

OAK RIDGE CITY COUNCIL MEETING

Municipal Building Courtroom

December 10, 2012—7:00 p.m.

AGENDA

(Amended as of December 7, 2012)

I. INVOCATION

The Pastor Jason Kyser of the New York Avenue Church of Christ.

II. PLEDGE OF ALLEGIANCE

III. ROLL CALL

IV. PROCLAMATIONS AND PUBLIC RECOGNITIONS

- a. Public swearing-in of newly elected Councilmembers Trina Baughn; L. Charles Hensley; and Charles J. Hope, Jr.

(Diverting from Original Order of Agenda)

- b. *Election/Appointments--Election of Mayor and Mayor Pro Tem of the City of Oak Ridge.***

- c. Public recognition of former Councilmember Ellen D. Smith for her five (5) years of service on the Oak Ridge City Council.

V. APPEARANCE OF CITIZENS

(Reverting back to Original Order of Agenda)

VI. SPECIAL REPORTS

(NONE)

VII. CONSENT AGENDA

- a. Approval of the November 5, 2012 City Council meeting minutes.
- b. A resolution to generally establish monthly regular City Council meetings and monthly work session meetings for calendar year 2013, and to specifically establish additional regular City Council meetings for budget purposes in the month of May 2013 as required by Article II, Section 1, of the City Charter.
- c. A resolution awarding a bid in the estimated amount of \$55,950.00 to Water & Waste Equipment, Cleveland, Tennessee, for the furnishing of two (2) replacement pumps for the sewer pump station located on Melton Lake Peninsula.
- d. A resolution to apply for a special litter grant from the Tennessee Department of Transportation (TDOT) for an Adopt-a-Plot program establishing sustainable community gardens to revitalize formerly blighted properties in the amount of \$80,000.00, and to accept said grant if the application is approved.
- e. A resolution to apply for and accept set-aside Emergency Solutions Grant (ESG) Program funds from the Tennessee Housing Development Agency, through the U.S. Department of Housing and Urban Development Emergency Solutions Grant Program, in

the estimated amount of \$62,791.00, to fund ESG activities.

- f. A resolution approving a Professional Services Agreement with Matt Jinks, DVM, Maryville, Tennessee, to provide veterinary services at the Oak Ridge Animal Shelter.

VIII. RESOLUTIONS

- a. Adoption of a resolution awarding contracts (COR 12-31 and 12-32) to First Place Finish, Inc., Oak Ridge, Tennessee, for the demolition of two city-owned residential structures; said contracts in the estimated amount of \$17,231.00 and \$17,550.00 respectively.
- b. Adoption of a resolution to approve a Subordination Agreement with TNBank to subordinate the City's right to repurchase the Armory Building from Girls, Inc. to the loan between TNBank and Girls, Inc., for roof repairs.
- c. Adoption of a resolution approving the amendment and restatement of the City of Oak Ridge's (a) Series VI-M-1 Loan Agreement with the Public Building Authority of Sevier County, Tennessee and (b) the Series VII-E-1 Loan Agreement with the Public Building Authority of Sevier County, Tennessee; directing the conversion of the interest rate on the related local government public improvement bonds, Series VI-M-1 and Local Government Public Improvement Bonds, Series VII-E-1 to an index rate; and authorizing the execution and delivery of Index Rate Agreements in connection therewith.
- d. Adoption of a resolution to extend and modify the current water services contract between the City and the United States Department of Energy (DOE) to set forth a new pricing structure and other necessary modifications, with said contract through December 31, 2015.

IX. PUBLIC HEARINGS AND FIRST READING OF ORDINANCES

AN ORDINANCE TO AMEND A USE DESIGNATION OF PARCEL 3.01, MAP 100J, GROUP B, IN HENDRIX CREEK PLANNED UNIT DEVELOPMENT, PHASE IV, LOCATED AT THE CORNER OF HENDRIX DRIVE AND HERITAGE DRIVE, FROM OPEN SPACE TO RESIDENTIAL, WITH THE OVERALL ZONING DISTRICT REMAINING R-1-C/PUD, ONE-FAMILY RESIDENTIAL WITH A PLANNED UNIT DEVELOPMENT OVERLAY.

First Reading of an Ordinance

AN ORDINANCE TO AMEND ORDINANCE NO. 2, TITLED "THE ZONING ORDINANCE OF THE CITY OF OAK RIDGE, TENNESSEE," ARTICLE XIV, TITLED "SIGN REGULATIONS," SECTION 14.05, TITLED "GENERAL REQUIREMENTS," TO ADD A NEW SUBSECTION 7, AND SECTION 14.16, TITLED "ILLUMINATION OF SIGNS," TO ADD A NEW SUBSECTION 6 FOR THE PURPOSE OF ESTABLISHING CRITERIA FOR OPERATION OF READER BOARD SIGNS (MOVING COPY SIGNS).

(Public hearing to occur during second reading at the January City Council meeting.)

X. FINAL ADOPTION OF ORDINANCES

AN ORDINANCE TO AMEND THE COMPREHENSIVE PLAN'S LAND USE PLAN BY CHANGING THE DESIGNATION OF PARCELS 16-37, ANDERSON COUNTY TAX MAP 099K, GROUP B, AND PARCELS 28-57, ANDERSON COUNTY TAX MAP 099K, GROUP C, FROM R, RESIDENTIAL TO B, GENERAL BUSINESS; AND CHANGING THE DESIGNATION OF PARCELS 13-15, ANDERSON COUNTY TAX MAP 099K,

GROUP B, FROM O, OFFICE/INSTITUTIONAL TO B, GENERAL BUSINESS.

- XI. ELECTIONS/APPOINTMENTS, ANNOUNCEMENTS AND SCHEDULING
 - a. Elections/Appointments
 - b. Announcements
 - c. Scheduling
- XII. COUNCIL REQUESTS FOR NEW BUSINESS ITEMS OR FUTURE BRIEFINGS
- XIII. SUMMARY OF CURRENT EVENTS
 - a. CITY MANAGER'S REPORT

Information/Updates on appointments/elections for the December 17, 2012 City Council Special Meeting
 - b. CITY ATTORNEY'S REPORT
- XIV. ADJOURNMENT

**PROCLAMATIONS
AND
PUBLIC RECOGNITIONS**

CITY CLERK MEMORANDUM

12-54

DATE: December 3, 2012

TO: Honorable Mayor and Members of City Council

FROM: Diana R. Stanley, City Clerk

SUBJECT: PROCLAMATIONS AND PUBLIC RECOGNITIONS

Public Oaths of Office

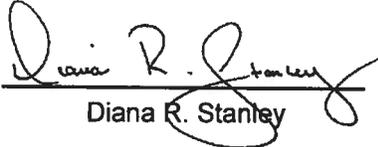
Following the certification of the General Election held on November 6, 2012 by the Roane County and Anderson County Election Commissions, Trina Baughn; L. Charles Hensley; and Charles J. Hope, Jr. were sworn-in as Oak Ridge City Councilmembers at the start of the November 19, 2012 Work Session.

A public swearing-in will take place at the December 10, 2012 City Council meeting to allow the City Council, City staff, the public, and the councilmember's families an opportunity to applaud them for their achievement.

Recognition of Ellen D. Smith

City Council would like to publicly recognize and show their appreciation for former Councilmember Ellen D. Smith for her years of service on the Oak Ridge City Council. This recognition will take place in the form of a special resolution recognizing her service and bestowing a place for her in the records of the City of Oak Ridge.

Attachments


Diana R. Stanley

**CITY OF OAK RIDGE, TENNESSEE
Resolution Number 12-95-2012**

WHEREAS, Ellen D. Smith has been recognized as a leader on the Oak Ridge City Council since June 12, 2007, contributing her knowledge and organizational skills to the overall strategic direction of the City of Oak Ridge; and

WHEREAS, Ellen D. Smith, has been active member and advocate for our City with many local issues, particularly in the environmental and sustainability arena where she was integrally involved with the major policy initiative of a Climate Action Plan and Bicycle/Pedestrian plan for the City of Oak Ridge; and

WHEREAS, Ms. Smith served on many Council committees, including the Budget and Finance Special Committee, the Audit Committee, the City Manager Evaluation Committee, the City Attorney Evaluation Committee, the Local Oversight Committee (LOC) both as a member and as Chair, and the Committee Structure Review Committee; and

WHEREAS, Ellen D. Smith was always ready to assist the City Council through proper representation of the City of Oak Ridge not only within the city, but throughout the region; and

WHEREAS, Ellen D. Smith was always available to the citizens of this community through face to face contact or emails and Ellen was always known for the thoroughness in which she addressed each and every issue during her term; and

WHEREAS, the Oak Ridge City Council desires to express its appreciation and gratitude for her five years and five months of meritorious public service with the City Council.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF OAK RIDGE, TENNESSEE:

That in recognition of her distinguished service to the community, the Oak Ridge City Council pays tribute to Ellen D. Smith and accords her an honored place in the history of this city.

BE IT FURTHER RESOLVED that this resolution shall be affixed with the Great Seal of the City of Oak Ridge, Tennessee, and presented to Ellen D. Smith as a token of this Council's esteem and on behalf of all citizens of the City of Oak Ridge, Tennessee.

This the 10th day of December 2012.

APPROVED AS TO FORM AND LEGALITY:

Kenneth R. Krushenski, City Attorney

Mayor

Diana R. Stanley, City Clerk

WITH GREATEST ADMIRATION:

Trina Baughn

Thomas L. Beehan

Anne Garcia Garland

L. Charles Hensley

Charles J. Hope, Jr.

D. Jane Miller

David N. Mosby

CONSENT AGENDA

**MINTES OF THE
OAK RIDGE CITY COUNCIL**

November 5, 2012

The regular meeting of the City Council of the City of Oak Ridge, Tennessee convened at 7:00 p.m. on November 5, 2012, in the Courtroom of the Municipal Building with Mayor Thomas L. Beehan presiding.

INVOCATION

The Invocation was given by Pastor Robert May.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the Flag of the United States of America was led by Ms. Theresa Scott.

ROLL CALL

Upon roll call, the following councilmembers were present: Mayor Thomas L. Beehan; Councilmember Anne Garcia Garland; Councilmember L. Charles Hensley; Councilmember Charles J. Hope, Jr.; Mayor Pro Tem D. Jane Miller; Councilmember David N. Mosby; and Councilmember Ellen D. Smith.

Also present were Gary M. Cinder, Public Works Director serving in the brief absence of the City Manager; Mark S. Watson, City Manager; Janice E. McGinnis, Finance Director; Kenneth R. Krushenski, City Attorney; and Diana R. Stanley, City Clerk.

APPEARANCE OF CITIZENS

Mr. Martin McBride, 954 West Outer Drive, wanted to offer three (3) suggestions regarding the Environmental Protection Agency (EPA) Administrative Order (AO). Mayor Beehan requested that Mr. McBride provide his comments after staff had delivered their cost report for the EPA AO under "Special Reports." In regards to Mr. McBride's comments regarding the City's strategies for the Department of Energy (DOE), the Mayor requested that too be delayed as part of his overall comments that he would make following the cost report.

PROCLAMATIONS AND PUBLIC RECOGNITIONS

Public Recognition of Code Enforcement Officials in the Community Development Department for their recent training completion.

Mr. Arnold Blackwell and Mr. Jake Martin, Code Enforcement Officials in the Community Development Department, received public recognition for completing their training in the International Mechanical Code 2012 edition.

SPECIAL REPORTS

Oak Ridge Heritage Railroad Authority Annual Report 2012 from Gordon Fee, Chairman of the Board of Directors.

Mr. Gordon Fee, Chairman of the Oak Ridge Heritage Railroad Authority (1064 W. Outer Drive), presented the Board's Report for Fiscal 2012 (July 1, 2011 to June 30, 2012). After brief discussion, Councilmember Smith moved that the report be received for the record. The motion was seconded by Mayor Pro Tem Miller and was adopted by unanimous voice vote with Councilmembers Garcia Garland, Hensley, Hope, Mosby, Smith, Mayor Pro Tem Miller, and Mayor Beehan voting "Aye."

Environmental Protection Agency (EPA) cost report from Public Works Department Director Gary Cinder.

Public Works Director Gary Cinder provided an extensive overview regarding EPA updates on the AO

which included the following cost summaries: city field crew services, professional services, information management system, engineering, rehabilitation projects cost-pre remediation plan, remediation plan projects, and Public Works Department additional staffing. The presentation also showed examples of minor fixes for laterals of property owners performed by Public Works, as well as smoke testing findings of property owners.

Following the conclusion of the presentation, Mr. Cinder responded to questions and comments of City Council.

Mr. Martin McBride, 954 West Outer Drive, offered three (3) suggestions regarding the AO: (1) develop a strategy for Council to monitor the scope, schedule, and cost of the project; (2) develop a strategy to help the DOE understand their participation; and (3) strategy for the EPA regarding requirement relief. Additionally, Mr. McBride commented that a total cost estimate that includes capital, operating/maintenance, and lateral expenses of three aforementioned suggestions were needed so as to better communicate with the different agencies involved in this situation.

(The City Manager was noted as present at this time.)

CONSENT AGENDA

The City Clerk noted that two (2) corrections needed be made to the October 22, 2012 City Council meeting minutes. On page 2 of the minutes, under Resolution No. 10-82-2012, the third paragraph, the word "organizations" should read "organization's." Also, on page 4 of the minutes pertaining to Ordinance No. 17-2012, the citizen's participating in the public hearing needed the last name changed from "Chris" to "Crist."

Councilmember Smith requested that the following resolutions be removed from the Consent Agenda:

Adoption of a resolution amending Resolution 12-141-06 to require the City Judge Salary Review Committee to recommend to City Council any modifications to the compensation of the City Judge no later than July 1 of the year in which the term of office is set to expire.

Adoption of a resolution approving the FY2013 revised Classification Plan, as recommended by the City Manager.

Upon removal of the items, the remainder of the Consent Agenda was approved by unanimous voice vote with Councilmembers Garcia Garland, Hensley, Hope, Mosby, Smith, Mayor Pro Tem Miller, and Mayor Beehan voting "Aye," thereby:

Approving the October 22, 2012 City Council meeting minutes as corrected.

Adopting Resolution No. 11-86-2012 to accept and approve revised bylaws of the Personnel Advisory Board.

Items Removed from the Consent Agenda

Resolution No. 11-87-2012

Adoption of a resolution amending Resolution 12-141-06 to require the City Judge Salary Review Committee to recommend to City Council any modifications to the compensation of the City Judge no later than July 1 of the year in which the term of office is set to expire.

Mayor Pro Tem Miller moved, seconded by Councilmember Mosby that the resolution be adopted.

The City Clerk briefly reviewed the timeline of the meetings and actions of the committee to this point.

Councilmember Mosby moved to include language in the resolution regarding the Committee's consideration and recommendation that no changes were made in compensation for the City Judge. The motion was seconded by Councilmember Smith and approved by unanimous voice vote with Councilmembers Garcia Garland, Hensley, Hope, Mosby, Smith, Mayor Pro Tem Miller, and Mayor Beehan voting "Aye."

Following brief discussion regarding the City Judge's current compensation and committee meeting scheduling, the resolution, as amended, was unanimously approved by voice vote with Councilmembers Garcia Garland, Hensley, Hope, Mosby, Smith, Mayor Pro Tem Miller, and Mayor Beehan voting "Aye."

Resolution No. 11-88-2012

Adoption of a resolution approving the FY2013 revised Classification Plan, as recommended by the City Manager.

Councilmember Hensley moved, seconded by Councilmember Hope that the resolution be adopted.

Following brief discussion and review by the City Manager, the resolution was approved by unanimous voice vote with Councilmembers Garcia Garland, Hensley, Hope, Mosby, Smith, Mayor Pro Tem Miller, and Mayor Beehan voting "Aye."

RESOLUTIONS

Resolution No. 11-89-2012

Adoption of a resolution authorizing an expenditure of \$50,000.00 from the Economic Diversification Fund for the 2013 Secret City Festival and designating the City as a "Festival Sponsor" for the event.

Councilmember Hensley moved, seconded by Councilmember Hope that the resolution be adopted.

Recreation and Parks Department Director Josh Collins and Finance Director Janice McGinnis responded to inquiries of Councilmember Smith regarding the budget location of the monies retained at the end-of-year by explaining that funds are deposited into a liability account that is used as a standing festival account to build a balance in emergency funding situations.

Following additional discussions, the resolution was approved by voice vote with Councilmembers Hensley, Hope, Mosby, Smith, Mayor Pro Tem Miller, and Mayor Beehan voting "Aye," and Councilmember Garcia Garland voting "Nay."

Resolution No. 11-90-2012

Adoption of a resolution authorizing a Professional Services Agreement with the Arts Council of Oak Ridge to provide entertainment, production support, activities and programs related to the upcoming 2013 Secret City Festival and authorizing the reimbursement of actual costs incurred in an amount not to exceed \$150,000.00.

Councilmember Hensley moved, seconded by Mayor Pro Tem Miller that the resolution be adopted.

The resolution was approved by voice vote with Councilmembers Hensley, Hope, Mosby, Smith, Mayor Pro Tem Miller, and Mayor Beehan voting "Aye," and Councilmember Garcia Garland voting "Nay."

Resolution No. 11-91-2012

Adoption of a resolution approving an agreement with Motorola Solutions, Inc., Knoxville, Tennessee, to provide a radio expansion system with Long Term Evolution (LTE) Technology for the City's Public Safety System in the estimated amount of \$1,044,622.00 to be paid for with federal grant funds.

Mayor Pro Tem Miller moved, seconded by Councilmember Smith that the resolution be adopted.

Deputy Police Chief Alan Massengill responded to inquiries of City Council and after brief, additional discussions, the resolution was approved by unanimous voice vote with Councilmembers Garcia Garland, Hensley, Hope, Mosby, Smith, Mayor Pro Tem Miller, and Mayor Beehan voting "Aye."

Resolution No. 11-92-2012

Adoption of a resolution authorizing the expenditure of up to \$340,000.00 from the Equipment Replacement Fund for the purchase and equipping of eight (8) patrol vehicles for the Police Department.

Councilmember Smith moved, seconded by Councilmember Hensley that the resolution be adopted.

Police Chief James Akagi provided information regarding the Vehicle Take Home Program's use by police officers, and noted that positives results of this program within the community and the Department. The Police Chief also responded to questions and comments of the City Council.

Oak Ridge Police Lieutenant Charles Smith noted success stories of the Vehicle Take Home Program of other cities, and reviewed the Department's proposed replacement structure plan with the new program. Additionally, Lieutenant Smith noted that studies have showed that single-owned vehicle maintenance costs are lower than that of pool vehicles.

Following additional discussions, the resolution was approved by unanimous voice vote with Councilmembers Garcia Garland, Hensley, Hope, Mosby, Smith, Mayor Pro Tem Miller, and Mayor Beehan voting "Aye."

