

(ss) “Monthly Discount” means (i) for each Month of the Initial Rate Period, \_\_\_ cents (\$0.\_\_) per MMBtu, and (ii) for each Month of a Reset Period thereafter, the Monthly Discount portion of the Available Discount for such Reset Period determined by the Calculation Agent pursuant to the RePricing Agreement.

(tt) “Municipal Utility” means any Person that (i) is a governmental person as defined in the implementing regulations under Section 141 of the Code and any successor provision, (ii) owns either or both a Gas distribution utility or an electric distribution utility (or provides Gas or electricity at wholesale to, or that is sold to entities that provide Gas or electricity at wholesale to, governmental Persons that own such utilities), and (iii) agrees in writing to use the Gas purchased by it (or cause such Gas to be used) for a qualifying use as defined in U.S. Treas. Reg. § 1.148-1(e)(2)(iii).

(uu) “Person” means any individual, public or private corporation, partnership, limited liability company, state, county, district, authority, municipality, political subdivision, instrumentality, partnership, association, firm, trust, estate, or any other entity or organization whatsoever.

(vv) “Prepaid Gas Agreement” is defined in the Recitals.

(ww) “Prepaid Project” is defined in the Recitals.

(xx) “Primary Delivery Point” is defined in Section 3.1.

(yy) “Prime Rate” means, for any day of determination, the fluctuating rate per annum equal to the "Prime Rate" listed daily in the "Money Rates" section of The Wall Street Journal on such day (or if such day is not a Business Day, the preceding Business Day), or if The Wall Street Journal is not published on a particular Business Day, then, the "prime rate" published in any other national financial journal or newspaper selected by J. Aron in its reasonable judgment, and if more than one such rate is listed in the applicable publication, the highest rate shall be used; any change in the Prime Rate shall take effect on the date specified in the announcement of such change.

(zz) “Project Administration Fee” means the monthly fee payable by Gas Purchaser as described in Section 4.3.

(aaa) “Project Agreements” means the agreements entered into by TEAC under the Prepaid Project.

(bbb) "Project Management Committee" means a committee, composed of one representative appointed by each of the Project Participants, which shall meet in person or by conference call from time to time and shall monitor performance of the Project and make reports and recommendations to the Board of Directors as it deems appropriate.

(ccc) “Project Participants” means Gas Purchaser and those municipal distribution systems and joint action agencies identified in Exhibit C.

(ddd) "Remarketing Election" is defined in Section 5.3(a).

(eee) "Remarketing Election Deadline" means the last date and time by which the Gas Purchaser may provide a Remarketing Election Notice, which shall be 4:00 p.m. Central Prevailing Time on the 10th day of the Month (or, if such day is not a Business Day, the next succeeding Business Day) prior to the first Delivery Month of a Reset Period with respect to which a Remarketing Event has occurred.

(fff) "Remarketing Election Notice" is defined in Section 5.3(b).

(ggg) "Remarketing Event" is defined in Section 5.3(a).

(hhh) "Re-Pricing Agreement" means the Re-Pricing Agreement, dated as of August 1, 2018, by and between J. Aron and TEAC, as amended or supplemented from time to time in accordance with its terms.

(iii) "Re-Pricing Date" has the meaning set forth in the Re-Pricing Agreement.

(jjj) "Reset Period" means each five-year period (or such longer or shorter period as may be agreed to by TEAC and J. Aron pursuant to the Re-Pricing Agreement) commencing on the last day of the Initial Rate Period or prior Reset Period, as the case may be, and ending on the fifth anniversary (or such later or earlier anniversary, as the case may be) of such last day; *provided* that the final Reset Period shall be the period from the last day of the prior Reset Period to the end of the Delivery Period.

(kkk) "TEAC" is defined in the Preamble.

(lll) "Transporter" means all Gas gathering or pipeline companies transporting Gas for TEAC or Gas Purchaser upstream or downstream, respectively, of the Delivery Point.



(mmm) “Trustee” means the Trustee under the Bond Indenture, which initially shall be The Bank of New York Mellon Trust Company, N.A., and its successors as trustee under the Bond Indenture.

(nnn) “Year” means a period of 12 consecutive Months beginning at the beginning of the first day of April each year and ending immediately prior to the beginning of the first day of April in the next calendar year.

## **ARTICLE II**

### **SERVICE OBLIGATIONS**

#### **II.1. Gas Supply Service**

. TEAC acknowledges and agrees that Gas Purchaser has a need to acquire Gas supplies to provide service to retail Gas consumers within its areas of service on a long-term basis and that a significant portion of such Gas supplies must be priced with reference to deregulated market prices in order to enable Gas Purchaser to ensure that it may provide sales service at competitive prices. TEAC understands that Gas Purchaser has asserted that its long-term viability as a Municipal Utility providing an essential public service depends in part upon its ability to receive secure and reliable supplies of Gas on a long-term basis in pre-determined quantities that are priced with reference to deregulated market prices in the form and structure of the Contract Price, and has determined that its purchase of Gas under this Agreement will further its objective of providing secure, reliable and economic gas supply services to its customers. Gas Purchaser has requested TEAC to provide deliveries of Gas to it consistent with these objectives, and Gas Purchaser understands and acknowledges that TEAC has undertaken the Prepaid Project in order to meet Gas Purchaser’s request, together with the requests of the other

Project Participants, and satisfy Gas Purchaser's asserted objectives, and agrees that the Prepaid Project does so. Beginning April 1, 2019, and continuing through March 31, 2049, unless earlier terminated pursuant to Article V (the "Delivery Period"), TEAC each Gas Day on a Firm basis shall tender for delivery to Gas Purchaser at the Delivery Point, and Gas Purchaser each Gas Day on a Firm basis shall purchase and receive from TEAC at the Delivery Point, the applicable Daily Contract Quantity of Gas set forth for each Month in Exhibit B. The Parties recognize and agree that, in order to achieve a successful remarketing of the Bonds following the Initial Rate Period, the Daily Contract Quantities may be reduced in a Reset Period following the Initial Rate Period pursuant to the re-pricing methodology described in the Re-Pricing Agreement. The Parties agree further that if, pursuant to the Re-Pricing Agreement, TEAC and the Calculation Agent determine in connection with the establishment of any new Reset Period that: (i) such Reset Period will be the final Reset Period because no unamortized gas value will remain following such Reset Period and (ii) such Reset Period will end prior to the end of the original Delivery Period, then (A) TEAC will notify the Gas Purchaser, (B) the Delivery Period will be deemed to be modified so that it ends at the end of such Reset Period, and (C) the Daily Contract Quantity for the last Month in such Reset Period may be reduced as provided in the Re-Pricing Agreement.

## II.2. Nature of the Prepaid Project

. Gas Purchaser acknowledges and agrees that TEAC will meet its obligations to provide Gas supply service to Gas Purchaser under this Agreement through its purchase of long-term Gas supplies on a prepaid basis from J. Aron under the Prepaid Gas Agreement and that TEAC is financing its purchase of such long-term supplies through the issuance of the Bonds. Gas

Purchaser acknowledges and agrees that TEAC will pledge its right, title, and interest under this Agreement and the revenues to be received under this Agreement (other than the revenues attributable to the Project Administration Fee described in Section 4.3) to secure TEAC's obligations under the Bond Indenture.

### **ARTICLE III**

#### **RECEIPT AND DELIVERY POINTS**

##### **III.1. Delivery Point**

. All Gas delivered under this Agreement shall be delivered and received at the point of delivery specified in Exhibit A (the "Primary Delivery Point") or to any other point of delivery (an "Alternate Delivery Point") that has been mutually agreed to in writing by TEAC and Gas Purchaser (each Primary Delivery Point or Alternate Delivery Point, if specified, being a "Delivery Point").

##### **III.2. Transfer of Title**

. Gas Purchaser shall take title to all Gas delivered to it by TEAC at the Delivery Point and shall own such Gas and shall assume all risk of loss following its transfer at the Delivery Point.

### **ARTICLE IV**

#### **PRICING OF GAS SUPPLY SERVICES**

##### **IV.1. Charge Per MMBtu Delivered**

. For each MMBtu of Gas delivered by TEAC to Gas Purchaser at the Delivery Point, Gas Purchaser shall pay TEAC the Contract Price for such Gas, which shall be the applicable Index Price, as defined in Section 4.2, less the Monthly Discount. Gas Purchaser shall not be

charged for any Gas that is not tendered for delivery by TEAC. Notwithstanding the foregoing, the Parties recognize and agree that the pricing specified in Section 5.2 shall apply to any Gas deliveries made by TEAC following a Failed Remarketing under the Prepaid Gas Agreement.

#### IV.2. Index Price

. The Index Price for any Month shall mean the price per MMBtu, stated in U.S. dollars, as published in the first issue for the Month (including corrections thereto in later issues) in which the event occurred that required calculation of the Index Price, of *Inside FERC's Gas Market Report*, a publication of S&P Global Platts, a division of S&P Global, in the section "Monthly Bidweek Spot Gas Prices – Platts Locations (\$/MMBtu)", under the heading "\_\_\_\_\_ " and the line "\_\_\_\_\_ " or the line "\_\_\_\_\_ ", as applicable (or any successor heading), under the column "Index". If *Inside FERC's Gas Market Report* should cease to publish such first-of-the-month index prices or should cease to be published entirely, the Index Price shall be the price per MMBtu, stated in U.S. dollars, for Gas to be delivered at the Delivery Point during the applicable Month as set forth in an alternative index as determined under Section 18.11 of the Prepaid Gas Agreement. TEAC shall provide Gas Purchaser the opportunity to provide its recommendations and other input to TEAC for TEAC's use in the process under Section 18.11 of the Prepaid Gas Agreement.

#### IV.3. Project Administration Fee

. TEAC shall bill and Gas Purchaser shall pay each Month, as part of the Monthly invoice described in Article XI, the Project Administration Fee. The Project Administration Fee shall equal the product of (i) the Daily Contract Quantity for the Month of Gas deliveries, (ii) the

number of days in such Month, and (iii) an administration charge of (a) \$0.03/MMBtu during the Initial Rate Period and each Reset Period in which the Available Discount (Monthly Discount plus the projected Annual Refund per MMBtu) is below 40 cents per MMBtu, (b) \$0.04/MMBtu during any Reset Period in which the Available Discount (monthly and annual) is between 40 cents per MMBtu and 50 cents per MMBtu, and (c) \$0.05/MMBtu in any Reset Period in which the Available Discount (monthly and annual) is greater than 50 cents per MMBtu.


IV.4. Assistance with Sales to Third Parties

. In the event Gas Purchaser does not require all or any portion of the DCQ for any Gas Day that it is obligated to purchase under this Agreement as a result of a loss of load on its system, TEAC shall, upon reasonable notice from Gas Purchaser, use Commercially Reasonable Efforts, to the extent permitted in the Prepaid Gas Agreement, to arrange for the sale of such quantities by J. Aron (i) to another Project Participant, (ii) to another Municipal Utility, or (iii) if necessary, to another purchaser. If TEAC succeeds in arranging such a sale or sales or J. Aron otherwise makes such a sale or sales, TEAC shall credit against the amount owed by Gas Purchaser for such Gas the amount received by TEAC from J. Aron for such sales less all directly incurred costs or expenses, including but not limited to remarketing administrative charges paid to J. Aron under the Prepaid Gas Agreement, but in no event shall the amount of such credit be more than the Contract Price, minus, in all cases, the Project Administration Fee and a TEAC remarketing administrative charge of five cents (\$0.05) per MMBtu, times the applicable quantities.

Notwithstanding the foregoing sentence, in the event Gas Purchaser has suffered a loss of demand on its system as described in Section 6.2, TEAC shall not assess the remarketing administrative charge of five cents per MMBtu.

#### IV.5. Annual Refunds

. In addition to the Monthly Discount applicable to deliveries of the Daily Contract Quantity to Gas Purchaser under this Agreement, TEAC shall provide such Annual Refund to Gas Purchaser as may be available for distribution by TEAC pursuant to Section 5.10(b) of the Bond Indenture. Such Annual Refund, if any, shall be paid by TEAC to Gas Purchaser and the other Project Participants as soon as practicable following the release of funds for such purpose to TEAC under the terms of the Indenture. In determining the amount of such Annual Refund, if any, to be paid to Gas Purchaser, TEAC may reserve such funds as may be required under the terms of the Indenture or as it deems reasonably necessary and appropriate, including but not limited to amounts required to fund or maintain the Minimum Discount for any future Reset Period, to fund or maintain any rate stabilization or working capital reserve, to reserve or account for unfunded liabilities and expenses, including future sinking fund or other principal amortization of the Bonds, or for other costs of the Prepaid Project. All such refunds, if any, shall be made to Gas Purchaser in an amount reflecting the allocation of such refunds that the Project Management Committee recommends and the Board of Directors determines by calculating the ADQ of Gas Purchaser for the previous Year and dividing Gas Purchaser's ADQ by the aggregate total ADQ for such Year of all of the Project Participants. A list of all such Project Participants and their initial Annualized Daily Quantities is set forth in Exhibit C. On the

date of this Agreement, the projected Annual Refund for the Initial Rate Period is \_\_\_\_ cents (\$0.\_\_\_\_) per MMBtu of Gas Purchaser's ADQ.

## **ARTICLE V**

### **TERM**

#### **V.1. Primary Term**

. This Agreement shall be effective as of the date first set forth above and shall be implemented as appropriate to effectuate purchases and sales of Gas under this Agreement for deliveries commencing on the first day of the Delivery Period. Unless earlier terminated in accordance with Section 5.2, this Agreement thereafter shall remain in full force and effect for a primary term ending on the Maturity Date of the Bonds, subject to all winding up arrangements as described in Section 5.4.

#### **V.2.**

### **ARTICLE VI Early Termination Before End of Primary Term**

. Notwithstanding Section 5.1, Gas Purchaser acknowledges and agrees that (i) in the event the Prepaid Gas Agreement terminates prior to the end of the primary term of this Agreement, this Agreement shall terminate on the date of early termination of the Prepaid Gas Agreement (subject to all winding up arrangements) and (ii) TEAC's obligation to deliver Gas under this Agreement shall terminate upon the termination of deliveries of Gas to TEAC under the Prepaid Gas Agreement. In addition, Gas Purchaser acknowledges and agrees that this Agreement may terminate early as a result of a default by Gas Purchaser under Article XIV. TEAC shall provide notice to Gas Purchaser of any early termination date. The Parties recognize and agree that, in the event that the Prepaid Gas Agreement terminates because of a Failed

Remarketing of the Bonds that occurs in the first Month of a Reset Period, TEAC shall deliver Gas under this Agreement for the remainder of such first Month, and, notwithstanding anything in this Agreement to the contrary, the Contract Price for all Gas deliveries made by TEAC during such first Month shall be the applicable Index Price identified for deliveries in Section 4.2 with no Monthly Discount and there shall be no Annual Refunds associated with such deliveries.

VI.1. Remarketing Election; Suspension and Resumption of Deliveries.

(a) Remarketing Event. For each Reset Period, TEAC shall provide to Gas Purchaser, at least ten (10) days prior to the applicable Remarketing Election Deadline (without regard to any extension thereof as provided for in paragraph (b) of this Section 5.3), formal written notice setting forth the duration of such Reset Period and the estimated Available Discount for such Reset Period. In the event the estimated Available Discount for a Reset Period is not at least equal to the Minimum Discount for that Reset Period (a “Remarketing Event”), such notice shall also state (i) that a Remarketing Event has occurred, (ii) the applicable Remarketing Election Deadline, and (iii) that Gas Purchaser, and each other Project Participant, may (A) continue to purchase and receive its Daily Contract Quantity for each Gas Day of each Delivery Month during such Reset Period at a Contract Price that reflects the Monthly Discount portion of the Available Discount (as finally determined as hereinafter described), plus Annual Refunds, if any, as described in Section 4.5, or (B) elect that such Daily Contract Quantity be remarketed for such Reset Period (a “Remarketing Election”) by providing a Remarketing Election Notice prior to the Remarketing Election Deadline. The Parties acknowledge that the determination of the Available Discount for a Reset Period under the Re-Pricing Agreement will be through an iterative, on-going process and that TEAC may provide preliminary



communications concerning the estimated Available Discount for a Reset Period. The Parties acknowledge further that if such preliminary communications indicate that the then-current market conditions do not support a discount at least equal to the Minimum Discount, such preliminary communications shall not give rise to a right for Gas Purchaser to provide a Remarketing Election Notice.

(b) Remarketing Election. If Gas Purchaser elects to have its Daily Contract Quantity remarketed for such Reset Period following the occurrence of a Remarketing Event, Gas Purchaser shall provide written notice of such Remarketing Election to TEAC, J. Aron and the Trustee (its “Remarketing Election Notice”) not later than the applicable Remarketing Election Deadline. A Remarketing Election Notice shall be in substantially the form attached hereto as Exhibit G. In the event Gas Purchaser provides a Remarketing Election Notice on or prior to the applicable Remarketing Election Deadline, the Parties’ obligations to deliver and receive Gas shall be suspended for the duration of such Reset Period and the Daily Contract Quantity for such Reset Period shall be zero MMBtu per day.

(c) Extension of Remarketing Election Deadline. If a Remarketing Event has occurred and Gas Purchaser has not made a Remarketing Election, but one or more of the other Project Participants has made a Remarketing Election, the estimated Available Discount may be required to be recalculated pursuant to the Re-Pricing Agreement. In such case TEAC shall provide such new estimated Available Discount to Gas Purchaser promptly in writing, and the Remarketing Election Deadline shall be extended to the third Business Day following the date of such notice.

(d) Final Determination of Available Discount. The Parties acknowledge and agree that the final Available Discount for any Reset Period following the Initial Rate Period will be determined on the applicable Re-Pricing Date, and that such Available Discount may differ from the estimate or estimates of such Available Discount provided to Gas Purchaser and the other Project Participants prior to the applicable Remarketing Election Deadline. Accordingly, the Parties agree that:

(i) the Available Discount for any Reset Period will not be less than the Minimum Discount applicable to such Reset Period, unless (A) TEAC has provided notice of such Remarketing Event to Gas Purchaser in accordance with paragraph (a) of this Section 5.3, and (B) Gas Purchaser has not provided a Remarketing Election Notice prior to the applicable Remarketing Election Deadline (as the same may be extended pursuant to paragraph (c) of this Section 5.3); and

(ii) if Gas Purchaser has not made a Remarketing Election prior to the applicable Remarketing Election Deadline (as the same may be extended pursuant to paragraph (c) of this Section 5.3), Gas Purchaser shall be deemed to have elected to continue to purchase and receive its Daily Contract Quantity at a Contract Price that reflects the Monthly Discount portion of the Available Discount as finally determined on the applicable Re-Pricing Date, plus the right to its share of Annual Refunds, if any, and all delivery and purchase obligations under this Agreement shall continue in full force and effect for the applicable Reset Period.

(e) Resumption of Deliveries. In the event that Gas deliveries are suspended following a Remarketing Election made by Gas Purchaser in accordance with this Section 5.3,

the Parties acknowledge and agree that deliveries shall resume if, in any future Reset Period, (i) the Available Discount calculated for such Reset Period is equal to or exceeds the Minimum Discount applicable to such Reset Period; or (ii) TEAC and Gas Purchaser mutually agree to resume deliveries for such future Reset Period with a discount less than the applicable Minimum Discount. TEAC shall provide notice setting forth the duration of the Reset Period and the estimated Available Discount for such Reset Period no later than at least ten (10) days prior to the applicable Remarketing Election Deadline for such Reset Period. The Parties acknowledge and agree that the final Available Discount will be determined on the applicable Re-Pricing Date, and that such Available Discount may differ from the estimate or estimates of such Available Discount with the effect described in subsection (d) above.

**VI.2. Winding Up Arrangements.**

The termination of this Agreement shall not relieve either Party of any obligation to pay amounts due under this Agreement for periods prior to the termination date, including all interest, costs and indemnity obligations, or to effectuate all winding up arrangements, or to take any other actions as may be necessary to effectuate all of the terms of this Agreement. For the avoidance of doubt, Gas Purchaser shall not be responsible for the payment of more than the Contract Price for Gas deliveries as a result of any winding up arrangements.

**ARTICLE VII**

**FAILURE TO PERFORM**

**VII.1. Cost of Replacement Gas**

. Except in cases of Force Majeure, for each MMBtu that TEAC is obligated to deliver to Gas Purchaser under this Agreement but fails to deliver, TEAC shall pay to Gas Purchaser an

amount equal to the difference between the price per MMBtu which would have been applicable to the undelivered Gas under Article IV and any higher cost per MMBtu which Gas Purchaser actually incurred to obtain an equivalent quantity of replacement Gas, including but not limited to any incremental charges associated with the transportation and storage of such replacement Gas, exercising Commercially Reasonable Efforts to obtain such replacement Gas and alternate transportation at a Commercially Reasonable price. For purposes of this Section 6.1, replacement Gas includes without limitation Gas withdrawn from storage, liquefied natural gas, and peak shaving, and costs associated with obtaining such Gas include without limitation storage withdrawal and injection costs, storage fuel, and liquefaction and vaporization costs for stored liquefied natural gas; provided, however, that for purposes of the foregoing the price of any such replacement Gas withdrawn from storage shall be the market price applicable to such Gas at the time of the withdrawal.

#### VII.2. Obligation to Take the Daily Quantity

. Subject to the operation of Section 4.4 governing load loss, if on any Gas Day TEAC tenders the Daily Contract Quantity for delivery to Gas Purchaser and Gas Purchaser fails to take the Daily Contract Quantity, Gas Purchaser shall remain obligated to pay TEAC the Contract Price for the Daily Contract Quantity plus the Project Administration Fee. TEAC shall credit to Gas Purchaser's account any net revenues TEAC may receive from J. Aron under the Prepaid Gas Agreement in connection with the ultimate sale of any such Gas by J. Aron to other Municipal Utilities, up to the Contract Price, less the Project Administration Fee, less TEAC's remarketing administrative charge of five cents (\$0.05) per MMBtu. In the event of permanent load loss on Gas Purchaser's system due to the permanent cessation of all or part of the

operations of a large industrial sales customer, Gas Purchaser may request the permanent reduction of its Daily Contract Quantity for the remaining term of this Agreement. If TEAC is satisfied that such loss of demand is permanent, through evidence satisfactory to TEAC in its sole discretion, TEAC shall pursue the re-allocation of Gas Purchaser's Daily Contract Quantities associated with its loss of demand to other Project Participants or through remarketing under the provisions of the Prepaid Gas Agreement, and upon such re-allocation or remarketing, shall reduce Gas Purchaser's Daily Contract Quantities through the remaining term of this Agreement accordingly.

#### VII.3. No Consequential or Special Damages

. Neither Party shall be liable for consequential, incidental, special, or punitive damages or losses which may be suffered by the other as a result of the failure to deliver or take or pay for the required quantities of Gas under this Agreement.

#### VII.4. Imbalances

. The Parties shall use Commercially Reasonable Efforts to avoid the imposition of any Imbalance Charges. If TEAC or Gas Purchaser receives an invoice from a Transporter that includes Imbalance Charges related to the obligations of either Party under this Agreement, the Parties shall determine the validity as well as the cause of such Imbalance Charges. If the Imbalance Charges were incurred as a result of Gas Purchaser's takes of quantities of Gas greater than or less than the Daily Contract Quantity at any Delivery Point, then Gas Purchaser shall pay for such Imbalance Charges or reimburse TEAC for such Imbalance Charges paid by TEAC. If the Imbalance Charges were incurred as a result of TEAC's deliveries of quantities of Gas greater than or less than the Daily Contract Quantities at any Delivery Point, then TEAC shall

pay for such Imbalance Charges or reimburse Gas Purchaser for such Imbalance Charges paid by Gas Purchaser. Notwithstanding the provisions of Sections 6.1 and 6.2, the Parties may mutually agree to make up any differences between the Daily Contract Quantity and the quantity delivered or taken on any Gas Day in kind.

## **ARTICLE VIII**

### **RESPONSIBILITY FOR TRANSPORTATION**

TEAC shall make all arrangements for transportation services required to effect the delivery of the Daily Contract Quantity to the Delivery Point. Gas Purchaser shall take all actions and be responsible for making all arrangements required to effect the transportation of the Daily Contract Quantity from the Delivery Point, including but not limited to all nominations, scheduling, balancing, and associated management and administrative functions. TEAC shall bear all costs and expenses of transportation prior to the delivery of the Daily Contract Quantity at the Delivery Point, except as provided in this Agreement. Gas Purchaser shall bear all costs of transportation at and after the delivery of Gas to the Delivery Point.

## **ARTICLE IX**

### **DELIVERY REQUIREMENTS**

#### **IX.1. Specifications**

. All Gas delivered under this Agreement shall be merchantable and shall, upon delivery, conform to the quality specifications and heating value specified in Gas Purchaser's Transporter's FERC Gas Tariff.

#### **IX.2. Pressure**

. All Gas sold by TEAC to Gas Purchaser under this Agreement shall be delivered to Gas Purchaser at the pressure maintained from time to time in Gas Purchaser's Transporter's facilities at the Delivery Point.

### IX.3. Measurement

. Gas sold under this Agreement shall be measured through Gas Purchaser's Transporter's existing measurement facilities at the Delivery Point in accordance with the provisions of such Transporter's FERC Gas Tariff. The unit of volume for measurement of Gas delivered under this Agreement shall be one Mcf or otherwise as consistent with Transporter's measurement at the Delivery Point. The sales unit of the Gas shall be one MMBtu, established by converting Mcfs measured at the Delivery Point to MMBtus according to the Btu content determined by Transporter on a dry basis at the Delivery Point under Transporter's FERC Gas Tariff. With respect to any measurement of Gas delivered or received under this Agreement at any Delivery Point, the measurement of such Gas (including the definition of Btu used in making such measurement) by the operator of such Delivery Point shall be conclusive.

## ARTICLE X

### TITLE AND RISK OF LOSS

TEAC warrants the title to all Gas sold to Gas Purchaser under this Agreement. Transfer of custody and title to Gas sold under this Agreement shall pass to and vest in Gas Purchaser at the Delivery Point. As between the Parties, TEAC shall be deemed to be in exclusive control and possession of Gas delivered under this Agreement prior to the time of delivery to Gas Purchaser at the Delivery Point, and Gas Purchaser shall be deemed to be in exclusive control and possession of Gas delivered under this Agreement at and after delivery at the Delivery Point.

## ARTICLE XI

### **ROYALTIES AND TAXES**

#### XI.1. Royalties and Other Charges

. TEAC shall pay or cause to be paid any royalties or other sums due on the gathering, handling, and transportation of Gas sold under this Agreement prior to its delivery to Gas Purchaser at the Delivery Point.

#### XI.2. Taxes

. The price for Gas sold to Gas Purchaser under this Agreement is inclusive of all production, severance, ad valorem, or similar taxes levied on the production or transportation of the Gas prior to its delivery to Gas Purchaser at the Delivery Point, and all such taxes shall be borne and paid exclusively by TEAC; provided, however, that if Gas Purchaser is required to remit such taxes to the collecting authority, Gas Purchaser shall do so and TEAC shall credit an amount equal to the taxes so paid against payments otherwise due to TEAC under this Agreement. The price for Gas sold to Gas Purchaser under this Agreement does not include any federal, tribal, state, or local sales, use, consumption, utility, storage, greenhouse gas, carbon, license, ad valorem, franchise, or similar taxes imposed by any taxing authority on the sale to, or use by, Gas Purchaser of Gas sold under this Agreement, including without limitation ad valorem taxes on Gas held in storage by Gas Purchaser. Gas Purchaser shall be responsible for the payment of any such taxes and for completing and filing all required forms.

## ARTICLE XII

### **BILLING AND PAYMENT**

#### XII.1. Timing



. Not later than ten days following the end of the Month of delivery, TEAC shall provide a Monthly billing statement to Gas Purchaser of the amount due for Gas tendered for delivery under this Agreement. Such billing statement shall be provided to Gas Purchaser by hand delivery, first-class mail, express courier, electronic transmission, or facsimile transmission to the address or facsimile number set forth for Gas Purchaser in Article XVII. The due date for payment by Gas Purchaser to TEAC shall be the 22nd day of the Month following the Month of delivery. Such due date shall be applicable without regard to the date or source of a billing statement to Gas Purchaser. If the 22nd day is not a Business Day, payment is due on the immediately preceding Business Day. Gas Purchaser shall make payment by wire transfer to the address set forth for TEAC in Article XVIII.

#### XII.2. Late Payment

. In the event Gas Purchaser fails to pay an amount when due hereunder, interest thereon shall accrue at a rate of interest per annum equal to the lesser of (i) the Prime Rate plus two percent or (ii) the maximum rate permitted by law, in either case from the due date until paid. If Gas Purchaser disputes the appropriateness of any charge or calculation in any billing statement, Gas Purchaser, within the time provided for payment, shall notify TEAC of the existence of and basis for such dispute and shall pay all amounts billed by TEAC, including any amounts in dispute. If it is ultimately determined that Gas Purchaser did not owe the disputed amount, by agreement or by a final order of a court of competent jurisdiction which is not subject to appeal or concerning which any right to appeal has been waived or which the Parties have irrevocably agreed not to appeal, TEAC shall pay Gas Purchaser that amount plus interest as calculated in accordance with this Section 11.2.

### XII.3. Audit Rights

. Each Party shall have the right, including on TEAC's part pursuant to a request by J. Aron under the Prepaid Gas Agreement, at its own expense, to examine and audit at any reasonable time the books, records, measurement data, charts, and telemetry data of the other Party to the extent, but only to the extent, necessary to verify the accuracy of any statements or charges made under or pursuant to this Agreement. Any inaccuracy shall be corrected promptly when discovered; provided, however, that neither Party shall be required to maintain books, records, measurement data, charts, or telemetry data for a period of more than two calendar years following the end of the calendar year to which they are applicable. Neither Party shall have a right to question or contest any charge or credit if the matter is not called to the attention of the other Party in writing within 24 Months of the date of the charge or credit in question.

### XII.4. Operating Expense of Gas Purchaser

. Gas Purchaser's obligation to make the payments it is required to make under this Agreement is a several obligation and not a joint obligation with the obligations of any other Project Participant under its contract with TEAC for the purchase of Gas under the Project. Gas Purchaser agrees to make such payments from the revenues of its Gas system, and as a charge against such revenues, as an operating expense of its Gas system and a cost of purchased Gas; provided, however, that Gas Purchaser, in its discretion, may apply any legally available monies to the payment of amounts due under this Agreement. Gas Purchaser hereby covenants and agrees that it will establish, maintain, and collect rates and charges for the Gas services furnished by its Gas system so as to provide revenues sufficient, together with other available Gas system revenues, to enable Gas Purchaser to pay to TEAC all amounts payable under this Agreement

and to pay all other amounts payable from the revenues of Gas Purchaser's Gas system, and to maintain any required reserves. Gas Purchaser further covenants and agrees that it shall not furnish or supply Gas services free of charge to any person, firm, corporation, association, or other entity, public or private, except any such service free of charge that Gas Purchaser is supplying on the date of this Agreement, as has been specifically identified by Gas Purchaser to TEAC in writing, and that it shall promptly enforce the payment of any and all material accounts owing to Gas Purchaser for the sale of Gas or the provision of transportation or other services to its customers. Gas Purchaser further covenants and agrees that in any future bond issue undertaken by Gas Purchaser, or in connection with any other financing or financial transaction, Gas Purchaser shall provide that the amounts payable by it under this Agreement constitute a cost of purchased Gas and an operating expense of its Gas system payable, together with all other operating expenses, from a first charge on the revenues of its Gas system and shall not pledge or encumber the revenues of its Gas system through a gross revenue pledge or in any other way which creates a prior or superior obligation to its obligation to make payments under this Agreement. Gas Purchaser further covenants that it shall not take an action to institute an Event of Insolvency with respect to Gas Purchaser.

#### XII.5. Financial Responsibility

. When reasonable grounds for insecurity of payments due under this Agreement arise, TEAC may demand, and Gas Purchaser shall provide within five Business Days if demanded, adequate assurance of performance. Reasonable grounds include but are not limited to the occurrence of an Event of Insolvency with respect to Gas Purchaser or the downgrading of Gas Purchaser's credit rating, if any, by Moody's Investors Service or Fitch Ratings to a level below

investment grade, and/or such facts and circumstances which would constitute reasonable grounds for insecurity under the Tennessee Uniform Commercial Code, Section 7-2-609. Adequate assurance shall mean sufficient security in the form and for a term reasonably specified by TEAC, including but not limited to a standby irrevocable letter of credit, a prepayment, a deposit to an escrow account, or a performance bond or guaranty by a creditworthy entity. The Parties agree that in the event Gas Purchaser fails to provide such adequate assurance as demanded, TEAC shall have the right to suspend further deliveries of Gas to Gas Purchaser under this Agreement on three days written notice and shall not be obligated to restore such deliveries until the first day of the Month after such demand has been satisfied; provided, however, that TEAC shall not be obligated to restore such deliveries notwithstanding the satisfaction of such demand until the completion of the term of deliveries to any replacement sales customer to which J. Aron has remarketed the Gas on behalf of TEAC.

#### **XII.6. No Set-Off**

. Payment for all amounts set forth in a billing statement provided to Gas Purchaser pursuant to Section 11.1 shall be made without set-off or counterclaim of any kind.

### **ARTICLE XIII**

#### **LAWS AND REGULATIONS**

This Agreement is subject to all valid laws, orders, rules, regulations, or other governmental actions of any duly constituted federal, state, or local governmental authority, to the extent such laws, orders, rules, and regulations are applicable and effective from time to time; provided, however, that no such action by Gas Purchaser's or TEAC's governing body may affect that Party's obligations and rights under this Agreement.

## **ARTICLE XIV**

### **FORCE MAJEURE**

#### **XIV.1. Suspension of Obligations**

. Except with regard to a Party's obligation to make payments under this Agreement, neither Party shall be liable to the other for failure to perform an obligation to the extent such failure was caused by Force Majeure, as defined in Section 13.2.

#### **XIV.2. Force Majeure Defined**

. The term "Force Majeure" as employed herein means any cause not reasonably within the control of the Party claiming suspension, as further defined in this Section 13.2. The term "Force Majeure" shall include, but not be limited to, the following: (i) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms or storm warnings, such as hurricanes or tornadoes, which result in evacuation of the affected area, floods, washouts, explosions, or breakage of or accident or necessity of repairs to machinery or equipment or lines of pipe; (ii) weather related events affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe; (iii) interruption and/or curtailment of transportation and/or storage by Transporters (provided that if the affected Party is using interruptible or secondary Firm transportation, only if primary, in-path, Firm transportation is also curtailed by the same event, or, if the relevant Transporter does not curtail based on path, if primary Firm transportation is also curtailed); (iv) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections, wars or acts of terror; (v) governmental actions, such as necessity for compliance with any court order, law, statute, ordinance, regulation, or policy having the effect of law promulgated by a Government Agency

having jurisdiction; and (vi) any invocation of Force Majeure by J. Aron under the Prepaid Gas Agreement. TEAC and Gas Purchaser shall make Commercially Reasonable Efforts to avoid the adverse impacts of a Force Majeure event or occurrence and to resolve the event or occurrence once it has occurred in order to resume performance.

#### XIV.3. Force Majeure Exclusions

. Neither Party shall be entitled to the benefits of a claim of Force Majeure to the extent performance is affected by any or all of the following circumstances: (i) the Party claiming excuse failed to remedy the condition and to resume the performance of its obligations with reasonable dispatch; (ii) economic hardship, to include, without limitation, TEAC's ability to sell Gas at a higher or more advantageous price, Gas Purchaser's ability to purchase Gas at a lower or more advantageous price, or a Government Agency disallowing, in whole or in part, the pass-through of costs resulting from this Agreement; or (iii) the loss of Gas Purchaser's markets or Gas Purchaser's inability to resell Gas purchased under this Agreement, except, in either case, as provided in Section 13.2. Gas Purchaser shall not be entitled to the benefit of the provisions of Force Majeure to the extent performance is adversely affected by any action taken by Gas Purchaser in its governmental capacity. The Party claiming Force Majeure shall not be excused from its responsibility for Imbalance Charges.

#### XIV.4. Settlement of Labor Disputes

. Notwithstanding anything to the contrary in this Agreement, the Parties agree that the settlement of strikes, lockouts or other industrial disturbances shall be within the sole discretion of the Party experiencing such disturbance.

#### XIV.5. Force Majeure Procedure

. The Party whose performance is prevented by Force Majeure must provide notice to the other Party as soon as practicable. Initial notice may be given orally; however, written notice with reasonably full particulars of the event or occurrence is required as soon as reasonably possible. Upon providing written notice of Force Majeure to the other Party, the affected Party will be relieved of its obligation, from the onset of Force Majeure, to make or accept delivery of Gas, as applicable, to the extent and for the duration of Force Majeure, and neither Party shall be deemed to have failed in such obligations to the other during such occurrence or event.

## **ARTICLE XV**

### **DEFAULT**

#### **XV.1. Failure by Gas Purchaser to Make Payments Due**

. Failure by Gas Purchaser to make to TEAC when due any of the payments for which provision is made in this Agreement shall constitute a default on the part of Gas Purchaser.

#### **XV.2. Enforcement and Right to Discontinue Service**

. In the event of any default under Section 14.1, TEAC shall have the right to recover from Gas Purchaser any amount in default. In enforcement of any such right of recovery, TEAC may bring any suit, action, or proceeding at law or in equity, including without limitation mandamus, injunction and action for specific performance, as may be available to TEAC to enforce any covenant, agreement, or obligation to make any payment for which provision is made in this Agreement, and TEAC in its sole discretion may, upon three days written notice to Gas Purchaser, cease and discontinue providing delivery of all or any portion of the Gas otherwise to be delivered to Gas Purchaser at the Delivery Point under this Agreement. In the event TEAC takes all or any of the actions authorized by this Section 14.2, Gas Purchaser shall

remain fully liable for payment of all amounts in default and shall not be relieved of any of its payment obligations under this Agreement.

#### XV.3. Reinstatement of Service

. If TEAC exercises its right to discontinue providing Gas deliveries to Gas Purchaser under Section 14.2, such Gas deliveries may only be reinstated, at a time to be determined by TEAC, upon (i) payment in full by Gas Purchaser of all amounts then due and payable under this Agreement and (ii) payment in advance by Gas Purchaser at the beginning of each Month of amounts estimated by TEAC to be due to TEAC for the future delivery of Gas under this Agreement for such Month. TEAC may continue to require payment in advance after the reinstatement of service under this Agreement for such period of time as TEAC in its sole discretion may determine is appropriate.

#### XV.4. Other Default by Gas Purchaser

. In the event of a failure by Gas Purchaser to establish, maintain, or collect rates or charges adequate to provide revenues sufficient to enable Gas Purchaser to pay all amounts due to TEAC under this Agreement, or in the event of a failure by Gas Purchaser to take from TEAC its Gas supplies in accordance with the provisions of this Agreement, or in the event of any default by Gas Purchaser under any other covenant, agreement, or obligation in this Agreement, TEAC (without limiting the provisions of Section 14.6) may bring any suit, action, or proceeding at law or in equity, including without limitation mandamus, injunction, and action for specific performance, as may be available to TEAC to enforce any covenant, agreement, or obligation of Gas Purchaser in this Agreement. In addition to the foregoing remedies (and without limiting any other provisions of this Agreement), if Gas Purchaser fails to accept from TEAC any of the



Daily Contract Quantity tendered for delivery under this Agreement, TEAC shall have the right to sell such Gas to third parties.

XV.5. Default by TEAC

. In the event of a default by TEAC under any covenant, agreement, or obligation in this Agreement, Gas Purchaser (without limiting the provisions of Section 14.6) may bring any suit, action, or proceeding at law or in equity, including without limitation mandamus, injunction, and action for specific performance, as may be available to Gas Purchaser to enforce any covenant, agreement, or obligation in this Agreement against TEAC.

XV.6. Arbitration and Mediation

. Notwithstanding any other provision of this Agreement to the contrary, the Parties by mutual agreement may agree to mediate or arbitrate any dispute that arises under this Agreement.

XV.7. Third Party Beneficiaries

. Except as provided in this Section 14.7, it is specifically agreed that there are no third-party beneficiaries of this Agreement and that this Agreement shall not impart any rights enforceable by any Person not a party to this Agreement. Gas Purchaser acknowledges and agrees that (i) TEAC will pledge and assign its rights, title and interest in this Agreement and the amounts payable by Gas Purchaser under this Agreement (other than amounts payable in respect of the Project Administration Fee under Section 4.3) to secure TEAC's obligations under the Bond Indenture, (ii) the Trustee shall be a third-party beneficiary of this Agreement with the right to enforce Gas Purchaser's obligations under this Agreement, (iii) the Trustee or any receiver appointed under the Bond Indenture shall have the right to perform all obligations of TEAC under this Agreement, and (iv) in the event of a default in payments by Gas Purchaser

under this Agreement, (a) J. Aron may, to the extent provided for in, and in accordance with, the Receivables Purchase Agreement (as defined in the Bond Indenture), take assignment from TEAC of receivables owed by Gas Purchaser to TEAC under this Agreement, and shall thereafter have all rights of collection with respect to such receivables, and (b) if such receivables are not so assigned, the Commodity Swap Counterparty shall have the right to pursue collection of such receivables to the extent of any non-payment by TEAC under the Commodity Swap that was caused by Gas Purchaser's payment default.

## **ARTICLE XVI**

### **PROJECT MANAGEMENT AND ADMINISTRATION**

TEAC covenants and agrees that it will use its best efforts to acquire, manage and administer the Prepaid Project for the benefit of all of the Project Participants. The Project Management Committee will meet from time to time and may make such reports and recommendations to TEAC concerning the administration, management and operation of the Prepaid Project as the Project Management Committee deems appropriate. TEAC agrees with and covenants to Gas Purchaser that TEAC will vigorously enforce and defend its rights under the Project Agreements. Gas Purchaser acknowledges and agrees that TEAC may from time to time enter into amendments of and supplements to the Indenture and any or all of the other Project Agreements (in accordance with their respective terms) and that TEAC will not be required to obtain the consent or approval of Gas Purchaser in connection with any such supplement or amendment, as long as TEAC has determined that such amendments and supplements do not negatively affect the terms of this Agreement.

## **ARTICLE XVII**

### **WAIVERS**

No waiver by either TEAC or Gas Purchaser of any default of the other under this Agreement shall operate as a waiver of any future default, whether of like or different character or nature.

## **ARTICLE XVIII**

### **SUCCESSION AND ASSIGNMENT**

The terms and provisions of this Agreement shall extend to and be binding upon the Parties and their respective successors, assigns, and legal representatives; provided, however, that neither Party may assign this Agreement or its rights and interests, in whole or in part, under this Agreement as set forth in this Article XVII without the prior written consent of the other Party, except that TEAC may assign its interests under this Agreement as described in Section 14.7. Prior to assigning this Agreement, Gas Purchaser shall deliver to TEAC (i) written confirmation from each of Moody's Investors Service and Fitch Ratings, provided that such agency has rated and continues to rate the Bonds, that the assignment will not result in a reduction, qualification, or withdrawal of the then-current ratings assigned by Moody's Investors Service or Fitch Ratings, as applicable, to the Bonds; or (ii) written confirmation from each of Moody's Investors Service and Fitch Ratings, provided that such agency has rated the Bonds, that the assignee has an outstanding long-term senior, unsecured, unenhanced debt rating equivalent to or higher than the ratings assigned by Moody's Investors Service or Fitch Ratings, as applicable, to the Bonds. Whenever an assignment or a transfer of a Party's interest in this Agreement is requested to be made with the written consent of the other Party, the assigning or transferring Party's assignee or transferee shall expressly agree to assume, in writing, the duties and obligations under this Agreement of the assigning or transferring Party. Upon the agreement of a Party to any such assignment or transfer, the assigning or transferring Party shall furnish or cause to be furnished to the other Party a true and correct copy of such assignment or transfer and assumption of duties and obligations.

## **ARTICLE XIX**

### **NOTICES**

Except as is otherwise specifically provided in this Agreement, any notice, request, demand, or statement provided for in this Agreement must be given in writing and delivered in person, by United States mail, or by express courier to the respective Parties at the addresses shown below or at such other addresses as may hereafter be furnished to the other Party in writing, and all payments due from Gas Purchaser under this Agreement shall be made by wire transfer to the account for payments set forth below:

#### **TEAC:**

The Tennessee Energy Acquisition Corporation  
1808 Ashland City Road, Suite A  
Clarksville, TN 37043  
Attn: J. Mark McCutchen, President and General Manager  
Telephone: (931) 920-3499  
Cell: (931) 801-4042  
Facsimile: (931) 920-3503  
Email: mmccutchen@teac-gas.com

#### **Payments:**

The Bank of New York Mellon  
ABA #: 021000018  
A/C #:  
Re:  
Attn: Libby Carpenter (205) 214-0223

Gas Purchaser:

Attn:  
Telephone:  
Facsimile:  
Email:

Payments:

By Wire Transfer:

Account No.:  
ABA No.

Any notice initially delivered orally as may be permitted under this Agreement shall be confirmed in writing, and any notice initially delivered by facsimile transmission, email or other electronic means shall be followed by a hard copy sent by first-class mail or express courier within two days after transmission of the facsimile transmission, email or other electronic means.

## **ARTICLE XX**

### **CHOICE OF LAW**

This Agreement is entered into by TEAC pursuant to the authority contained in the Act. This Agreement shall be interpreted and construed in accordance with the Act and other applicable laws of the State of Tennessee, excluding conflicts of law principles which would refer to the laws of another jurisdiction; provided, however, that the authority of Gas Purchaser to enter into this Agreement shall be governed by and interpreted in accordance with the laws of the State of \_\_\_\_\_.

## **ARTICLE XXI**

### **MODIFICATIONS**

No modifications of the terms and provisions of this Agreement shall be or become effective except pursuant to and upon the due and mutual execution of a supplemental written amendment by the Parties.

## **ARTICLE XXII**

### **COMPUTATIONS**

Except as provided herein, all computations related to prices and indices performed under this Agreement shall be rounded to four decimal places (\$0.0000).

## **ARTICLE XXIII**

### **REPRESENTATIONS AND WARRANTIES**

#### **XXIII.1.      Representations and Warranties of TEAC**

. TEAC hereby makes the following representations and warranties to Gas Purchaser:

(a) TEAC is a public corporation, an energy acquisition corporation, and an instrumentality of certain municipalities and of the State of Tennessee, duly organized and validly existing under the laws of the State of Tennessee, and has the power and authority to own its properties, to carry on its business as now being conducted, and to enter into and to perform its obligations under this Agreement.

(b) The execution, delivery, and performance by TEAC of this Agreement have been duly authorized by all necessary corporate action of TEAC and do not and will not require, subsequent to the execution of this Agreement by TEAC, any consent or approval of the Board of Directors or any officers of TEAC.

(c) This Agreement is the legal, valid, and binding obligation of TEAC, enforceable in accordance with its terms, except as such enforceability may be subject to (i) the exercise of judicial discretion in accordance with general principles of equity and (ii) bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights heretofore or hereafter enacted, to the extent constitutionally applicable.

(d) As of the date of this Agreement, there is no pending or, to TEAC's knowledge, threatened action or proceeding affecting TEAC which purports to affect the legality, validity, or enforceability of this Agreement.

(e) TEAC shall deliver to Gas Purchaser as a condition precedent to Gas Purchaser's execution of this Agreement an opinion letter of counsel to TEAC, in substantially the form set forth in Exhibit E.

#### XXIII.2. Representations and Warranties of Gas Purchaser

. Gas Purchaser hereby makes the following representations and warranties to TEAC:

(a) Gas Purchaser is a [municipality/utility district/authority/etc.] organized and existing under the laws of the State of \_\_\_\_\_, and has the power and authority to own its properties, to carry on its business as now being conducted, and to execute, deliver, and perform this Agreement.

(b) The execution, delivery, and performance by Gas Purchaser of this Agreement have been duly authorized by the governing body of Gas Purchaser and do not and will not require, subsequent to the execution of this Agreement by Gas Purchaser, any consent or approval of the governing body or any officers of Gas Purchaser.



(c) This Agreement is the legal, valid, and binding obligation of Gas Purchaser, enforceable in accordance with its terms, except as such enforceability may be subject to (i) the exercise of judicial discretion in accordance with general principles of equity and (ii) bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights heretofore or hereafter enacted, to the extent constitutionally applicable.

(d) As of the date of this Agreement, there is no pending or, to Gas Purchaser's knowledge, threatened action or proceeding affecting Gas Purchaser which purports to affect the legality, validity, or enforceability of this Agreement.

(e) Gas Purchaser shall deliver to TEAC as a condition precedent to the effectiveness of this Agreement an opinion letter of counsel to Gas Purchaser in substantially the form set forth in Exhibit F.

(f) Gas Purchaser shall deliver to TEAC as a condition precedent to the effectiveness of this Agreement a Federal Tax Certificate in substantially the form set forth in Exhibit D and a Closing Certificate in substantially the form set forth in Exhibit H.

## **ARTICLE XXIV**

### **CERTAIN OBLIGATIONS WITH RESPECT TO TEAC'S BONDS**

#### **XXIV.1. Tax-Exempt Status of Bonds**

. The Bonds will be issued with the intention that the interest thereon will be exempt from federal taxes under Section 103 of the Code. Accordingly, Gas Purchaser agrees that it will (a) provide such information with respect to its gas distribution system as may be requested by TEAC in order to establish the tax-exempt status of the Bonds, and (b) act in accordance with such written instructions as TEAC may provide from time to time in order to maintain the

tax-exempt status of the Bonds. Without limiting the foregoing, Gas Purchaser further agrees that it will use all of the Gas purchased under this Agreement (i) for a “qualifying use” as defined in U.S. Treas. Reg. § 1.148-1(e)(2)(iii), (ii) in a manner that will not result in any “private business use” within the meaning of Section 141 of the Code, and (iii) consistent with the Federal Tax Certificate attached as Exhibit D. Gas Purchaser agrees that it will provide such additional information, records and certificates as TEAC may reasonably request to confirm Gas Purchaser’s compliance with this Section 23.1.