Resolution No. 11-93-2012

Adoption of a resolution to amend the Professional Services Agreement with Kutak Rock, LLP, Washington D.C. to add an additional \$25,000.00 for contract negotiation with the United States Department of Energy (DOE) for a new water services agreement.

Mayor Pro Tem Miller moved, seconded by Councilmember Smith that the resolution be adopted.

The City Attorney noted that staff had retained services of Seth Kirshenbug of Kutak Rock to help finalize the water services agreement with DOE based on previous professional services with the organization, as well as their experience with the DOE. Mr. Krushenski noted that this procedure to amend the Professional Services Agreement was a safeguard in the event that the original agreement exceeds the original \$25,000.00.

The resolution was approved by unanimous voice vote with Councilmembers Garcia Garland, Hensley, Hope, Mosby Smith, Mayor Pro Tem Miller, and Mayor Beehan voting "Aye."

Resolution No. 11-94-2012

Adoption of a resolution to provide for special consideration regarding the City's Utility Deposit Policy for residential utility account holders that are displaced due to the Kroger Marketplace development provided certain conditions are met.

Councilmember Smith moved, seconded by Councilmember Hope that the resolution be adopted.

Mayor Beehan recused himself from participation on this resolution and Mayor Pro Tem Miller assumed chairmanship for this item.

Following brief deliberation, the resolution was approved by voice vote with Councilmembers Garcia Garland, Hensley, Hope, Mosby Smith, and Mayor Pro Tem Miller voting "Aye."

PUBLIC HEARINGS AND FIRST READING OF ORDINANCES

AN ORDINANCE TO AMEND THE COMPREHENSIVE PLAN'S LAND USE PLAN BY CHANGING THE DESIGNATION OF PARCELS 16-37, ANDERSON COUNTY TAX MAP 099K, GROUP B, AND PARCELS 28-57, ANDERSON COUNTY TAX MAP 099K, GROUP C, FROM R, RESIDENTIAL TO B, GENERAL BUSINESS; AND CHANGING THE DESIGNATION OF PARCELS 13-15, ANDERSON COUNTY TAX MAP 099K, GROUP B, FROM O, OFFICE/INSTITUTIONAL TO B, GENERAL BUSINESS.

Councilmember Hensley moved, seconded by Mayor Pro Tem Miller that the ordinance be approved on first reading.

Mayor Beehan recused himself from participation on this amendment and Mayor Pro Tem Miller assumed chairmanship for this item.

Councilmember Smith moved, seconded by Councilmember Hope to open the floor for the public hearing.

Following no citizen participation, Councilmember Smith moved, seconded by Councilmember Hope to close the public hearing. The motion was approved by voice vote with Councilmembers Garcia Garland, Hensley, Hope, Mosby Smith, and Mayor Pro Tem Miller voting "Aye."

Community Development Directory Kathryn Baldwin responded to questions and comments of City Council, and afterwards the ordinance was approved on first reading with Councilmembers Garcia Garland, Hensley, Hope, Mosby, Smith, and Mayor Pro Tem Miller voting "Aye."

FINAL ADOPTION OF ORDINANCES

Ordinance No. 23-2012

AN ORDINANCE TO AMEND THE CODE OF ORDINANCES, CITY OF OAK RIDGE, TENNESSEE, BY DELETING SECTION 8-805, TITLED "DRUGS OR LIQUOR ON PREMISES," AND SETTING FORTH A NEW SECTION 8-805, TITLED "DRUGS ON PREMISES," AND TO DESIGNATE CITY CODE SECTION 11-201, CURRENTLY UNTITLED, TO BE TITLED "CUSTOMERS' ABILITY TO BRING ALCOHOLIC BEVERAGES INTO A PLACE OF BUSINESS FOR PERSONAL CONSUMPTION," ALL FOR THE PURPOSE OF SETTING FORTH REGULATIONS CONCERNING THE PRACTICE COMMONLY REFERRED TO AS "BROWN BAGGING."

Councilmember Garcia Garland moved, seconded by Councilmember Hensley to re-enter the ordinance titled, *"an ordinance to amend the Code of Ordinances, City of Oak Ridge, Tennessee, by deleting section 8-805, titled "Drugs or Liquor on Premises," and setting forth a new section 8-805, titled "Drugs on Premises"; and by deleting title 11, titled "Municipal Offenses," chapter 2, titled "Alcohol, Drugs, etc." in its entirety and substituting therefor a new chapter 2, titled "Alcohol," all for the purposes of setting forth regulations concerning the practice commonly referred to as "brown bagging" that was tabled at the October 22, 2012 City Council meeting. The motion was approved by unanimous voice vote with Councilmembers Garcia Garland, Hensley, Hope, Mosby, Smith, Mayor Pro Tem Miller, and Mayor Beehan voting "Aye."*

The City Manager noted that staff, following discussions with the City Council, was introducing a new, substitute ordinance at the November 5, 2012 City Council meeting that contained a new section titled "Municipal Offenses" and "Section 11-201," and noted that the substitute ordinance does not place a square footage minimum on food service establishments.

Councilmember Hensley moved to consider the substitute ordinance as presented by staff, seconded by Hope.

Councilmember Smith proposed two (2) amendments to the substitute ordinance: (1) to correct a typo in

the title of Section 2 from “Place a Business” to “Place of Business;” and (2) to include the additional verbiage in the first paragraph under Section 11-201 so that it reads “...that possesses a valid permanent *on premises* beer permit.”

The motion was seconded by Mayor Pro Tem Miller and approved by unanimous voice vote with Councilmembers Garcia Garland, Hensley, Hope, Mosby, Smith, Mayor Pro Tem Miller, and Mayor Beehan voting “Aye.”

Ms. Theresa Scott, 102 Victoria Road, inquired about the brown bagging of wine to businesses, and expressed her concern that the ordinance was broad and would cause future issues.

Senior Staff Tammy Dunn and Oak Ridge Police Chief James Akagi responded to inquiries and comments of the City Council and following brief discussions, the substitute ordinance, as amended, was approved by unanimous voice vote with Councilmembers Garcia Garland, Hensley, Hope, Mosby, Smith, Mayor Pro Tem Miller, and Mayor Beehan voting “Aye.”

ELECTIONS/APPOINTMENTS, ANNOUNCEMENTS AND SCHEDULING

Elections/Appointments

Announcements

Scheduling

The City Clerk reviewed City Council meetings for the remainder of 2012 as follows:

- November 19, 2012 Work Session at 7:00 p.m. in the Central Services Complex, Multipurpose Room
- December 10, 2012 City Council regular meeting at 7:00 p.m. in the Municipal Building Courtroom
- December 17, 2012 City Council special meeting to election members to Boards and Commissions

Additionally, the City Clerk noted that the filing deadline for applications and other supporting documents for the Boards and Commissions election was Friday, November 16, 2012 by close of business.

COUNCIL REQUESTS FOR NEW BUSINESS ITEMS OR FUTURE BRIEFINGS

Councilmember Hensley requested that a new initiatives committee be considered at a future Work Session.

Mayor Pro Tem Miller inquired about updates on the AT&T UVerse Connection to view the City Council meetings to which Mayor Beehan answered that a resident had indicated to him that the current meeting was displaying correctly.

Councilmember Hope expressed his gratitude in working with the other City Councilmembers. Mayor Beehan additionally expressed his best wishes to the three (3) councilmembers campaigning for the city election.

Councilmember Mosby noted that he had received positive comments regarding the Oak Ridge Police Department’s improvements, and would also like to have the City examine a project manager position in the future.

Councilmember Smith also expressed positive remarks of the Oak Ridge Police Department’s services

she had received from the community. She also noted that positive feedback had been received regarding the enforcement of parking ordinances.

SUMMARY OF CURRENT EVENTS

CITY MANAGER'S REPORT

The City Manager reminded the City Council that the Election Commissions will need to certify the Roane and Anderson County election results, and that the organization has until November 26, 2012 to complete the certification. Following certification, the City Manager explained that City Council could have a private swearing-in to continue to conduct city business.

CITY ATTORNEY'S REPORT

ADJOURNMENT

The meeting adjourned at 10:25 p.m.

Diana R. Stanley, City Clerk
CITY OF OAK RIDGE, TENNESSEE

**CITY CLERK MEMORANDUM
12-52**

DATE: November 26, 2012
TO: Mark S. Watson, City Manager
FROM: Diana R. Stanley, City Clerk
SUBJECT: MEETING SCHEDULE FOR CALENDAR YEAR 2013

Introduction

The City Council shall consider a resolution that establishes a time and location of all regular meetings, sets the meeting dates for the month of May which contains the budget meetings, and adds provisions for which to adjust meeting dates, times, and locations.

Review

Oak Ridge City Charter, Article II, Section I titled *Regular Meetings of Council* states that "the Council shall hold regular meetings in Oak Ridge at least once monthly. Increased frequency, time of day, and place of its meetings shall be established by resolution."

In previous years, City Council has approved meeting schedules by resolution that set all the meeting dates, times, and locations for the subsequent years and thus required a resolution to amend the original resolution that set all meetings whenever a regular meeting needed to be rescheduled. During 2012, there were (3) three instances where the 2012 Meeting Schedule was amended to change dates of regular meetings. In an effort to not only simplify the process of rescheduling regular City Council meetings and to provide flexibility to conduct City Council meetings in relation to the pace of city business, a 2013 Meeting Schedule has been drafted that outlines when the public can expect City Council meetings, but does not commit the City to a rigid schedule. Staff has followed the historical practice of scheduling regular City Council meetings on the second Monday of each month and Work Sessions on the fourth Monday for consistency, except in circumstances of conferences, holidays, or to coordinate with other needed meetings and events.

In the event of a needed date change, the City Manager will notify City Council fourteen (14) days in advance of a proposed change to verify scheduling. Additionally, a provision has been included in the resolution that permits the City Manager to adjust the start time and location of the meeting in the event of a special needs or emergency situations with notification to City Council and the media 48-hours in advance. Immediately following verification/notification to City Council, City Staff will then notify the public of said changes via publication of meeting notice ads, website postings, press releases, website calendar changes, etc.

There are several advantages to allowing the rescheduling of regular meetings including the ability to conduct city business in time sensitive cases, completing complex items/projects requiring close calendar coordination, and saving money on advertising costs on ads that merely note a date, time, or location change.

Per the Charter, the City Manager, the Mayor, or any two members of the Council may still call a special meeting on 24 hours' notice if such an action is indicated, and other topic-specific workshops may be scheduled as desired.

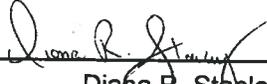
Recommendation

Given that City Council will hold regular meetings at least once monthly, and that the Charter requires a resolution to increase frequency, time of day, and place of its meeting, staff recommends approving the attached resolution that notes that regular meetings will typically take place on the second Monday of each month at 7:00 p.m. in the Oak Ridge Municipal Courtroom unless authorized by the City Manager, and that work sessions will take place the fourth Monday of each month at 7:00 p.m. at the Multipurpose Room of the Central Services Complex. The resolution will also establish the following May meeting dates:

May 6-Formal Budget Presentation

May 13-Public Hearing and First Reading on Appropriations Ordinance

May 28-Second Reading on Appropriations Ordinance



Diana R. Stanley

Attachments

City Manager's Comments:

I have reviewed the above issue and recommend Council action as outlined in this document.



Mark S. Watson

Mark S. Watson

12-3-2012

Date

2013

City of Oak Ridge City Council Meeting Schedule

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

JAN						

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

APR						

S	M	T	W	T	F	S

FEB						

S	M	T	W	T	F	S

MAY						

S	M	T	W	T	F	S

MAR						

S	M	T	W	T	F	S

JUN						

All regular meetings of the City Council scheduled at 7:00 p.m.
Note: This calendar is subject to change.

Regular Meeting
 Special Meeting
 Work Session
 Conference

TML Legislative Conference; Mar 4-5
Nashville, TN
NLC Congressional City Conference; Mar 9-13
Washington, D.C.

Budget Schedule:
May 6-Formal Budget Presentation
May 13-Public Hearing and First Reading on Appropriations Ordinance
May 28-Second Reading on Appropriations Ordinance

TML Annual Conference; Jun 22-25
Memphis, TN

2013

City of Oak Ridge City Council Meeting Schedule (cont'd)

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

JUL						

S	M	T	W	T	F	S
			1	2	3	4
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
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NOV
NLC Congress of Cities and Exposition
Nov. 12-17, Seattle, WA

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DEC

Regular Meeting
 Special Meeting
 Work Session
 Conference

RESOLUTION

A RESOLUTION TO GENERALLY ESTABLISH MONTHLY REGULAR CITY COUNCIL MEETINGS AND MONTHLY WORK SESSION MEETINGS FOR CALENDAR YEAR 2013, AND TO SPECIFICALLY ESTABLISH ADDITIONAL REGULAR CITY COUNCIL MEETINGS FOR BUDGET PURPOSES IN THE MONTH OF MAY 2013 AS REQUIRED BY ARTICLE II, SECTION 1, OF THE CITY CHARTER.

WHEREAS, Article II, Section 1, of the Charter of the City of Oak Ridge, Tennessee, provides that City Council shall hold regular meetings at least once monthly, and that increased frequency, time of day, and place of its meetings shall be established by resolution; and

WHEREAS, City Council meetings have traditionally been held on the second Monday of each month in the Municipal Building Courtroom at 7:00 p.m. and work session meetings have traditionally been held on the fourth Monday of each month in the Central Services Complex Multipurpose Room at 7:00; and

WHEREAS, City Council traditionally meets multiple times in the month of May to consider and approve the budget; and

WHEREAS, the City Manager desires to not commit City Council to a rigid monthly meeting schedule as in the past, but to allow for some flexibility to address matters such as emergency situations and time sensitive business; and

WHEREAS, the City Manager has prepared and recommends adoption of a proposed schedule for calendar year 2013.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF OAK RIDGE, TENNESSEE:

That the recommendation of the City Manager is approved and meetings of City Council are hereby established as follows:

- As required by Article II, Section 1, of the City Charter, City Council will hold a regular meeting once a month. These regular meetings will typically occur on the second Monday of each month in the Municipal Building Courtroom beginning at 7:00 p.m.
- In the month of May, City Council will hold three regular meetings: May 6, 2013 for the formal budget presentation, May 13, 2013 for first reading of the budget, and May 28, 2013 for second reading and adoption of the budget.

BE IT FURTHER RESOLVED that the City Manager may alter the date of a regular City Council meeting fourteen (14) days in advance of a proposed change to verify scheduling with City Council and coordination, if applicable, with the audio/visual crew.

BE IT FURTHER RESOLVED that the City Manager may alter the time or location of a regular City Council meeting with forty-eight (48) hours' advance notice to City Council and the media due to special needs or an emergency situation.

BE IT FURTHER RESOLVED that the City Manager may schedule work sessions with City Council and other meetings at which no formal action can be taken by City at his discretion, with those meetings typically occurring on the fourth Monday of each month in the Central Services Complex Multipurpose Room at 7:00 p.m., provided however, said meetings can be cancelled, altered or rescheduled as needed without any formal action.

BE IT FURTHER RESOLVED that this resolution does not alter in any way the process for calling a special "action" meeting of City Council per the City Charter.

This the 10th day of December 2012.

APPROVED AS TO FORM AND LEGALITY:



Kenneth R. Krushenski, City Attorney

Mayor

Diana R. Stanley, City Clerk

PUBLIC WORKS MEMORANDUM
12-33

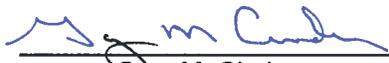
DATE: November 30, 2012
TO: Mark S. Watson, City Manager
FROM: Gary M. Cinder, P.E., Director of Public Works
SUBJECT: Sewer Pump Station Replacement Pumps

The accompanying resolution authorizes the expenditure of funds in the estimated amount of \$55,950 to Water & Waste Equipment, Cleveland, TN 37312 for the purchase of two replacement pumps for the sewer pump station located on Melton Lake Peninsula near the Riverside Restaurant.

The station was determined to be in need of replacement as part of staff's pump station evaluation program and was originally scheduled to be replaced in FY12. Funding challenges delayed the project to FY13. These pumps are an integral component of the station. Due to site constraints, this station will be rebuilt in-place. To minimize down time and by-pass pumping flow, city crews will be performing the installation. Delivery time of the pumps is projected to be 6-8 weeks after order with construction to commence upon delivery.

Sealed bids were solicited from several vendors with Water & Waste Equipment submitting the low bid. Funding for this project is available from the recently approved TMBF loan.

Staff recommends approval of the accompanying resolution.

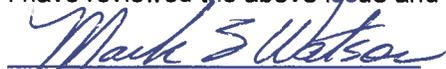


Gary M. Cinder

ks

City Manager's Comments:

I have reviewed the above issue and recommend council action as outlined in this document.



Mark S. Watson

12-3-2012
Date

CITY OF OAK RIDGE, TENNESSEE
Abstract of Bids

RFQ #131601
 OPENING DATE: November 27, 2012 2:00 P.M.

DESCRIPTION	ITEM	UNIT	BIDDER:		BIDDER:		BIDDER:	
			UNIT COST	TOTAL	UNIT COST	TOTAL	UNIT COST	TOTAL
FOR -- Duplex Above Ground Valve Access Station with Pumps for Gregory's Pump Station								
THE FURNISHING OF DUPLEX ABOVE GROUND VALVE ACCESS STATION WITH PUMPS FOR GREGORY'S PUMP STATION PER THE SPECIFICATIONS PROVIDED BY THE CITY OF OAK RIDGE PUBLIC WORKS DEPARTMENT	1		\$ 55,950.00	\$ 73,338.45				
TOTAL PRICE			\$ 55,950.00	\$ 73,338.45				\$
TERMS			Net.30	Net.30				
DELIVERY			TBD	8-10 Weeks				
F.O.B.			Oak Ridge	Oak Ridge				
VIA			TBD	Freight				
OTHER BIDDERS CONTACTED: Wedeco - Charlotte, NC Godwin - Bridgeport, NJ								
BIDS OPENED AND RECORDED BY:--- <i>Lyn Majeski</i> Lyn Majeski Accounting Division Manager								
BIDS REVIEWED BY:--- <i>Janice McGinnis</i> Janice McGinnis Finance Director								
REASON FOR AWARD			RECOMMEND AWARD BE MADE TO:					
<input type="checkbox"/> ONLY BID RECEIVED <input type="checkbox"/> LOW PRICE <input type="checkbox"/> BETTER OR REQUIRED DESIGN <input type="checkbox"/> EARLY DELIVERY <input checked="" type="checkbox"/> LOWEST TOTAL COST			Water & Waste Equipment 2335 Shady Lane Cleveland, TN 37312					

RESOLUTION

A RESOLUTION AWARDING A BID IN THE ESTIMATED AMOUNT OF \$55,950.00 TO WATER & WASTE EQUIPMENT, CLEVELAND, TENNESSEE, FOR THE FURNISHING OF TWO (2) REPLACEMENT PUMPS FOR THE SEWER PUMP STATION LOCATED ON MELTON LAKE PENINSULA.

WHEREAS, the City of Oak Ridge owns and maintains a pump station located at Melton Lake Peninsula, which is in need of two (2) replacement pumps; and

WHEREAS, the City issued invitations to bid for the purchase of two (2) replacement pumps for use at this pump station; and

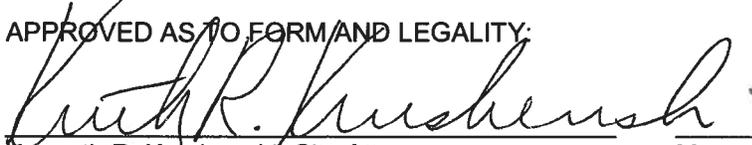
WHEREAS, bids were received and publicly opened on November 27, 2012, with Water & Waste Equipment, Cleveland, Tennessee, submitting the lowest and best bid, which bid the City Manager recommends be accepted.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF OAK RIDGE, TENNESSEE:

That the recommendation of the City Manager is approved and award is hereby made to Water & Waste Equipment, 2335 Shady Lane, Cleveland, Tennessee 37312, for the purchase of two (2) replacement pumps for use at the pump station located at Melton Lake Peninsula; said award in strict accordance with Requisition No. 131601, the required specifications, and the bid as publicly opened on November 27, 2012, and in the estimated amount of \$55,950.00.

This the 10th day of December 2012.

APPROVED AS TO FORM AND LEGALITY:



Kenneth R. Krushenski, City Attorney

Mayor

Diana R. Stanley, City Clerk

COMMUNITY DEVELOPMENT MEMORANDUM
12-45

DATE: November 27, 2012
TO: Mark S. Watson, City Manager
THROUGH: Kathryn G. Baldwin, Community Development Director *KAS*
FROM: Athanasia Senecal Lewis, Community Development Specialist *ASL*
SUBJECT: **TDOT SPECIAL LITTER GRANT**

An item for the December City Council agenda is adoption of a resolution to apply for a Tennessee Department of Transportation (TDOT) Special Litter Grant. TDOT is offering \$1 million for Special Litter Projects, and winning proposals will be awarded a total of \$25,000 to \$100,000.

Eligible TDOT Special Litter Program activities are: student litter education programs; adopt-a-street programs; illegal dumping/junk car cleanup; litter free events/recycling events; web design/newsletters; local campaign using Keep America Beautiful *Litter is Stupid Tool*/Cigarette litter campaign; Great American Cleanup events; America Recycles Day events; cleaning waterways and/or shorelines.

The TDOT Special Litter Grant requires a 20 percent cash and/or in-kind match.

Staff is proposing an Adopt-A-Plot program for establishment of sustainable community gardens on properties the City is acquiring through the "Not in Our City" campaign. The proposal calls for the construction of nine community gardens over the next three years with 25-30 plots per site. A section of each lot will be designated for persons requiring handicapped-accessible accommodations.

The gardens will have raised beds and multiple pathways for ease of access. Compost bins, trash receptacles, and water will be available on-site, and the gardens will be enclosed by secure fences. Signage identifying the gardens will also be displayed in front of the gardens.

The project revitalizes formerly blighted properties, improves the aesthetic appeal of local neighborhoods and fosters community pride. The acquisition and demolition of blighted properties allows the City to pursue redevelopment opportunities in an effort to prevent unintended consequences associated with vacant lots, such as dumping, accumulation of garbage, increased crime, disorder, and vandalism.

The project is estimated to cost up to \$100,000 dollars with a \$20,000 dollar in-kind match from the City.

City Manager's Comments:

I have reviewed the above issue and recommend Council action as outlined in this document.

Mark S. Watson 12-3-2012
Mark Watson Date

RESOLUTION

A RESOLUTION TO APPLY FOR A SPECIAL LITTER GRANT FROM THE TENNESSEE DEPARTMENT OF TRANSPORTATION (TDOT) FOR AN ADOPT-A-PLOT PROGRAM ESTABLISHING SUSTAINABLE COMMUNITY GARDENS TO REVITALIZE FORMERLY BLIGHTED PROPERTIES IN THE AMOUNT OF \$80,000.00, AND TO ACCEPT SAID GRANT IF THE APPLICATION IS APPROVED.

WHEREAS, the Tennessee Department of Transportation (TDOT) has \$1,000,000.00 in grant funds available for special litter grants; and

WHEREAS, said grants can be used for various litter, cleanup, and recycling programs and events; and

WHEREAS, the City desires to submit a grant application for an "Adopt-a-Plot" program to establish sustainable community gardens to revitalize formerly blighted properties acquired by the City; and

WHEREAS, said grant requires a twenty percent (\$20,000.00) local match, which the City will provide with in-kind services; and

WHEREAS, the City Manager recommends that the City submit a grant application to TDOT in the amount of \$80,000.00.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF OAK RIDGE, TENNESSEE:

That the recommendation of the City Manager is approved and the City is hereby authorized to submit an grant application to the Tennessee Department of Transportation for a Special Litter Grant for an Adopt-a-Plot program to establish sustainable community gardens to revitalize formerly blighted properties acquired by the City; said grant application in the amount of \$80,000.00, with a twenty percent (\$20,000.00) local match requirement that will be provided with in-kind services.

BE IT FURTHER RESOLVED that if said application is approved, the City is authorized to accept said funding.

BE IT FURTHER RESOLVED that the City Manager is hereby authorized to execute the appropriate legal instruments to accomplish the same.

This the 10th day of December 2012.

APPROVED AS TO FORM AND LEGALITY:



Kenneth R. Krushenski, City Attorney

Mayor

Diana R. Stanley, City Clerk

COMMUNITY DEVELOPMENT DEPARTMENT MEMORANDUM
12-47

DATE: November 27, 2012

TO: Mark S. Watson, City Manager

THROUGH: Kathryn Baldwin, Community Development Director 

FROM: Kahla Gentry, Senior Planner *K. G.*

SUBJECT: **2012 EMERGENCY SOLUTIONS GRANT PROGRAM APPLICATION AND ACCEPTANCE**

The accompanying resolution authorizes the City of Oak Ridge to apply for and accept the 2012 Emergency Solutions Grant Program (ESG) funds administered by the Tennessee Housing Development Agency (THDA), through the U.S. Department of Housing and Urban Development (HUD), for the State of Tennessee, in the estimated amount of \$62,791. The resolution also authorizes the City Manager to aid qualified organizations in applying for the competitive ESG funds through THDA.

The 2012 ESG funding is for the period of March 1, 2013 through February 28, 2014. Through the Small Cities Set-Aside, THDA allocates ESG funds on a formula basis to the eleven CDBG entitlement cities that do not receive ESG grants directly from HUD, but are expected to address homelessness as a CDBG grantee. These cities are: Bristol, Clarksville, Cleveland, Franklin, Hendersonville, Jackson, Johnson City, Kingsport, Morristown, Murfreesboro and Oak Ridge. Although funds are set aside for Oak Ridge, the city must submit a grant application describing the proposed activity by December 14, 2012. Eligible activities are as follows: 1) Street Outreach, 2) Emergency Shelter, 3) Prevention Activities, 4) Rapid Re-Housing Activities, and 5) Homeless Management Information System costs. The grant application proposes that the City will make an estimated \$59,652 of these funds available to Trinity Outreach Center of Hope (TORCH) to provide homeless prevention and rapid re-housing activities within the City of Oak Ridge. The ESG requires dollar-for-dollar matching funds with cash or in-kind services, which TORCH will provide. The ESG will continue to reimburse the City 4.5 percent of the set-aside funds, an estimated \$2,825.60 to be utilized by staff for grant administration costs.

ADFAC has received this funding in the past but has decided not to participate this year; however a new organization in Oak Ridge, Trinity Outreach Center of Hope (TORCH) is working to provide services to assist clients in attaining self-sufficiency. TORCH has become a member of the Tennessee Coalition to End Homelessness as a Service Provider member and TORCH has also received the required Certification of Participation with Continuum of Care certifying that the application is aligned with the Continuum of Care's strategies for preventing and ending homelessness, and creating housing stability. An information sheet about TORCH is attached to this memo.

The ESG program in Oak Ridge has been successful and is one reason why there is not more of a homeless population within Oak Ridge. Examples of the assistance to be provided by the ESG are payments for rent, deposits, mortgage and utilities, which prevents the resident from becoming homeless. Clients also receive counseling, transportation assistance, assistance with paperwork required by other agencies and computer access. Agencies using ESG grant funds to provide services must coordinate with other agencies by entering information into the Homeless Management Information System (HMIS). Among other benefits, the HMIS helps prevent the duplication of services. The previous ESG grant received by Oak Ridge assisted one thousand seventy-eight (1,078) persons through services provided by ADFAC.

As an entitlement city for the Community Development Block Grant (CDBG) program, the City of Oak Ridge is required to assist persons at risk of becoming homeless. If the City did not utilize the ESGP funds for the homeless prevention program, CDBG entitlement funds would have to be allocated for this activity, which would reduce the amount of funds available for other housing needs.

Staff recommends that the City apply for and accept the 2012 set-aside funds in the estimated amount of \$62,791. Additionally, the City Manager will be authorized to aid other qualified organizations in their application efforts for the competitive ESG funding from THDA. Staff recommends approval of the attached resolution as submitted.

City Manager's Comments:

I have reviewed the above issue and recommend council action as outlined in this document.



Mark S. Watson, City Manager

12-3-2012

Date

INFORMATION ABOUT TORCH

MISSION STATEMENT:

To invest in and support the holistic transformation of the economically disadvantaged in our community as they pursue self-sufficiency.

VISION STATEMENT:

To become a community center where healthy, hopeful, economically independent, self-sufficient citizens work to help and encourage others to break the cycle of poverty.

Sheila Michel is the founder of TORCH she spent many months meeting with social services, local government, law enforcement, really anyone would took interest, to find out what services were missing in our community. Out of the information gathered from these meetings TORCH was born.

TORCH aims to address the gaps, in services in our community. We are a conduit to recourses to ensure that they are reaching the demographic groups the needs them most. According to a study by Dr. Noee at the University of TN, the average homeless person costs the tax payer approximately \$37,000 per year. We feel that it's in our community's best interest to address the needs of families before they become homeless, and provide connection to resources for those who are currently homeless.

We have filed for our 501 (c) 3 and are diligently awaiting it's arrival. We are currently housed under the First United Methodist Church's 501 (c) 3.

TORCH addresses emergency needs of clients first. Many times homeless clients are eligible for assistances, but they don't have the means to obtain. We assist those clients in obtaining that assistance to help them over come the barriers and change their circumstances. An intensive case manager works with those clients to address the emergency needs. When emergency needs have been met, each client is assigned a volunteer advocacy team; to advocate on their behalf, provide them with support as they move through our process. After a thorough intake of the client's past, and present circumstances, the advocacy team and the client determine appropriate goals and steps to reach those goals. The ultimate goal is self-sufficiency. Self-sufficiency is achieved when a client is independent of assistance and able to contribute to his/her society. Success is defined by any step toward self-sufficiency, no matter how small.

If you would like more information about our organization you can contact Zabrina Minor by email at Zabrina@oakridgetorch.org or by phone at 205-873-4537.

RESOLUTION

A RESOLUTION TO APPLY FOR AND ACCEPT SET-ASIDE EMERGENCY SOLUTIONS GRANT (ESG) PROGRAM FUNDS FROM THE TENNESSEE HOUSING DEVELOPMENT AGENCY, THROUGH THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT EMERGENCY SOLUTIONS GRANT PROGRAM, IN THE ESTIMATED AMOUNT OF \$62,791.00, TO FUND ESG ACTIVITIES.

WHEREAS, the provision of emergency assistance to very low and low income people threatened with displacement is a requirement for U.S. Department of Housing and Urban Development (HUD) funding; and

WHEREAS, the Tennessee Housing Development Agency, through HUD's Emergency Solutions Grant (ESG) Program, has budgeted funds which will be available Statewide for set-aside and competitive ESGP applications; and

WHEREAS, Trinity Outreach Center of Hope (TORCH) is willing to provide the necessary matching funds; and

WHEREAS, TORCH has received the required Certification of Participation with Continuum of Care certifying that the application is aligned with the Continuum of Care's strategies for preventing and ending homelessness and creating housing stability; and

WHEREAS, the City Manager recommends submittal of an application for set-aside ESG funds from the Tennessee Housing Development Agency in the estimated amount of \$62,791.00 to fund ESG activities, and acceptance of the grant if approved.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF OAK RIDGE, TENNESSEE:

That the recommendation of the City Manager is approved and the City is hereby authorized to submit an application for set-aside Emergency Solutions Grant (ESG) Program funds from the Tennessee Housing Development Agency, through the U.S. Department of Housing and Urban Development Emergency Solutions Grant Program, in the estimated amount of \$62,791.00, to fund ESG activities and to aid qualified organizations in their application efforts for competitive ESG funding.

BE IT FURTHER RESOLVED that the Mayor is authorized to accept said funds for the City if the application is approved.

BE IT FURTHER RESOLVED that the Mayor is authorized to execute the appropriate instruments to accomplish the same.

This the 10th day of December 2012.

APPROVED AS TO FORM AND LEGALITY:



Kenneth R. Krushenski, City Attorney

Mayor

Diana R. Stanley, City Clerk

OAK RIDGE POLICE DEPARTMENT MEMORANDUM

12-06

DATE: November 28, 2012
TO: Mark S. Watson, City Manager
FROM: James T. Akagi, Chief of Police
SUBJECT: Contract for Veterinarian at the Animal Shelter

Introduction

An item for the agenda is a resolution authorizing the approval of a contract between the City of Oak Ridge and Doctor of Veterinary Medicine (DVM) Matt Jinks to work at the Oak Ridge Animal Shelter on a contractual basis.

Background/Analysis

The Oak Ridge Police Department (ORPD), through the Animal Control Division (ACD), manages the domestic and natural animal population within the City through the enforcement of animal control ordinances, animal registration, city patrol, apprehension of animals running at large, quarantine of biting animals, response to citizen complaints, follow-up on suspected rabies cases, and collection of dead animals. The ACD operates the Animal Shelter, which provides services including an adoption unit to temporarily house and care for stray, unwanted and apprehended animals, euthanasia services and carcass disposal of euthanized animals.

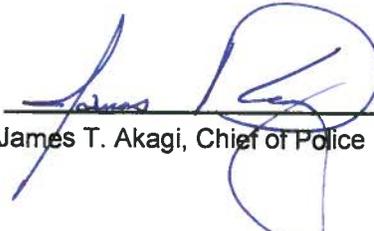
To assist in these efforts, the ACD has contracted with multiple veterinarians in the past, to provide veterinary care and other related services at the Animal Shelter. Veterinarians work alongside other ACD staff and volunteers, and are an integral element in the safe care and protection of animals housed at the shelter. They are also an essential component in the adoption process, from the initial examination of the animal to be adopted, through the final spaying or neutering and vaccination phases of treatment prior to adoption. Most recently, the Animal Shelter has utilized the services of Dr. Jinks, who has performed at an outstanding level and demonstrated a high degree of professionalism and motivation in carrying out his duties, which is why the City desires to contract with Dr. Jinks on a full time basis. Under the proposed contract, Dr. Jinks would be on site at the Animal Shelter from 8:00 a.m. to 5:00 p.m. Tuesdays through Fridays performing services which include, but are not limited to, the following:

- Examine all animals as admitted or requested, and screen animals for health problems.
- Perform spay/neuter operations on all adopted animals prior to the animal's departure from the Animal Shelter, with a maximum of seven (7) surgeries per day. Animals whose medical condition, age and/or body weight creates a significant and inordinate surgical risk may be released for adoption temporarily and returned to the Animal Shelter for spaying/neutering at a specified time after treatment or resolution of the medical condition.
- Administer rabies vaccinations to all adopted animals estimated to be three (3) months of age or older prior to the animals leaving the Animal Shelter. Animals too immature at the time of adoption will receive rabies vaccinations when returned to the Animal Shelter at an appropriate maturity to receive the vaccination.
- Train Animal Control employees to detect animal health problems and offer advice for improved animal care.

- Order all medical supplies needed for the Animal Shelter, and assist with the planning and purchasing of equipment for the Animal Shelter.
- Provide a Drug Enforcement Agency number and provide on-site accountability for drugs purchased and used, maintaining an inventory of all drugs and medical supplies.
- Attend four (4) to six (6) special Animal Shelter events per year where a veterinarian is required or requested by the City (e.g. rabies clinic on a Saturday).
- Assist the City in obtaining a clinic license for the Animal Shelter.

Recommendation

Adoption of the attached resolution is recommended to provide for the City to enter into a contract with Dr. Jinks to perform the aforementioned services, for a base compensation of \$2,500 per month and supplemental compensation of \$45 per adopted animal spayed or neutered; said agreement for an initial term through June 30, 2013 with up to five (5) additional one-year (July 1 – June 30) renewal options.

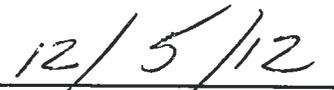

James T. Akagi, Chief of Police

Attachment

City Manager's Comments:

I have reviewed the above issue and recommend Council action as outlined in this document.


Mark S. Watson


Date

RESOLUTION

A RESOLUTION APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH MATT JINKS, DVM, MARYVILLE, TENNESSEE, TO PROVIDE VETERINARY SERVICES AT THE OAK RIDGE ANIMAL SHELTER.

WHEREAS, the City owns and operates the Oak Ridge Animal Shelter; and

WHEREAS, the Animal Shelter is in need of a full-time veterinarian to provide spay and neuter services and rabies vaccinations for adopted animals and to provide other services such as animal examinations, maintaining an inventory of medical supplies and drugs, and assisting the City in obtaining a clinic license for the Animal Shelter; and

WHEREAS, Matt Jinks, DVM, has provided satisfactory veterinary services at the Animal Shelter in the past on a part-time basis and is willing to provide said services on a full-time basis; and

WHEREAS, the City Manager recommends approval of a professional services agreement with Dr. Jinks to provide such services.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF OAK RIDGE, TENNESSEE:

That the recommendation of the City Manager is approved and the City is hereby authorized to enter into a professional services agreement with Matt Jinks, DVM, Maryville, Tennessee, to provide full-time veterinary services and other related services at the Oak Ridge Animal Shelter for a base compensation of \$2,500.00 per month and supplemental compensation of \$45.00 per adopted animal spayed or neutered; said agreement for an initial term through June 30, 2013 with up to five (5) additional one-year (July 1 – June 30) renewal options.

BE IT FURTHER RESOLVED that the Mayor is hereby authorized to execute the necessary legal instruments to accomplish the same.

This the 10th day of December 2012.