**XXIV.2.      Continuing Disclosure**

. Gas Purchaser agrees to provide to TEAC: (a) such financial and operating information as may be requested by TEAC including its most recent audited financial statements for use in TEAC’s offering documents for the Bonds; and (b) annual updates to such information and statements to enable TEAC to comply with its continuing disclosure undertakings under Rule 15(c)2-12 of the United States Securities and Exchange Commission (the “Rule”). Failure by Gas Purchaser to comply with its agreement to provide such annual updates shall not be a default under this Agreement, but any such failure shall entitle TEAC or an owner of the Bonds to take such actions and to initiate such proceedings as may be necessary and appropriate to cause Gas Purchaser to comply with such agreement, including without limitation the remedies of mandamus and specific performance.

**ARTICLE XXV**

**EXCHANGES**

**XXV.1.      General Rule**

. Gas Purchaser may effectuate an exchange of Delivery Points for Gas purchased under this Agreement on a daily or Monthly basis under Section 24.2 or Section 24.3; provided, however, that any failure by a third party to perform its obligations under any such exchange arrangement shall not relieve Gas Purchaser of its obligations under this Agreement.

#### XXV.2. Description of Exchange Agreement

. Gas Purchaser may enter into an exchange agreement with a third party under which Gas Purchaser implements synthetic transportation of the Gas delivered at the Delivery Point (“Point A”) to a delivery point on another pipeline connected with Gas Purchaser’s system (“Point B”). Under such an exchange agreement, Gas Purchaser would deliver Gas at Point A to the exchange counterparty and receive delivery of an equivalent value of Gas at Point B from the exchange counterparty. The equivalent value of Gas at Point B may be taken by Gas Purchaser on the same Gas Day that Gas is delivered at Point A or at any time after such Gas Day within the same or the next succeeding Month. The transaction described in this Section 24.2 is not in itself a “disqualifying use” under federal tax law in effect on the date of this Agreement.

#### XXV.3. Exchange Transactions Through a Third Party

. In addition to an exchange agreement under Section 24.2, Gas Purchaser may effectuate an exchange of deliveries of Gas at Point A (as described in Section 24.2) for deliveries at Point B (as described in Section 24.2) by entering into an agreement to provide the exchange through a third party. Under such an agreement, Gas Purchaser would arrange for the delivery of Gas to one party (“Party 1”) at Point A, and the receipt of Gas from another party (“Party 2”) at Point B, either directly or through a commodity exchange such as the Intercontinental Exchange (“ICE”), and bring the arrangements with Party 1 and Party 2 to a third party for the third party to enter

into. Gas Purchaser would then enter into an exchange agreement with the third party, as described in Section 24.2 above. The transaction described in this Section 24.3 is not in itself a “disqualifying use” under federal tax law in effect on the date of this Agreement.

## **ARTICLE XXVI**

### **INTERPRETATION**

#### **XXVI.1. Entirety of Agreement**

. This Agreement constitutes the entire agreement between TEAC and Gas Purchaser with respect to the sale, delivery, purchase and receipt of the Daily Contract Quantity under the Prepaid Project, and supersedes any and all prior negotiations, understandings, or agreements, whether oral or in writing.

#### **XXVI.2. Headings**

. The headings used throughout this Agreement are inserted for reference purposes only and shall not be construed or considered in interpreting the terms and provisions of any Section or Article or the Agreement as a whole.

#### **XXVI.3. Severability**

. If any Article, Section, term, or provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable, or void, this Agreement shall continue in full force and effect without said Article, Section, term, or provision; provided, however, that if such severability materially changes the economic benefits of this Agreement to either Party, the Parties agree to negotiate promptly an equitable adjustment to the provisions of the Agreement in good faith so as to place the Parties in as close to the same position as is

possible under the circumstances as they were prior to such declaration by the court or other action or event.

XXVI.4. Limited Liability

. TEAC and Gas Purchaser acknowledge and agree that Gas Purchaser's obligations under this Agreement are limited as expressly described in this Agreement and that TEAC has no recourse to any other source of payment from Gas Purchaser except as set forth in Section 11.4 of this Agreement. TEAC and Gas Purchaser acknowledge and agree that Gas Purchaser has no recourse to any source of payment from TEAC under this Agreement except the Trust Estate as defined in the Bond Indenture, and only to the extent such funds are available to be applied for such purpose in accordance with the Bond Indenture.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK

**ARTICLE XXVII**

**COUNTERPARTS**

This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and each of which shall be deemed to be an original instrument as against a Party that has signed it.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date hereinabove first written.

**[GAS PURCHASER]**

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

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

Printed Name: \_\_\_\_\_

Printed Name: \_\_\_\_\_

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

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

**THE TENNESSEE ENERGY ACQUISITION CORPORATION**

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

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

Printed Name: \_\_\_\_\_

Printed Name: \_\_\_\_\_

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

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

**EXHIBIT A**

**PRIMARY DELIVERY POINT OR POINTS**

**EXHIBIT B**

**DAILY CONTRACT QUANTITIES (MMBTU PER DAY)**



**EXHIBIT C**

**PROJECT PARTICIPANTS AND THEIR AVERAGE  
DAILY CONTRACT QUANTITIES**

## **EXHIBIT D**

### **FEDERAL TAX CERTIFICATE**

This Federal Tax Certificate is executed in connection with the Gas Supply Agreement dated as of August 1, 2018 (the “Supply Agreement”), by and between The Tennessee Energy Acquisition Corporation (“TEAC”) and \_\_\_\_\_ (“Gas Purchaser”). Capitalized terms used and not otherwise defined herein shall have the meanings given to them in the Supply Agreement, in the Tax Certificate and Agreement, or in the Bond Indenture.

WHEREAS Gas Purchaser acknowledges that TEAC is issuing the Bonds to fund the prepayment price under the Prepaid Gas Agreement; and

WHEREAS the Bonds are intended to qualify for tax exemption under Section 103 of the Internal Revenue Code of 1986, as amended; and

WHEREAS Gas Purchaser’s use of Gas acquired pursuant to the Supply Agreement and certain funds and accounts of Gas Purchaser will affect the Bonds’ qualification for such tax exemption.

NOW, THEREFORE, GAS PURCHASER HEREBY CERTIFIES AS FOLLOWS:

1. Gas Purchaser is a [public corporation/municipal corporation, etc.] created and existing pursuant to the provisions of \_\_\_\_\_ law, organized under the laws of the State of \_\_\_\_\_.
2. Gas Purchaser will resell all of the Gas acquired pursuant to the Supply Agreement to its retail Gas customers within its Gas service area, with retail sales in all cases being made pursuant to regularly established and generally applicable tariffs or under authorized requirements contracts. For purposes of the foregoing sentence, the term “service area” means (x) the area throughout which Gas Purchaser, Gas Purchaser’s municipal wholesale customers, or a joint action agency’s municipal customers, provided Gas transmission or distribution service at all

times during the 5-year period ending on December 31, 2017, and from then until the date of issuance of the Bonds (the "Closing Date"), and (y) any area recognized as the service area of Gas Purchaser under state or federal law.

3. The annual average amount during the testing period of Gas purchased (other than for resale) by customers of Gas Purchaser who are located within the service area of Gas Purchaser is [ ] MMBtu. The maximum annual amount of Gas in any year being acquired pursuant to the Supply Agreement is [ ] MMBtu. The annual average amount of Gas which Gas Purchaser holds in storage as of the Closing Date is [ ] MMBtu. The annual average amount of Gas which Gas Purchaser otherwise has a right to acquire as of the Closing Date is [ ] MMBtu. The sum of (a) the maximum amount of Gas in any year being acquired pursuant to the Supply Agreement, (b) the annual average amount of Gas which Gas Purchaser holds in storage, and (c) the amount of Gas which Gas Purchaser otherwise has a right to acquire in the year described in the foregoing clause (a) is [ ] MMBtu. Accordingly, the amount of Gas to be acquired under the Supply Agreement by Gas Purchaser, supplemented by the amount of Gas otherwise available to Gas Purchaser as of the Closing Date, during any year does not exceed the sum of (i) [ ]% of the annual average amount during the testing period of Gas purchased (other than for resale) by customers of Gas Purchaser who are located within the service area of Gas Purchaser; and (ii) the amount of Gas to be used to transport the prepaid Gas to Gas Purchaser during such year. For purposes of this paragraph 3, the term "testing period" means the 5 calendar years ending December 31, 2017, and the term "service area" means (x) the area throughout which Gas Purchaser provided Gas transmission or distribution service at all times during the testing period, (y) any area within a county contiguous to the area described in (x) in which retail customers of Gas Purchaser are located if such area is not also served by another utility providing Gas services, and (z) any area recognized as the service area of Gas Purchaser under state or federal law.

4. Gas Purchaser expects to pay for Gas acquired pursuant to the Supply Agreement solely from funds derived from its Gas distribution operations. Gas Purchaser expects to use current net revenues of its to pay for current Gas acquisitions. There are no funds or accounts of Gas Purchaser or any person who is a Related Person to Gas Purchaser in which monies are invested and which are reasonably expected to be used to pay for Gas acquired more than one year after it is acquired. No portion of the proceeds of the Bonds will be used directly or indirectly to replace funds of Gas Purchaser or any persons who are Related Persons to Gas Purchaser that are or were intended to be used for the purpose for which the Bonds were issued.

5. \_\_\_\_\_, 2018

6.

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

[Name]

[Title]



**EXHIBIT E**

**FORM OF OPINION OF COUNSEL TO THE  
TENNESSEE ENERGY ACQUISITION CORPORATION**

\_\_\_\_\_, 2018 [To be dated the date of Closing]

[Gas Purchaser Entity Name]

Re: Gas Supply Agreement dated August 1, 2018, by and between The Tennessee Energy Acquisition corporation and \_\_\_\_\_ .

Ladies and Gentlemen:

We have acted as counsel to The Tennessee Energy Acquisition Corporation (“TEAC”) and in that capacity we have acted as counsel to TEAC in conjunction with the above-captioned Gas Supply Agreement (the “Agreement”) between TEAC and \_\_\_\_\_ (“Gas Purchaser”).

This opinion is being delivered pursuant to Section 22.1 of the Agreement. Unless otherwise specified herein, all terms used but not defined in this opinion shall have the same meanings as are ascribed to them in the Agreement.

In rendering this opinion, we have examined a copy of the Agreement and such records and other documents as we have deemed necessary and relevant for the purposes of this opinion. In our examination, we have assumed that Gas Purchaser has the right, power, authority and capacity to enter into the Agreement and that the Agreement has been duly authorized, executed and delivered by Gas Purchaser, and we have assumed the genuineness of all signatures (other than those of officers or representatives of TEAC), the authenticity of all documents submitted to us as originals, and the conformity of all original documents submitted to us as certified or photostatic copies.

As to factual matters, we have relied solely upon the documents described above, the representations and warranties of TEAC contained in the Agreement, the certificate of incorporation of TEAC, and various certificates and other documents furnished to us by TEAC’s officers and its Board of Directors and the correctness of any facts stated in any such documents, without undertaking to verify the same by independent investigation. Except as otherwise stated in this opinion, we have undertaken no investigation or verification of such matters.

Based on such examinations and assumptions, and subject to the qualifications that follow, we are of the opinion, on the date hereof, that:

1. TEAC is a public corporation and instrumentality and certain municipalities of the State of Tennessee, duly organized and validly existing under the laws of the State of Tennessee,

and has the power and authority to own its properties, to carry on its business as now being conducted, and to enter into and to perform its obligations under the Agreement.

2. The execution, delivery, and performance by TEAC of the Agreement have been duly authorized by all necessary corporate action of TEAC and do not and will not require, subsequent to the execution of the Agreement by TEAC, any consent or approval of the Board of Directors or any officers of TEAC.
3. The Agreement is the legal, valid, and binding obligation of TEAC, enforceable in accordance with its terms, except as such enforceability may be subject to (i) the exercise of judicial discretion in accordance with general principles of equity and (ii) bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights heretofore or hereafter enacted, to the extent constitutionally applicable.
4. As of the date of this opinion, there is no pending or, to our knowledge, threatened action or proceeding at law or in equity or by any court, government agency, public board or body affecting or questioning the existence of TEAC or the titles of its officers to their respective offices or affecting or questioning the legality, validity, or enforceability of the Agreement, nor to our knowledge is there any basis therefor.
5. To our knowledge, after due inquiry of representatives of TEAC and longstanding counsel of TEAC, the execution and delivery of the Agreement and compliance by TEAC with the provisions thereof will not conflict with or constitute on the part of TEAC a material breach of or default under any agreement or instrument to which TEAC is a party, or violate any existing law, administrative regulation, court order or consent decree to which TEAC is subject.

Notwithstanding anything to the contrary contained above, the foregoing opinions are expressly made subject to the following exceptions, qualifications, and assumptions:

- (a) We express no opinion with respect to the validity or enforceability of any provisions of the Agreement or any other documents that may be read to require TEAC to indemnify any party.
- (b) We express no opinion as to the enforceability of provisions of the Agreement waiving, directly or indirectly, expressly or impliedly, defenses to obligations or rights granted by law, where such waivers are prohibited by law or are against public policy or any provision which is qualified by the phrase "to the extent permitted by law" or words of similar impact.
- (c) We except from this opinion any provision contained in the Agreement that purports to prevent any party from raising an affirmative defense thereto, such as estoppels, illegality, etc., if such affirmative defense arises or is asserted to have arisen out of any action by any party which has not been brought to our attention, or which purports to prevent any party from raising a claim of fraud.

- (d) We except from this opinion any provision contained in the Agreement that could be construed as waiving service of process or any applicable statute of limitations defense or which establishes any right to specific performance.
- (e) Our opinion as to enforceability is limited by standards of good faith, fair dealing, materiality, and reasonableness that may be applied by a court to the exercise of certain rights and remedies; limitations based on statutes or on public policy limiting a contracting's right to waive the benefit of statutory provisions or of a common law right; and limitations releasing a party from or indemnifying a party against liability for its own wrongful or negligent act when such release or indemnification is contrary to public policy.
- (f) Our opinion is limited to the matters stated herein and no opinion may be inferred or implied beyond the matters expressly stated herein. The opinions expressed in this letter are given solely for your use and benefit in connection with the transactions referred to herein and no other person may use or rely upon this opinion letter, nor may it be used or relied upon in any other transaction which is not related to the transactions referred to herein without our prior express written consent. This opinion is provided to you as a legal opinion only and not as a warranty or guarantee on the matter described herein or in the documents referred to herein.
- (g) We are licensed to practice only in the State of \_\_\_\_\_ and we do not hold ourselves out as being experts in, nor do we express any opinion as to, the laws of any jurisdiction other than the State of \_\_\_\_\_. Accordingly, for purposes of the foregoing opinions we have assumed that any agreement, contract or other instrument that is governed under any laws other than the laws of the State are enforceable in accordance with the terms of that document under the laws of such foreign jurisdiction.
- (h) The scope of this opinion is limited to those issues and parties specifically considered herein and no further or more expansive opinion is implied or should be inferred from any opinion expressed herein. On such basis, any variation or difference in the facts upon which this opinion is based might affect our conclusions in an adverse manner and make them inaccurate.
- (i) In this opinion letter issued in our capacity as counsel to TEAC, we are opining only upon those matters set forth herein, and we are not passing upon the accuracy, adequacy or completeness of any statements made in connection with the execution and delivery of the Agreement or any federal or state tax consequences arising from the receipt or accrual of payments under the Agreement.
- (j) No attorney-client relationship has existed or exists between us and anyone other than TEAC in connection with the Agreement by virtue of this opinion.

- (k) In basing the opinions and other matters set forth herein on “our knowledge,” the words “our knowledge” signify that, in the course of our representation of TEAC in matters with respect to which we have been engaged by them, no information has come to our attention that would give us actual knowledge or actual notice that any such opinion or other matters are not accurate or that any of the foregoing documents, certificates, reports and information on which we have relied are not accurate and complete. The words “our knowledge” and similar language used herein are intended to be limited to the knowledge of the lawyers within our firm who have devoted substantive attention to the transaction contemplated by the Agreement and not to knowledge of the firm generally.

The foregoing opinion is rendered solely for the use and benefit of Gas Purchaser in connection with the Agreement and may not be relied upon other than in connection with the transactions contemplated by the Agreement, or by any other person or entity for any purpose whatsoever, nor may it be quoted in whole or in part or otherwise referred to in any document or delivered to any other person or entity without the prior written consent of the undersigned. The information set forth herein is as of the date hereof, this opinion is given as of the date hereof and no opinion is expressed as to the effect of future applicable laws and court decisions. We assume no obligation, and expressly disclaim any obligation, to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or as to any change in laws that may hereafter occur.

Sincerely,



**EXHIBIT F**  
**FORM OF OPINION OF COUNSEL**  
**TO GAS PURCHASER**

May 15, 2018

The Tennessee Energy Acquisition Corporation  
1808 Ashland City Road, Suite A  
Clarksville, TN 37043

J. Aron & Company  
200 West Street  
New York, NY 10282-2198

Goldman Sachs & Company  
200 West Street  
New York, NY 10282

Bank of New York Mellon Trust Company, N.A.  
Birmingham, Alabama

[Commodity Swap Counterparty]

Re: Gas Supply Agreement Between \_\_\_\_\_ and  
The Tennessee Energy Acquisition Corporation dated as of  
August 1, 2018

Ladies and Gentlemen:

We are Counsel to \_\_\_\_\_ ("Gas Purchaser"). Gas Purchaser is a Project Participant in the Project undertaken by The Tennessee Energy Acquisition Corporation ("TEAC"). We are furnishing this opinion to you in connection with the Gas Supply Agreement between TEAC and Gas Purchaser dated as of August 1, 2018 (the "Supply Agreement").

Unless otherwise specified herein, all terms used but not defined in this opinion shall have the same meaning as is ascribed to them in the Supply Agreement.

In connection with this opinion, we have examined originals or copies, certified or otherwise identified to our satisfaction, of the following:

(a) The Constitution and laws of the State of \_\_\_\_\_ (the "State") including, as applicable, acts, ordinances, certificates, articles, charters, bylaws, and agreements pursuant to which Gas Purchaser was created and by which it is governed;

(b) Resolution No. [\_\_\_\_], duly adopted by Gas Purchaser on [\_\_\_\_\_] (the "Resolution") and certified as true and correct by certificate and seal, authorizing Gas Purchaser to execute and deliver the Supply Agreement;

(c) A copy of the Supply Agreement executed by Gas Purchaser; and

(d) All outstanding instruments relating to bonds, notes, or other indebtedness of or relating to Gas Purchaser and Gas Purchaser's natural gas distribution system.

We have also examined and relied upon originals or copies, certified or otherwise authenticated to our satisfaction, of such records, documents, certificates, and other instruments, and made such investigations of law, as in our judgment we have deemed necessary or appropriate to enable us to render the opinions expressed below.

Based upon the foregoing, we are of the opinion that:

1. Gas Purchaser is a [public corporation/municipal corporation/etc.] of the State, duly organized and validly existing under the laws of the State, and has the power and authority to own its properties, to carry on its business as now being conducted, and to enter into and to perform its obligations under the Agreement.

2. The execution, delivery, and performance by Gas Purchaser of the Supply Agreement have been duly authorized by the governing body of Gas Purchaser and do not and will not require, subsequent to the execution of the Supply Agreement by Gas Purchaser, any consent or approval of the governing body or any officers of Gas Purchaser.

3. The Supply Agreement is the legal, valid, and binding obligation of Gas Purchaser, enforceable in accordance with its terms, except as such enforceability may be subject to (i) the exercise of judicial discretion in accordance with general principles of equity and (ii) bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights heretofore or hereafter enacted, to the extent constitutionally applicable.

4. No approval, consent or authorization of any governmental or public agency, authority, commission or person, or, to our knowledge, of any holder of any outstanding bonds or other indebtedness of Gas Purchaser, is required with respect to the execution, delivery and performance by Gas Purchaser of the Supply Agreement or Gas Purchaser's participation in the transactions contemplated thereby other than those approvals, consents and/or authorizations that have already been obtained.

5. The authorization, execution and delivery of the Supply Agreement and compliance with the provisions thereof (a) will not conflict with or constitute a breach of, or default under, (i) any instrument relating to the organization, existence or operation of Gas Purchaser, (ii) any ruling, regulation, ordinance, judgment, order or decree to which Gas

Purchaser (or any of its officers in their respective capacities as such) is subject or (iii) any provision of the laws of the State relating to Gas Purchaser and its affairs, and (b) to our knowledge will not result in, or require the creation or imposition of, any lien on any of the properties or revenues of Gas Purchaser pursuant to any of the foregoing.

6. Gas Purchaser is not in breach of or default under any applicable constitutional provision or any law or administrative regulation of the State or the United States or any applicable judgment or decree or, to our knowledge, any loan or other agreement, resolution, indenture, bond, note, resolution, agreement or other instrument to which Gas Purchaser is a party or to which Gas Purchaser or any of its property or assets is otherwise subject, and to our knowledge no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument.

7. Payments to be made by Gas Purchaser under the Supply Agreement shall constitute operating expenses of Gas Purchaser's utility system payable solely from the revenues and other available funds of Gas Purchaser's utility system as a cost of purchased gas. The application of the revenues and other available funds of Gas Purchaser's utility system to make such payments is not subject to any prior lien, encumbrance or other restriction.

8. As of the date of this opinion, to the best of our knowledge after due inquiry, there is no pending or threatened action or proceeding at law or in equity or by any court, government agency, public board or body affecting or questioning the existence of Gas Purchaser or the titles of its officers to their respective offices or affecting or questioning the legality, validity, or enforceability of this Supply Agreement nor to our knowledge is there any basis therefor.

This opinion is rendered solely for the use and benefit of the addressees listed above in connection with the Supply Agreement and may not be relied upon other than in connection with the transactions contemplated by the Supply Agreement, or by any other person or entity for any purpose whatsoever, nor may this opinion be quoted in whole or in part or otherwise referred to in any document or delivered to any other person or entity, without the prior written consent of the undersigned.

Very truly yours,

## EXHIBIT G

### **FORM OF REMARKETING ELECTION NOTICE**

[TEAC]  
[Address]

[J. Aron]  
[Address]

[Trustee]  
[Address]

To the Addressees:

The undersigned, duly authorized representative of \_\_\_\_\_ (the "Gas Purchaser"), is providing this notice (the "Gas Remarketing Election Notice") pursuant to the Gas Supply Agreement, dated as of \_\_\_\_\_, 2018 (the "Supply Agreement"), between The Tennessee Energy Acquisition Corporation and Gas Purchaser. Capitalized terms used herein shall have the meanings set forth in the Supply Agreement.

Pursuant to Section 5.3(b) of the Supply Agreement, the Gas Purchaser has elected to have its DCQ for each Gas Day of each Month of the applicable Reset Period remarketed beginning with the month of [\_\_\_\_\_] 20[\_\_\_]. The resumption of deliveries in any future Reset Period shall be in accordance with Section 5.3(e) of the Supply Agreement.

Given this [\_\_\_] day of [\_\_\_\_], 20[\_\_\_].

[Name]

By: \_\_\_\_\_  
Printed Name:  
Title:

**EXHIBIT H**

**FORM OF CLOSING CERTIFICATE**

**CLOSING CERTIFICATE OF GAS PURCHASER**

\_\_\_\_\_, 2018

Re:   The Tennessee Energy Acquisition Corporation  
            Gas Project Revenue Bonds,  
            Series \_\_\_\_\_

The undersigned [President/Chairman/Chief Executive Officer] of \_\_\_\_\_ (the "*Gas Purchaser*"), hereby certifies as follows in connection with the Gas Supply Agreement dated as of \_\_\_\_\_ 1, 2018 (the "*Agreement*") between the Gas Purchaser and The Tennessee Energy Acquisition Corporation ("*TEAC*") and the issuance and sale by TEAC of the above-referenced bonds (the "*Bonds*") (capitalized terms used and not defined herein shall have the meanings given to them in the Agreement):

1.     Gas Purchaser is a [public corporation/municipal corporation/etc.] duly created and validly existing and in good standing under the laws of the State of \_\_\_\_\_ (the "*State*"), and has the corporate power and authority to enter into and perform its obligations under the Agreement.

2.     By all necessary official action on its part, the Gas Purchaser has duly authorized and approved the execution and delivery of, and the performance by the Gas Purchaser of the obligations on its part contained in the Agreement, and such authorization and approval has not been amended, supplemented, rescinded or modified in any respect since the date thereof.