APPROVED AS TO FORM AND LEGALITY:



Kenneth R. Krushenski, City Attorney

Mayor

Diana R. Stanley, City Clerk

RESOLUTIONS

COMMUNITY DEVELOPMENT DEPARTMENT MEMORANDUM
12-43

DATE: November 26, 2012
TO: Mark S. Watson, City Manager
THROUGH: Kathryn G. Baldwin, Community Development Director *KGB*
FROM: Matthew W. Widner, Housing Specialist *MW*
SUBJECT: AWARDING TWO (2) SEPARATE CONTRACTS TO FIRST PLACE FINISH, INC FOR
DEMOLITION OF TWO CITY-OWNED RESIDENTIAL STRUCTURES (C.O.R 12-31.
112-114 WADE LN) & (C.O.R. 12-32. 214 WALTHAM PLACE)

An item for the agenda is a resolution awarding two (2) separate contracts at the same time to First Place Finish, Inc., 733 Emory Valley Rd Oak Ridge, TN 37830, for the abatement and demolition of two city-owned residential structures located at 112-114 Wade Ln and 214 Waltham Place, in the estimated combined amount of \$34,781.00.

112-114 Wade Ln (COR 12-31) was previously owned by Robin Coffman and was purchased by the City of Oak Ridge on June 25, 2012 through the Housing and Urban Development's (HUD) Economic Development Initiative (EDI) Voluntary Acquisition Program. In accordance to federal funding regulations, abatement and demolition is required because the estimated cost of repair exceeds 50% of the structure's appraised value. All associated costs of this project are eligible for federal reimbursement.

214 Waltham Place (COR 12-32) was previously owned by Michael A Wylie and was purchased by the City of Oak Ridge on May 29, 2012 through the use of the diversified Highland View Housing Fund by the Voluntary Acquisition Program. The Board of Building and Housing Code Appeals declared this dwelling Unfit for Human Occupation and Use (Case#12-04) and issued an order for the house to be demolished.

Because each project is funded by different funding sources, two (2) separate invitations to bid were issued which 4 bids per project were received on November 8, 2012. First Place Finish, Inc. is the lowest responsible bidder for each project as follows: 112-114 Wade Ln low bid is \$17,231.00 and 214 Waltham Place low bid is \$17,550.00 for a combined total of \$34,781.00. Required removal of regulated asbestos containing material prior to demolition is included in bid price. The City of Oak Ridge Fire Department has identified both structures for training events. It is imperative that these two unsafe nuisance residential structures be demolished as soon as possible to protect the health and welfare of the public. Bid amounts are within staff estimates which are in-line with industry standard pricing range for quantities and degree of difficulty. First Place Finish, Inc. has successfully performed other projects for the City as the lowest responsible bidder.

Approval of the attached resolution is recommended.

Attachments

City Manager's Comments:

I have reviewed the above issue and recommend Council action as outlined in this document.

Mark S. Watson 12-3-12
Mark S. Watson Date

**CITY OF OAK RIDGE, TENNESSEE
Abstract of Bids**

COR 12-31
OPENING DATE: November 8, 2012 2:00 P.M.

DESCRIPTION	BIDDER:		BIDDER:		BIDDER:		BIDDER:	
	ITEM	UNIT	UNIT COST	TOTAL	UNIT COST	TOTAL	UNIT COST	TOTAL
FOR --- Abatement and Demolition for Residential Structure Located at 112-114 Wade Lane								
FURNISH ALL LABOR, MATERIALS, TOOLS, AND EQUIPMENT NECESSARY TO PERFORM ALL WORK AND SERVICES FOR ABATEMENT AND DEMOLITION FOR RESIDENTIAL STRUCTURE AT 112-114 WADE LANE PER THE SPECIFICATIONS PROVIDED BY THE CITY OF OAK RIDGE COMMUNITY DEVELOPMENT DEPARTMENT			\$ 17,231.00	\$ 20,741.00	\$ 21,300.00	\$ 21,300.00	\$ 24,800.00	\$ 24,800.00
			\$ 17,231.00	\$ 20,741.00	\$ 21,300.00	\$ 21,300.00	\$ 24,800.00	\$ 24,800.00
			NET 30					
			PER CONTRACT					
			JOBSITE	JOBSITE	JOBSITE	JOBSITE	JOBSITE	JOBSITE
			CONTRACTOR	CONTRACTOR	CONTRACTOR	CONTRACTOR	CONTRACTOR	CONTRACTOR
OTHER BIDDERS CONTACTED:	BIDS OPENED AND RECORDED BY ---							
M-3 Construction, Inc. - Oak Ridge, TN	Goolsby Inc. - Blytheville, AR							
John Wheeler - Oak Ridge, TN	Alistar Construction & Demolition - Morristown, TN							
Ronnie Lloyd - Oak Ridge, TN	First Response Inc. - Goodlettsville, TN							
Evans Contracting Co., Inc. - Clinton, TN	Long Construction & Excavating - Pioneer, TN							
Woods Construction - Oliver Springs, TN	Guilley Construction - Manchester, TN							
Adkins Excavating Contractors, Oliver Springs, TN	Swift Creek Environmental Inc. - Disputanta, VA							
	Resurgence Demolition and Environmental Co. - Carrollton, GA							
REASON FOR AWARD	RECOMMEND AWARD BE MADE TO:							
ONLY BID RECEIVED	<input type="checkbox"/>							
LOW PRICE	<input type="checkbox"/>							
BETTER OR REQUIRED DESIGN	<input type="checkbox"/>							
EARLY DELIVERY	<input type="checkbox"/>							
LOWEST TOTAL COST	<input checked="" type="checkbox"/>							
	Lyrr Majeski Accounting Division Manager BIDS REVIEWED BY --- Janice McGinnis Finance Director							

**CITY OF OAK RIDGE, TENNESSEE
Abstract of Bids**

COR 12-32

OPENING DATE: November 8, 2012 2:15 P.M.

FOR --- Abatement and Demolition for Residential Structure
Located at 214 Waltham Place

DESCRIPTION	ITEM	UNIT	BIDDER:		BIDDER:		BIDDER:	
			UNIT COST	TOTAL	UNIT COST	TOTAL	UNIT COST	TOTAL
FURNISH ALL LABOR, MATERIALS, TOOLS, AND EQUIPMENT NECESSARY TO PERFORM ALL WORK AND SERVICES FOR ABATEMENT AND DEMOLITION FOR RESIDENTIAL STRUCTURE AT 214 WALTHAM PLACE PER THE SPECIFICATIONS PROVIDED BY THE CITY OF OAK RIDGE COMMUNITY DEVELOPMENT DEPARTMENT			\$ 17,550.00	\$ 17,550.00	\$ 22,300.00	\$ 22,300.00	\$ 26,837.00	\$ 26,837.00
TOTAL PRICE			\$ 17,550.00	\$ 17,550.00	\$ 22,300.00	\$ 22,300.00	\$ 26,837.00	\$ 26,837.00
TERMS			NET 30	NET 30	NET 30	NET 30	NET 30	NET 30
DELIVERY			PER CONTRACT	PER CONTRACT	PER CONTRACT	PER CONTRACT	PER CONTRACT	PER CONTRACT
F.O.B.			JOBSITE	JOBSITE	JOBSITE	JOBSITE	JOBSITE	JOBSITE
VIA			CONTRACTOR	CONTRACTOR	CONTRACTOR	CONTRACTOR	CONTRACTOR	CONTRACTOR
OTHER BIDDERS CONTACTED:			BIDS OPENED AND RECORDED BY---					
M-3 Construction, Inc. - Oak Ridge, TN			Goolsby Inc. - Blytheville, AR					
John Wheeler - Oak Ridge, TN			Alistar Construction & Demolition - Morristown, TN					
Ronnie Lloyd - Oak Ridge, TN			First Response Inc. - Goodlettsville, TN					
Evans Contracting Co., Inc. - Clinton, TN			Long Construction & Excavating - Pioneer, TN					
Woods Construction - Oliver Springs, TN			Guilley Construction - Manchester, TN					
Adkins Excavating Contractors, Oliver Springs, TN			Swift Creek Environmental Inc. - Disputanta, VA					
REASON FOR AWARD			Resurgence Demolition and Environmental Co. - Carrollton, GA					
ONLY BID RECEIVED			RECOMMEND AWARD BE MADE TO:					
LOW PRICE			First Place Finish, Inc.					
BETTER OR REQUIRED DESIGN			733 Emory Valley Road					
EARLY DELIVERY			Oak Ridge, TN 37830					
LOWEST TOTAL COST			 Lynn Majeski Accounting Division Manager BIDS REVIEWED BY---					
			 Janice McGinnis Finance Director					

RESOLUTION

A RESOLUTION AWARDING CONTRACTS (COR 12-31 AND 12-32) TO FIRST PLACE FINISH, INC., OAK RIDGE, TENNESSEE, FOR THE DEMOLITION OF TWO CITY-OWNED RESIDENTIAL STRUCTURES; SAID CONTRACTS IN THE ESTIMATED AMOUNT OF \$17,231.00 AND \$17,550.00 RESPECTIVELY.

WHEREAS, the City issued invitations to bid for the demolition of City-owned residential structures that have been found unfit for human occupation or use; and

WHEREAS, the projects were bid on the same date but bid as separate contracts due to the projects having different funding sources; and

WHEREAS, bids were received and publicly opened on November 8, 2012, with First Place Finish, Inc., submitting the lowest and best bids for both projects, which bids the City Manager recommends be accepted; and

WHEREAS, while both contracts are within the City Manager's authority to sign and there was a valid reason to separate the bids, the contracts are being brought to City Council for approval to avoid any appearance of impropriety.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF OAK RIDGE, TENNESSEE:

That the recommendation of the City Manager is approved and awards are hereby made as follows:

To First Place Finish, Inc., 733 Emory Valley Road, Oak Ridge, Tennessee 37830, for the furnishing of all labor, tools, materials, equipment and supplies necessary to demolish the City-owned residential structure located on 112-114 Wade Lane; said award in strict accordance with COR 12-31, the required specifications, and the bid as publicly opened on November 8, 2012, and in the estimated amount of \$17,231.00.

To First Place Finish, Inc., 733 Emory Valley Road, Oak Ridge, Tennessee 37830, for the furnishing of all labor, tools, materials, equipment and supplies necessary to demolish the City-owned residential structure located on 214 Waltham Place; said award in strict accordance with COR 12-32, the required specifications, and the bid as publicly opened on November 8, 2012, and in the estimated amount of \$17,550.00.

BE IT FURTHER RESOLVED that the City Manager is hereby authorized to execute the appropriate legal instruments to accomplish the same.

This the 10th day of December 2012.

APPROVED AS TO FORM AND LEGALITY:



Kenneth R. Krushenski, City Attorney

Mayor

Diana R. Stanley, City Clerk

LEGAL DEPARTMENT MEMORANDUM
12-66

DATE: November 27, 2012

TO: Honorable Mayor and Members of City Council

FROM: Kenneth R. Krushenski, City Attorney

SUBJECT: A RESOLUTION APPROVING A SUBORDINATION AGREEMENT BETWEEN TNBANK AND CITY OF OAK RIDGE FOR A LOAN TO GIRLS INC. FOR THE ARMORY BUILDING ROOF REPAIRS

An item for the December 10, 2012 Council meeting is a Resolution approving a Subordination Agreement between TNBank and City of Oak Ridge for a loan to Girls Inc. for Armory Building roof repairs.

By Resolution No. 12-114-07 dated December 17, 2007, Council approved a Sales Contract between Girls, Inc. and the City for the transfer of the Armory Building to Girls, Inc. for the stated consideration of \$23,497.87. A Quit Claim Deed between the City and Girls, Inc. was recorded in the Anderson County Register of Deeds Office on January 28, 2008. A copy of the Resolution and Quit Claim Deed is attached.

The Quit Claim Deed contained the following repurchase language:

This conveyance is subject to a right to repurchase reserved in favor of the Grantor, City of Oak Ridge, in the event that:

- (a) the Grantee ceases to exist as a non-profit youth organization; or
- (b) the Grantee offers the property for sale.

The City of Oak Ridge shall have the right to repurchase this property for the original purchase price paid by the Grantee plus any property improvements made by the Grantee after closing that increases the assessed property value. This Right to Repurchase shall extend for a period of ninety (90) days after receipt by the City of notice of the occurrence of any of these events, set out as a and b.

TNBank's Attorney, Steve Seivers, has requested that the City subordinate its Right to Repurchase to a loan being made by TNBank to Girls, Inc. for roof repairs on the Armory Building. See copy attached. The Subordination Agreement contains language which allows the City to exercise its repurchase rights should Girls, Inc. default on the loan by paying off the Note's balance, or purchasing the Note for its current balance. The Request Letter and Subordination Agreement are attached.



Kenneth R. Krushenski

Attachment(s)

City Manager's Comments:

I have reviewed the above issue and recommend Council action as outlined in this document.



Mark S. Watson 12/5/12
Date

RESOLUTION

WHEREAS, By Resolution 11-104-07, City Council authorized the City Manager and City Attorney to enter into negotiations with Girls Incorporated of Oak Ridge (Girls Inc.) and the Oak Ridge Kennel Club (Kennel Club) for the possible transfer of Parcel 535, Subdivision Block Plans E-9 and F-9 located at 1790 Oak Ridge Turnpike, commonly known as the National Guard Armory property, from the City to Girls Inc. and the Kennel Club; and

WHEREAS, the City Manager and City Attorney have completed negotiations with both parties and have negotiated the transfer of a portion of the property to Girls Inc. and the remaining portion of the property to the Kennel Club; and

WHEREAS, the parties have agreed to the terms of contracts for the sale of the property; and

WHEREAS, the City Manager and the City Attorney recommend approval of said contracts.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF OAK RIDGE, TENNESSEE:

That the recommendations of the City Manager and the City Attorney are approved and the attached Contract for the Sale of Real Property between the City of Oak Ridge, Tennessee, and Girls Incorporated of Oak Ridge for the sale of a portion of Parcel 535, Subdivision Block Plans E-9 and F-9, located at 1790 Oak Ridge Turnpike, commonly known as the National Guard Armory property, in the amount \$23,497.87, is hereby approved.

BE IT FURTHER RESOLVED that the attached Contract for the Sale of Real Property between the City of Oak Ridge, Tennessee, and the Oak Ridge Kennel Club for the sale of a portion of Parcel 535, Subdivision Block Plans E-9 and F-9, located at 1790 Oak Ridge Turnpike, commonly known as the National Guard Armory property, in the amount \$18,462.62, is hereby approved.

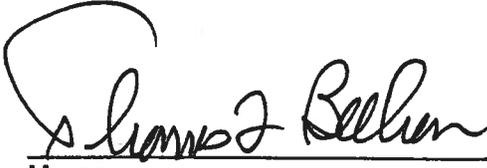
BE IT FURTHER RESOLVED that the Mayor be authorized to execute the appropriate legal instruments to accomplish the same.

This the 17th day of December 2007.

APPROVED AS TO FORM AND LEGALITY:



City Attorney



Mayor



City Clerk

Tax Map: Parcel 535.01, Block 17BX

BK/PG: 1471/1966-1969
08000908

4 PGS : AL - QUIT CLAIM
TIFFANY BATCH: 48312
01/28/2008 - 08:44 AM

This Instrument Prepared By:
Kenneth R. Krushenski, Attorney
City of Oak Ridge
200 S. Tulane Avenue
P. O. Box 1
Oak Ridge, Tennessee 37831

QUIT CLAIM DEED

This Indenture, made this 25th day of January, 2008, between the CITY OF OAK RIDGE, party of the first part, hereinafter also referred to as Grantor, and GIRLS INCORPORATED OF OAK RIDGE, a non-profit Tennessee corporation, party of the second part, hereinafter also referred to as Grantee.

WITNESSETH: That the said party of the first part, for and in consideration of One Dollar and No/100 (\$1.00) to it in hand paid by the said party of the second part, the receipt of which is hereby acknowledged, does hereby quitclaim unto the said party of the second part, the following described premises, to wit, situated, lying and being in the City of Oak Ridge, Second Civil District of Anderson County, State of Tennessee, and described as follows:

(PLEASE SEE ATTACHED EXHIBIT A FOR LEGAL DESCRIPTION)

This conveyance is subject to a right to repurchase reserved in favor of the Grantor, City of Oak Ridge, in the event that:

- (a) the Grantee ceases to exist as a non-profit youth organization; or
- (b) the Grantee offers the property for sale.

The City of Oak Ridge shall have the right to repurchase this property for the original purchase price paid by the Grantee plus any property improvements made by the Grantee after closing that increases the assessed property value. This Right to Repurchase shall extend for a period of ninety (90) days after receipt by the City of notice of the occurrence of any of these events, set out as a and b.

THIS DEED WAS PREPARED WITHOUT REQUEST OR BENEFIT OF TITLE OPINION AND PREPARER BEARS NO RESPONSIBILITY FOR THE ACCURACY OF DESCRIPTION OR THE STATUS OF THE TITLE TO THE PROPERTY HEREIN.

IN WITNESS WHEREOF, the said party of the first part has caused this instrument to be signed in its name, the day and year first above written.

APPROVED AS TO FORM AND LEGALITY: CITY OF OAK RIDGE, TENNESSEE

Kenneth R. Krushenski
City Attorney

By: *Thomas L. Beehan*
Thomas L. Beehan, Mayor

VALUE	23497.87
MORTGAGE TAX	0.00
TRANSFER TAX	86.94
RECORDING FEE	20.00
DP FEE	2.00
REGISTER'S FEE	1.00
TOTAL AMOUNT	109.94

STATE OF TENNESSEE, ANDERSON COUNTY

TIM SHELTON

Deeds for Anderson County, Tennessee and as defined in Note 12 on the referenced recorded plat. The ingress and egress is to be considered as joint common use subject to shared maintenance.

Property is subject to an easement for ingress and egress by Parcel 535 defined as being within the presently existing driveways as created by deed recorded in Deed Book K, Volume 18 at Page 195. The ingress and egress is to be considered as joint common use subject to shared maintenance.

Property is subject to the easements, conditions and restrictions as shown on the referenced recorded plat.

The above as shown on a map of survey by Lackey and Associates, Inc. of 214 Main Street, Oliver Springs, TN 37840, dated December 21, 2007 and revised to January 10, 2008 and designated as Drawing Number 07-1708-R1 with bearings being reference to Oak Ridge Grid North and position being reference to Oak Ridge Grid Position. The referenced plat has subsequently been recorded in Plat Cabinet 8 at Slide 9B in the Office of the Register of Deeds for Anderson County, Tennessee to which recorded plat reference is hereby made.

Property is Parcel 535.01 in Oak Ridge Block 17BX.

Property is part of Parcel 13, Group "A", on Anderson County Tax Map 99-0.

Property is part of the same property acquired by the City of Oak Ridge from the State of Tennessee under a Quit Claim Deed recorded in Record Book 1465 at page 80 in the Office of the Register of Deeds for Anderson County, Tennessee.



EXHIBIT "A"
PROPERTY DESCRIPTION

The City of Oak Ridge, a Tennessee Municipal Corporation, with principal office located at 200 South Tulane Avenue, Oak Ridge, TN 37830, in Anderson County, Tennessee.

TO

Girls Incorporated of Oak Ridge, with principal office located at 1798 Oak Ridge Turnpike, Oak Ridge, Anderson County, Tennessee, with mailing address: P. O. Box 7040, Oak Ridge, TN 37831.

Property situated in the Second Civil District of Anderson County, Tennessee, within the Corporate Limits of Oak Ridge, Tennessee and being all of newly created Parcel 535.01 in Oak Ridge Block 17BX as shown on "Resubdivision Plat, Parcel 535, Block 17BX", which plat is recorded in Plat Cabinet 8 at Slide 9B in the Office of the Register of Deeds for Anderson County, Tennessee and the said parcel being more fully described by metes and bounds as follows:

Beginning on an iron pin (set) in the northerly right of way line for Oak Ridge Turnpike (Tennessee Highway 95), at a corner of Parcel 535.01 as herein described with Parcel 535, which point is defined as being located at Oak Ridge Grid Position North = 39,988.00 and East = 56,826.31; Thence, from said beginning, along the northerly right of way line for Oak Ridge Turnpike (Tennessee Highway 95), along a line 75 feet from and parallel with the survey center line for said Oak Ridge Turnpike, North 77deg 01min 10sec West 314.84 feet to an iron pin (found) at a corner of the Parcel 535.01 as herein described with Parcel 410 in the said northerly right of way line for Oak Ridge Turnpike; Thence, along line(s) of Parcel 410 in Oak Ridge Block 17BX as follows: 1.) North 12deg 58min 50sec East 359.11 feet to an iron pin (found); 2.) North 47deg 38min 00sec West 299.03 feet to an iron pin (found) at a corner of the Parcel 535.01 as herein described with Parcel 410 and with Parcel 465 all in Oak Ridge Block 17BX; Thence, with line(s) of Parcel 465 as follows: 1.) North 77deg 18min 52sec West 68.69 feet to an iron pin (set) at a corner of the Parcel 535.01 as herein described with Parcel 465; 2.) North 42deg 47min 27sec East 28.25 feet to an iron pin (found) at a corner of Parcel 465 with Parcel 466.01 in line of the Parcel 535.01 as herein described; Thence, with lines of Parcel 466.01 as follows: 1.) North 42deg 47min 27sec East 128.31 feet to an iron pin (found); 2.) North 57deg 05min 18sec East 114.53 feet to an iron pin (found) at a corner of Parcel 466.01 with Parcel 466 in line of Parcel 535.01 as herein described; Thence, with line(s) of Parcel 466 in Block 17BX as follows: 1.) North 57deg 05min 18sec East 53.80 feet to an iron pin (set); 2.) North 70deg 37min 19sec East 51.31 feet to an iron pin (set) at a corner of the Parcel 535.01 as herein described with Parcel 535 in line of Parcel 466 all in Oak Ridge Block 17BX; Thence, along new severance lines with Parcel 535 as follows: 1.) South 19deg 22min 41sec East 102.99 feet to an iron pin (set); 2.) South 14deg 01min 04sec West 308.36 feet to an iron pin (set); 3.) South 76deg 03min 00sec East 355.75 to an iron pin (set); 4.) South 12deg 54min 17sec West 388.32 feet to the point of beginning. Containing 4.371 Acres (more or less).

Also conveyed herewith is a division of the right of ingress and egress over Parcel 410 in Oak Ridge Block 17BX as created by deed recorded in Deed Book K, Volume 18 at Page 195 in the Office of the Register of Deeds for Anderson County, Tennessee and as defined in Note 12 on the referenced recorded plat. The ingress and egress is to be considered as joint common use subject to shared maintenance.

Property is subject to an easement for ingress and egress by Parcel 410 in Oak Ridge Block 17BX as created by deed recorded in Deed Book K, Volume 18 at Page 195 in the Office of the Register of

ACKNOWLEDGMENT

STATE OF TENNESSEE)
) ss.
ANDERSON COUNTY)

Before me, the undersigned, a Notary Public of the state and county aforesaid, personally appeared Thomas L. Beehan, with whom I am personally acquainted, and who, upon oath, acknowledged himself to be Mayor, of the within named municipal corporation, and that he as such Mayor being authorized so to do, executed the foregoing instrument for the purposes therein contained.

Witness my hand and official seal at office this 25th day of January, A.D. 2008

Joann S. Oran
Notary Public

My Commission Expires Feb. 23, 2010



I, or we, hereby swear or affirm that the actual consideration for this transfer or value of the property transferred, whichever is greater, is \$ 23,497.87, which amount is equal to or greater than the amount which the property transferred would command at a fair and voluntary sale.

Carol C. Mullone
Affiant

Subscribed and sworn before me this 28 day of Jan, 2008.

Jim Shelton, Register My Commission Expires: _____
Notary Public

Name of person or agency responsible for the payment of the real property taxes:

Name Girls Incorporated of Oak Ride Address P.O. Box 7040 ; OAK RIDGE, TN
37831

**STEVEN R. SEIVERS
ATTORNEY AT LAW
233 A JACKSON SQUARE
OAK RIDGE, TENNESSEE 37830**

Tel. 865-482-2413

Fax 865-483-4811

Email sseivers@AOL.com

November 15, 2012

Ken Krushenski
City of Oak Ridge
Oak Ridge Tennessee

HAND DELIVERED

Dear Ken,

I represent TNBANK with regard to their proposed loan to Girls, Inc. The loan is for \$80,000.00 and is for a new roof for the Armory Building. As we have discussed, the deed for the property retains a right of repurchase in favor of the City of Oak Ridge upon a change of ownership. I have sent you a subordination agreement for the City to sign allowing TNBANK to have a first mortgage on the property free of the City's repurchase rights.

Could you have this matter placed upon the next City Council's agenda for approval.

Sincerely yours,



Steven R. Seivers

Approved by Thomas Tuck, President of TNBANK



Tom Tuck by Steve Seivers w/ permission

**STEVEN R. SEIVERS
ATTORNEY AT LAW
233 A JACKSON SQUARE
OAK RIDGE, TENNESSEE 37830
Tel. 865-482-2413
Fax 865-483-4811
Email sseivers@AOL.com**

December 3, 2012

Ken Krushenski
Oak Ridge City Attorney
P.O. Box 1
Oak Ridge, Tennessee

Re: Girls, Inc.

Dear Ken,

The Girls, Inc. loan from TNBANK to repair the roof on the Armory building has been changed from \$80,000.00 to \$92,000.00. Accordingly, I have made to changes to the Subordination Agreement to match the loan documents. Attached, please find the corrected agreement.

~~STEVEN R. SEIVERS, ATTORNEY~~


*This instrument prepared by:
Steven R. Seivers, Attorney at Law
233-A Jackson Square
Oak Ridge, TN 37830*

SUBORDINATION AGREEMENT

This agreement is made as of the _____ day of _____, 2012 by TNBANK (collectively "LENDER") of Oak Ridge, Tennessee and THE CITY OF OAK RIDGE a municipality.

WHEREAS, GIRLS INCORPORATED OF OAK RIDGE, a non-profit Tennessee Corporation ("Borrower") Received property by way of a Quit Claim Deed from the City of Oak Ridge, on January 25, 2008 as recorded in Deed Book 1471 page 1966 of the Anderson County Register of Deeds Office and,

WHEREAS, Said Quit Claim Deed contained the following language:

This conveyance is subject to a right of repurchase reserved in favor of the Grantor, City of Oak Ridge, in the event that:

- (a) The grantee ceases to exist as a non-profit youth organization; or
- (b) The grantee offers the property for sale.

The City of Oak Ridge shall have the right to repurchase the property for the original purchase price paid by the Grantee plus any property improvements made by the Grantee after closing that increases the assessed property value. This Right to Repurchase shall extend for ninety (90) days after receipt by the City of notice of the occurrence of any of these events, set out as a and b.

WHEREAS, Borrower has executed a deed of trust to the trustee for TNBANK recorded in Deed Book _____ Page _____, in the Register's Office for Anderson County, Tennessee ("NEW LOAN DOCUMENT") in the amount of \$92,000.00: and

WHEREAS THE CITY OF OAK RIDGE agrees to subordinate its right to repurchase the property to the rights of TNBANK under the terms of the DEED OF TRUST with the following provision:

1. That if Girls' Inc. defaults on the note and demand is made, TNBANK shall give notice to the City of Oak Ridge of said

demand. The City of Oak Ridge will have ninety (90) days from the receipt of said notice to intervene at the City's option by:

- a. Paying off the note's current balance and thereby obtaining a release of the Deed of Trust, or
- b. Purchasing the note for the note's current balance and having the Deed of Trust assigned to the City.

NOW, THEREFORE, in consideration of the premises and for \$10.00 in hand paid and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, THE CITY OF OAK RIDGE agrees as follows:

1. THE CITY OF OAK RIDGE acknowledges that TNBANK is the true and lawful holder of the note secured by the DEED OF TRUST.
2. The rights of THE CITY OF OAK RIDGE to repurchase the property hereunder are hereby subordinated to the rights of TNBANK in said Deed of Trust and the lien thereof and to any renewal, substitution, extension, modification or replacement thereof; and THE CITY OF OAK RIDGE does hereby subordinate its rights under the Quit Claim Deed referenced herein to the lien of the TNBANK Deed of Trust as if the TNBANK Deed of Trust had been executed and recorded before the QUIT CLAIM DEED was executed subject to the above provisions.

IN WITNESS WHEREOF, the parties have executed this instrument for the purpose contained therein.

TNBANK:

By: _____

Its: _____

STATE OF TENNESSEE
COUNTY OF ANDERSON

Before me, the undersigned Notary Public of the state and county
aforementioned, personally appeared _____, with whom
I am personally acquainted (or proved to me on the basis of satisfactory
evidence) and who, upon oath, acknowledged herself/himself to be the
_____ of TNBANK, the within named
bargainer, a corporation, and that she/he as such _____
executed the foregoing instrument for the purposes therein contained, by
signing the name of the corporation by herself/himself as its

WITNESS my hand and official seal, this _____ day of _____
_____, 2012.

Notary Public My commission expires: _____

THE CITY OF OAK RIDGE, by

Name title

Approved as to form and legality

Name title

STATE OF TENNESSEE
COUNTY OF ANDERSON

Before me the undersigned, a Notary Public of the state and county
aforesaid, personally appeared _____, with whom I
am personally, and who, upon oath, acknowledged himself to be
_____, of the within named municipal corporation, and
that he as such _____, being authorized so to do,
executed the foregoing instrument for the purposes therein contained.

Witness my hand and seal at office this _____ day of
_____, 2012.

Notary Public My commission expires _____

RESOLUTION

A RESOLUTION TO APPROVE A SUBORDINATION AGREEMENT WITH TNBANK TO SUBORDINATE THE CITY'S RIGHT TO REPURCHASE THE ARMORY BUILDING FROM GIRLS, INC. TO THE LOAN BETWEEN TNBANK AND GIRLS, INC., FOR ROOF REPAIRS.

WHEREAS, by Resolution 12-114-07, City Council approved a Sales Contract between the City and Girls, Inc., to transfer the Armory Building to Girls, Inc., for \$23,497.87 with the City retaining the right to repurchase the property upon the occurrence of certain events; and

WHEREAS, Girls, Inc., is obtaining a loan from TNBank for roof repairs to the Armory Building; and

WHEREAS, TNBank has requested the City to subordinate the right to repurchase to TNBank's loan; and

WHEREAS, the City will still retain the right to repurchase under the Sales Contract and the Subordination Agreement will allow the City to exercise the right to repurchase should Girls, Inc., default on the TNBank loan; and

WHEREAS, the City Attorney and City Manager recommend approval of TNBank's request and recommend approval of the Subordination Agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF OAK RIDGE, TENNESSEE:

That the recommendation of the City Attorney and the City Manager is approved and the City is hereby authorized to enter into a Subordination Agreement with TNBank to subordinate the City's right to repurchase the Armory Building to TNBank's loan to Girls, Inc., for roof repairs, with the City obtaining the right to exercise the right to repurchase should Girls, Inc., default on the TNBank loan.

BE IT FURTHER RESOLVED that the City Manager and/or the Mayor are hereby authorized to execute the appropriate legal instruments to accomplish the same.

This the 10th day of December 2012.

APPROVED AS TO FORM AND LEGALITY:



Kenneth R. Krushenski, City Attorney

Mayor

Diana R. Stanley, City Clerk

FINANCE DEPARTMENT MEMORANDUM
12-16

DATE: December 7, 2012

TO: Mark S. Watson, City Manager

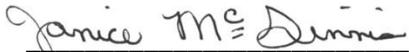
FROM: Janice McGinnis, Finance Director

SUBJECT: Series VI-M-1 & Series VII-E-1 Conversion Substitute Resolution

Attached is one (1) a resolution showing the marked-up changes from the resolution included in the City Council agenda packet for the December 10, 2012 City Council meeting regarding the conversion of the Series VI-M-1 and Series VII-E-1 Bonds; and two (2) a substitute resolution that includes the necessary changes as provided by US Bank's attorney

The changes on the first page of the resolution are to correct the referenced date of the Indenture of Trust to September 1, 2004 and some grammatical changes. In Section 1 of the document, the approver of any changes to the Loan Agreements form has been changed to delete the City Clerk and add the City Manager and City Attorney. The final Loan Agreements must be in substantially the same form as that presented in the City Council agenda packet.

The remainder of the requested changes primarily relate to the Index Rate Agreements which will be drafted from the US Bank's Term Sheet proposal that is included in the Agenda Packet. The changes clarify that there will be no substantial or material changes in the Index Rate Agreement from US Bank's Term Sheet. In Section 3(b) and 3(c), the applicable Index Rate Agreements have been added for inclusion to those sections. In Section 4, the approval of changes in the Index Rate Agreements has been added to include the Mayor, City Manager and City Attorney. In Section 5 and Section 6, the selection of the Index Rate by the Mayor has been deleted. The Index Rate will be 75% of the One-Month LIBOR plus 50 basis points which is included in US Bank's Term Sheet.



Janice McGinnis

RESOLUTION

A RESOLUTION APPROVING THE AMENDMENT AND RESTATEMENT OF THE CITY OF OAK RIDGE'S (A) SERIES VI-M-1 LOAN AGREEMENT WITH THE PUBLIC BUILDING AUTHORITY OF SEVIER COUNTY, TENNESSEE AND (B) THE SERIES VII-E-1 LOAN AGREEMENT WITH THE PUBLIC BUILDING AUTHORITY OF SEVIER COUNTY, TENNESSEE; DIRECTING THE CONVERSION OF THE INTEREST RATE ON THE RELATED LOCAL GOVERNMENT PUBLIC IMPROVEMENT BONDS, SERIES VI-M-1 AND LOCAL GOVERNMENT PUBLIC IMPROVEMENT BONDS, SERIES VII-E-1 TO AN INDEX RATE; AND AUTHORIZING THE EXECUTION AND DELIVERY OF INDEX RATE AGREEMENTS IN CONNECTION THEREWITH

WHEREAS, the City of Oak Ridge, Tennessee (the "City") has heretofore entered into (i) the Series VI-M-1 Loan Agreement, dated as of January 1, 2010 (the "Series VI-M-1 Loan Agreement") with The Public Building Authority of Sevier County, Tennessee (the "Sevier Authority") and (ii) the Series VII-E-1 Loan Agreement, dated as of April 1, 2009 (the "Series VII-E-1 Loan Agreement") with the Sevier Authority; and

WHEREAS, in order to fund the Series VI-M-1 Loan Agreement, the Sevier Authority issued its Local Government Public Improvement Bonds, Series VI-M-1, dated January 13, 2010 (the "Series VI-M-1 Bonds") bearing interest at the Weekly Rate (as such term is defined in the Series VI-M-1 Loan Agreement) pursuant to an Indenture of Trust, dated as of ~~March~~September 1, ~~2005~~2004 (the "Original Series VI Indenture"), as supplemented by a Series VI-M-1 Supplemental Indenture of Trust, dated as of January 1, 2010 (the "Series VI-M-1 Supplemental Indenture" and collectively with the Original Series VI Indenture, the "Series VI-M-1 Indenture"), each among the Sevier Authority and Regions Bank, as trustee (the "Trustee") with liquidity provided by a Standby Bond Purchase Agreement among the Sevier Authority, the City and Bank of America, N.A. dated as of January 1, 2010, with the Series VI-M-1 Bonds remarketed by Merrill Lynch Pierce, Fenner & Smith Incorporated (the "Series VI-M-1 Remarketing Agent") pursuant to a Remarketing Agreement, dated as of January 1, 2010 (the "Series VI-M-1 Remarketing Agreement"); and

WHEREAS, in order to fund the Series VII-E-1 Loan Agreement, the Sevier Authority issued its Local Government Public Improvement Bonds, Series VII-E-1, dated April 30, 2009 (the "Series VII-E-1 Bonds") bearing interest at the Weekly Rate (as such term is defined in the Series VII-E-1 Loan Agreement) pursuant to an Indenture of Trust, dated as of August 1, 2008 (the "Original Series VII

Indenture”), as supplemented by a Series VII-E-1 Supplemental Indenture of Trust, dated as of April 1, 2009 (the “Series VII-E-1 Supplemental Indenture” and collectively with the Original Series VII Indenture, the “Series VII-E-1 Indenture”), each among the Sevier Authority and the Trustee, with credit and liquidity support provided by a Letter of Credit issued by KBC BANK N. V., Acting through its New York Branch, and with the Series VII-E-1 Bonds remarketed by Morgan Keegan & Company, Inc. (the “Series VII-E-1 Remarketing Agent”; together with the Series VI-M-1 Remarketing Agent, the “Remarketing Agent”) pursuant to a Remarketing Agreement, dated as of April 1, 2009 (the “Series VII-E-1 Remarketing Agreement”); and

WHEREAS, the City desires to amend and restate the Series VI-M-1 Loan Agreement in substantially the form now before this meeting (the “Amended and Restated Series VI-M-1 Loan Agreement”) to permit the conversion of the Series VI-M-1 Bonds to an Index Rate (as defined below) and to request the Sevier Authority to amend the Series VI-M-1 Indenture and amend, terminate or replace the Series VI-M-1 Remarketing Agreement to provide for a conversion of the Series VI-M-1 Bonds to an index rate period (“Index Rate Period”) during which time the Series VI-M-1 Bonds will bear interest at the index rate (the “Index Rate”), which will permit the Series VI-M-1 Bonds to be sold directly to financial institutions or other entities wishing to purchase Series VI-M-1 Bonds in an Index Rate Period; and

WHEREAS, upon the conversion of the Series VI-M-1 Bonds to the Index Rate, the Series VI-M-1 Bonds will be sold to U.S. Bank National Association, or an affiliate thereof, (the “Bank”) in the Index Rate Period and in connection therewith, the City will enter into an Index Rate Agreement (the “Series VI-M-1 Index Rate Agreement”), which such Series VI-M-1 Index Rate Agreement will contain terms and conditions substantially and materially consistent with the term sheet from the Bank now before this meeting (the “U.S. Bank Term Sheet”); and

WHEREAS, the City desires to amend and restate the Series VII-E-1 Loan Agreement in substantially the form now before this meeting (the “Amended and Restated Series VII-E-1 Loan Agreement”; together with the Amended and Restated Series VI-M-1 Loan Agreement, the “Amended and Restated Loan Agreements”) to permit the conversion of the Series VII-E-1 Bonds to an Index Rate and to request the Sevier Authority to amend the Series VII-E-1 Indenture and to amend, terminate or

replace the Series VII-E-1 Remarketing Agreement to provide for a conversion of the Series VII-E-1 Bonds to the Index Rate Period during which time the Series VII-E-1 Bonds will bear interest at the Index Rate which will permit the Series VII-E-1 Bonds to be sold directly to financial institutions or other entities wishing to purchase Series VII-E-1 Bonds in an Index Rate Period; and

WHEREAS, upon the conversion of the Series VII-E-1 Bonds to the Index Rate, the Series VII-E-1 Bonds will be sold to the Bank in the Index Rate Period and in connection therewith, the City will enter into an Index Rate Agreement (the "Series VII-E-1 Index Rate Agreement"; together with the Series VI-M-1 Index Rate Agreement, the "Index Rate Agreements") with the Bank, which such Series VII-E-1 Index Rate Agreement will contain terms and conditions substantially and materially consistent with the U.S. Bank Term Sheet now before this meeting; and

WHEREAS, it is hereby determined by the City Council (the "Governing Body") to be in the best interest of the City to: (i) authorize the amendment and restatement of the Series VI-M-1 Loan Agreement and the Series VII-E-1 Loan Agreement and request that the Sevier Authority, the Trustee and any other required parties consent to the Amended and Restated Loan Agreements to permit the conversion of the Series VI-M-1 Bonds and the Series VII-E-1 Bonds to the Index Rate; (ii) request that the Sevier Authority, the Trustee, the Remarketing Agent and any other required parties approve and consent to amendments to the Series VI-M-1 Indenture and the Series VII-E-1 Indenture to provide for an Index Rate Period, and to the amendment or termination of the Series VI-M-1 Remarketing Agreement and the Series VII-E-1 Remarketing Agreement; (iii) approve the execution and delivery of the Index Rate Agreements; (iv) direct the Sevier Authority, upon receipt of all requisite consents, to convert the Rate Period on the Series VI-M-1 Bonds and the Series VII-E-1 Bonds from the Weekly Rate to the Index Rate; and (v) pay costs incident to the amendments described above and the conversion of the Series VI-M-1 Bonds and the Series VII-E-1 Bonds to the Index Rate; and

WHEREAS, for the purposes recited above, the Governing Body of the City adopts this Resolution.