3.     The Agreement constitutes the legal, valid and binding obligation of the Gas Purchaser.

4.     The authorization, execution and delivery of the Agreement and compliance with the provisions on the Gas Purchaser's part contained therein (a) will not conflict with or constitute a breach of or default in any material respect under (i) any instrument relating to the organization, existence or operation of Gas Purchaser, (ii) any ruling, regulation, ordinance, judgment, order or decree to which Gas Purchaser (or any of its officers in their respective capacities as such) is subject or (iii) any provision of the laws of the State relating to Gas Purchaser and its affairs, and (b) will not result in, or require the creation or imposition of, any lien on any of the properties or revenues of Gas Purchaser pursuant to any of the foregoing.

5 The Gas Purchaser is not in breach of or default in any material respect under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Gas Purchaser is a party or to which the Gas Purchaser or any of its property or assets are subject, and no event has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a default or event of default in any material respect by the Gas Purchaser under any of the foregoing.

6. Payments to be made by the Gas Purchaser under the Agreement shall constitute operating expenses of the Gas Purchaser's utility system payable solely from the revenues and other available funds of Gas Purchaser's utility system as a cost of purchased gas. The application of the revenues and other available funds of the Gas Purchaser's utility system to make such payments is not subject to any prior lien, encumbrance or other restriction.

7. No litigation, proceeding or tax challenge is pending or, to its knowledge, threatened, against the Gas Purchaser in any court or administrative body which would (a) contest the right of the officials of the Gas Purchaser to hold and exercise their respective positions, (b) contest the due organization and valid existence of the Gas Purchaser, (c) contest the validity, due authorization and execution of the Agreement or (d) attempt to limit, enjoin or otherwise restrict or prevent the Gas Purchaser from executing, delivering and performing the Agreement, nor to the knowledge of the Gas Purchaser is there any basis therefor.

8. All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the Gas Purchaser of its obligations under the Agreement have been duly obtained.

9. The representations and warranties of the Gas Purchaser contained in the Agreement were true, complete and correct on and as of the date thereof and are true, complete and correct on and as of the date hereof.

10. The statements and information with respect to the Gas Purchaser contained in the Official Statement dated \_\_\_\_\_, 2018 with respect to the Bonds, including Appendix B thereto (the "*Official Statement*"), fairly and accurately describe and summarize the financial and operating position of the Gas Purchaser for the periods shown therein, and such statements and information did not as of the date of the Official Statement and do not as of the date hereof contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such statements and information, in the light of the circumstances under which they were made, not misleading.

11. No event affecting the Gas Purchaser has occurred since the date of the Official Statement which should be disclosed therein in order to make the statements and information

with respect to the Gas Purchaser contained therein, in light of the circumstances under which they were made, not misleading in any material respect.

IN WITNESS WHEREOF the undersigned has executed this Certificate on and as of the date first written above.

[Name of Entity]

By

Name:

Title:

ORDINANCE 8-2018-19

AN ORDINANCE AUTHORIZING EXTENSION OF CITY OF CLARKSVILLE UTILITY SERVICES OUTSIDE THE CLARKSVILLE CITY LIMITS; REQUEST OF RIVER CHASE MARINE TERMINAL FOR PROPERTY LOCATED AT WEST GRATTON ROAD, CMAP 80 PARCELS 7.00 AND 7.01.

*WHEREAS,* proper application has been made by Jimmy Bagwell, P.E. on behalf of River Chase Marine Terminal for extensions of City utility service to property located at Cmap 80, Parcels 7.00 and 7.01 with the property address of West Gratton 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 80, Parcels 7.00 and 7.01 with the property address of West Gratton 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.

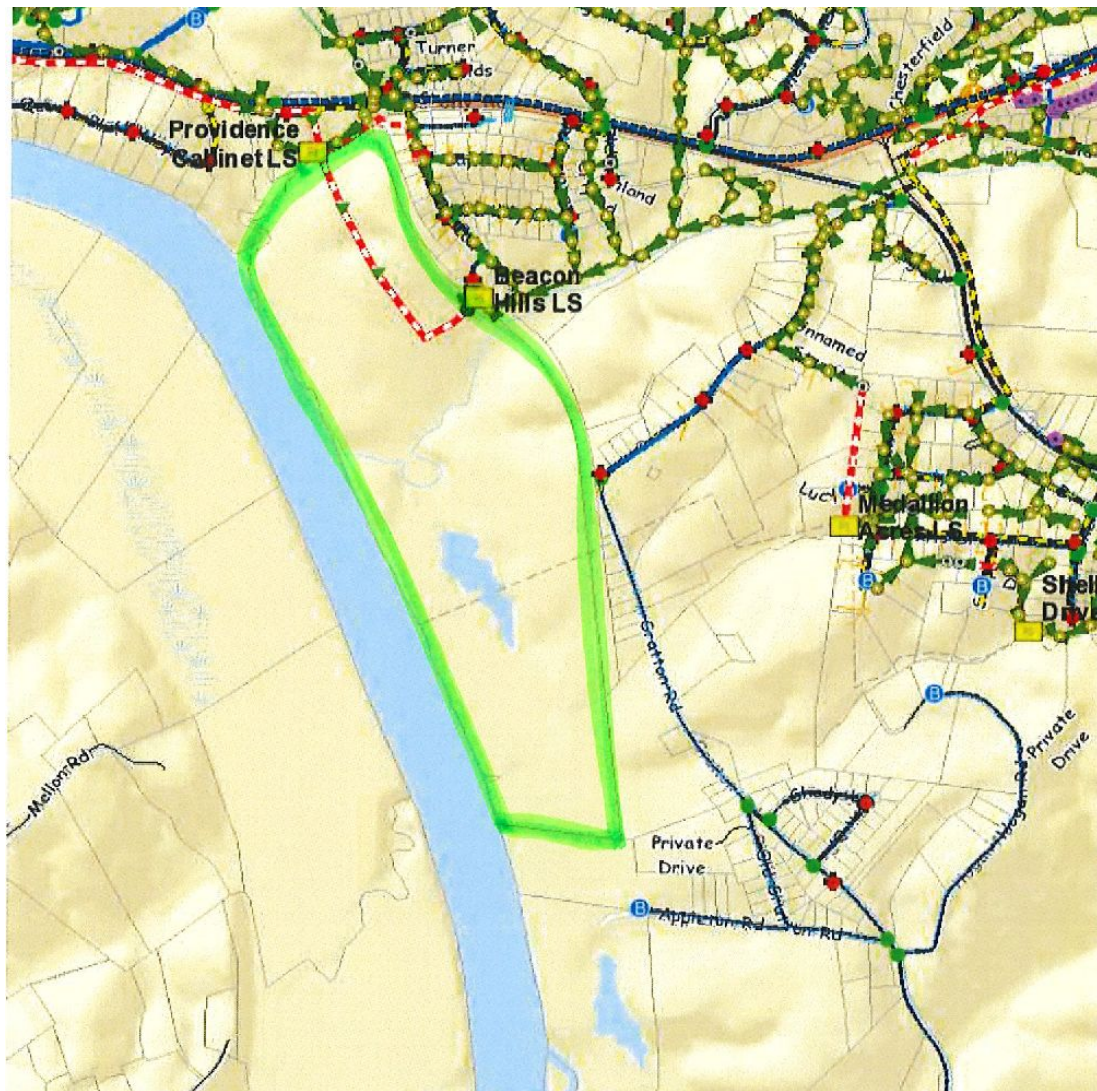
*FIRST READING:*

*SECOND READING:*

*EFFECTIVE DATE*



EXHIBIT A



ORDINANCE 6-2018-19

AN ORDINANCE AMENDING THE OFFICIAL CODE OF THE CITY OF CLARKSVILLE, TITLE 4 (BUILDING, UTILITY, AND HOUSING CODES) RELATIVE TO ADOPTION OF 2017 NATIONAL ELECTRICAL CODE

*WHEREAS*, the Clarksville City Council previously determined to adopt the 2014 edition of the National Electric Code, as prepared by the National Fire Protection Association; and

*WHEREAS*, the Clarksville City Council has now determined that it is in the best interest of the City of Clarksville and its citizens to adopt the 2017 edition of the National Electric Code.

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

That the Official Code of the City of Clarksville, Tennessee, Title 4, "Building, Utility, and Housing Codes," Chapter 3, "Electrical Code," Section 4-301, "Adopted," is hereby amended by deleting the Section in its entirety, and by substituting instead the following:

(a) Pursuant to the authority granted by *Tennessee Code Annotated*, §6-54-501 through §6-54-506 et seq., the 2017 edition of the National Electric Code, as prepared by the National Fire Protection Association, NFPA 70, including appendices A-H thereto, together with all revisions associated therewith and forthcoming, are hereby adopted and incorporated fully by reference.

*BE IT FURTHER ORDAINED* That Sec. 4-307 is hereby amended by adding a new subparagraph (8) as follows:

(8) Arc Fault Circuit Interrupters (AFCIs) shall be optional for bathrooms, laundry areas, garages, unfinished basements {which are portions or areas of basements not intended as habitable rooms and which are limited to storage, work or similar areas), and branch circuits dedicated to supplying refrigeration equipment.

*BE IT FURTHER ORDAINED* that Sec. 4-307 is hereby amended by adding a new subparagraph (9) as follows:

(9) For residential and commercial buildings, electrical power shall be supplied to the building in order for the inspector to perform final inspection.

*FIRST READING:*

*SECOND READING:*

*EFFECTIVE DATE:*

## **CURRENT LANGUAGE**

### Chapter 3 - ELECTRICAL CODE

#### Sec. 4-301. - Adopted.

- (a) *Pursuant to the authority granted by T.C.A. §§ 6-54-501 et seq., the 2014 edition of the National Electric Code, as prepared by the National Fire Protection Association, NFPA 70, together with all revisions associated therewith and forthcoming, including all appendices thereto, are hereby adopted by reference.*

ORDINANCE 7-2018-19

AN ORDINANCE AMENDING ORDINANCE 3-2017-18 TO INCLUDE THE LEGAL DESCRIPTION OF CERTAIN PROPERTY NEAR INGLEWOOD DRIVE AND CHEROKEE TRAIL FOR THE PURPOSE OF A CITY PARK [URBAN WILDERNESS]

*WHEREAS*, the City of Clarksville owns and maintains, for the public use and benefit, properties in the form of parks, open spaces, and places of activity;

*WHEREAS*, Frank G. Goodlett and Janelle M. Goodlett are the owners of certain property, being 70.5 acres, more or less, located near Inglewood Drive and Cherokee Trail, and being a portion of Tax Map and Parcel 65O-A-1.00, as more particularly described in Exhibit A, attached and incorporated herein; and

*WHEREAS*, the Clarksville City Council finds it in the public interest to purchase said property and to maintain the same as an “urban wilderness” or such other public space as the Parks & Recreation Department sees fit.

WHEREAS, a scribner’s error was made in the original ordinance pertaining to the property description regarding the City’s purchase of certain real property, for the purpose of a city park (Urban Wilderness), which necessitates this amendment and the filing of a correction deed.

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

That ORDINANCE 3-2017-18, adopted on final reading by the Clarksville City Council on September 7, 2017, is hereby amended by deleting the enacting language in its entirety and by substituting instead the following:

The Mayor, acting through the City Attorney or his designee, may negotiate and enter into an agreement for the purchase of the property, being 70.5 acres, more or less, located near Inglewood Drive and Cherokee Trail, and being a portion of Tax Map and Parcel 65O-A-1.00, according to the Assessor’s Office for Montgomery County, Tennessee, as more particularly described in Exhibit A, attached and incorporated herein, not to exceed Four Hundred Twenty-Five Thousand and 00/100 Dollars (\$425,000.00), plus reasonable acquisition costs.

*FIRST READING:*

*SECOND READING:*

*EFFECTIVE DATE:*

ORDINANCE 3-2017-18

AN ORDINANCE AUTHORIZING THE MAYOR, THROUGH THE CITY ATTORNEY OR HIS DESIGNEE, TO CONDUCT NEGOTIATIONS AND TO ENTER INTO AN AGREEMENT FOR PURCHASE OF CERTAIN PROPERTY NEAR INGLEWOOD DRIVE AND CHEROKEE TRAIL FOR THE PURPOSE OF A CITY PARK

*WHEREAS*, the City of Clarksville owns and maintains, for the public use and benefit, properties in the form of parks, open spaces, and places of activity;

*WHEREAS*, Frank G. Goodlett and Janelle M. Goodlett are the owners of certain property, being 70.5 acres, more or less, located near Inglewood Drive and Cherokee Trail, and being a portion of Tax Map and Parcel 65O-A-1.00; and

*WHEREAS*, the Clarksville City Council finds it in the public interest to purchase said property and to maintain the same as an “urban wilderness” or such other public space as the Parks & Recreation Department sees fit.

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

That the Mayor, acting through the City Attorney or his designee, may negotiate and enter into an agreement for the purchase of the property, being 70.5 acres, more or less, located near Inglewood Drive and Cherokee Trail, and being a portion of Tax Map and Parcel 65O-A-1.00, according to the Assessor’s Office for Montgomery County, Tennessee, not to exceed Four Hundred Twenty-Five Thousand and 00/100 Dollars (\$425,000.00), plus reasonable acquisition costs.

<i>FIRST READING:</i>	August 3, 2017
<i>SECOND READING:</i>	September 7, 2017
<i>EFFECTIVE DATE:</i>	September 7, 2017

**EXHIBIT A (REVISED)**

**TRACT I:** Beginning at the southeast corner of Mrs. Leavell's dower tract, known as the Wiell land (now Unseld) and runs with Madison Street, extended, south 70 degrees East 30-1/5 poles to a stone, thence North 2 degrees East 67 poles to a stone, thence North 88-1/4 degrees East 98 poles to a poplar, thence North 7-1/2 degrees East 4 poles to a stone, thence South 85 degrees East 25 poles to an ironwood, and continuing same course 2 poles to a stake, in all 27 poles; thence South 89 degrees East 48 poles to a poplar stump, formerly Mrs. Dick's corner, thence North 7-3/4 degrees West 128 poles to a dead poplar; thence South 61-1/2 degrees West 64 poles to a beech, thence North 40-1/2 degrees West 39 poles to Red River; thence down said river with its meanders at low water mark in a southwestern direction 118 poles to a corner of said dower tract; thence along the line of said Dower tract, now Unseld, South 187 poles to the beginning, containing 155 acres, more or less; excepting approximately 1.10 acres condemned for highway purposes and described as follows: One certain strip of land, being a part of the above described tract to wit: a strip of land extending from station 655-18 to station 661-17. 599 feet long and 80 feet wide; bounded on the east and west by the lands of Unseld, and on the north and south by lines parallel to and at all points 40 feet distant from the center line of said proposed road, containing 153.9 acres, more or less.

This is the same real estate conveyed to Frank Goodlett by deeds of record in Deed Book 87, Page 607, Deed Book 97, Page 143, Deed Book 97, Page 145, Deed Book 152, Page 67 and Official Record Book Volume 326, Page 260, in the Register's Office for Montgomery County, Tennessee.

**TRACT II:** Beginning at a stake in the center of the northwest end of the 50 foot strip of land as above described, running thence North 40 degrees East 242 feet to a stake, thence North 40 degrees West 374 feet to a stake, thence North 50 degrees West 541 feet to an iron pin by a dead tree in the east boundary line, marked by a fence, of the Frank Goodlett property, thence along two of his lines, marked by fences, south 5 degrees East 270 feet to a corner fence post at the southeast corner, thence North 88 degrees West 475 feet to a sugar tree at the northwest corner of a tract of land conveyed to Charles H. Mobley by the deed aforesaid; said point being the northeast corner of the Stout & Porter tract; thence with the east line of their property, marked by a fence, South 2 degrees West 320 feet to a stone, thence along several new lines South 88 degrees East 287 feet to an iron pin, South 76-1/2 degrees East 345 feet to an iron pin, South 17-1/2 degrees West 135 feet to an iron pin, South 37 degrees East 110 feet to an iron pin, South 49 degrees East 120 feet to an iron pin, North 40 degrees East 200 feet to the beginning.

This is the same real estate conveyed to Frank L. Goodlett and wife, Sue E. Goodlett by deed of record in Deed Book 102, Page 233, in the Register's Office for Montgomery County, Tennessee.

**TRACT III:** Beginning at a dead locust in Frank Goodlett's East boundary line (bought from Union Central Life Insurance Company, etc.), the Northwest corner of a tract conveyed by Charles H. Mobley to said Goodlett and wife, by deed of record in Deed Book 102, Page 233, and runs with Goodlett's line marked by a wire fence North 5 degrees West 740 feet to a poplar by a dead poplar, thence on a new line South 22-1/2 degrees East 110 feet to an iron pin at wire fence and in a Northeast line of the tract above referred to from Mobley to Goodlett; thence with the line of same North 50 degrees West 453 feet to the beginning, and containing by survey of J. K. Dickson, 2.80 acres, more or less.

This is the same real estate conveyed to Frank L. Goodlett and wife, Sue E. Goodlett by deed of record in Deed Book 105, Page 221, in the Register's Office for Montgomery County, Tennessee.

**TRACT IV:** Beginning in the East margin of proposed Cherokee Trail extended, at a stake on East bank of gully, the Southwest corner of Lot No. 23, and the South corner of Lot. No 24 of Block A of Eastern Hills Subdivision, and runs along the South line of Lots 23, 22, 21, 20, 19, 18, 17, 16, 15, 14, 13 and 12 to the Southeast corner of Lot No. 12, also back corner of Lot No. 11 and Northwest corner (rear) of Lot No. 10, also Mobley's Northeast corner; south 76-1/2 degrees East 188 feet; thence along the West line of lot No. 10, and Lot 9, South 17-1/2 East 41 feet; thence on a new line South 80-1/2 West 190 feet to a point in the East margin of 50 foot right of way of Cherokee Trail extended, in Mobley's Tanglewood subdivision, thence North 3 East 116 feet to the beginning.

**TRACT V:** BEING LOT NOS. 6, 7, & 8 on the plan of THE HIGHLANDS, BLOCK F, and BEING LOT NOS. 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20 & 21 on the plan of THE HIGHLANDS, BLOCK G, as shown by plat of record in Plat Book 3, Page 4, Plat 7, in the Register's Office for Montgomery County, Tennessee, to which plat reference is made for a more complete description.

This is the same real estate conveyed to Frank L. Goodlett and wife, Sue E. Goodlett, by deed of record in Deed Book 116, Page 123, in the Register's Office for Montgomery County, Tennessee.

**INCLUDED IN THE ABOVE REFERENCED REALTY BUT EXPRESSLY EXCLUDED FROM THIS CONVEYANCE are the following platted subdivisions:** 1) The Highlands, Blocks A, B, C, D, E, F & G, as shown by plats of record in Plat Book 2, Page 7, Plat 8; Plat Book 2, Page 11, Plat 12; Plat Book 2, Page 14, Plat 15 and Plat Book 3, Page 4, Plat 7, in the Register's Office for Montgomery County, Tennessee; 2) Liberty Parkway as shown by plat of record in Plat Book 2, Page 3, Plat 4 and Plat Book 2, Page 10, Plat 11, in the Register's Office for Montgomery County, Tennessee

and 3) Eastern Hills, Blocks B, C & D as shown by plats of record in Plat Book 3, Page 86 and Plat Book 3, Page 12, Plat 18, in the Register's Office for Montgomery County, Tennessee.

**ALSO INCLUDED IN THE ABOVE REFERENCED REALTY BUT EXPRESSLY EXCLUDED FROM THIS CONVEYANCE are the following tracts of real estate:**

**PARCEL I:** Bounded on the south by the rear line of Lots 7, 8, 9, 10, 11, 12 and 13 of Block E, in the Highlands subdivision, on the west by a line being an extension of the west boundary line of Lot No. 7, continued to Red River, on the north by Red River; and on the east by a line running due north from the northeast corner of Lot No. 13, and being conveyed to Julius Y. Barkan, et ux, by deed of record in Deed Book 97, Page 161, in the Register's Office for Montgomery County, Tennessee.

**PARCEL II:** A tract of land bounded on the south by Lot 6 of Block E of the Highlands Subdivision and running back between parallel lines, which are continuations of the east and west boundary lines of Lot 6 to Red River; and being conveyed to M.M. Nolen, et ux, by deed of record in Deed Book 97, Page 637, in the Register's Office for Montgomery County, Tennessee.

**PARCEL III:** All of the property north of Lot 5 in Block E in the Highlands, as shown by plat of record in Plat Book 2, Page 14, Plat 15, and bounded on the south by said Lot 5, Block E, which was previously sold to the herein Grantees by deed of record in Deed Book 97, Page 132; and on the east and west by parallel lines, being extensions of the east and west lines of said Lot 5, Block E, such extensions of parallel lines running back to Red River; which bounds this property on the north, and being conveyed to R. L. Nicholson, et ux, by deed of record in Deed Book 98, Page 659, in the Register's Office for Montgomery County, Tennessee.

**PARCEL IV:** Beginning at the northeast corner of Lot No. 2, Block E, of the Highlands Subdivision, and running thence North 5 degrees West to Red River; thence with the meanders of said river westwardly 50 feet, more or less, to a stake; thence South 5 degrees East and parallel with said east boundary line to the northwest corner of said Lot No. 2; thence with the north boundary line of said lot No. 2, 57 feet, more or less, to the beginning, and being conveyed to Charles H. Wall, et ux, by deed of record in Deed Book 100, Page 54, in the Register's Office for Montgomery County, Tennessee.

**PARCEL V:** The tract of land running northwardly from Lot No. 1 of Block E of the Highlands subdivision and the unnumbered lot lying adjoining and west of said Lot 1 to the Red River and being conveyed to A. D. Caldwell, et ux, by deed of record in Deed Book 103, Page 539, in the Register's Office for Montgomery County, Tennessee.

**PARCEL VI:** Beginning at a stake in the west margin of the right of way of Audubon Woods Road at a point about 266 feet north of sugar tree, the Northeast corner of Stout and Porter tract, as measured along the West margin of said road, said point being 50 feet South 70 West from the Northwest corner of lot No. 67 of Block D of Eastern Hills, as shown by plat of record in Plat Book 3, Page 12, Plat 18, in the Register's Office for Montgomery County, Tennessee, and runs



along the West margin of said road, on a right curve, general course, North 20 West 125 feet to a stake; thence leaving said road and running on three new lines as follows: South 70 West 225 feet to a stake; thence South 20 East 125 feet to a stake having passed just east of hickory 4 feet to the south of said hickory, thence North 70 East 225 feet to the beginning, and being conveyed to J. W. Biggers, et ux, by deed of record in Deed Book 111, Page 283, in the Register's Office for Montgomery County, Tennessee.

**TRACT VII:** Beginning at a point North 35.75 West 20 feet from the intersection of the Northwest margin of a 50 foot right of way of a street known as Kenwood Place, and the southwest margin of a 50 foot right of way of a street known as Cherokee Trail, and running thence North 35.75 West with the southwest margin of the right of way of an extension to be made of the said Cherokee Trail, 190 feet to a stake; thence south 55.25 West 162 feet to a stake; thence South 39.5 East 208.5 feet to a stake in the northwest margin of the right of way of Kenwood Place; thence with said right of way North 55.5 East 130 feet to a stake; which is South 5.5 West 20 feet from the aforesaid intersection of the margins of Kenwood Place and Cherokee Trail, and thence on an outside curve in a Northerly direction to the beginning, and being conveyed to John A. Jackson, et ux, by deed of record in Deed Book 112, Page 538, in the Register's Office for Montgomery County, Tennessee.

**PARCEL VIII:** Beginning at an iron pin in the south right of way line of Inglewood Drive, extended, said point of beginning being about 550 feet, northeasterly along the center line of Inglewood Drive from a point opposite the northeast corner of Lot No. 1 in Block G of the Highlands Subdivision; thence North 89 degrees East with the south right of way line of Inglewood Drive 50 feet to an iron pin; thence South 17 degrees East 21 feet to an iron pin; thence South 78 degrees West 49 feet to an iron pin; thence North 17 degrees West 32 feet to the point of beginning, which was conveyed to the City of Clarksville by deed of record in Deed Book 119, Page 144, in the Register's Office for Montgomery County, Tennessee.

**PARCEL IX:** Being an unnumbered lot situated Northwardly of Lot No. 3, Block E in the Highlands Subdivision, about one half mile east of the then City Limits of the City of Clarksville, as shown by plat of record in Plat Book 2, Page 14, in the Register's Office for Montgomery County, Tennessee, and being a part of the same property conveyed to Frank L. Goodlett by the Union Central Life Insurance Company, Deed Book 87, Page 607 and by Mrs. Lucy W. Meriwether, etc., Deed Book 97, Page 143 and Page 145, in the Register's Office for Montgomery County, Tennessee; and the property being conveyed beginning at the Northwest corner of lot No. 3 of said subdivision, and running North 5 degrees West to the low water mark of the Red River; with the east line of Mrs. S. E. Heltsley, bought from Charles H. Wall, thence up the river, with its meanders, South 50 feet, more or less, to a point; thence south 5 degrees East of the northeast corner of Seay's present residence, lot No. 3; thence Northwestwardly with the rear line of said Lot No. 3, 50 feet to the beginning, which was conveyed to William M. Seay, et ux, by deed of record in Deed Book 120, Page 422, in the Register's Office for Montgomery County, Tennessee.