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

Section 1. Approval of Amendment and Restatement of the Series VI-M-1 Loan Agreement and the Series VII-E-1 Loan Agreement. The form, terms and provisions of the Amended and Restated Series VI-M-1 Loan Agreement and the Amended and Restated Series VII-E-1 Loan Agreement now before this meeting are hereby approved. The Amended and Restated Series VI-M-1 Loan Agreement and the Amended and Restated Series VII-E-1 Loan Agreement are to be in substantially the form now before this meeting and are hereby approved with such changes therein as shall be approved by the Mayor ~~and the~~ City ~~Clerk~~Manager and City Attorney, the execution thereof by the Mayor and the City Clerk to constitute conclusive evidence of the approval of any and all changes or revisions therein. The Mayor and City Clerk are hereby authorized, empowered and directed to execute and deliver the Amended and Restated Loan Agreements in the name and on behalf of the City. From and after the execution and delivery of the Amended and Restated Loan Agreements, the Mayor and the City Clerk are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Amended and Restated Loan Agreements as executed.

All fees and expenses associated with the amendment and the conversion shall be paid by the City pursuant to the related Amended and Restated Loan Agreement.

Section 2. Request the Sevier Authority to Approve Amendments to the Supplemental Indentures and Remarketing Agreements. The Governing Body hereby directs the Mayor to request that the Sevier Authority, the Trustee, the Remarketing Agent and any other required parties approve and consent to amendments to the Series VI-M-1 Indenture, the Series VI-M-1 Loan Agreement and such other documents necessary to effect the amendments to provide for an Index Rate Period for the Series VI-M-1 Bonds, all of which shall contain terms and provisions consistent with the U.S. Bank Term Sheet now before this meeting. The City hereby directs the Mayor to request that the Sevier Authority, the Trustee, the Remarketing Agent and any other required parties approve and consent to amendments to the Series VII-E-1 Indenture, the Series VII-E-1 Loan Agreement, the Series VII-E-1 Remarketing Agreement, and such other documents necessary to effect the amendments to provide for an Index Rate Period for the Series VII-E-1 Bonds, all of which shall contain terms and provisions consistent with the U.S. Bank Term Sheet now before this meeting. The City Council hereby authorizes the Mayor to request that the Sevier

Authority and the Remarketing Agent and any other required parties approve and consent to amendment or termination of the Series VI-M-1 Remarketing Agreement and the Series VII-E-1 Remarketing Agreement as necessary to provide for an Index Rate Period for the Series VI-M-1 Bonds and the Series VII-E-1 Bonds.

Section 3. Certain Terms of the Bonds in the Index Rate Period.

(a) The Mayor is hereby authorized to direct the Authority to convert the Series VI-M-1 Bonds and the Series VII-E-1 Bonds to the Index Rate Period and to remarket, or direct the Remarketing Agent to remarket, the Series VI-M-1 Bonds and the Series VII-E-1 Bonds to the Bank, as the purchaser of the Series VI-M-1 Bonds and the Series VII-E-1 Bonds.

(b) The Series VI-M-1 Bonds and the Amended and Restated Series VI-M-1 Loan Agreement will bear interest at the Index Rate, which during the initial Index Rate Period will be a variable rate to be established on a monthly basis based upon a percentage of not more than 75% of the 30-day London Interbank Offered Rate ("LIBOR"), plus not to exceed 50 basis points. The Index Rate may be subject to increase in certain situations such as an event of default by the City under the Amended and Restated Series VI-M-1 Loan Agreement [or the Series VI-M-1 Index Rate Agreement](#), a determination that the Series VI-M-1 Bonds are not exempt from federal income tax, or a downgrade in the long term credit rating of the City; provided, however, in no event shall the Index Rate exceed the maximum rate permitted by law. The Series VI-M-1 Bonds will be subject to redemption as provided in the Series VI-M-1 Indenture. The Bank shall have the right to cause the prepayment of the entire principal amount of the Series VI-M-1 Bonds and the Amended and Restated Series VI-M-1 Loan Agreement at the end of the initial Index Rate Period (but not before), which shall be not earlier than five (5) years following the purchase by the Bank of the Series VI-M-1 Bonds in the Index Rate Period.

(c) The Series VII-E-1 and the Amended and Restated Series VII-E-1 Loan Agreement will bear interest at the Index Rate, which during the initial Index Rate Period will be a variable rate to be established on a monthly basis based upon a percentage of not more than 75% of 30-day LIBOR, plus 50 basis points. The Index Rate may be subject to increase in certain situations such as an event of default by the City with respect to the Amended and Restated Series VII-E-1 Loan Agreement [or the Series VII-E-1 Index Rate Agreement](#), a determination that the Series VII-E-1 Bonds are not exempt

from federal income tax, or a downgrade in the long term credit rating of the City; provided, however, in no event shall the Index Rate exceed the maximum rate permitted by law. The Series VII-E-1 Bonds will be subject to redemption as provided in the Series VII-E-1 Indenture. The Bank shall have the right to cause the prepayment of the entire principal amount of the Series VII-E-1 Bonds and the Amended and Restated Series VII-E-1 Loan Agreement at the end of the initial Index Rate Period (but not before), which shall be not earlier than five (5) years following the purchase by the Bank of the Series VII-E-1 Bonds in the Index Rate Period.

(d) All obligations under the respective Amended and Restated Loan Agreements, including the outstanding aggregate principal amount of the respective Amended and Restated Loan Agreements, interest on such principal amount and all fees and expenses of the Bank, may become immediately due and payable at an increased rate of interest (but in no event greater than the maximum rate permitted by law) in the following events: (i) if at the end of the initial Index Rate Period, the Series VII-E-1 Bonds are not remarketed or the initial Index Rate Period is not extended and (ii) upon the occurrence of certain events of default, as described in the respective Amended and Restated Loan Agreements, the respective Index Rate Agreements and the related Indentures, as amended. The Mayor and City Clerk are hereby authorized to agree to an accelerated amortization of the Series VI-M-1 Bonds and the Amended and Restated Series VI-M-1 Loan Agreement at an interest rate not to exceed the maximum rate permitted by applicable law in the event that the Series VI-M-1 Bonds are not remarketed. The Mayor and City Clerk are hereby authorized to agree to an accelerated amortization of the Series VII-E-1 Bonds and the Amended and Restated Series VII-E-1 Loan Agreement at an interest rate not to exceed the maximum rate permitted by applicable law in the event that the Series VII-E-1 Bonds are not remarketed.

Section 4. Approval of the Index Rate Agreements. The form, terms and provisions of the Index Rate Agreements shall be substantially and materially consistent with the U.S. Bank Term Sheet now before this meeting, with such changes therein as shall be approved by the Mayor, City Manager and City Attorney, the execution by the Mayor and the City Clerk of the Index Rate Agreements to constitute conclusive evidence of the approval of any and all changes or revisions therein. The Mayor and City Clerk are hereby authorized, empowered and directed to execute and deliver the Index Rate Agreements

in the name and on behalf of the City consistent with the U.S. Bank Term Sheet. From and after the execution and delivery of the Index Rate Agreements, the Mayor and the City Clerk are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Index Rate Agreements as executed.

Section 5. Approval of Conversion of Series VI-M-1 Bonds. The Series VI-M-1 Bonds which funded the Series VI-M-1 Loan Agreement currently bear interest at the Weekly Rate as defined in the Series VI-M-1 Loan Agreement. For the reasons stated in the recitals, the Governing Body hereby authorizes the Mayor to elect to direct a conversion of the Rate Period on the Series VI-M-1 Bonds, and thus the Amended and Restated Series VI-M-1 Loan Agreement, from the Weekly Rate to the Index Rate.

The conversion of the interest rate period shall occur through the remarketing of the Series VI-M-1 Bonds to the Bank in the Index Rate Period. The conversion of the Series VI-M-1 Bonds to the Index Rate shall be effective only upon execution and delivery of the Series VI-M-1 Index Rate Agreement, the Amended and Restated Series VI-M-1 Loan Agreement and the amended Series VI-M-1 Indenture, and receipt of all requisite consents, and delivery of such other documents necessary to implement the conversion of the Rate Period pursuant to the Series VI-M-1 Indenture.

The Mayor and the City Clerk are hereby authorized to give notice to the Trustee of the City's direction that the Rate Period on the Series VI-M-1 Bonds be converted from the Weekly Rate to the Index Rate ~~selected by the Mayor~~ in accordance with provisions hereof. The Mayor is also authorized to rescind such conversion notice as provided in the Amended and Restated Series VI-M-1 Loan Agreement, if in his discretion, such conversion does not achieve the objectives of the City as stated in this Resolution. The City acknowledges that the Bank has not entered into a binding commitment to purchase the remarketed Series VI-M-1 Bonds as of the date hereof.

Section 6. Approval of Conversion of Series VII-E-1 Bonds. The Series VII-E-1 Bonds which funded the Series VII-E-1 Loan Agreement currently bear interest at the Weekly Rate as defined in the Series VII-E-1 Loan Agreement. For the reasons stated in the recitals, the Governing Body hereby authorizes the Mayor to elect to direct a conversion of the Rate Period on the Series VII-E-1 Bonds, and

thus the Amended and Restated Series VII-E-1 Loan Agreement, from the Weekly Rate to the Index Rate.

The conversion of the interest rate period shall occur through the remarketing of the Series VII-E-1 Bonds to the Bank in the Index Rate Period. The conversion of the Series VII-E-1 Bonds to the Index Rate shall be effective only upon execution and delivery of the Series VII-E-1 Index Rate Agreement, the Amended and Restated Series VII-E-1 Loan Agreement and the amended Series VI-M-1 Indenture, and receipt of all requisite consents, and delivery of such other documents necessary to implement the conversion of the Rate Period pursuant to the Series VII-E-1 Indenture.

The Mayor and the City Clerk are hereby authorized to give notice to the Trustee of the City's direction that the Rate Period on the Series VII-E-1 Bonds be converted from the Weekly Rate to the Index Rate ~~selected by the Mayor~~ in accordance with provisions hereof. The Mayor is also authorized to rescind such conversion notice as provided in the Amended and Restated Series VII-E-1 Loan Agreement, if in his discretion, such conversion does not achieve the objectives of the City as stated in this Resolution. The City acknowledges that the Bank has not entered into a binding commitment to purchase the remarketed Series VII-E-1 Bonds as of the date hereof.

Section 7. Conversions May Occur Separately. The conversions to the Index Rate of the Series VI-M-1 Bonds and the Series VII-E-1 Bonds authorized herein, along with the execution and delivery of the documents and agreements related thereto, may occur together or separately, and nothing herein shall prevent the City from converting one of the Series of Bonds but not the other.

Section 8. Additional Authorizations. All acts and doings of the Mayor and the City Clerk and any other representative or officer of the City which are in conformity with the purposes and intent of this Resolution and in furtherance of the amendments and the conversion as set forth herein shall be and the same hereby are in all respects, approved and confirmed.

Section 9. 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 10. Repeal of Conflicting Resolutions and Effective Date. All other resolutions and orders, or parts thereof, in conflict with the provisions of this Resolution, are, to the extent of such conflict, hereby repealed and this Resolution shall be in immediate effect from and after its adoption.

This the 10th day of December 2012.

APPROVED AS TO FORM AND LEGALITY:

Kenneth R. Krushenski, City Attorney

Mayor

Diana R. Stanley, City Clerk

CERTIFICATE OF CITY CLERK

I, Diana Stanley, certify that I am the duly qualified City Clerk of the City of Oak Ridge, Tennessee, and as such official I further certify that attached hereto is a copy of excerpts from the minutes of a regular meeting of the governing body of the City held on December 10, 2012; that these minutes were promptly and fully recorded and are open to public inspection; that I have compared said copy with the original minute record of said meeting in my official custody; and that said copy is a true, correct and complete transcript from said original minute record insofar as said original record relates to the amendment, restatement and conversion of the Series VI-M-1 Loan Agreement and the Series VII-E-1 Loan Agreement.

WITNESS my official signature and seal of said City on this the _____ day of December, 2012.

/s/ _____
City Clerk

(SEAL)

11376456.1

RESOLUTION

A RESOLUTION APPROVING THE AMENDMENT AND RESTATEMENT OF THE CITY OF OAK RIDGE'S (A) SERIES VI-M-1 LOAN AGREEMENT WITH THE PUBLIC BUILDING AUTHORITY OF SEVIER COUNTY, TENNESSEE AND (B) THE SERIES VII-E-1 LOAN AGREEMENT WITH THE PUBLIC BUILDING AUTHORITY OF SEVIER COUNTY, TENNESSEE; DIRECTING THE CONVERSION OF THE INTEREST RATE ON THE RELATED LOCAL GOVERNMENT PUBLIC IMPROVEMENT BONDS, SERIES VI-M-1 AND LOCAL GOVERNMENT PUBLIC IMPROVEMENT BONDS, SERIES VII-E-1 TO AN INDEX RATE; AND AUTHORIZING THE EXECUTION AND DELIVERY OF INDEX RATE AGREEMENTS IN CONNECTION THEREWITH

WHEREAS, the City of Oak Ridge, Tennessee (the "City") has heretofore entered into (i) the Series VI-M-1 Loan Agreement, dated as of January 1, 2010 (the "Series VI-M-1 Loan Agreement") with The Public Building Authority of Sevier County, Tennessee (the "Sevier Authority") and (ii) the Series VII-E-1 Loan Agreement, dated as of April 1, 2009 (the "Series VII-E-1 Loan Agreement") with the Sevier Authority; and

WHEREAS, in order to fund the Series VI-M-1 Loan Agreement, the Sevier Authority issued its Local Government Public Improvement Bonds, Series VI-M-1, dated January 13, 2010 (the "Series VI-M-1 Bonds") bearing interest at the Weekly Rate (as such term is defined in the Series VI-M-1 Loan Agreement) pursuant to an Indenture of Trust, dated as of September 1, 2004 (the "Original Series VI Indenture"), as supplemented by a Series VI-M-1 Supplemental Indenture of Trust, dated as of January 1, 2010 (the "Series VI-M-1 Supplemental Indenture" and collectively with the Original Series VI Indenture, the "Series VI-M-1 Indenture"), each among the Sevier Authority and Regions Bank, as trustee (the "Trustee") with liquidity provided by a Standby Bond Purchase Agreement among the Sevier Authority, the City and Bank of America, N.A. dated as of January 1, 2010, with the Series VI-M-1 Bonds remarketed by Merrill Lynch Pierce, Fenner & Smith Incorporated (the "Series VI-M-1 Remarketing Agent") pursuant to a Remarketing Agreement, dated as of January 1, 2010 (the "Series VI-M-1 Remarketing Agreement"); and

WHEREAS, in order to fund the Series VII-E-1 Loan Agreement, the Sevier Authority issued its Local Government Public Improvement Bonds, Series VII-E-1, dated April 30, 2009 (the "Series VII-E-1 Bonds") bearing interest at the Weekly Rate (as such term is defined in the Series VII-E-1 Loan Agreement) pursuant to an Indenture of Trust, dated as of August 1, 2008 (the "Original Series VII

Indenture”), as supplemented by a Series VII-E-1 Supplemental Indenture of Trust, dated as of April 1, 2009 (the “Series VII-E-1 Supplemental Indenture” and collectively with the Original Series VII Indenture, the “Series VII-E-1 Indenture”), each among the Sevier Authority and the Trustee, with credit and liquidity support provided by a Letter of Credit issued by KBC BANK N. V., Acting through its New York Branch, and with the Series VII-E-1 Bonds remarketed by Morgan Keegan & Company, Inc. (the “Series VII-E-1 Remarketing Agent”; together with the Series VI-M-1 Remarketing Agent, the “Remarketing Agent”) pursuant to a Remarketing Agreement, dated as of April 1, 2009 (the “Series VII-E-1 Remarketing Agreement”); and

WHEREAS, the City desires to amend and restate the Series VI-M-1 Loan Agreement in substantially the form now before this meeting (the “Amended and Restated Series VI-M-1 Loan Agreement”) to permit the conversion of the Series VI-M-1 Bonds to an Index Rate (as defined below) and to request the Sevier Authority to amend the Series VI-M-1 Indenture and amend, terminate or replace the Series VI-M-1 Remarketing Agreement to provide for a conversion of the Series VI-M-1 Bonds to an index rate period (“Index Rate Period”) during which time the Series VI-M-1 Bonds will bear interest at the index rate (the “Index Rate”), which will permit the Series VI-M-1 Bonds to be sold directly to financial institutions or other entities wishing to purchase Series VI-M-1 Bonds in an Index Rate Period; and