**PARCEL X:** Beginning at an iron pin, said point being in the northward extension of the east right of way line of Cherokee Trail; 640 feet more or less from its intersection with the north right of way line of Kenwood Place; runs thence North 13 degrees 1 minute West 50 feet; thence South 76 degrees 59 minutes West 50 feet, thence South 13 degrees 1 minute East 50 feet; thence North 76 degrees 59 minutes East 50 feet to the point of beginning, which was conveyed to the City of Clarksville by deed of record in Deed Book 151, Page 237, in the Register's Office for Montgomery County, Tennessee.

**PARCEL XI:** Beginning at a point in the west margin of the 50 foot wide right of way of Audubon Woods Road, 4 feet northwest of the present fire hydrant, said beginning point being the southeast corner of the J. W. Bigger's home tract, and runs with the south line of said Bigger's home tract; thence South 70 West 225 feet to the southwest corner of said Bigger's tract; thence South 20 East 32 feet to an iron pin; thence North 70 East 225 feet more or less to an iron pin in the west margin of said road; North 24 West 32 feet to the beginning, which was conveyed to Mary Amelia Wallace by deed or record in Official Record Book Volume 116, Page 287, in the Register's Office for Montgomery County, Tennessee.

**PARCEL XII:** Being Tract No. 4 surveyed out of acreage on the West side of Audubon Woods Road, Clarksville, Tennessee, belonging to Frank L. Goodlett, and being described as follows: Beginning at an iron pin, the North East corner of Tract 3 recently deeded to Henry L. Freeman and wife by James L. Slate and wife, Vol. 174, Page 515, in the Register's Office for Montgomery County, Tennessee, in the West margin of the 50 foot right of way of Audubon Woods Road, and runs North 38 degrees 56 minutes West 45.48 feet to an iron pin in said right of way, thence South 70 degrees 4 minutes West 270.90 feet to an iron pin in the East margin of a TVA transmission line easement; thence with said easement margin South 35 degrees 09 minutes East 44.56 feet to an iron pin; the Northwest corner of Freeman's Tract 3; thence with Freeman's north line, North 70 degrees 4 minutes East 274.00 feet, to the beginning, according to survey of King Engineers of October 29, 1974, which was conveyed to Henry L. Freeman, et ux, by deed of record in Official Record Book Volume 175, Page 275, in the Register's Office for Montgomery County, Tennessee.

**PARCEL XIII:** Beginning at an iron pin in the west right of way margin of Audubon Woods Road 80 feet from an iron pin on the Southwest corner of tract heretofore deeded to Frank G. Goodlett and wife, Julia W. Goodlett, and running thence South 34 degrees 30 minutes East 100 feet to an iron pin on the west side of Audubon Woods Road, thence South 55 degrees 30 minutes West 150 feet to a point near the East margin of a TVA easement, thence North 34 degrees 56 minutes West 100 feet, thence North 55 degrees 30 minutes East 150 feet to an iron pin in the west margin of Audubon Woods Road, the point of beginning, which was conveyed to Michael Joseph Evans, et ux, by deed of record in Official Record Book Volume 245, Page 280, in the Register's Office for Montgomery County, Tennessee.

**PARCEL XIV:** Situated in the City of Clarksville on the west right of way margin of Audubon Woods Road and beginning at the southeast corner of the lot heretofore conveyed by Grantors

to Grantees and running thence with south line thereof South 55 degrees 30 minutes West 115.30 feet, more or less, to an iron pin, thence on the same bearing 34.70 feet to a point, thence South 34 degrees 30 minutes East 10 feet to a point; thence North 55 degrees 30 minutes East 150 feet, more or less, to the margin of Audubon Woods Road; and thence with same North 34 degrees 56 minutes West 10 feet, more or less, to an iron pin, the point of beginning, which was conveyed to Michael Joseph Evans, et ux, by deed of record in Official Record Book Volume 259, Page 89, in the Register's Office for Montgomery County, Tennessee.

**PARCEL XV:** Situated in the City of Clarksville and being a certain parcel of land on the west side of Audubon Woods Road designated as Tract B and beginning at a point on an iron pin at the South East corner of Michael Joseph Evans' land and runs with the West margin of Audubon Woods Road (a 50 foot right of way) South 42 degrees 14 minutes 45 seconds East 100 feet to an iron pin; thence south 49 degrees 44 minutes East 53.92 feet to an iron pin; thence South 55 degrees 30 minutes West 169.24 feet to an iron pin; thence North 37 degrees 41 minutes West 151.34 feet to an iron pin, Evans' southwest corner, thence with Evans' South line North 55 degrees 30 minutes East 150 feet to the point of beginning, according to survey of King Engineers, Inc. dated July 3, 1978, which was conveyed to William H. Costlow, et ux, by deed of record in Official Record Book Volume 259, Page 838, in the Register's Office for Montgomery County, Tennessee.

**PARCEL XVI:** Beginning at the southwest corner of the former Frank Runyon property in the northern margin of Audubon Woods Road and Kenwood Place .60 feet from an existing iron pin, such point of beginning being approximately 165 feet, more or less, from the center line of Cherokee Trail, running with the north margin of said Audubon Woods Road South 56 degrees 24 minutes West 31.45 feet, more or less, to a point; thence with the margin of said Audubon Woods Road on a curve with a radius of 70 feet and delta of 69 degrees 35 minutes 53 seconds 85.03 feet, more or less, to an existing iron pin; thence leaving said Audubon Woods Road margin and running thence North 82 degrees 34 minutes West 164.66 feet, more or less, to an iron pin; thence North 34 degrees 7 minutes West 110.41, more or less, to an iron pin; thence North 19 degrees 54 minutes West 116.87 feet, more or less, to an iron pin; thence North 51 degrees East 166.87 feet, more or less, to an iron pin; thence with the Frank L. Goodlett property and the former Frank Runyon property South 38 degrees 53 minutes East 303.45 feet, more or less, to the point of beginning, which was conveyed to Ronnie S. Garner, et ux, by deed of record in Official Record Book Volume 325, Page 229, in the Register's Office for Montgomery County, Tennessee.

**PARCEL XVII:** Beginning a point in the west right of way of Audubon Woods Road, 760.6 feet more or less southwestwardly from the centerline of the northern terminus of Cherokee Trail; thence with the west right of way of Audubon Woods Road South 53 degrees 30 minutes 50 seconds East 231.10 feet to an iron pin; the northeast corner of the Gibson property; thence with the north line of said property south 70 degrees 02 minutes 20 seconds west 266.30 feet

to an iron pin; thence North 40 degrees 47 minutes 00 seconds West 136.00 feet to a point; thence North 50 degrees 43 minutes 20 seconds East 198.00 feet to the point of beginning.

**PARCEL XVIII:** Beginning at an existing iron pin in the west right of way line of Audubon Woods Road said iron pin being situated 281.5 feet, plus or minus, south of the centerline of Cherokee Trail as measured along the west right of way line of Audubon Woods Road; thence with the said right of way line on a curve to the left with the delta of 20 degrees 24 minutes 00 seconds, a radius of 70.00 feet, a tangent of 32.60 feet, a distance of 24.93 feet to a point; thence continuing with said right of way line South 34 degrees 52 minutes 40 seconds East 55.07 feet to an existing iron pin; thence South 55 degrees 30 minutes 00 seconds West 150.00 feet to an iron pin passing over an existing iron pin at 116.05 feet in the west right of way line of a TVA transmission line easement; thence North 26 degrees 37 minutes 40 seconds West 189.40 feet to an existing iron pin; thence south 83 degrees 41 minutes 00 seconds East 164.56 feet to the point of beginning according to the survey of King Engineers, Inc. dated December 4, 1987 which was conveyed to Gerda K. Faber by deed of record in Official Record Book Volume 467, Page 952, in the Register's Office for Montgomery County, Tennessee.

**PARCEL XIX:** Beginning at an iron pin located in the southwestern right of way margin of Audubon Woods Road, a 50 foot public right of way, said iron pin being located 625.50 feet, more or less, southeast of the centerline of Cherokee Trail as measured along the southwestern right of way margin of Audubon Woods Road; thence with the southwestern right of way margin of Audubon Woods Road south 53 degrees 30 minutes 50 seconds east 135.00 feet to an iron pin; thence South 50 degrees 44 minutes 01 second West 198.05 feet to an iron pin; thence North 40 degrees 47 minutes 00 seconds west 145.00 feet to an iron pin; thence with the southeastern line of the William Costlow property (ORBV 259, Page 838, ROMCT) North 55 degrees 30 minutes 00 seconds east 169.24 feet to the point of beginning, according to a survey of Billy Ray Suiter, TRLS #1837 of King Engineers, LLC, 325 North Second Street, P O Box 532, Clarksville, TN 37040, dated September 12, 1997, which was conveyed to Lois D. Goad by deed of record in Official Record Book Volume 637, Page 1014, in the Register's Office for Montgomery County, Tennessee.

**PARCEL XX:** Beginning at an existing pipe located in the easterly right of way margin of Cherokee Trail, said existing iron pipe also being the northwest corner of Lot 50 Eastern Hills, Block C, as recorded in Plat Book 3, Pages 12 & 13, Plat 18, in the Register's Office for Montgomery County, Tennessee; thence leaving the easterly right of way margin of Cherokee Trail North 42 degrees 59 minutes 16 seconds East 169.39 feet to an iron pin; thence South 35 degrees 31 minutes 10 seconds East 34.00 feet to an iron pin; thence with the northern boundary of Lot 50 of Eastern Hills, Block C, South 54 degrees 34 minutes 02 seconds West 165.99 feet to the point of beginning, consisting of 0.06 acres, more or less, according to a survey of Billy Ray Suiter, TRLS #1837 of Suiter Surveying and Land Planning, P O Box 30271, 1753B Alpine Drive, Clarksville, TN 37040 dated September 25, 2001 and conveyed to Thomas

O. Pressler and wife, Mildred L. Armstrong by deed of record in Official Record Book volume 806, Page 1330, in the Register's Office for Montgomery County, Tennessee.

**ASLO EXCLUDED FROM THIS CONVEYANCE ARE THE FOLLOWING TWO (2) PARCELS BEING RETAINED BY THE GRANTOR:**

**PRACEL XXI:** Being a parcel designated as Map and Parcel No. 65I-B-3 on the maps of the Assessor of Property of Montgomery County, Tennessee and being bounded on the South by property conveyed to Victor J. Gray and wife, Ethel E. Gray, by deed of record in Official Record Book Volume 526, Page 2353, in the Register's Office for Montgomery County, Tennessee, said property being Lot No. 4 on the plan of the Highlands, Block E, as shown by plat of record in Plat Book 2, Page 14, Plat 15, in the Register's Office for Montgomery County, Tennessee, on the West by the property conveyed to Jason Kerezsi and wife, Heather Kerezsi by deed of record in Official Record Book Volume 808, Page 386, in the Register's Office for Montgomery County, Tennessee, said property being Lot No. 3 on the plat above referenced and a parcel located to the north thereof, on the North by the Red River and also being bounded on the East by the property conveyed to Leonard Baker and wife, Doris Baker by deed of record in Official Record Book Volume 1794, Page 608, in the Register's Office for Montgomery County, Tennessee, said parcel being Lot No. 5 on the above referenced plat and a parcel located to the north thereof.

**PRACEL XXII:** Being a parcel designated as Map and Parcel No. 65O-K-1 on the maps of the Assessor of Property of Montgomery County, Tennessee and being bounded on the South by property conveyed to Robert G. Brundage and wife, Catherine M. L. Brundage, by deed of record in Official Record Book Volume 699, Page 1567, in the Register's Office for Montgomery County, Tennessee, said property being Lot No. 33 on the plan of Eastern Hills, Block A, as shown by plat of record in Plat Book 3, Page 88, Plat 94, in the Register's Office for Montgomery County, Tennessee, on the West by the property dedicated to the County of Montgomery by deed of record in Deed Book 96, Page 24 in the Register's Office for Montgomery County, Tennessee, and being bounded on the Northeast by the right of way margin of Audubon Woods Road.



"A"-65-G

"A"-65-O

"A"-65-O

"A"-65-O

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## RESOLUTION 9-2018-19

### A RESOLUTION APPROVING AN ECONOMIC IMPACT PLAN SUBMITTED BY THE MONTGOMERY COUNTY INDUSTRIAL DEVELOPMENT BOARD

**WHEREAS**, The Industrial Development Board of the Montgomery County, Tennessee (the “Board”), is a public, nonprofit corporation organized and existing under, and by virtue of, the provisions of Chapter 53, Title 7, Tennessee Code Annotated, as amended (the “Act”); and

**WHEREAS**, the purpose of said Act, as stated therein, being to authorize the incorporation in the several municipalities in the State of Tennessee of public corporations to finance, acquire, construct, own, lease, equip and/or dispose of properties to the end that such corporations may be able to, among other things, maintain and increase employment opportunities by promoting industry, trade, commerce, tourism, and recreation by inducing manufacturing, industrial, governmental, educational, financial service, commercial, and recreational enterprises to locate or to remain in the State of Tennessee; and

**WHEREAS**, the project (the “Project”) consists of (i) an approximately 175-200 room Stoney Creek Hospitality hotel facility containing approximately 40,000-50,000 square feet of conference space, with a gathering capacity of approximately 1,000-1,500 people (the “Hotel and Conference Center”), which shall be constructed and operated by Stoney Creek Hospitality Corporation (the “Company”), and located with a main entrance off of the proposed Northeast Connector in Clarksville, Tennessee, on an approximately 17-acre portion of the parcel of land identified as Map 32, Parcel 13.00 in the tax records of the County of Montgomery, Tennessee (such portion being the “Property”), which Hotel and Conference Center may also include a second phase consisting of an approximately 100-room addition to the hotel and a possible expansion of the conference and event space, together with (ii) a tract of land identified as Map 32, Parcel 14.07 in the County tax records and the improvements to be located thereon (the “Additional Land”) on which an access road to the Hotel and Conference Center shall be constructed, and the remainder of which shall be used primarily by one or more commercial enterprises for selling, providing, or handling any financial service or in storing, warehousing, distributing or selling any products of agriculture, mining or industry, which may include without limitation, a restaurant intended to serve the Hotel and Conference Center; and

**WHEREAS**, the Board is authorized by the Act to, among other things, prepare and submit to the City and to the County Commission of the County of Montgomery, Tennessee (the “County”) for their approval, an economic impact plan pursuant to Section 312 of the Act; and

**WHEREAS**, the Board held a public hearing relating to the proposed “Economic Impact Plan for the Clarksville Hotel And Conference Center Plan Area” (the “Plan”), attached hereto as **Attachment 1** and incorporated herein by reference, pursuant to which the Board will pay for the cost of performing the Work described in Sections 2 and 3 of the Plan, together with related

transaction costs, closing costs, and legal expenses of the adoption and implementation of this Economic Impact Plan and the Project Agreement (the "Project Agreement") to be entered into between the Company and the IDB (collectively, the "Project Costs"), after publishing notice of such hearing in a newspaper of general circulation in the City and County at least two (2) weeks prior to the date of the public hearing, which notice included the time, place and purpose of the hearing as well as notice of how a map of the subject area may be viewed by the public, after which hearing the Board approved the Economic Impact Plan; and

**WHEREAS**, the City has been asked to approve the Economic Impact Plan and the Incentive.

NOW, THEREFORE, be it resolved by the City of Clarksville, Tennessee, as follows:

**Section 1. Findings with Respect to the Project.** The City hereby finds that the use of the Incentive to fund the Project Costs will develop trade and commerce in and adjacent to the City and the County, will contribute to the general welfare, and will alleviate conditions of unemployment; and that the acquisition and equipping of the Project will be necessary and advantageous to the Board in furthering the purposes of the Act.

**Section 2. Approval of the Incentive and the Economic Impact Plan.** Subject to the approval of the Project Agreement by the City Mayor and the County Mayor, the form, content, and provisions of the Economic Impact Plan, and the grant of the Incentive as contemplated herein and in said Economic Impact Plan are hereby in all particulars approved; and the Mayor is hereby authorized, empowered and directed to execute, acknowledge and deliver said Economic Impact Plan, in substantially the form now before this meeting of the City Council of the City of Clarksville, Tennessee, or with such changes therein as shall be approved by the Mayor executing the same, their execution thereof to constitute conclusive evidence of their approval of any and all such changes or revisions, in the name, and on behalf, of the City.

The Mayor is hereby authorized, empowered, and directed, from and after the date hereof, to do all acts and things, and to execute all documents with the Company, the Board and/or the County as may be necessary or convenient to carry out, and to comply with the provisions of said Economic Impact Plan.

**Section 3. Miscellaneous Acts.** The Mayor, the City Clerk, and the City Attorney, 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, memoranda and certifications, certifications hereinbefore authorized and approved, as may, in his or her discretion, be necessary or desirable to implement or comply with the intent of this Resolution, or any of the documents herein authorized and approved, or for the granting and implementation of the Incentive or the undertaking of the Project for the foregoing purposes, including without limitation, the execution, delivery and recordation of any memoranda, certificates or other documents or instruments as they may deem necessary or desirable in connection with the foregoing.



**Section 4. Limited Obligation and Liability.** The obligations of the Board under the Economic Impact Plan (the “Obligations”), and any borrowing with respect thereto, are limited obligations of the Board and shall not be deemed to constitute a general debt or liability of the Board, except insofar as the Increment has been received by the Board and the same is payable in accordance with the provisions of the Economic Impact Plan.

Neither the City, the County, the State of Tennessee, nor any other political subdivision thereof, shall be liable for the payment or performance of the Obligations or any agreement, or certification, of any kind whatsoever of the Board and neither the Obligations, nor any of the agreements, Obligations, or certifications of the Board shall be construed to constitute an indebtedness of the City, the County or the State of Tennessee, or any other political subdivision thereof, within the meaning of any constitutional or statutory provisions whatsoever.

No recourse under, or upon any statement, obligation, covenant, agreement, or certification, contained in any of the foregoing documents, or any other document or certification whatsoever; or under any judgment obtained against the Board or by the enforcement of any assessment or by any legal or equitable proceeding or by virtue of any constitution or statute or otherwise, or under any circumstances, under or independent of the foregoing documents, or any other document or certification, whatsoever, shall be had against any incorporator, member, director, or officer, as such, past, present, or future, of the Board, either directly or through the Board, or otherwise, for the payment for, or to, the Board, or any receiver thereof, for any sum that may be due and unpaid by the Board for the Obligations. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such incorporator, member, director or officer, as such, to respond by reason of any act or omission on his or her part or otherwise for, directly or indirectly, the payment for, or to, the Board or any receiver thereof, shall be deemed to have been waived and released as a condition of, and consideration for, the execution of the aforesaid documents.

**Section 5. Captions.** The captions or headings in this Resolution are for convenience only and shall in no way define, limit, or describe the scope or intent of any provision hereof.

**Section 6. Partial Invalidity.** If any one or more of the provisions of this Resolution, or of any exhibit or attachment thereof, 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 Resolution, and the exhibits and attachments thereof, 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.

*ADOPTED:*

## ATTACHMENT 1

### THE INDUSTRIAL DEVELOPMENT BOARD OF THE COUNTY OF MONTGOMERY ECONOMIC IMPACT PLAN FOR THE CLARKSVILLE HOTEL AND CONFERENCE CENTER PLAN AREA

**Authority for Economic Impact Plan.** Industrial development corporations are authorized under Section 312 of Tennessee Code Annotated § 7-53-101, et. seq. (the “Act”) to prepare and submit to cities and counties an economic impact plan with respect to an area that includes a project within the meaning of the Act and such other properties that the industrial development corporation determines will be directly improved or benefited due to the undertaking of such project. The Act also authorizes cities and counties to apply and pledge new incremental tax revenues, which arise from the area subject to the economic impact plan, to industrial development corporations to pay the cost of projects or to pay debt service on bonds or other obligations issued by industrial development corporations to pay the cost of projects.

**The Project.** The project (the “**Project**”) consists of (i) an approximately 175-200 room Stoney Creek Hospitality hotel facility containing approximately 40,000-50,000 square feet of conference space, with a gathering capacity of approximately 1,000-1,500 people (the “**Hotel and Conference Center**”), which shall be constructed and operated by Stoney Creek Hospitality Corporation (the “**Company**”), and located with a main entrance off of the proposed Northeast Connector in Clarksville, Tennessee, on an approximately 17-acre portion of the parcel of land identified as Map 32, Parcel 13.00 in the tax records of the County of Montgomery, Tennessee (such portion being the “**Property**”), which Hotel and Conference Center may also include a second phase consisting of an approximately 100-room addition to the hotel and a possible expansion of the conference and event space, together with (ii) a tract of land identified as Map 32, Parcel 14.07 in the County tax records and the improvements to be located thereon (the “**Additional Land**”) on which an access road to the Hotel and Conference Center shall be constructed, and the remainder of which shall be used primarily by one or more commercial enterprises for selling, providing, or handling any financial service or in storing, warehousing, distributing or selling any products of agriculture, mining or industry, which may include without limitation, a restaurant intended to serve the Hotel and Conference Center. In order to make the Project financially feasible, The Industrial Development Board of the County of Montgomery (the “**IDB**”) intends, subject to the approval of this Economic Impact Plan by the City Council of the City of Clarksville, Tennessee (the “**City**”) and the County Commission of the County of Montgomery, Tennessee (the “**County**”), to provide a tax increment incentive pursuant to the Act to provide funds to pay the cost of performing the work described in Section 3 below (the “**Work**”), together with the transaction costs, closing costs, and legal expense of the adoption and implementation of this Economic Impact Plan and the Project Agreement (the “**Project Agreement**”) to be entered into between the Company and the IDB (collectively, the “**Project Costs**”). The IDB hereby agrees and determines that the Project is an eligible “project” within the meaning of Section 101(15) of the Act.

**The Work.** The Work shall include (i) acquiring the Property, which Property shall be granted to the Company at no cost to the Company; (ii) acquiring the Additional Land; (iii) designing, engineering and grading a pad-ready site for the Hotel and Conference Center; and (iv) designing and constructing an access road to the Property across the Additional Land.

**Boundaries of Plan Area.** The boundary of the area that would be subject to this Economic Impact Plan, and to the tax increment financing provisions described below (the “**Plan Area**”), is the boundary of the parcels depicted on **Exhibit A** attached hereto. The Plan Area is hereby declared to be subject to this Economic Impact Plan, and the Project is hereby identified as the project that will be located within the Plan Area.

**Expected Benefits to City and County.** The City and the County expect to benefit in many ways from the provision of the Project. These benefits include:

(a) The Hotel and Conference Center is anticipated to require capital expenditure of \$30,000,000-\$32,000,000 and is expected to result in approximately 100-200 construction jobs for the City and County area. The Hotel and Conference Center will be the largest hotel in the County and the largest combined hotel and conference facility in the County.

(b) The Company anticipates that the Hotel and Conference Center will result in approximately 50 new full-time equivalent employees within 24 months of the completion of construction. The annual payroll associated with the Hotel and Conference Center is anticipated to be approximately \$1,300,000. The Hotel and Conference Center, together with the commercial development anticipated for the Additional Property and surrounding area, is anticipated to increase the number of spin-off jobs, including retail, restaurant, entertainment and office development along Wilma Rudolph Boulevard, and to generate additional sales taxes as a result.

(c) The development of the Project, which would anchor the initial development of the Northeast Connector, is expected to open up new inventory of sites for development of retail and office buildings.

(d) The Project will have a positive effect on City and County revenues. Construction of the Project will result in significant sales and use taxes on building materials and an increase in building permit fees for the Hotel and Conference Center and resulting development in the area. As noted in Section 6 below, and based on the assumptions set forth therein, the Property is anticipated to generate approximately \$431,000 in real property taxes per year when fully assessed following the completion of the Hotel and Conference Center. The Base Tax Amount and the Dedicated Tax Amount described below will be retained by the City and County during the period in which the Incentive (defined below) is repaid from the Available Increment. Upon recovery of the full Incentive amount, all property taxes generated by the Plan Area, including the Hotel and Conference Center, shall be retained by and benefit the City and the County. The Project is expected to generate about \$162,500 in annual local sales taxes and about \$360,000 in annual hotel occupancy taxes, as well as property taxes on tangible personal property, which shall be retained in full by the City and County.

(e) The City and County will both become greater destinations for tourism and business events as a direct result of the Project, which shall draw more visitors to the area and increase the City and County's ability to compete for higher-profile convention activities. The Property also includes approximately 17 acres proposed for a greenspace or greenway development, which will increase the livability in the City and County, a major factor in retaining young talent in the area.

**Financial Assistance to Project; Distribution of Property Taxes.**

(f) **Definitions.** In addition to the words and terms elsewhere defined in this Economic Impact Plan, the following terms as used herein shall have the following meaning:

(i) **"Available Increment"** means the Increment minus the Dedicated Tax Amount.