WHEREAS, upon the conversion of the Series VI-M-1 Bonds to the Index Rate, the Series VI-M-1 Bonds will be sold to U.S. Bank National Association, or an affiliate thereof, (the “Bank”) in the Index Rate Period and in connection therewith, the City will enter into an Index Rate Agreement (the “Series VI-M-1 Index Rate Agreement”), which such Series VI-M-1 Index Rate Agreement will contain terms and conditions substantially and materially consistent with the term sheet from the Bank now before this meeting (the “U.S. Bank Term Sheet”); and

WHEREAS, the City desires to amend and restate the Series VII-E-1 Loan Agreement in substantially the form now before this meeting (the “Amended and Restated Series VII-E-1 Loan Agreement”; together with the Amended and Restated Series VI-M-1 Loan Agreement, the “Amended and Restated Loan Agreements”) to permit the conversion of the Series VII-E-1 Bonds to an Index Rate and to request the Sevier Authority to amend the Series VII-E-1 Indenture and to amend, terminate or

replace the Series VII-E-1 Remarketing Agreement to provide for a conversion of the Series VII-E-1 Bonds to the Index Rate Period during which time the Series VII-E-1 Bonds will bear interest at the Index Rate which will permit the Series VII-E-1 Bonds to be sold directly to financial institutions or other entities wishing to purchase Series VII-E-1 Bonds in an Index Rate Period; and

WHEREAS, upon the conversion of the Series VII-E-1 Bonds to the Index Rate, the Series VII-E-1 Bonds will be sold to the Bank in the Index Rate Period and in connection therewith, the City will enter into an Index Rate Agreement (the "Series VII-E-1 Index Rate Agreement"; together with the Series VI-M-1 Index Rate Agreement, the "Index Rate Agreements") with the Bank, which such Series VII-E-1 Index Rate Agreement will contain terms and conditions substantially and materially consistent with the U.S. Bank Term Sheet now before this meeting; and

WHEREAS, it is hereby determined by the City Council (the "Governing Body") to be in the best interest of the City to: (i) authorize the amendment and restatement of the Series VI-M-1 Loan Agreement and the Series VII-E-1 Loan Agreement and request that the Sevier Authority, the Trustee and any other required parties consent to the Amended and Restated Loan Agreements to permit the conversion of the Series VI-M-1 Bonds and the Series VII-E-1 Bonds to the Index Rate; (ii) request that the Sevier Authority, the Trustee, the Remarketing Agent and any other required parties approve and consent to amendments to the Series VI-M-1 Indenture and the Series VII-E-1 Indenture to provide for an Index Rate Period, and to the amendment or termination of the Series VI-M-1 Remarketing Agreement and the Series VII-E-1 Remarketing Agreement; (iii) approve the execution and delivery of the Index Rate Agreements; (iv) direct the Sevier Authority, upon receipt of all requisite consents, to convert the Rate Period on the Series VI-M-1 Bonds and the Series VII-E-1 Bonds from the Weekly Rate to the Index Rate; and (v) pay costs incident to the amendments described above and the conversion of the Series VI-M-1 Bonds and the Series VII-E-1 Bonds to the Index Rate; and

WHEREAS, for the purposes recited above, the Governing Body of the City adopts this Resolution.

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

Section 1. Approval of Amendment and Restatement of the Series VI-M-1 Loan Agreement and the Series VII-E-1 Loan Agreement. The form, terms and provisions of the Amended and Restated Series VI-M-1 Loan Agreement and the Amended and Restated Series VII-E-1 Loan Agreement now before this meeting are hereby approved. The Amended and Restated Series VI-M-1 Loan Agreement and the Amended and Restated Series VII-E-1 Loan Agreement are to be in substantially and materially the form now before this meeting and are hereby approved with such changes therein as shall be approved by the Mayor, City Manager and City Attorney, the execution thereof by the Mayor and the City Clerk to constitute conclusive evidence of the approval of any and all changes or revisions therein. The Mayor and City Clerk are hereby authorized, empowered and directed to execute and deliver the Amended and Restated Loan Agreements in the name and on behalf of the City. From and after the execution and delivery of the Amended and Restated Loan Agreements, the Mayor and the City Clerk are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Amended and Restated Loan Agreements as executed.

All fees and expenses associated with the amendment and the conversion shall be paid by the City pursuant to the related Amended and Restated Loan Agreement.

Section 2. Request the Sevier Authority to Approve Amendments to the Supplemental Indentures and Remarketing Agreements. The Governing Body hereby directs the Mayor to request that the Sevier Authority, the Trustee, the Remarketing Agent and any other required parties approve and consent to amendments to the Series VI-M-1 Indenture, the Series VI-M-1 Loan Agreement and such other documents necessary to effect the amendments to provide for an Index Rate Period for the Series VI-M-1 Bonds, all of which shall contain terms and provisions consistent with the U.S. Bank Term Sheet now before this meeting. The City hereby directs the Mayor to request that the Sevier Authority, the Trustee, the Remarketing Agent and any other required parties approve and consent to amendments to the Series VII-E-1 Indenture, the Series VII-E-1 Loan Agreement, the Series VII-E-1 Remarketing Agreement, and such other documents necessary to effect the amendments to provide for an Index Rate Period for the Series VII-E-1 Bonds, all of which shall contain terms and provisions consistent with the U.S. Bank Term Sheet now before this meeting. The City Council hereby authorizes the Mayor to request that the Sevier

Authority and the Remarketing Agent and any other required parties approve and consent to amendment or termination of the Series VI-M-1 Remarketing Agreement and the Series VII-E-1 Remarketing Agreement as necessary to provide for an Index Rate Period for the Series VI-M-1 Bonds and the Series VII-E-1 Bonds.

Section 3. Certain Terms of the Bonds in the Index Rate Period.

(a) The Mayor is hereby authorized to direct the Authority to convert the Series VI-M-1 Bonds and the Series VII-E-1 Bonds to the Index Rate Period and to remarket, or direct the Remarketing Agent to remarket, the Series VI-M-1 Bonds and the Series VII-E-1 Bonds to the Bank, as the purchaser of the Series VI-M-1 Bonds and the Series VII-E-1 Bonds.

(b) The Series VI-M-1 Bonds and the Amended and Restated Series VI-M-1 Loan Agreement will bear interest at the Index Rate, which during the initial Index Rate Period will be a variable rate to be established on a monthly basis based upon a percentage of not more than 75% of the 30-day London Interbank Offered Rate ("LIBOR"), plus not to exceed 50 basis points. The Index Rate may be subject to increase in certain situations such as an event of default by the City under the Amended and Restated Series VI-M-1 Loan Agreement or the Series VI-M-1 Index Rate Agreement, a determination that the Series VI-M-1 Bonds are not exempt from federal income tax, or a downgrade in the long term credit rating of the City; provided, however, in no event shall the Index Rate exceed the maximum rate permitted by law. The Series VI-M-1 Bonds will be subject to redemption as provided in the Series VI-M-1 Indenture. The Bank shall have the right to cause the prepayment of the entire principal amount of the Series VI-M-1 Bonds and the Amended and Restated Series VI-M-1 Loan Agreement at the end of the initial Index Rate Period (but not before), which shall be not earlier than five (5) years following the purchase by the Bank of the Series VI-M-1 Bonds in the Index Rate Period.

(c) The Series VII-E-1 and the Amended and Restated Series VII-E-1 Loan Agreement will bear interest at the Index Rate, which during the initial Index Rate Period will be a variable rate to be established on a monthly basis based upon a percentage of not more than 75% of 30-day LIBOR, plus 50 basis points. The Index Rate may be subject to increase in certain situations such as an event of default by the City with respect to the Amended and Restated Series VII-E-1 Loan Agreement or the Series VII-E-1 Index Rate Agreement, a determination that the Series VII-E-1 Bonds are not exempt

from federal income tax, or a downgrade in the long term credit rating of the City; provided, however, in no event shall the Index Rate exceed the maximum rate permitted by law. The Series VII-E-1 Bonds will be subject to redemption as provided in the Series VII-E-1 Indenture. The Bank shall have the right to cause the prepayment of the entire principal amount of the Series VII-E-1 Bonds and the Amended and Restated Series VII-E-1 Loan Agreement at the end of the initial Index Rate Period (but not before), which shall be not earlier than five (5) years following the purchase by the Bank of the Series VII-E-1 Bonds in the Index Rate Period.

(d) All obligations under the respective Amended and Restated Loan Agreements, including the outstanding aggregate principal amount of the respective Amended and Restated Loan Agreements, interest on such principal amount and all fees and expenses of the Bank, may become immediately due and payable at an increased rate of interest (but in no event greater than the maximum rate permitted by law) in the following events: (i) if at the end of the initial Index Rate Period, the Series VII-E-1 Bonds are not remarketed or the initial Index Rate Period is not extended and (ii) upon the occurrence of certain events of default, as described in the respective Amended and Restated Loan Agreements, the respective Index Rate Agreements and the related Indentures, as amended. The Mayor and City Clerk are hereby authorized to agree to an accelerated amortization of the Series VI-M-1 Bonds and the Amended and Restated Series VI-M-1 Loan Agreement at an interest rate not to exceed the maximum rate permitted by applicable law in the event that the Series VI-M-1 Bonds are not remarketed. The Mayor and City Clerk are hereby authorized to agree to an accelerated amortization of the Series VII-E-1 Bonds and the Amended and Restated Series VII-E-1 Loan Agreement at an interest rate not to exceed the maximum rate permitted by applicable law in the event that the Series VII-E-1 Bonds are not remarketed.

Section 4. Approval of the Index Rate Agreements. The form, terms and provisions of the Index Rate Agreements shall be substantially and materially consistent with the U.S. Bank Term Sheet now before this meeting, with such changes therein as shall be approved by the Mayor, City Manager and City Attorney, the execution by the Mayor and the City Clerk of the Index Rate Agreements to constitute conclusive evidence of the approval of any and all changes or revisions therein. The Mayor and City Clerk are hereby authorized, empowered and directed to execute and deliver the Index Rate Agreements

in the name and on behalf of the City consistent with the U.S. Bank Term Sheet. From and after the execution and delivery of the Index Rate Agreements, the Mayor and the City Clerk are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Index Rate Agreements as executed.

Section 5. Approval of Conversion of Series VI-M-1 Bonds. The Series VI-M-1 Bonds which funded the Series VI-M-1 Loan Agreement currently bear interest at the Weekly Rate as defined in the Series VI-M-1 Loan Agreement. For the reasons stated in the recitals, the Governing Body hereby authorizes the Mayor to elect to direct a conversion of the Rate Period on the Series VI-M-1 Bonds, and thus the Amended and Restated Series VI-M-1 Loan Agreement, from the Weekly Rate to the Index Rate.

The conversion of the interest rate period shall occur through the remarketing of the Series VI-M-1 Bonds to the Bank in the Index Rate Period. The conversion of the Series VI-M-1 Bonds to the Index Rate shall be effective only upon execution and delivery of the Series VI-M-1 Index Rate Agreement, the Amended and Restated Series VI-M-1 Loan Agreement and the amended Series VI-M-1 Indenture, and receipt of all requisite consents, and delivery of such other documents necessary to implement the conversion of the Rate Period pursuant to the Series VI-M-1 Indenture.

The Mayor and the City Clerk are hereby authorized to give notice to the Trustee of the City's direction that the Rate Period on the Series VI-M-1 Bonds be converted from the Weekly Rate to the Index Rate in accordance with provisions hereof. The Mayor is also authorized to rescind such conversion notice as provided in the Amended and Restated Series VI-M-1 Loan Agreement, if in his discretion, such conversion does not achieve the objectives of the City as stated in this Resolution. The City acknowledges that the Bank has not entered into a binding commitment to purchase the remarketed Series VI-M-1 Bonds as of the date hereof.

Section 6. Approval of Conversion of Series VII-E-1 Bonds. The Series VII-E-1 Bonds which funded the Series VII-E-1 Loan Agreement currently bear interest at the Weekly Rate as defined in the Series VII-E-1 Loan Agreement. For the reasons stated in the recitals, the Governing Body hereby authorizes the Mayor to elect to direct a conversion of the Rate Period on the Series VII-E-1 Bonds, and

thus the Amended and Restated Series VII-E-1 Loan Agreement, from the Weekly Rate to the Index Rate.

The conversion of the interest rate period shall occur through the remarketing of the Series VII-E-1 Bonds to the Bank in the Index Rate Period. The conversion of the Series VII-E-1 Bonds to the Index Rate shall be effective only upon execution and delivery of the Series VII-E-1 Index Rate Agreement, the Amended and Restated Series VII-E-1 Loan Agreement and the amended Series VI-M-1 Indenture, and receipt of all requisite consents, and delivery of such other documents necessary to implement the conversion of the Rate Period pursuant to the Series VII-E-1 Indenture.

The Mayor and the City Clerk are hereby authorized to give notice to the Trustee of the City's direction that the Rate Period on the Series VII-E-1 Bonds be converted from the Weekly Rate to the Index Rate in accordance with provisions hereof. The Mayor is also authorized to rescind such conversion notice as provided in the Amended and Restated Series VII-E-1 Loan Agreement, if in his discretion, such conversion does not achieve the objectives of the City as stated in this Resolution. The City acknowledges that the Bank has not entered into a binding commitment to purchase the remarketed Series VII-E-1 Bonds as of the date hereof.

Section 7. Conversions May Occur Separately. The conversions to the Index Rate of the Series VI-M-1 Bonds and the Series VII-E-1 Bonds authorized herein, along with the execution and delivery of the documents and agreements related thereto, may occur together or separately, and nothing herein shall prevent the City from converting one of the Series of Bonds but not the other.

Section 8. Additional Authorizations. All acts and doings of the Mayor and the City Clerk and any other representative or officer of the City which are in conformity with the purposes and intent of this Resolution and in furtherance of the amendments and the conversion as set forth herein shall be and the same hereby are in all respects, approved and confirmed.

Section 9. 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 10. Repeal of Conflicting Resolutions and Effective Date. All other resolutions and orders, or parts thereof, in conflict with the provisions of this Resolution, are, to the extent of such conflict, hereby repealed and this Resolution shall be in immediate effect from and after its adoption.

This the 10th day of December 2012.

APPROVED AS TO FORM AND LEGALITY:

Kenneth R. Krushenski, City Attorney

Mayor

Diana R. Stanley, City Clerk

CERTIFICATE OF CITY CLERK

I, Diana Stanley, certify that I am the duly qualified City Clerk of the City of Oak Ridge, Tennessee, and as such official I further certify that attached hereto is a copy of excerpts from the minutes of a regular meeting of the governing body of the City held on December 10, 2012; that these minutes were promptly and fully recorded and are open to public inspection; that I have compared said copy with the original minute record of said meeting in my official custody; and that said copy is a true, correct and complete transcript from said original minute record insofar as said original record relates to the amendment, restatement and conversion of the Series VI-M-1 Loan Agreement and the Series VII-E-1 Loan Agreement.

WITNESS my official signature and seal of said City on this the _____ day of December, 2012.

/s/ _____
City Clerk

(SEAL)

11376456.1

FINANCE DEPARTMENT MEMORANDUM
12-15

DATE: December 3, 2012

TO: Mark S. Watson, City Manager



FROM: Janice McGinnis, Finance Director

SUBJECT: Series VI-M-1 & Series VII-E-1 Conversion

The City currently has outstanding two (2) variable rate bond issues that were loaned through the Public Building Authority of Sevier County, TN to provide for financing the renovations to Oak Ridge High School. The Series VI-M-1 & Series VII-E-1 bonds currently have \$4,375,000 and \$21,140,000 in par amount outstanding, respectively. These variable rate bonds are each supported by a letter of credit ("LOC") issued by a multi-national bank.

The \$4,375,000 Series VI-M-1 Bonds have a LOC provided by Bank of America, which is set to expire on January 13, 2013. The \$21,140,000 Series VII-E-1 Bonds have a LOC provided by KBC Bank which is set to expire in July 2013.

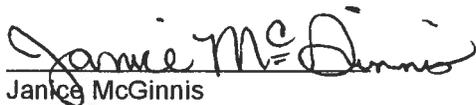
A Request for Proposal ("RFP") was sent to most of the top rated regional and national banks in October to extend the upcoming expiration of the LOC's. Cumberland Securities Company, Inc., the City's financial advisor, reviewed the proposals and recommended US Bank as the most cost effective proposal with the least risk. Both Bank of America and KBC Bank declined to submit a proposal at competitive bid.

The proposal from US Bank consists of converting the outstanding bonds (remarketed weekly to investors) to direct purchase bonds (owned directly by US Bank) which will have the added benefit of not subjecting the City to market swings and increased costs based on the credit rating of the Bank. This proposal has a term of five years before the City can 1) renew the agreement for another set period of time, 2) seek other proposals or 3) convert to another mode. The City also has the option to terminate this agreement and convert to another mode, without penalty, at any time after 18 months.

By converting both of these bonds to direct purchase bonds, the City can look to save approximately \$160,000 annually.

There are four attached documents that relate to this conversion. The resolution allows for the conversion of the interest rate on the bonds to an Index Rate. The interest rates under the current structure change on a weekly basis. The Index Rate in the US Bank Proposal is at 75% of the one-month LIBOR rate. The costs under the US Bank proposal also include a .50% rate spread in addition to the index component. Two of the documents are to amend and restate the existing loan agreements with the Public Building Authority of Sevier County, Tennessee, one for the \$4,735,000 VI-M-1 loans and the other for the \$21,140,000 VII-E-1. The last document is for the terms of the proposal from US Bank.

Staff recommends approval of the attached resolution. Representatives from Cumberland Securities will be available at the City Council meeting to answer questions.


Janice McGinnis

Attachments

City Manager's Comments:

I have reviewed the above issue and recommend Council action as outlined in this document.



Mark S. Watson

12/03/2012
Date

RESOLUTION

A RESOLUTION APPROVING THE AMENDMENT AND RESTATEMENT OF THE CITY OF OAK RIDGE'S (A) SERIES VI-M-1 LOAN AGREEMENT WITH THE PUBLIC BUILDING AUTHORITY OF SEVIER COUNTY, TENNESSEE AND (B) THE SERIES VII-E-1 LOAN AGREEMENT WITH THE PUBLIC BUILDING AUTHORITY OF SEVIER COUNTY, TENNESSEE; DIRECTING THE CONVERSION OF THE INTEREST RATE ON THE RELATED LOCAL GOVERNMENT PUBLIC IMPROVEMENT BONDS, SERIES VI-M-1 AND LOCAL GOVERNMENT PUBLIC IMPROVEMENT BONDS, SERIES VII-E-1 TO AN INDEX RATE; AND AUTHORIZING THE EXECUTION AND DELIVERY OF INDEX RATE AGREEMENTS IN CONNECTION THEREWITH.