(ii) **"Base Tax Amount"** means the portion of the City and County real and personal property taxes payable with respect to the property in the Plan Area for 2017, being the year prior to the date of approval of this Economic Impact Plan, less the Dedicated Tax Amount for such year.

(iii) **"Dedicated Tax Amount"** means the amount of taxes obtained by multiplying the Increment by the Dedicated Tax Percentage.

(iv) **"Dedicated Tax Percentage"** means the percentage of a Taxing Agency's taxes representing dedicated taxes, which are defined in the TIF Uniformity Act as "that portion of property taxes, if any, designated by a taxing agency to pay debt service on the taxing agency's debt."

(v) **"Incentive"** means the principal amount of the Note (defined in Section 6(d) below) plus interest paid thereon, together with any reimbursements of Project Costs made to the IDB or the Clarksville/Montgomery County Tourist Commission, also known as the Convention and Visitor's Bureau ("**CVB**") directly from the Available Increment.

(vi) **"Increment"** means the tax receipts representing the incremental increase in the City and County real and personal property taxes in the Plan Area over the sum of the Base Tax Amount and the Dedicated Tax Amount.

(vii) **"Taxing Agency"** is defined in the TIF Uniformity Act as "any county, city, town, metropolitan government or other public entity that levies property taxes on property within a plan area and that has approved the plan." For the purposes of this Economic Impact Plan, "Taxing Agency" means the City and the County, individually or collectively, as the context so requires.

(viii) “**TIF Uniformity Act**” means the Uniformity in Tax Increment Financing Act of 2012, codified in Tennessee Code Annotated § 9-23-101, et seq.

(a) Pursuant to Section 9-23-103(c) of the TIF Uniformity Act, the IDB shall calculate the Base Tax Amount and Dedicated Tax Amount on the basis of each individual parcel within the Plan Area, and the aggregate basis method of calculation and allocation shall not be used. In accordance with Section 9-23-103(d) of the TIF Uniformity Act, the IDB shall calculate the Available Increment under this Economic Impact Plan on the basis of each individual parcel within the Plan Area.

(g) The sum of the Base Tax Amount and the Dedicated Tax Amount for each parcel in the Plan Area (subject to any adjustments resulting from tax appeals), including both real and personal property, is set forth in **Exhibit B**, which includes a sum of \$1,366,854.26 for the Plan Area, approximately \$160.19 of which is attributable to the Property (prorated on a per-acre basis from the existing 282.5-acre tract identified as parcel 063032 01300 on Exhibit B).

(h) The IDB will fund the Project Costs by borrowing money under a nonrecourse note (the “**Note**”), secured and repaid by the Available Increment. Pursuant to the Project Agreement to be entered into between the Company and the IDB, the IDB will use the proceeds of the Note only to pay Project Costs, which may include direct payments or reimbursements to the IDB or the Clarksville/Montgomery County Tourist Commission for prior payments of Project Costs. The principal amount of the Note will not exceed Four Million Five Hundred Thousand and No/100 Dollars (\$4,500,000.00), and the allocation of Available Increment to the IDB in connection with this Economic Impact Plan will not exceed the Incentive amount. Beginning with the allocation of the Available Increment for the earlier of the calendar year in which the Hotel and Conference Center is assessed following completion, or calendar year 2021 (the “**Initial Allocation Year**”), the Available Increment, less an administrative fee to the IDB equal to one percent (1%) of the Available Increment, will be applied by the IDB first to the repayment of interest on and then to the principal of the Note. It is acknowledged and understood that under the TIF Uniformity Act, “no allocation of tax increment revenues shall be made with respect to any property for a period of more than twenty (20) years.” Consequently, the term of the Project Agreement and the Note shall end (the “**End of the Term**”), and the payment of the Available Increment to the Company shall terminate upon the earlier of the repayment of the Note in full, or upon the allocation of twenty (20) annual payments of the Available Increment from and including the payment of the Available Increment for the Initial Allocation Year. For example, if the Initial Allocation Year ends on December 31, 2021, and the Note has not been paid in full prior thereto, then the End of the Term shall be upon the payment of the Available Increment with respect to calendar year 2040 on the Note, with the result that if the Company has not received payment of its portion of the Available Increment with respect to the property taxes for calendar year 2040 by December 31, 2040, then the term shall continue until the Company receives that payment (which would be during March or April 2041 in the event that the 2040 taxes are paid in February of 2041).

(i) Based on the conservative estimated real property capital expenditure of \$25,000,000, and assuming the tax appraisal equals such capital expenditure and using current property tax rates, the annual City and County real property tax attributable to the completed Hotel and Conference Center in 2021 is expected to be approximately \$431,000. Based on that estimate, and assuming that the County's Dedicated Tax Percentage continues to be approximately 30.1466% and the City's Dedicated Tax Percentage continues to be approximately 37.00%, the Available Increment from real property taxes levied against the Property after completion of the Hotel and Conference Center will be approximately \$292,570 per annum, which amount represents only a portion of the Available Increment expected to be generated within the Plan Area.

(j) The Available Increment also includes all personal property taxes levied against the Hotel and Conference Center and the Available Increment from the other 43 parcels included in the Plan Area (including the remainder of the parcel that currently includes the Property).

(k) Subject to the provisions of Section 312(j) of the Act and Section 103(a) of the TIF Uniformity Act, real and personal property taxes imposed on the property located within the Plan Area shall be allocated and distributed in accordance with Section 312(c) of the Act as follows:

(i) Through the End of the Term, the Base Tax Amount and the Dedicated Tax Amount, if any, shall be allocated to and, as collected, paid to the City and the County in the same manner as taxes levied by the City and the County on all other property are paid; provided, however, that in any year in which the property taxes on any parcel of property in the Plan Area are less than the Base Tax Amount, there shall be allocated and paid to the City and the County with respect to such parcel of property only those taxes actually imposed and collected;

(ii) For any year prior to the Initial Allocation Year, the Available Increment, if any, shall be allocated to and, as collected, paid to the City and the County in the same manner as taxes levied by the City and the County on all other property are paid; and

(iii) Commencing with the taxes assessed for the Initial Allocation Year, the Available Increment, if any, shall be allocated to and, when collected and paid to the City and the County, shall then be remitted to the IDB. The IDB shall retain an administrative fee equal to one percent of the Available Increment per annum, and place the balance of the Available Increment into a separate fund of the IDB established to hold such payments until used to repay the Note or reimburse the IDB or the CVB for any payments of Project Costs made by such entity that were not paid directly or reimbursed from the proceeds of the Note.

**Qualified Use.** The IDB, the City and the County, if applicable, by the adoption of this Plan, find that the location of the Project is within an area that could provide substantial sources of tax revenues or economic activity to the City and the County, and find that the use of the Increment as described herein is in furtherance of promoting economic development in the City and the County, and that the use of the Increment as provided herein will develop trade and commerce in and adjacent to the City and the County, will contribute to the general welfare, and will alleviate conditions of unemployment. The acquisition, construction and equipping of the Project will be necessary and advantageous to the IDB in furthering the purposes of the Act.

**Approval Process.** Pursuant to Section 312 of the Act, the process for the approval of this Economic Impact Plan is as follows:

(l) The IDB shall hold a public hearing relating to the proposed Economic Impact Plan after publishing notice of such hearing in a newspaper of general circulation in the County at least two (2) weeks prior to the date of the public hearing. The notice must include the time, place and purpose of the hearing as well as notice of how a map of the subject area may be viewed by the public. Following such public hearing, the IDB will submit this Economic Impact Plan to the City and to the County for their approval.

(m) The governing body of the City and the County must approve this Economic Impact Plan for this Economic Impact Plan to be effective. Pursuant to the Act, this Economic Impact Plan may be approved by resolution of the governing body of the City and of the County, whether or not the local charter provisions of the governing body provide otherwise.

(n) Pursuant to Section 108 of the TIF Uniformity Act, the use of the Available Increment to reimburse the IDB or CVB for Project Costs or to repay the Note is subject to the Commissioner of the Department of Economic and Community Development and the Comptroller of the Treasury making a written determination that the use of tax increment revenues for such purposes is in the best interest of the State of Tennessee. If the written determination approving or rejecting these proposed uses is not rendered within thirty (30) days from the receipt of the written request by the Commissioner of the Department of Economic and Community Development and the Comptroller of the Treasury, the uses shall be deemed approved.

(o) Once the Economic Impact Plan has been approved by the governing body of the City and the County, the clerk or other recording official of the county shall transmit the following to the appropriate tax assessors and Taxing Agency affected: (a) a copy of the description of the property within the Plan Area, and (b) a copy of the Resolution approving the Economic Impact Plan, and any and all other filing required under the TIF Uniformity Act.

*[Signatures on following page.]*

APPROVED:

**THE INDUSTRIAL DEVELOPMENT BOARD  
OF MONTGOMERY COUNTY**

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

APPROVED:

**CITY OF CLARKSVILLE, TENNESSEE**

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

APPROVED:

**MONTGOMERY COUNTY, TENNESSEE**

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_



**EXHIBIT A**  
**DESCRIPTION OF THE PLAN AREA**  
[SEE ATTACHED]

# Proposed TIF Area

Proposed Road Extension

Proposed TIF Area

04/12/2018

Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), NGCC, OpenStreetMap contributors, and the GIS User Community

**EXHIBIT B**

**LIST OF TAX PARCELS AND SUM OF BASE TAX AMOUNT  
AND DEDICATED TAX AMOUNT**

[SEE ATTACHED]

## STONEY CREEK REAL PROPERTY VALUATION

Parcel	Final Appraised Value	Assessed Value	County Tax	City Tax	Total Tax
063017 04000	\$ 354,349	\$ 88,587	\$ 2,720	\$ 1,098	\$ 3,818
063017 04100	\$ 119,445	\$ 29,861	\$ 917	\$ 370	\$ 1,287
063017 04600	\$ 136,631	\$ 34,158	\$ 1,049	\$ 424	\$ 1,472
063017 04701	\$ 704,300	\$ 176,075	\$ 5,406	\$ 2,183	\$ 7,589
063032 00903	\$ 444,000	\$ 111,000	\$ 3,408	\$ 1,376	\$ 4,784
063032 01000	\$ 93,145	\$ 23,286	\$ 715	\$ 289	\$ 1,004
063032 01300	\$ 247,049	\$ 61,762	\$ 1,896	\$ 766	\$ 2,662
063032 01301	\$ 94,600	\$ 37,840	\$ 1,162	\$ 469	\$ 1,631
063032 01302	\$ 40,700	\$ 16,280	\$ 500	\$ 202	\$ 702
063032 01306	\$ 6,927,000	\$ 2,770,800	\$ 85,064	\$ 34,358	\$ 119,421
063032 01307	\$ 5,574,100	\$ 2,229,640	\$ 68,450	\$ 27,648	\$ 96,097
063032 01309	\$ 1,941,100	\$ 776,440	\$ 23,837	\$ 9,628	\$ 33,465
063032 01407	\$ 732,500	\$ 293,000	\$ 8,995	\$ 3,633	\$ 12,628
063032E A 00100	\$ 817,900	\$ 327,160	\$ 10,044	\$ 4,057	\$ 14,101
063032E A 00200	\$ 2,082,200	\$ 832,880	\$ 25,569	\$ 10,328	\$ 35,897
063032E A 00300	\$ 1,264,500	\$ 505,800	\$ 15,528	\$ 6,272	\$ 21,800
063032E A 00400 000	\$ 951,200	\$ 380,480	\$ 11,681	\$ 4,718	\$ 16,399
063032E A 00400 001	\$ 329,900	\$ 131,960	\$ 4,051	\$ 1,636	\$ 5,687
063032E A 00401	\$ 2,821,300	\$ 1,128,520	\$ 34,646	\$ 13,994	\$ 48,639
063032E A 00500	\$ 1,188,600	\$ 475,440	\$ 14,596	\$ 5,895	\$ 20,491
063032E A 00600	\$ 1,583,300	\$ 633,320	\$ 19,443	\$ 7,853	\$ 27,296
063032E B 00100	\$ 1,055,900	\$ 422,360	\$ 12,966	\$ 5,237	\$ 18,204
063032E B 00200	\$ 729,200	\$ 291,680	\$ 8,955	\$ 3,617	\$ 12,571
063032E B 00201	\$ 198,700	\$ 79,480	\$ 2,440	\$ 986	\$ 3,426
063032E B 00300	\$ 10,286,300	\$ 4,114,520	\$ 126,316	\$ 51,020	\$ 177,336 *
063032E B 00400	\$ 1,000	\$ 400	\$ 12	\$ 5	\$ 17
063032E B 00500	\$ 4,929,500	\$ 1,971,800	\$ 60,534	\$ 24,450	\$ 84,985
063032E B 00700	\$ 5,721,400	\$ 2,288,560	\$ 70,259	\$ 28,378	\$ 98,637



## STONEY CREEK REAL PROPERTY VALUATION

Parcel	Final Appraised Value	Assessed Value	County Tax	City Tax	Total Tax
063032L C 00100	\$ 880,700	\$ 352,280	\$ 10,815	\$ 4,368	\$ 15,183
063032L C 00500	\$ 660,100	\$ 264,040	\$ 8,106	\$ 3,274	\$ 11,380
063032L C 00600	\$ 768,600	\$ 307,440	\$ 9,438	\$ 3,812	\$ 13,251
063032L C 00800	\$ 924,900	\$ 369,960	\$ 11,358	\$ 4,588	\$ 15,945
063032L C 01100	\$ 1,226,300	\$ 490,520	\$ 15,059	\$ 6,082	\$ 21,141
063032L C 01200	\$ 1,425,000	\$ 570,000	\$ 17,499	\$ 7,068	\$ 24,567
063032L C 01300	\$ 4,796,100	\$ 1,918,440	\$ 58,896	\$ 23,789	\$ 82,685
063032L C 01400	\$ 1,872,300	\$ 748,920	\$ 22,992	\$ 9,287	\$ 32,278
063032L C 01500	\$ 1,265,200	\$ 506,080	\$ 15,537	\$ 6,275	\$ 21,812
063032L C 01600	\$ 658,800	\$ 263,520	\$ 8,090	\$ 3,268	\$ 11,358
063033H B 00400	\$ 1,367,500	\$ 547,000	\$ 16,793	\$ 6,783	\$ 23,576
063033H B 00500	\$ 1,235,400	\$ 494,160	\$ 15,171	\$ 6,128	\$ 21,298
063033H B 00501	\$ 546,400	\$ 218,560	\$ 6,710	\$ 2,710	\$ 9,420
063033H B 00600	\$ 1,610,000	\$ 644,000	\$ 19,771	\$ 7,986	\$ 27,756
063033H B 00700	\$ 2,284,400	\$ 913,760	\$ 28,052	\$ 11,331	\$ 39,383
<b>2017 Tax Base</b>			<b>\$ 885,442</b>	<b>\$ 357,638</b>	<b>\$ 1,243,080</b>

\* Parcel 032E B 003 has a valuation appeal pending at the state. It is likely the value will decrease from the 2017 total.





## STONEY CREEK TANGIBLE PERSONAL PROPERTY VALUATION

Parcel	Business Name	Appraised Value	Assessed Value	County Tax Billed	City Tax Billed	Total Tax Billed
063017 04000	N/A					
063017 04100	N/A					
063017 04600	Bowens Lawn and Landscaping	\$ 24,067.00	\$ 7,220.00	\$ 222.00	\$ 89.53	\$ 311.53
063017 04701	N/A					
063032 00903	N/A					
063032 01000	N/A					
063032 01300	Vacant Lot					
063032 01301	N/A					
063032 01302	Vacant Lot					
063032 01306	Nail Time	\$ 3,544.00	\$ 1,063.00	\$ 33.00	\$ 13.18	\$ 46.18
063032 01307	Kohl's #1019	\$ 594,953.00	\$ 176,969.00	\$ 5,433.00	\$ 2,194.42	\$ 7,627.42
063032 01309	Books-a-Million Inc	\$ 132,122.00	\$ 39,300.00	\$ 1,207.00	\$ 487.32	\$ 1,694.32
063032 01407	N/A					
063032E A 00100	N/A					
063032E A 00200	Days Inn North	\$ 67,268.00	\$ 20,008.00	\$ 614.00	\$ 248.10	\$ 862.10
063032E A 00300	Sudden Service #44	\$ 178,882.00	\$ 53,209.00	\$ 1,634.00	\$ 659.79	\$ 2,293.79
	JRD Partnership DBA America's					
063032E A 00400	Best Inn	\$ 43,545.00	\$ 13,064.00	\$ 401.00	\$ 161.99	\$ 562.99
063032E A 00401	Fairfield Inn & Suites	\$ 429,754.00	\$ 127,830.00	\$ 3,924.00	\$ 1,585.09	\$ 5,509.09
063032E A 00500	McDonald's #10468	\$ 122,667.00	\$ 36,487.00	\$ 1,120.00	\$ 452.44	\$ 1,572.44
063032E A 00600	Logan's #304	\$ 190,718.00	\$ 56,729.00	\$ 1,742.00	\$ 703.44	\$ 2,445.44
063032E B 00100	Applebee's Neighborhood Grill	\$ 91,584.00	\$ 27,241.00	\$ 836.00	\$ 337.79	\$ 1,173.79
	White Castle #9/Church's					
063032E B 00200	Chicken	\$ 310,843.00	\$ 92,460.00	\$ 2,839.00	\$ 1,146.50	\$ 3,985.50
063032E B 00201	Murphy Oil USA #5596	\$ 52,490.00	\$ 15,613.00	\$ 479.00	\$ 193.60	\$ 672.60
063032E B 00300	Wal-Mart/Sams Club East	\$ 1,334,938.00	\$ 397,077.00	\$ 12,190.00	\$ 4,923.75	\$ 17,113.75
063032E B 00400	N/A					
063032E B 00500	Mainstay Suites Hotel	\$ 261,953.00	\$ 77,918.00	\$ 2,392.00	\$ 966.18	\$ 3,358.18



## STONEY CREEK TANGIBLE PERSONAL PROPERTY VALUATION

Parcel	Business Name	Appraised Value	Assessed Value	County Tax Billed	City Tax Billed	Total Tax Billed
	Courtyard by Marriott					
063032E B 00700	Clarksville	\$ 53,607.00	\$ 15,945.00	\$ 490.00	\$ 197.72	\$ 687.72
063032L C 00100	DQ Grill & Chill	\$ 120,510.00	\$ 35,846.00	\$ 1,100.00	\$ 444.49	\$ 1,544.49
063032L C 00500	Ebenezer's	\$ 12,277.00	\$ 3,683.00	\$ 113.00	\$ 45.67	\$ 158.67
063032L C 00600	Cook Out Wilma Rudolph Inc	\$ 224,684.00	\$ 66,832.00	\$ 2,052.00	\$ 828.72	\$ 2,880.72
063032L C 00800	Red Lobster #10476	\$ 221,020.00	\$ 65,742.00	\$ 2,018.00	\$ 815.20	\$ 2,833.20
063032L C 01100	N/A					
063032L C 01200	Clarksville Custard LLC	\$ 446,427.00	\$ 133,928.00	\$ 4,112.00	\$ 1,660.71	\$ 5,772.71
	Academy Sports & Outdoors					
063032L C 01300	#208	\$ 880,476.00	\$ 261,898.00	\$ 8,040.00	\$ 3,247.54	\$ 11,287.54
063032L C 01400	Demos Restaurant	\$ 658,081.00	\$ 195,746.00	\$ 6,009.00	\$ 2,427.25	\$ 8,436.25
	Buffalo Wild Wings Grill & Bar					
063032L C 01500	#0305	\$ 187,678.00	\$ 55,824.00	\$ 1,714.00	\$ 692.22	\$ 2,406.22
063032L C 01600	Starbucks #9927	\$ 113,222.00	\$ 33,678.00	\$ 1,034.00	\$ 417.61	\$ 1,451.61
063033H B 00400	Ramada Limited	\$ 51,433.00	\$ 15,430.00	\$ 474.00	\$ 191.33	\$ 665.33
063033H B 00500	Chick-Fil-A at Wilma Rudolph	\$ 368,353.00	\$ 109,567.00	\$ 3,364.00	\$ 1,358.63	\$ 4,722.63
063033H B 00501	Chipotle Mexican Grill #1991	\$ 122,694.00	\$ 36,495.00	\$ 1,120.00	\$ 452.54	\$ 1,572.54
063033H B 00600	Rodeway Inn & Suites	\$ 123,544.00	\$ 36,748.00	\$ 1,128.00	\$ 455.68	\$ 1,583.68
	Home Town Suites-Clarksville					
063033H B 00700	Intown Suites	\$ 122,314.00	\$ 36,382.00	\$ 1,117.00	\$ 451.14	\$ 1,568.14
	Florida's Natural Food Service Inc	\$ 1,520.00	\$ 456.00	\$ 14.00	\$ 5.65	\$ 19.65
	Florida's Natural Food Service Inc	\$ 1,150.00	\$ 345.00	\$ 11.00	\$ 4.28	\$ 15.28
	Florida's Natural Food Service Inc	\$ 1,320.00	\$ 396.00	\$ 12.00	\$ 4.91	\$ 16.91
	Subway Sandwich Shop #41790	\$ 281,541.00	\$ 84,462.00	\$ 2,593.00	\$ 1,047.33	\$ 3,640.33



## STONEY CREEK TANGIBLE PERSONAL PROPERTY VALUATION

Parcel	Business Name	Appraised Value	Assessed Value	County Tax Billed	City Tax Billed	Total Tax Billed
	Canela Mexican Grill	\$ 95,011.00	\$ 28,503.00	\$ 875.00	\$ 353.44	\$ 1,228.44
	Florida's Natural Food Service Inc	\$ 1,341.00	\$ 402.00	\$ 12.00	\$ 4.98	\$ 16.98
	Additech Inc	\$ 3,795.00	\$ 1,129.00	\$ 35.00	\$ 14.00	\$ 49.00
	Greg Ray OD Inc	\$ 115,881.00	\$ 34,469.00	\$ 1,058.00	\$ 427.42	\$ 1,485.42
	McDonald's #17667	\$ 36,888.00	\$ 10,972.00	\$ 337.00	\$ 136.05	\$ 473.05
	Biebel Salons Inc DBA Cost Cutters Hair Care	\$ 3,124.00	\$ 929.00	\$ 29.00	\$ 11.52	\$ 40.52
	Namco Entertainment Inc #84108	\$ 3,151.00	\$ 937.00	\$ 29.00	\$ 11.62	\$ 40.62
	U S Bank National Association	\$ 51,238.00	\$ 15,240.00	\$ 468.00	\$ 188.98	\$ 656.98
	Seva	\$ 13,645.00	\$ 4,094.00	\$ 126.00	\$ 50.77	\$ 176.77
	Redbox Automated Retail LLC	\$ 4,332.00	\$ 1,289.00	\$ 40.00	\$ 15.98	\$ 55.98
	ECOATM	\$ 25,291.00	\$ 7,523.00	\$ 231.00	\$ 93.29	\$ 324.29
	Rue 21 Inc #530	\$ 122,584.00	\$ 36,775.00	\$ 1,129.00	\$ 456.01	\$ 1,585.01
	Edible Arrangements	\$ 44,450.00	\$ 13,222.00	\$ 406.00	\$ 163.95	\$ 569.95
	Mattress Firm Inc #607	\$ 10,831.00	\$ 3,221.00	\$ 99.00	\$ 39.94	\$ 138.94
	Kirkland's Stores Inc #593	\$ 53,327.00	\$ 15,862.00	\$ 487.00	\$ 196.69	\$ 683.69
	Lane Bryant Inc	\$ 50,990.00	\$ 15,167.00	\$ 466.00	\$ 188.07	\$ 654.07
	Cato Corporation #798	\$ 16,867.00	\$ 5,017.00	\$ 154.00	\$ 62.21	\$ 216.21
	Central Traders Inc DBA Tandoor Indian Bistro	\$ 5,486.00	\$ 1,646.00	\$ 51.00	\$ 20.41	\$ 71.41
	It's Fashion #7353	\$ 80,757.00	\$ 24,021.00	\$ 737.00	\$ 297.86	\$ 1,034.86
	One Main Financial Group LLC 2317	\$ 35,383.00	\$ 10,525.00	\$ 323.00	\$ 130.51	\$ 453.51
	Select Staffing	\$ 14,550.00	\$ 4,328.00	\$ 133.00	\$ 53.67	\$ 186.67
	Michael's Stores #1273	\$ 325,838.00	\$ 96,920.00	\$ 2,975.00	\$ 1,201.81	\$ 4,176.81
	Mariner Finance LLC	\$ 11,150.00	\$ 3,317.00	\$ 102.00	\$ 41.13	\$ 143.13





### STONEY CREEK TANGIBLE PERSONAL PROPERTY VALUATION

Parcel	Business Name	Appraised Value	Assessed Value	County Tax Billed	City Tax Billed	Total Tax Billed
	Ulta Salon Cosmetics & Fragrance Inc	\$ 512,286.00	\$ 152,380.00	\$ 4,678.00	\$ 1,889.51	\$ 6,567.51
	America's Best Contacts and Eyeglasses	\$ 175,608.00	\$ 52,234.00	\$ 1,604.00	\$ 647.70	\$ 2,251.70
	<b>2017 Tax Base</b>			\$ 88,165.00	\$ 35,609.26	<b>\$ 123,774.26</b>

RESOLUTION 10-2018-19

A RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND PAYMENT OF NOT TO EXCEED \$4,850,000 OF CAPITAL OUTLAY NOTES OF THE CITY OF CLARKSVILLE, TENNESSEE AND LEVYING AD VALOREM TAXES FOR THE PAYMENT OF THE NOTES.

WHEREAS, Sections 9-21-101 et seq., Tennessee Code Annotated (the “Act”), authorize Tennessee municipalities to issue capital outlay notes for a term of up to ten years to finance the acquisition of a fee simple absolute interest in land; and

WHEREAS, the City Council of the City of Clarksville, Tennessee (the “Municipality”) hereby determines that it is necessary and advisable to issue not to exceed \$4,850,000 of capital outlay notes for the purpose of financing the (i) acquisition of a fee simple absolute interest in land for the location of recreational and athletic facilities and a municipal fleet repair shop (the “Projects”); (ii) reimbursement of prior expenditures for such Projects, if any; and (iii) payment of costs of issuance in connection with the issuance and sale of the notes; and

WHEREAS, it is the intention of the City Council of the Municipality to adopt this resolution to authorize the issuance, sale and payment of the notes and the levy of ad valorem taxes for the payment of the notes.

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

Section 1. Authority. The notes authorized by this resolution are issued pursuant to the Act and other applicable provisions of law.

Section 2. Definitions. In addition to the terms defined above, the following terms shall have the following meanings in this resolution unless the text expressly or by necessary implication requires otherwise:

(a) “Code” means the Internal Revenue Code of 1986, as amended, and all regulations promulgated thereunder.

(b) “Debt Management Policy” means the Debt Management Policy previously adopted by the Governing Body.

(c) “Municipal Advisor” means PFM Financial Advisors LLC.

(d) “Notes” means the capital outlay notes authorized to be issued by this resolution.

(e) “Projects” means the acquisition of a fee simple absolute interest in land for the location of recreational and athletic facilities and a municipal fleet repair shop.

(f) “Purchaser” means U.S. Bank National Association, as the purchaser of the Notes.

(g) “Registration Agent” means the Chief Financial Officer of the Municipality or such other registration and paying agent appointed by the Mayor pursuant to Section 4 hereof, or any successor designated by the Mayor.

Section 3. Compliance with Debt Management Policy. The Governing Body hereby finds that the issuance of the Notes is consistent with the terms of the Debt Management Policy. The estimated costs of issuing the Notes and the estimated amortization and the interest rate(s) on the Notes are attached hereto as Exhibit A; provided, however, that the final costs, amortization and interest rates will be determined at the time the Notes are sold.

Section 4. Authorization and Terms of the Notes.

(a) Not to exceed \$4,850,000 of capital outlay notes of the Municipality are hereby authorized to be issued to finance the Projects, including any reimbursement therefor, and note issuance costs. Subject to any adjustments made by the Mayor pursuant to Section 7, the Notes shall:

(i) be issued as fully registered, certificated notes (unless otherwise requested by the Purchaser, in which case the Notes may be issued in book-entry form);

(ii) be known as “General Obligation Capital Outlay Notes”;

(iii) be dated the date of their issuance;

(iv) bear interest at a rate or rates not to exceed the maximum rate permitted by applicable Tennessee law, payable monthly or semiannually;

(v) be issued initially in such denominations as shall be requested by the Purchaser; and

(vi) mature serially or through mandatory redemption on January 1 of each year, commencing on January 1, 2020 and ending January 1, 2029, in principal amounts resulting in approximately level debt service unless otherwise approved by the Director of State and Local Finance; provided that in no event shall the Notes mature later than the end of the tenth fiscal year following the fiscal year in which the Notes are issued.

(b) Subject to any adjustments made by the Mayor pursuant to Section 7, the Notes may be redeemed prior to maturity at the option of the Municipality, in whole or part, at any time, at the redemption price of par plus accrued interest to the redemption date. The Notes to be redeemed may be selected by the Municipality except that, if less than all of the Notes within a single serial maturity shall be called for redemption, the interests 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 (or, if the Notes are issued in book-entry form, by lot or such other manner as determined by the applicable securities depository).

(c) Pursuant to Section 7 hereof, the Mayor is authorized to sell the Notes, or any maturities thereof, as term notes (“Term Notes”) with mandatory redemption requirements corresponding to the maturities described herein. In the event any or all the Notes are sold as Term Notes, the Municipality shall redeem Term Notes on redemption dates and in principal amounts corresponding to the maturity dates and amounts described herein, at a price of par plus accrued interest thereon to the date of redemption. Term Notes of a single maturity shall be selected for optional redemption in the same 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 Term Notes 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 Term Notes 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 Term Note 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 Term Notes to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced. The Municipality may 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) Subject to any adjustments made by the Mayor pursuant to Section 7, notice of call for redemption shall be given by the Registration Agent on behalf of the Municipality not less than fifteen (15) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Notes to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Note registration records of the Registration Agent as of the date of the notice or as otherwise specified by the terms of a financing agreement between the Municipality and the Purchaser; 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 Notes for which proper notice was given. The Registration Agent shall mail said notices as and when directed by the Municipality pursuant to written or other instructions from an authorized representative of the Municipality. From and after the redemption date, all Notes 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) The Governing Body hereby appoints the Chief Financial Officer of the Municipality as the Registration Agent for the Notes and hereby authorizes and directs the Registration Agent so appointed to maintain Note registration records with respect to the Notes, to authenticate and deliver the Notes as provided herein, either at original issuance or upon transfer, to effect transfers of the Notes, to give all notices of redemption as required herein, to make all payments of principal and interest with respect to the Notes as provided herein, to cancel and destroy Notes 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 Notes canceled and destroyed, and to furnish the Municipality at least annually an audit confirmation of Notes paid, Notes outstanding and payments made with respect to interest on the Notes. Notwithstanding the above, if determined by the Mayor in consultation with the Municipal Advisor to be in the best interest of the Municipality, the Mayor is hereby authorized to appoint a Registration Agent for the Notes other than the Chief Financial Officer, and the Mayor and the City Clerk, or either of them, is hereby authorized to execute and the City Clerk is hereby authorized to attest any such written agreement between the Municipality and the Registration Agent as they shall deem necessary or proper with respect to the obligations, duties and rights of the Registration Agent.

(f) The Notes 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 Notes by check or draft on each interest payment date directly to the registered owners as shown on the Note 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 Note registration records, without, except for final payment, the presentation or surrender of such registered Notes, and all such payments shall discharge the obligations of the Municipality in respect of such Notes to the extent of the payments so made. Payment of principal of the Notes shall be made upon presentation and surrender of such Notes 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, unless otherwise directed by the Mayor pursuant to Section 7 herein.

(g) Any interest on any Note that is payable but is not punctually paid or duly provided for on any interest payment date (hereinafter "Defaulted Interest") shall 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 Notes 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 or otherwise of the amount of Defaulted Interest proposed to be paid on each Note 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 Note registration records maintained by the Registration Agent as of the date of such notice. Nothing contained in this Section or in the Notes 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 and interest on the Notes when due.

(h) Subject to any adjustments made by the Mayor pursuant to Section 7, the Notes are transferable only by presentation to the Registration Agent by the registered owner, or her legal representative duly authorized in writing, of the registered Note(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 Note(s) accompanied by appropriate documentation necessary to prove the legal capacity of any legal representative of the registered owner; provided, however, the Mayor may

provide that the Notes are not transferable without the written consent of the Municipality. Upon receipt of the Note(s) in such form and with such documentation, if any, the Registration Agent shall issue a new Note or the Note to the assignee(s) in such denominations requested by the registered owner requesting transfer. The Registration Agent shall not be required to transfer or exchange any Note during the period commencing on a Regular or Special Record Date and ending on the corresponding interest payment date of such Note, nor to transfer or exchange any Note after the publication of notice calling such Note for redemption has been made, nor to transfer or exchange any Note during the period following the receipt of instructions from the Municipality to call such Note 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 Note, provided that any transfer tax relating to such transaction shall be paid by the registered owner requesting transfer. The person in whose name any Note 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 Notes shall be overdue. The Notes, upon surrender to the Registration Agent, may, at the option of the registered owner, be exchanged for an equal aggregate principal amount of the Notes of the same maturity in any authorized denomination or denominations.

(i) The Notes shall be executed in the manner required by the Act.

(j) The Registration Agent is hereby authorized to authenticate and deliver the Notes to the Purchaser, upon receipt by the Municipality of the proceeds of the sale thereof and to authenticate and deliver Notes in exchange for Notes of the same principal amount delivered for transfer upon receipt of the Note(s) to be transferred in proper form with proper documentation as hereinabove described. The Notes 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 Note form.

(k) In case any Note 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 Note of like tenor, amount, maturity and date, in exchange and substitution for, and upon the cancellation of, the mutilated Note, or in lieu of and in substitution for such lost, stolen or destroyed Note, or if any such Note shall have matured or shall be about to mature, instead of issuing a substituted Note the Municipality may pay or authorize payment of such Note 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 Note, and indemnity satisfactory to the Municipality and the Registration Agent; and the Municipality may charge the applicant for the issue of such new Note an amount sufficient to reimburse the Municipality for the expense incurred by it in the issue thereof.

Section 5. Security and Source of Payment; Levy of Tax. The Notes shall be payable from unlimited ad valorem taxes to be levied on all taxable property within the Municipality. For the prompt payment of principal of and interest on the Notes, the full faith and credit of the Municipality are hereby irrevocably pledged. The Governing Body shall annually levy and collect a tax upon all taxable property within the Municipality, in addition to all other taxes authorized by law, sufficient to pay principal of and interest on the Notes when due, and for that purpose there is hereby levied a direct annual tax in such amount as may be found necessary each year to pay the principal and interest coming due on the Notes in said year. Principal and interest on the Notes falling due at any time when there are insufficient funds from this tax levy on hand shall be paid from the current funds of the Municipality and reimbursement therefor shall be made out of the taxes hereby provided to be levied when the same shall have been collected. The tax herein provided shall be reduced to the extent of any other funds, taxes and revenues from the Municipality appropriated to the debt service on the Notes.

Section 6. Form of Notes. The Notes shall be in substantially the following form, the omissions to be appropriately completed when the Notes are prepared and delivered:

(Form of Face of Note)		
REGISTERED		REGISTERED
Number _____		\$ _____
UNITED STATES OF AMERICA		
STATE OF TENNESSEE		
COUNTY OF MONTGOMERY		
CITY OF CLARKSVILLE		
GENERAL OBLIGATION CAPITAL OUTLAY NOTE,		
SERIES _____		

Interest Rate:

Maturity Date:

Date of Note:

Registered Owner:

Principal Amount:

FOR VALUE RECEIVED, the City of Clarksville, Tennessee (the "Municipality") 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[or, following a Determination of Taxability or an Event of Default (as hereinafter defined) at the annual rate of interest of \_\_\_% or \_\_\_%, respectively,] from the date hereof until said maturity date or redemption date, said interest being payable on \_\_\_\_\_ until this Note matures or is redeemed[; provided, however, that in the case of a Determination of Taxability or an Event of Default, interest hereon shall be payable at the rate of \_\_\_% commencing on the date of the Determination of Taxability until this Note matures or is redeemed or a rate of \_\_\_% commencing on the date of the Event of Default until this Note matures or is redeemed or the Event of Default is cured.] The principal hereof and interest hereon are payable in lawful money of the United States of America by check or draft at the principal office of the Chief Financial Officer of the Municipality, as registration agent and paying agent (the "Registration Agent"). The Registration Agent shall make all interest payments with respect to this Note on each interest payment date directly to the registered owner hereof shown on the Note 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 Note registration records, without, except for final payment, the presentation or surrender of this Note, 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 Note 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 Notes of the issue of which this Note is one not less than ten (10) days prior to such Special Record Date. Payment of principal of this Note shall be made when due upon presentation and surrender of this Note to the Registration Agent.

[As used herein, "Determination of Taxability" shall mean a determination that interest on the Notes is includable for federal income tax purposes in the gross income of the registered owner or any former registered owner of the Notes.][As used herein, "Event of Default" means (i) a declaration of bankruptcy, a determination of insolvency, or debt moratorium with respect to the Municipality, or (ii) the declaration by the Purchaser of an event as a result of a determination by the Purchaser that: (a) the Municipality has failed to pay principal or interest on this Note on the due date hereof, as provided in this Note and the Financing Agreement, which failure continues, and is not cured, for a period of 10 days after the Purchaser has made written demand on the Municipality to cure such failure to make payment; (b) the Municipality has failed to comply with any of its obligations or to perform any of its duties (other than the obligation to pay principal and interest on this Note) under the Financing Agreement or this Note, which failure continues, and is not cured, for a period of more than 30 days after the Purchaser has provided written notice thereof to the Municipality; or (c) there has been a material misrepresentation by the Municipality of any representations made in Section 11 of the Financing Agreement.]

[The Notes shall be subject to redemption prior to maturity at the option of the Municipality, as a whole or in part, at any time at the redemption price of par plus accrued interest to the redemption date.]

If less than all the Notes 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 Notes of a maturity shall be called for redemption, the interests 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.

[Notice of call for redemption shall be given by the Registration Agent on behalf of the Municipality not less than fifteen (15) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Notes to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Note 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 Notes for which proper notice was given. From and after any redemption date, all Notes 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 Note 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 Note. Upon such transfer a new Note or Notes 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 Notes are transferable only with the written consent of the Municipality. The person in whose name this Note 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 Note shall be overdue. Notes, 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 Notes 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 Note during the period commencing on a Regular Record Date or Special Record Date and ending on the corresponding interest payment date of such Note, nor to transfer or exchange any Note after the notice calling such Note for redemption has been made, nor during a period following the receipt of instructions from the Municipality to call such Note for redemption.]

This Note is one of a total authorized issue aggregating \$\_\_\_\_\_ and issued by the Municipality for the purpose of providing funds to finance (i) the acquisition of a fee simple absolute interest in land for the location of recreational and athletic facilities and a municipal fleet repair shop; (ii) the reimbursement of the Municipality for prior costs; and (iii) the payment of Note issuance costs, if any, pursuant to Sections 9-21-101 et seq., Tennessee Code Annotated, and pursuant to a resolution duly adopted by the City Council of the Municipality on November 2, 2017 (the "Resolution").

This Note is payable from unlimited ad valorem taxes to be levied on all taxable property within the Municipality. For the prompt payment of principal of and interest on this Note, the full faith and credit of the Municipality are irrevocably pledged. For a more complete statement of the general covenants and provisions pursuant to which this Note is issued, reference is hereby made to the Resolution.

This Note and the income therefrom are exempt from all present state, Municipality and municipal taxes in Tennessee except (a) Tennessee excise taxes on interest on the Note during the period the Note 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 (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Note 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 Note exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Note, 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 Note to be signed by its Mayor and attested by its City Clerk under the corporate seal of the Municipality, all as of the date hereinabove set forth.

CITY OF CLARKSVILLE, TENNESSEE

FORM—DO NOT SIGN

Mayor

(SEAL)

ATTESTED:

FORM—DO NOT SIGN

City Clerk

Transferable and payable at the  
principal office of:

Chief Financial Officer  
Clarksville, Tennessee

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

This Note is one of the Notes issued pursuant to the Resolution hereinabove described.

CHIEF FINANCIAL OFFICER  
Registration Agent

~~FORM—DO NOT SIGN~~

Chief Financial Officer

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns, and transfers unto \_\_\_\_\_, whose address is \_\_\_\_\_ (Please insert Federal Identification or Social Security Number of Assignee \_\_\_\_\_), the within Note of the City of Clarksville, Tennessee, and does hereby irrevocably constitute and appoint \_\_\_\_\_, attorney, to transfer the said Note 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 Note 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.

Section 7. Sale of Notes.

(a) The Notes shall be sold by private negotiated sale to the Purchaser. The Notes shall be offered at a price of not less than 99% of par, as a whole or in part from time to time as shall be determined by the Mayor. The Mayor is authorized to execute and the City Clerk to attest a financing agreement in substantially the form provided in Exhibit C hereto, providing the details of the terms of the sale. The sale of any emission of the Notes to the Purchaser 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 Municipal Advisor, is further authorized to:

- (1) change the dated date of the Notes to a date other than the date of issuance;
- (2) change the designation of the Notes from “General Obligation Capital Outlay Notes” and to specify the series designation of the Notes;
- (3) change the manner of calculating interest on the Notes from that provided herein;
- (4) establish the interest payment dates for the Notes, provided that the first interest payment date may not be more than twelve months following the issuance of the Notes;



- (5) establish the principal payment dates and maturity or mandatory redemption amounts for the Notes; provided that in no event shall the Notes mature later than the end of the tenth fiscal year following the fiscal year in which the Notes are issued;
  - (6) adjust or remove the redemption provisions of the Notes;
  - (7) adjust authorized denominations;
  - (8) sell all or a portion of the Notes as Term Notes;
  - (9) cause all or a portion of the Notes to be insured by a bond insurance policy issued by a nationally recognized bond insurance company to achieve the purposes set forth herein and to serve the best interests of the Municipality and to enter into agreements with such insurance company with respect to any series of Notes to the extent not inconsistent with this Resolution;
  - (10) provide for the transferability and restrictions on transferability of the Notes;
  - (11) provide that the Notes shall bear interest at an increased rate or rates, not to exceed the maximum rate permitted by applicable law, if (i) interest on such Notes is determined to be includable for federal income tax purposes in the gross income of the holder(s) thereof subsequent to issuance of the Notes or (ii) the Municipality defaults under the terms of the financing agreement with the Purchaser; and
  - (12) otherwise provide for the issuance of the Notes on the terms contemplated in the financing agreement attached hereto as Exhibit C.
- (c) The officers of the Municipality are authorized to execute, publish, and deliver all certificates and documents as they shall deem necessary in connection with the sale and delivery of the Notes.
- (d) The Mayor is hereby authorized to enter into an agreement with Bass, Berry & Sims PLC to serve as bond counsel in connection with the Notes in substantially the form attached as Exhibit B, and all actions heretofore taken in this respect are hereby ratified and approved.
- (e) The Notes may not be issued until the Municipality has received the approval of the Director of State and Local Finance, as required by the Act.
- (f) The form of the Note as set forth in Section 6 hereof shall be conformed to any modifications provided in this Section 7.
- (g) Notwithstanding anything herein to the contrary, the Notes may be sold in multiple emissions, as directed by the Mayor.

Section 8. Disposition of Note Proceeds. The proceeds of the sale of the Notes shall be deposited with a financial institution regulated by the Federal Deposit Insurance Corporation or similar federal agency in a special fund known as the 2017 Note Construction Fund, or such other designation as shall be determined by the Mayor (the "Construction Fund"), to be accounted for separate and apart from all other funds of the Municipality. The Municipality shall disburse funds in the Construction Fund to pay costs of issuance of the Notes, including necessary legal, accounting and fiscal expenses, printing, engraving, advertising and similar expenses, administrative and clerical costs, bond insurance premiums, if any, and other necessary miscellaneous expenses incurred in connection with the issuance and sale of the Notes. The remaining funds in the Construction Fund shall be disbursed solely to pay the costs of the Projects. Money in the Construction Fund shall be secured in the manner prescribed by applicable statutes relative to the securing of public or trust funds, if any, or, in the absence of such a statute, by a pledge of readily marketable securities having at all times a market value of not less than the amount in said Construction Fund. Money in the Construction Fund shall be expended only for the purposes authorized by this resolution and earnings thereon shall be retained in the Construction Fund. Any funds remaining in the Construction Fund after completion of the Projects and payment of authorized expenses shall be used to pay principal of and interest on the Notes.

Section 9. Tax Matters.

(a) The Notes will be issued on a federally tax-exempt basis. The Municipality hereby covenants that it will not use, or permit the use of, any proceeds of the Notes in a manner that would cause the Notes 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 Notes that it will, throughout the term of the Notes 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 Notes shall be and continue to be excluded from gross income for federal income tax purposes under Section 103 of the Code. Notwithstanding the above, if the Municipality determines to use the proceeds of the Note in a manner that would cause the Notes to be subjected to treatment under Section 148 of the Code, and applicable regulations thereunder, as an “arbitrage bond”, the Municipality shall immediately contact bond counsel and shall comply with applicable provisions of the Notes and financing agreement.

(b) It is reasonably expected that the Municipality will reimburse itself for certain expenditures made by it in connection with the Projects by issuing the Notes. This resolution shall be placed in the minutes of the Governing Body and shall be made available for inspection by the general public at the office of the Governing Body. This resolution constitutes a declaration of official intent under Treas. Reg. §1.150-2.

(c) The Governing Body hereby delegates to the Mayor the authority to designate, and determine whether to designate, the Notes as “qualified tax-exempt obligations,” as defined in Section 265 of the Code, to the extent the Notes are not deemed designated as such and may be designated as such.

(d) The appropriate officers of the Municipality are authorized and directed, on behalf of the Municipality, to execute and deliver all such certificates and documents that may be required of the Municipality in order to comply with the provisions of this Section related to the issuance of the Notes and to administer the Municipality’s Federal Tax Compliance Policies and Procedures with respect to the Notes.

Section 10. Discharge and Satisfaction of Notes. If the Municipality shall pay and discharge the indebtedness evidenced by any of the Notes in any one or more of the following ways:

(a) By paying or causing to be paid, by deposit of sufficient funds as and when required with the Registration Agent, the principal of and interest on such Notes as and when the same become due and payable;

(b) By depositing or causing to be deposited with any trust company or financial institution whose deposits are insured by the Federal Deposit Insurance Corporation or similar federal agency and which has trust powers (an “Agent”; which Agent may be the Registration Agent) in trust or escrow, on or before the date of maturity or redemption, sufficient money or Federal Obligations, as hereafter defined, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Notes and to pay interest thereon when due until the maturity or redemption date (provided, if such Notes are to be redeemed prior to maturity thereof, proper notice of such redemption shall have been given or adequate provision shall have been made for the giving of such notice);

(c) By delivering such Notes to the Registration Agent, for cancellation by it;

and if the Municipality shall also pay or cause to be paid all other sums payable hereunder by the Municipality with respect to such Notes, or make adequate provision therefor, and by resolution of the Governing Body instruct any such Agent to pay amounts when and as required to the Registration Agent for the payment of principal of and interest on such Notes when due, then and in that case the indebtedness evidenced by such Notes shall be discharged and satisfied and all covenants, agreements and obligations of the Municipality to the holders of such Notes shall be fully discharged and satisfied and shall thereupon cease, terminate and become void.

If the Municipality shall pay and discharge the indebtedness evidenced by any of the Notes in the manner provided in either clause (a) or clause (b) above, then the registered owners thereof shall thereafter be entitled only to payment out of the money or Federal Obligations deposited as aforesaid.

Except as otherwise provided in this Section, neither Federal Obligations nor moneys deposited with the Registration Agent pursuant to this Section nor principal or interest payments on any such Federal Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal and interest on said Notes; provided that any cash received from such principal or interest payments on such Federal Obligations deposited with the Registration Agent, (A) to

the extent such cash will not be required at any time for such purpose, shall be paid over to the Municipality as received by the Registration Agent and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Federal Obligations maturing at times and in amounts sufficient to pay when due the principal and interest to become due on said Notes on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the Municipality, as received by the Registration Agent. For the purposes of this Section, Federal Obligations shall mean direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, or any agency thereof, obligations of any agency or instrumentality of the United States or any other obligations at the time of the purchase thereof are permitted investments under Tennessee law for the purposes described in this Section, which notes or other obligations shall not be subject to redemption prior to their maturity other than at the option of the registered owner thereof.

Section 11. Official Statement. If required by Rule 15c2-12 of the Securities and Exchange Commission, the officers of the Municipality are hereby authorized and directed to provide for the preparation and distribution of a Preliminary Official Statement and Official Statement describing the Notes, and to deem the Preliminary Statement as final, all in the manner required by such Rule. 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 pricing and other information. The officers of the Municipality are also authorized to prepare and distribute an offering circular, if deemed advisable by the Municipal Advisor, in connection with a sale of the Notes for which an Official Statement is not required.

Section 12. Continuing Disclosure. The Municipality hereby covenants and agrees that it will provide annual financial information and event notices if and as required by Rule 15c2-12 of the Securities Exchange Commission for the Notes. If required, the Mayor is authorized to execute an agreement for the benefit of the owners of the Notes satisfying the terms of Rule 15c2-12.

Section 13. Resolution a Contract. The provisions of this resolution shall constitute a contract between the Municipality and the registered owners of the Notes, and after the issuance of the Notes, no change, variation or alteration of any kind in the provisions of this resolution altering payment provisions or security for the Notes shall be made in any manner until such time as the Notes and interest due thereon shall have been paid in full.

Section 14. Additional Authorization and Ratification. Any and all other actions heretofore taken on behalf of the Municipality by its officers in furtherance of the purposes of this resolution, and all acts of the officers of the Municipality that are in conformity with the purposes and intent of this resolution, are hereby approved, ratified and confirmed in all respects.

Section 15. 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.

Section 16. Effective Date and Repeal of Conflicting Resolutions. 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.

Adopted and approved on August 2, 2018.

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Mayor

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City Clerk

EXHIBIT A

Estimated Debt Service and Costs of Issuance

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
01/01/2019			58,412.17	58,412.17	
06/30/2019					58,412.17
07/01/2019			80,261.00	80,261.00	
01/01/2020	416,000	3.320%	80,261.00	498,261.00	
06/30/2020					576,522.00
07/01/2020			73,355.40	73,355.40	
01/01/2021	429,000	3.320%	73,355.40	502,355.40	
06/30/2021					575,710.80
07/01/2021			66,234.00	66,234.00	
01/01/2022	444,000	3.320%	66,234.00	510,234.00	
06/30/2022					576,468.00
07/01/2022			58,863.60	58,863.60	
01/01/2023	458,000	3.320%	58,863.60	516,863.60	
06/30/2023					575,727.20
07/01/2023			51,260.80	51,260.80	
01/01/2024	474,000	3.320%	51,260.80	525,260.80	
06/30/2024					576,521.60
07/01/2024			43,392.40	43,392.40	
01/01/2025	489,000	3.320%	43,392.40	532,392.40	
06/30/2025					575,784.80
07/01/2025			35,275.00	35,275.00	
01/01/2026	505,000	3.320%	35,275.00	540,275.00	
06/30/2026					575,550.00
07/01/2026			26,892.00	26,892.00	
01/01/2027	522,000	3.320%	26,892.00	548,892.00	
06/30/2027					575,784.00
07/01/2027			18,226.80	18,226.80	
01/01/2028	540,000	3.320%	18,226.80	558,226.80	
06/30/2028					576,453.60
07/01/2028			9,262.80	9,262.80	
01/01/2029	558,000	3.320%	9,262.80	567,262.80	
06/30/2029					576,525.60
	4,835,000		984,459.77	5,819,459.77	5,819,459.77

Cost of Issuance	\$/1000	Amount
Financial Advisor (estimated)	2.50000	12,087.50
Bond Counsel (estimated)	3.10238	15,000.00
Bank Expenses (estimated per term sheet)	0.10341	500.00
Bank Counsel (estimated per term sheet)	0.31024	1,500.00
	6.01603	29,087.50

EXHIBIT B

FORM OF ENGAGEMENT LETTER OF BOND COUNSEL

LETTERHEAD OF BASS, BERRY & SIMS PLC

August 2, 2018

City of Clarksville, Tennessee  
One Public Square  
Clarksville, TN 37040  
Attention: Kim McMillan, Mayor

**Re: Issuance of Not to Exceed \$4,850,000 in Aggregate Principal Amount of General Obligation Capital Outlay Notes.**

Dear Mayor:

The purpose of this engagement letter is to set forth certain matters concerning the services we will perform as bond counsel to the City of Clarksville, Tennessee (the “Issuer”), in connection with the issuance of the above-referenced notes (the “Notes”). We understand that the Notes are being issued for the purpose of providing funds necessary to finance the project identified in a resolution authorizing the Notes adopted on August 2, 2018 (the “Resolution”) and to pay costs of issuance of the Notes, as more fully set forth in the Resolution. We further understand that the Notes will be sold at negotiated sale.

**SCOPE OF ENGAGEMENT**

In this engagement, we expect to perform the following duties:

1. Subject to the completion of proceedings to our satisfaction, render our legal opinion (the “Bond Opinion”) regarding the validity and binding effect of the Notes, the source of payment and security for the Notes, and the excludability of interest on the Notes from gross income for federal income tax purposes.
2. Prepare and review documents necessary or appropriate for the authorization, issuance and delivery of the Notes, coordinate the authorization and execution of such documents, and review enabling legislation.
3. Assist the Issuer in seeking from other governmental authorities such approvals, permissions and exemptions as we determine are necessary or appropriate in connection with the authorization, issuance, and delivery of the Notes, except that we will not be responsible for any required blue-sky filings.
4. Review legal issues relating to the structure of the Notes.
5. Prepare and review the notice of sale pertaining to the sale of the Notes, if any.

Our Bond Opinion will be addressed to the Issuer and the original purchaser of the Notes and will be delivered by us on the date the Notes are exchanged for their purchase price (the “Closing”).

The Bond Opinion will be based on facts and law existing as of its date. In rendering our Bond Opinion, we will rely upon the certified proceedings and other certifications of public officials and other persons furnished to us without undertaking to verify the same by independent investigation, and we will assume continuing compliance by the Issuer with applicable laws relating to the Notes. During the course of this engagement, we will rely on you to provide us with complete and timely information on all developments pertaining to any aspect of the Notes and their security. We understand that you will direct members of your staff and other employees of the Issuer to cooperate with us in this regard.

Our duties in this engagement are limited to those expressly set forth above. Among other things, our duties do not include:

- a.
  - 1) Assisting in the preparation or review of a disclosure document with respect to the Notes, or
  - 2) Performing an independent investigation to determine the accuracy, completeness or sufficiency of any such document, or
  - 3) Rendering advice that the official statement or other disclosure documents
    - a) Do not contain any untrue statement of a material fact or
    - b) Do not omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.
- b. Preparing requests for tax rulings from the Internal Revenue Service, or no action letters from the Securities and Exchange Commission.
- c. Preparing blue sky or investment surveys with respect to the Notes.
- d. Drafting state constitutional or legislative amendments.
- e. Pursuing test cases or other litigation, (such as contested validation proceedings).
- f. Making an investigation or expressing any view as to the creditworthiness of the Issuer or the Notes.
- g. Representing the Issuer in Internal Revenue Service examinations or inquiries, or Securities and Exchange Commission investigations.
- i. After Closing, providing continuing advice to the Issuer or any other party concerning any actions necessary to assure that interest paid on the Notes will continue to be excludable from gross income for federal income tax purposes (e.g., our engagement does not include rebate calculations for the Notes).
- j. Addressing any other matter not specifically set forth above that is not required to render our Bond Opinion.

#### **ATTORNEY-CLIENT RELATIONSHIP**

Upon execution of this engagement letter, the Issuer will be our client and an attorney-client relationship will exist between us. We assume that all other parties will retain such counsel as they deem necessary and appropriate to represent their interests in this transaction. We further assume that all other parties understand that in this transaction we represent only the Issuer, we are not counsel to any other party, and we are not acting as an intermediary among the parties. Our services as bond counsel are limited to those contracted for in this letter; the Issuer's execution of this engagement letter will constitute an acknowledgment of those limitations. Our representation of the Issuer will not affect, however, our responsibility to render an objective Bond Opinion. Please note that, in our representation of the Issuer, we will not act as a "municipal advisor", as such term is defined in the Securities Exchange Act of 1934, as amended.

Our representation of the Issuer and the attorney-client relationship created by this engagement letter will be concluded upon issuance of the Notes. Nevertheless, subsequent to Closing, we will mail the appropriate Internal Revenue Service Forms 8038-G, and prepare and distribute to the participants in the transaction a transcript of the proceedings pertaining to the Notes.

As you are aware, our firm represents many political subdivisions, companies and individuals. It is possible that during the time that we are representing the Issuer, one or more of our present or future clients will have transactions with the Issuer. It is also possible that we may be asked to represent, in an unrelated matter, one or more of the entities involved in the issuance of the Notes. We do not believe such representation, if it occurs, will adversely affect our ability to represent you as provided in this letter, either because such matters will be sufficiently different from the issuance of the Notes as to make such representations not adverse to our representation of you, or because the potential for such adversity is remote or minor and outweighed by the consideration that it is unlikely that advice given to the other

client will be relevant to any aspect of the issuance of the Notes. Execution of this letter will signify the Issuer's consent to our representation of others consistent with the circumstances described in this paragraph.

### **FEES**

Based upon: (i) our current understanding of the terms, structure, size and schedule of the financing represented by the Notes; (ii) the duties we will undertake pursuant to this engagement letter; (iii) the time we anticipate devoting to the financings; and (iv) the responsibilities we will assume in connection therewith, we estimate that our fee will be \$15,000 for the Notes. Our fees may vary: (a) if the principal amount of Notes actually issued differs significantly from the amounts stated above; (b) if material changes in the structure or schedule of the respective financings occur; or (c) if unusual or unforeseen circumstances arise which require a significant increase in our time or responsibility. If, at any time, we believe that circumstances require an adjustment of our original fee estimates, we will advise you and prepare and provide to you an amendment to this engagement letter. The fees quoted above will include all out-of-pocket expenses advanced for your benefit, such as travel costs, photocopying, deliveries, long distance telephone charges, telecopier charges, filing fees, computer-assisted research and other expenses.

If, for any reason, the financing represented by the Notes is completed without the delivery of our Bond Opinion as bond counsel or our services are otherwise terminated, we will expect to be compensated at our normal rates for the time actually spent on your behalf plus client charges as described above unless we have failed to meet our responsibilities under this engagement, but in no event will our fees exceed the amount set forth above.

### **RECORDS**

At your request, papers and property furnished by you will be returned promptly upon receipt of payment for outstanding fees and client charges. All goods, documents, records, and other work product and property produced during the performance of this engagement are deemed to be Issuer's property. We agree to maintain documentation for all charges against the Issuer. Our books, records, and documents, insofar as they relate to work performed or money received under this engagement, shall be maintained for a period of three (3) full years from the respective Closings and will be subject to audit, at any reasonable time and upon reasonable notice by the Issuer or its duly appointed representatives.

### **OTHER MATTERS**

We have not retained any persons to solicit or secure this engagement from the Issuer upon an agreement or understanding for a contingent commission, percentage, or brokerage fee. We have not offered any employee of the Issuer a gratuity or an offer of employment in connection with this engagement and no employee has requested or agreed to accept a gratuity or offer of employment in connection with this engagement.

Any modification or amendment to this engagement letter must be in writing, executed by us and contain the signatures of the Issuer. The validity, construction and effect of this engagement letter and any and all extensions and/or modifications thereof shall be governed by the laws of the State of Tennessee. To the extent permitted by applicable law, any action between the parties arising from this engagement letter shall be maintained in the state or federal courts of Montgomery County, Tennessee.

### **CONCLUSION**

If the foregoing terms are not acceptable to you, please so indicate in writing to us. Otherwise, we look forward to working with you.

EXHIBIT C

Form of Financing Agreement



STATE OF TENNESSEE )

COUNTY OF MONTGOMERY )

I, Sylvia Skinner, 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 that (1) attached hereto is a true and correct copy of a resolution duly adopted by the City Council at its August 2, 2018 meeting; and (2) 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 \_\_\_\_\_, 2018.

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City Clerk

(SEAL)

The City Council of the City of Clarksville, Tennessee, met in a regular session on November 2, 2017, at 7:00 p.m. at City Hall, Clarksville, Tennessee, with the Honorable Kim McMillan, Mayor, presiding.

The following Councilmembers were present:

The following Councilmembers were absent:

There were also present Sylvia Skinner, City Clerk, and Laurie Matta, Chief Financial Officer.

After the meeting was duly called to order, the following resolution was introduced by \_\_\_\_\_, seconded by \_\_\_\_\_ and after due deliberation, was adopted by the following vote:

AYE:

NAY:

## FORM OF FINANCING AGREEMENT

U.S. Bank National Association (the “Bank”) and the City of Clarksville, Tennessee (the “City”) enter into this Financing Agreement as of XXX, 2018 upon the terms and conditions described below.

### 1. Definitions

For purposes of this Financing Agreement, the following capitalized terms shall have the following meanings, unless the context clearly requires otherwise:

“Agreement” means this Financing Agreement, as amended, supplemented or modified from time to time.

“Bank” means U.S. Bank National Association, and its successors and assigns.

“Bank Counsel” means the attorneys representing the Bank.

“Code” means the Internal Revenue Code of 1986, as amended, and as it exists on the dated date of this Agreement.

“Default Rate” means the sum of (i) the Interest Rate and (ii) 200 basis points, but in no event shall exceed the maximum rate permitted under Tennessee law.

“Event of Default” means (i) a declaration of bankruptcy, a determination of insolvency, or debt moratorium with respect to the City, or (ii) the declaration by the Bank of an event as a result of a determination by the Bank that: (a) the City has failed to pay principal or interest on the Note on the due date thereof, as provided in the Note and this Agreement, which failure continues, and is not cured, for a period of 10 days after the Bank has made written demand on the City to cure such failure to make payment; (b) the City has failed to comply with any of its obligations or to perform any of its duties (other than the obligation to pay principal and interest on the Note) under this Agreement or the Note, which failure continues, and is not cured, for a period of more than 30 days after the Bank has provided written notice thereof to the City; or (c) there has been a material misrepresentation by the City of any representations made in Section 11 hereof.

“Interest Rate” has the meaning set forth in Section 3 hereof, as may be increased as described in Section 8 hereof.

“Note” means the Capital Outlay Note, Series 2018, issued by the City and purchased by the Bank.

“Project” means the projects authorized by the Resolution and financed, in whole or in part, with the proceeds of the Note.

“Qualified Lender” means (a) a bank as defined in Section 3(a)(2) of the Securities Act, (b) a savings and loan association or other institution described in Section 3(a)(5)(A) of the Securities Act, or (c) a “Qualified Institutional Buyer” as that term is defined in Rule 144A promulgated by the Securities and Exchange Commission pursuant to the Securities Act.

“Resolution” means the resolution, ordinance, or other legislation adopted by the City Council of the City authorizing the issuance of the Note, and the execution and delivery of this Agreement.

“Securities Act” means the Securities Act of 1933, as amended.

## 2. Recitals

The Bank has expressed interest in purchasing the Note. The City has adopted the Resolution, which is acceptable to the Bank. The Resolution authorizes execution and delivery of this Agreement and the issuance of the Note.

## 3. Agreement

The Bank hereby agrees to purchase the Note from the City for a purchase price of [ ] dollars, and no cents (\$ ), subject to the terms and conditions contained in this Agreement.

The City agrees to repay the principal amount of the Note in accordance with the terms of the Note. The Note shall bear interest at a rate per annum equal to [ ]% (the “Interest Rate”) calculated on a 30/360-day basis, and the City shall pay the Bank semi-annual interest payments with the first interest payment being due on [ ] 1, 20 ], and subsequent payments being due on [ ] 1 and [ ] 1 of each year, with the last payment, to consist of all principal and accrued interest, due [ ] 1, 20 ] (the “Maturity Date”). Upon the occurrence of an Event of Default and subject to the notice and cure period as described in the definition thereof, the Note shall bear interest at the Default Rate from the date of such Event of Default until the Event of Default is cured or waived or the Note is paid in full.

## 4. Prepayment

The Note is subject to prepayment on any business day after [ ] 1, 20 ], provided the City has notified the Bank at least 15 calendar days prior to the prepayment of the City’s intention to prepay the Note in whole or in part.

## 5. Security for Agreement

The Note shall be a general obligation of the City in accordance with the terms of the Resolution.

6. Closing

The Bank shall purchase the Note upon execution of this Agreement and the Note, and upon satisfaction of the conditions specified in Section 13 below.

7. Deposit and Use of Note Proceeds

The proceeds of the Note shall be used for financing the Project in accordance with the Resolution and the Tax Certificate of the City executed in connection with the issuance of the Note.

8. Tax Covenants

The City represents and warrants that interest due on the Note is excludable from gross income under Section 103 of the Code. The City covenants for the benefit of the Bank that it will not take any action, or omit any action, if the taking or omission would cause interest on the Note to become includable in gross income under the Code. The City also covenants for the benefit of the Bank that it will comply with any covenants and agreements in the Tax Certificate that the City executed in connection with the closing of the sale of the Note. Notwithstanding the above, if the City determines to use the proceeds of the Note in a manner that would make interest on the Note taxable or in the event that the Note becomes taxable for any other reason, the Interest Rate shall increase to [\_\_\_\_\_]%, and shall not be an Event of Default.

9. Default

If an Event of Default occurs, the Bank may exercise any remedy available at law or in equity or those available to it at law or in equity provided that the Note shall not be subject to acceleration. In addition to all other remedies, the Bank may bring suit to enforce the terms of this Agreement and the Note. No remedy shall be exclusive. The Bank may waive any Event of Default, but no such waiver shall extend to a subsequent Event of Default. No delay or omission of the Bank to exercise any right or power arising upon the happening of an Event of Default shall impair any right or power or shall be construed to be a waiver of any such Event of Default or to be an acquiescence therein; and every power and remedy given by this Section to the Bank may be exercised from time to time and as often as may be deemed expedient by the Bank.

10. Fees, Costs and Expenses

11. Upon the presentment of the invoice(s) to the City, the City shall pay the fees and costs of Bank Counsel, and any other expenses and costs which the Bank incurs in connection with this Agreement, which fees shall not exceed \$1,500.00.

12. Representations, Warranties and Agreements of the City

By executing this Agreement in the space provided below, the City represents and warrants to, and agrees with the Bank that:

- 12.1 The City is duly created and existing under the laws of the State of Tennessee, has all necessary power and authority to enter into this Agreement and to issue the Note and perform its duties under the Resolution, this Agreement and the Note and that the Resolution, this Agreement and the Note will constitute legal, valid and binding obligations of the City which are enforceable in accordance with their terms.
- 12.2 The acceptance of this Agreement, the adoption of the Resolution and the execution and delivery of the Agreement and the Note will not conflict in any material respect with, or constitute a material breach of or default under, any law, charter provision, court decree, administrative regulation, order, ordinance or other agreement to which the City is a party or by which it is bound.
- 12.3 There is no action, suit, proceeding or investigation at law or in equity before or by any court or government, City or body pending or, to the best of the knowledge of the City, threatened against the City to restrain or enjoin the acceptance of this Agreement, the adoption of the Resolution or the execution and delivery of this Agreement and the Note, or the collection and application of the funds as contemplated by the Resolution and this Agreement, which, in the reasonable judgment of the City, would have a material and adverse effect on the ability of the City to pay the amounts due under this Agreement or the Note.
- 12.4 To the extent permitted by law as to which no representation is being made herein, the City agrees to indemnify the Bank for any damages incurred in association with the Note or this Agreement, except in the case of gross negligence by the Bank.
- 12.5 The City agrees that the principal and interest due to the Bank under this Agreement and in accordance with the Note shall be invoiced directly by the Bank to the City, and shall be payable in the amounts, and on the dates, specified on each respective invoice, absent manifest error.
- 12.6 The City will not request a separate rating for the Note from any rating agency.

### 13. Covenants of the City

While any amounts remain outstanding under the Note, the City agrees to comply with the following covenants:

- 13.1 The City shall provide the Bank with a copy of each of the City's final, annual audited financial statements, or notification where the Bank may obtain such audits, within 30 days of publication.
- 13.2 Within 10 business days of learning of its occurrence, the City shall notify the Bank of any development which, in the City's reasonable judgment, is likely to have a material adverse effect on the financial condition of the City.
- 13.3 Within 10 business days of learning of its occurrence, the City shall notify the Bank of any event of default related to any other general obligation debt obligation of the City.
- 13.4 At the request of the Bank, the City shall provide the Bank with (i) each final, proposed budget of the City that is prepared and (ii) each budget that is adopted, which request may be made no sooner than 30 days after adoption.
- 13.5 The City shall provide the Bank with such other information regarding the City as the Bank may from time to time reasonably request.
- 13.6 Within 10 business days of learning of its occurrence, the City shall notify the Bank of any litigation or proceeding in which the City is a party or the existence of a dispute between the City and any governmental authority or law enforcement authority which in the reasonable judgment of the City, would have a material and adverse effect on the ability of the City to pay the amounts due under this Agreement or the Note.

The City understands that the Bank may be required, pursuant to the requirements of the Patriot Act, to obtain, verify and record information that identifies the City which information includes the name and address of the City and other information that will allow the Bank to identify the City in accordance with the Patriot Act. The City hereby agrees that it shall promptly provide such information upon request by the Bank.

### 14. Conditions to the Obligations of the Bank

The Bank may refuse to advance funds under this Agreement and the Note unless, on or prior to the date of Closing, the Bank shall have received:

- 14.1 a certified copy of the duly authorized Resolution, and a signed original of this Agreement, and the Note;

- 14.2 an opinion of Bond Counsel, to the effect that:
- (a) the Note is valid and legally binding upon the City, and the principal of and interest on the Note are payable from unlimited *ad valorem* taxes to be levied on all taxable property within the City, except that the right of the owners of the Note and the enforceability of the Note and the Resolution may be limited by bankruptcy, insolvency, moratorium, reorganization, and other similar laws affecting creditors' rights and by equitable principles, where considered at law or in equity, including the exercise of judicial discretion.
- 14.3 the certificate of a duly authorized officer of the City to the effect that:
- (a) there is no action, suit, proceeding or investigation at law or in equity before or by any court or government, or body pending or, to the best of the knowledge of the City threatened against the City to restrain or enjoin the adoption of the Resolution or the execution and delivery of this Agreement, or the Note, or the collection and application of funds as contemplated by this Agreement or the Note, which, in the reasonable judgment of the City would have a material and adverse effect on the ability of the City to pay the amounts due under the Note.
  - (b) the adoption of the Resolution and the execution and delivery of this Agreement or the Note does not and will not conflict in any material respect with or constitute on the part of the City a breach of or default under any law, court decree, administrative regulation, order, ordinance or other agreement or instrument to which the City is a party or by which it is bound;
- 14.4 a copy of the City's audited financial statements for the past three years and its adopted budget for the current year; and
- 14.5 such additional legal opinions, certificates, proceedings, instruments or other documents as the Bank, its counsel or the City's counsel may reasonably request to evidence compliance by the City with the legal requirements for execution and delivery of this Agreement and the Note and the due performance or satisfaction by the City of all agreements then to be performed and all conditions then to be satisfied by the City.

## 15. Notices

Any notices required to be given pursuant to this Agreement or the Note shall be given to the following addresses:



City: City of Clarksville, Tennessee  
One Public Square, 3<sup>rd</sup> Floor  
Clarksville, TN 37040  
Attn: Chief Financial Officer

the Bank: U.S. Bank National Association  
425 Walnut Street  
Cincinnati, OH 45202  
Attn: Government Banking Division

16. Disclosure; Assignment; Survival; Agreement Constitutes Contract

- 16.1 No official statement or other disclosure document has been prepared in connection with this Agreement and the City has no obligation in connection with this Agreement to provide any disclosure regarding operating information or material events to the Municipal Securities Rulemaking Board or any dissemination agent. The City is obligated to provide information to the Bank in connection with this Agreement only as specifically stated in this Agreement.
- 16.2 The Bank may assign its rights and obligations under this Agreement and the Note to an affiliate of the Bank that is a Qualified Lender. The Bank may also assign or participate this Agreement and the Note to Qualified Lenders, but only if: (a) the City is not required to enter into additional agreements with participating Qualified Lenders; and (b) the Bank retains at least 25% interest in this Agreement and the Note. The Bank shall notify the City of any assignment or participation of its interest in this Agreement. Except as provided above, the Bank may not assign its rights or obligations under this Agreement to any person or entity unless the Bank obtains the prior written consent of the City, which consent shall not be unreasonably withheld. The City may not assign its rights and obligations under this Agreement without the prior written consent of the Bank. The City shall maintain a record of all persons or entities that have notified the City in writing that it holds an interest in the Agreement and the Note, and the right to principal and interest on the Agreement or the Note may only be transferred pursuant to this Section 15.2 and through reflection on the books and records maintained by the City or its designated agent.
- 16.3 All representations, warranties and agreements contained in this Agreement shall survive the execution, delivery and payment of the Note. This Agreement and the Note shall constitute a contract between the City and the Bank. The Bank's extension of credit hereunder is expressly made in reliance on such contract.

- 16.4 The Bank may at any time pledge or grant a security interest in all or any portion of its rights under the Note and this Agreement to secure obligations of the Bank, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release the Bank from any of its obligations hereunder or substitute any such pledgee or assignee for the Bank as party hereto.

17. Applicable Law

This Agreement shall be governed and interpreted in accordance with the laws of the State of Tennessee.

18. Severability and Waivers

If any part of this Agreement is not enforceable, the rest of the Agreement may be enforced. The Bank retains all rights, even if it makes a loan after default. If the Bank waives a default, it may enforce a later default. Any consent or waiver under this Agreement must be in writing.

19. Counterparts

This Agreement may be executed simultaneously in several counterparts, each of which shall be an original and all of which shall constitute one and the same agreement.

Dated this XXX 2018.

**U.S. BANK NATIONAL ASSOCIATION**

By: \_\_\_\_\_  
Authorized Agent

**CITY OF CLARKSVILLE**

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

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