WHEREAS, the City of Oak Ridge, Tennessee (the "City") has heretofore entered into (i) the Series VI-M-1 Loan Agreement, dated as of January 1, 2010 (the "Series VI-M-1 Loan Agreement") with The Public Building Authority of Sevier County, Tennessee (the "Sevier Authority") and (ii) the Series VII-E-1 Loan Agreement, dated as of April 1, 2009 (the "Series VII-E-1 Loan Agreement") with the Sevier Authority; and

WHEREAS, in order to fund the Series VI-M-1 Loan Agreement, the Sevier Authority issued its Local Government Public Improvement Bonds, Series VI-M-1, dated January 13, 2010 (the "Series VI-M-1 Bonds") bearing interest at the Weekly Rate (as such term is defined in the Series VI-M-1 Loan Agreement) pursuant to an Indenture of Trust, dated as of March 1, 2005 (the "Original Series VI Indenture"), as supplemented by a Series VI-M-1 Supplemental Indenture of Trust, dated as of January 1, 2010 (the "Series VI-M-1 Supplemental Indenture" and collectively with the Original Series VI Indenture, the "Series VI-M-1 Indenture"), each among the Sevier Authority and Regions Bank, as trustee (the "Trustee") with liquidity provided by a Standby Bond Purchase Agreement among the Sevier Authority, the City and Bank of America, N.A. dated January 1, 2010, with the Series VI-M-1 Bonds remarketed by Merrill Lynch Pierce, Fenner & Smith (the "Series VI-M-1 Remarketing Agent") pursuant to a Remarketing Agreement, dated as of January 1, 2010 (the "Series VI-M-1 Remarketing Agreement"); and

WHEREAS, in order to fund the Series VII-E-1 Loan Agreement, the Sevier Authority issued its Local Government Public Improvement Bonds, Series VII-E-1, dated April 30, 2009 (the "Series VII-E-1 Bonds") bearing interest at the Weekly Rate (as such term is defined in the Series VII-E-1 Loan Agreement) pursuant to an Indenture of Trust, dated as of August 1, 2008 (the "Original Series VII Indenture"), as supplemented by a Series VII-E-1 Supplemental Indenture of Trust, dated as of April 1, 2009 (the "Series VII-E-1 Supplemental Indenture" and collectively with the Original Series VII Indenture,

the "Series VII-E-1 Indenture"), each among the Sevier Authority and the Trustee, with credit and liquidity support provided by a Letter of Credit issued by KBC BANK N. V., Acting through its New York Branch, and with the Series VII-E-1 Bonds remarketed by Morgan Keegan & Company, Inc. (the "Series VII-E-1 Remarketing Agent"; together with the Series VI-M-1 Remarketing Agent, the "Remarketing Agent") pursuant to a Remarketing Agreement, dated as of April 1, 2009 (the "Series VII-E-1 Remarketing Agreement"); and

WHEREAS, the City desires to amend and restate the Series VI-M-1 Loan Agreement in substantially the form now before this meeting (the "Amended and Restated Series VI-M-1 Loan Agreement") to permit the conversion of the Series VI-M-1 Bonds to an Index Rate (as defined below) and to request the Sevier Authority to amend the Series VI-M-1 Indenture and amend, terminate or replace the Series VI-M-1 Remarketing Agreement to provide for a conversion of the Series VI-M-1 Bonds to an index rate period ("Index Rate Period") during which time the Series VI-M-1 Bonds will bear interest at the index rate (the "Index Rate"), which will permit the Series VI-M-1 Bonds to be sold directly to financial institutions or other entities wishing to purchase Series VI-M-1 Bonds in an Index Rate Period; and

WHEREAS, upon the conversion of the Series VI-M-1 Bonds to the Index Rate, the Series VI-M-1 Bonds will be sold to U.S. Bank National Association, or an affiliate thereof, (the "Bank") in the Index Rate Period and in connection therewith, the City will enter into an Index Rate Agreement (the "Series VI-M-1 Index Rate Agreement"), which such Series VI-M-1 Index Rate Agreement will contain terms and conditions consistent with the term sheet from the Bank now before this meeting (the "U.S. Bank Term Sheet"); and

WHEREAS, the City desires to amend and restate the Series VII-E-1 Loan Agreement in substantially the form now before this meeting (the "Amended and Restated Series VII-E-1 Loan Agreement"; together with the Amended and Restated Series VI-M-1 Loan Agreement, the "Amended and Restated Loan Agreements") to permit the conversion of the Series VII-E-1 Bonds to an Index Rate and to request the Sevier Authority to amend the Series VII-E-1 Indenture and to amend, terminate or replace the Series VII-E-1 Remarketing Agreement to provide for a conversion of the Series VII-E-1 Bonds to the Index Rate Period during which time the Series VII-E-1 Bonds will bear interest at the Index

Rate which will permit the Series VII-E-1 Bonds to be sold directly to financial institutions or other entities wishing to purchase Series VII-E-1 Bonds in an Index Rate Period; and

WHEREAS, upon the conversion of the Series VII-E-1 Bonds to the Index Rate, the Series VII-E-1 Bonds will be sold to the Bank in the Index Rate Period and in connection therewith, the City will enter into an Index Rate Agreement (the "Series VII-E-1 Index Rate Agreement"; together with the Series VI-M-1 Index Rate Agreement, the "Index Rate Agreements") with the Bank, which such Series VII-E-1 Index Rate Agreement will contain terms and conditions consistent with the U.S. Bank Term Sheet now before this meeting; and

WHEREAS, it is hereby determined by the City Council (the "Governing Body") to be in the best interest of the City to: (i) authorize the amendment and restatement of the Series VI-M-1 Loan Agreement and the Series VII-E-1 Loan Agreement and request that the Sevier Authority, the Trustee and any other required parties consent to the Amended and Restated Loan Agreements to permit the conversion of the Series VI-M-1 Bonds and the Series VII-E-1 Bonds to the Index Rate; (ii) request that the Sevier Authority, the Trustee, the Remarketing Agent and any other required parties approve and consent to amendments to the Series VI-M-1 Indenture and the Series VII-E-1 Indenture to provide for an Index Rate Period, and to the amendment or termination of the Series VI-M-1 Remarketing Agreement and the Series VII-E-1 Remarketing Agreement; (iii) approve the execution and delivery of the Index Rate Agreements; (iv) direct the Sevier Authority, upon receipt of all requisite consents, to convert the Rate Period on the Series VI-M-1 Bonds and the Series VII-E-1 Bonds from the Weekly Rate to the Index Rate;; and (v) pay costs incident to the amendments described above and the conversion of the Series VI-M-1 Bonds and the Series VII-E-1 Bonds to the Index Rate; and

WHEREAS, for the purposes recited above, the Governing Body of the City adopts this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF OAK RIDGE, TENNESSEE:

Section 1. Approval of Amendment and Restatement of the Series VI-M-1 Loan Agreement and the Series VII-E-1 Loan Agreement. The form, terms and provisions of the Amended and Restated Series VI-M-1 Loan Agreement and the Amended and Restated Series VII-E-1 Loan Agreement now before this meeting are hereby approved. The Amended and Restated Series VI-M-1 Loan Agreement

and the Amended and Restated Series VII-E-1 Loan Agreement are to be in substantially the form now before this meeting and are hereby approved with such changes therein as shall be approved by the Mayor and the City Clerk, the execution thereof by the Mayor and the City Clerk to constitute conclusive evidence of the approval of any and all changes or revisions therein. The Mayor and City Clerk are hereby authorized, empowered and directed to execute and deliver the Amended and Restated Loan Agreements in the name and on behalf of the City. From and after the execution and delivery of the Amended and Restated Loan Agreements, the Mayor and the City Clerk are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Amended and Restated Loan Agreements as executed.

All fees and expenses associated with the amendment and the conversion shall be paid by the City pursuant to the related Amended and Restated Loan Agreement.

Section 2. Request the Sevier Authority to Approve Amendments to the Supplemental Indentures and Remarketing Agreements. The Governing Body hereby directs the Mayor to request that the Sevier Authority, the Trustee, the Remarketing Agent and any other required parties approve and consent to amendments to the Series VI-M-1 Indenture, the Series VI-M-1 Loan Agreement and such other documents necessary to effect the amendments to provide for an Index Rate Period for the Series VI-M-1 Bonds, all of which shall contain terms and provisions consistent with the U.S. Bank Term Sheet now before this meeting. The City hereby directs the Mayor to request that the Sevier Authority, the Trustee, the Remarketing Agent and any other required parties approve and consent to amendments to the Series VII-E-1 Indenture, the Series VII-E-1 Loan Agreement, the Series VII-E-1 Remarketing Agreement, and such other documents necessary to effect the amendments to provide for an Index Rate Period for the Series VII-E-1 Bonds, all of which shall contain terms and provisions consistent with the U.S. Bank Term Sheet now before this meeting. The City Council hereby authorizes the Mayor to request that the Sevier Authority and the Remarketing Agent and any other required parties approve and consent to amendment or termination of the Series VI-M-1 Remarketing Agreement and the Series VII-E-1 Remarketing Agreement as necessary to provide for an Index Rate Period for the Series VI-M-1 Bonds and the Series VII-E-1 Bonds.

Section 3. Certain Terms of the Bonds in the Index Rate Period.

(a) The Mayor is hereby authorized to direct the Authority to convert the Series VI-M-1 Bonds and the Series VII-E-1 Bonds to the Index Rate Period and to remarket, or direct the Remarketing Agent to remarket, the Series VI-M-1 Bonds and the Series VII-E-1 Bonds to the Bank, as the purchaser of the Series VI-M-1 Bonds and the Series VII-E-1 Bonds.

(b) The Series VI-M-1 Bonds and the Amended and Restated Series VI-M-1 Loan Agreement will bear interest at the Index Rate, which during the initial Index Rate Period will be a variable rate to be established on a monthly basis based upon a percentage of not more than 75% of the 30-day London Interbank Offered Rate ("LIBOR"), plus not to exceed 50 basis points. The Index Rate may be subject to increase in certain situations such as an event of default by the City under the Amended and Restated Series VI-M-1 Loan Agreement, a determination that the Series VI-M-1 Bonds are not exempt from federal income tax or a downgrade in the long term credit rating of the City; provided, however, in no event shall the Index Rate exceed the maximum rate permitted by law. The Series VI-M-1 Bonds will be subject to redemption as provided in the Series VI-M-1 Indenture. The Bank shall have the right to cause the prepayment of the entire principal amount of the Series VI-M-1 Bonds and the Amended and Restated Series VI-M-1 Loan Agreement at the end of the initial Index Rate Period (but not before), which shall be not earlier than five (5) years following the purchase by the Bank of the Series VI-M-1 Bonds in the Index Rate Period.

(c) The Series VII-E-1 and the Amended and Restated Series VII-E-1 Loan Agreement will bear interest at the Index Rate, which during the initial Index Rate Period will be a variable rate to be established on a monthly basis based upon a percentage of not more than 75% of 30-day LIBOR, plus 50 basis points. The Index Rate may be subject to increase in certain situations such as an event of default by the City with respect to the Amended and Restated Series VII-E-1 Loan Agreement, a determination that the Series VII-E-1 Bonds are not exempt from federal income tax or a downgrade in the long term credit rating of the City; provided, however, in no event shall the Index Rate exceed the maximum rate permitted by law. The Series VII-E-1 Bonds will be subject to redemption as provided in the Series VII-E-1 Indenture. The Bank shall have the right to cause the prepayment of the entire principal amount of the Series VII-E-1 Bonds and the Amended and Restated Series VII-E-1 Loan Agreement at the end of the initial Index Rate Period (but not before), which shall be not earlier than five (5) years following the purchase by the Bank of the Series VII-E-1 Bonds in the Index Rate Period.

(d) All obligations under the respective Amended and Restated Loan Agreements, including the outstanding aggregate principal amount of the respective Amended and Restated Loan Agreements, interest on such principal amount and all fees and expenses of the Bank, may become immediately due and payable at an increased rate of interest (but in no event greater than the maximum rate permitted by law) in the following events: (i) if at the end of the initial Index Rate Period, the Series VII-E-1 Bonds are not remarketed or the initial Index Rate Period is not extended and (ii) upon the occurrence of certain events of default, as described in the respective Amended and Restated Loan Agreements, the respective Index Rate Agreements and the related Indentures, as amended. The Mayor and City Clerk are hereby authorized to agree to an accelerated amortization of the Series VI-M-1 Bonds and the Amended and Restated Series VI-M-1 Loan Agreement at an interest rate not to exceed the maximum rate permitted by applicable law in the event that the Series VI-M-1 Bonds are not remarketed. The Mayor and City Clerk are hereby authorized to agree to an accelerated amortization of the Series VII-E-1 Bonds and the Amended and Restated Series VII-E-1 Loan Agreement at an interest rate not to exceed the maximum rate permitted by applicable law in the event that the Series VII-E-1 Bonds are not remarketed.

Section 4. Approval of the Index Rate Agreements. The form, terms and provisions of the Index Rate Agreements shall be consistent with the U.S. Bank Term Sheet now before this meeting. The Mayor and City Clerk are hereby authorized, empowered and directed to execute and deliver the Index Rate Agreements in the name and on behalf of the City consistent with the U.S. Bank Term Sheet. From and after the execution and delivery of the Index Rate Agreements, the Mayor and the City Clerk are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Index Rate Agreements as executed.

Section 5. Approval of Conversion of Series VI-M-1 Bonds. The Series VI-M-1 Bonds which funded the Series VI-M-1 Loan Agreement currently bear interest at the Weekly Rate as defined in the Series VI-M-1 Loan Agreement. For the reasons stated in the recitals, the Governing Body hereby authorizes the Mayor to elect to direct a conversion of the Rate Period on the Series VI-M-1 Bonds, and thus the Amended and Restated Series VI-M-1 Loan Agreement, from the Weekly Rate to the Index Rate.

The conversion of the interest rate period shall occur through the remarketing of the Series VI-M-1 Bonds to the Bank in the Index Rate Period. The conversion of the Series VI-M-1 Bonds to the Index Rate shall be effective only upon execution and delivery of the Series VI-M-1 Index Rate Agreement, the Amended and Restated Series VI-M-1 Loan Agreement and the amended Series VI-M-1 Indenture, and receipt of all requisite consents, and delivery of such other documents necessary to implement the conversion of the Rate Period pursuant to the Series VI-M-1 Indenture.

The Mayor and the City Clerk are hereby authorized to give notice to the Trustee of the City's direction that the Rate Period on the Series VI-M-1 Bonds be converted from the Weekly Rate to the Index Rate selected by the Mayor in accordance with provisions hereof. The Mayor is also authorized to rescind such conversion notice as provided in the Amended and Restated Series VI-M-1 Loan Agreement, if in his discretion, such conversion does not achieve the objectives of the City as stated in this Resolution. The City acknowledges that the Bank has not entered into a binding commitment to purchase the remarketed Series VI-M-1 Bonds as of the date hereof.

Section 6. Approval of Conversion of Series VII-E-1 Bonds. The Series VII-E-1 Bonds which funded the Series VII-E-1 Loan Agreement currently bear interest at the Weekly Rate as defined in the Series VII-E-1 Loan Agreement. For the reasons stated in the recitals, the Governing Body hereby authorizes the Mayor to elect to direct a conversion of the Rate Period on the Series VII-E-1 Bonds, and thus the Amended and Restated Series VII-E-1 Loan Agreement, from the Weekly Rate to the Index Rate.

The conversion of the interest rate period shall occur through the remarketing of the Series VII-E-1 Bonds to the Bank in the Index Rate Period. The conversion of the Series VII-E-1 Bonds to the Index Rate shall be effective only upon execution and delivery of the Series VII-E-1 Index Rate Agreement, the Amended and Restated Series VII-E-1 Loan Agreement and the amended Series VI-M-1 Indenture, and receipt of all requisite consents, and delivery of such other documents necessary to implement the conversion of the Rate Period pursuant to the Series VII-E-1 Indenture.

The Mayor and the City Clerk are hereby authorized to give notice to the Trustee of the City's direction that the Rate Period on the Series VII-E-1 Bonds be converted from the Weekly Rate to the Index Rate selected by the Mayor in accordance with provisions hereof. The Mayor is also authorized to rescind such conversion notice as provided in the Amended and Restated Series VII-E-1 Loan

Agreement, if in his discretion, such conversion does not achieve the objectives of the City as stated in this Resolution. The City acknowledges that the Bank has not entered into a binding commitment to purchase the remarketed Series VII-E-1 Bonds as of the date hereof.

Section 7. Conversions May Occur Separately. The conversions to the Index Rate of the Series VI-M-1 Bonds and the Series VII-E-1 Bonds authorized herein, along with the execution and delivery of the documents and agreements related thereto, may occur together or separately, and nothing herein shall prevent the City from converting one of the Series of Bonds but not the other.

Section 8. Additional Authorizations. All acts and doings of the Mayor and the City Clerk and any other representative or officer of the City which are in conformity with the purposes and intent of this Resolution and in furtherance of the amendments and the conversion as set forth herein shall be and the same hereby are in all respects, approved and confirmed.

Section 9. 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 10. Repeal of Conflicting Resolutions and Effective Date. All other resolutions and orders, or parts thereof, in conflict with the provisions of this Resolution, are, to the extent of such conflict, hereby repealed and this Resolution shall be in immediate effect from and after its adoption.

This the 10th day of December 2012.

APPROVED AS TO FORM AND LEGALITY:



Kenneth R. Krushenski, City Attorney

Mayor

Diana R. Stanley, City Clerk

CERTIFICATE OF CITY CLERK

I, Diana Stanley, certify that I am the duly qualified City Clerk of the City of Oak Ridge, Tennessee, and as such official I further certify that attached hereto is a copy of excerpts from the minutes of a regular meeting of the governing body of the City held on December 10, 2012; that these minutes were promptly and fully recorded and are open to public inspection; that I have compared said copy with the original minute record of said meeting in my official custody; and that said copy is a true, correct and complete transcript from said original minute record insofar as said original record relates to the amendment, restatement and conversion of the Series VI-M-1 Loan Agreement and the Series VII-E-1 Loan Agreement.

WITNESS my official signature and seal of said City on this the _____ day of December, 2012.

/s/ _____
City Clerk

(SEAL)

11376456.1

\$4,735,000

AMENDED AND RESTATED
LOAN AGREEMENT
(SERIES VI-M-1)

DATED AS OF JANUARY 1, 2013

BETWEEN

THE PUBLIC BUILDING AUTHORITY
OF SEVIER COUNTY, TENNESSEE

AND

CITY OF OAK RIDGE, TENNESSEE

AMENDED AND RESTATED
LOAN AGREEMENT

This Amended and Restated Loan Agreement is made and entered into as of the 1st day of January, 2013, by and between THE PUBLIC BUILDING AUTHORITY OF SEVIER COUNTY, TENNESSEE (the "Authority"), and CITY OF OAK RIDGE, TENNESSEE (the "Borrower").

WITNESSETH:

WHEREAS, the Authority is a public nonprofit corporation and a public instrumentality of Sevier County, Tennessee, organized and existing pursuant to Chapter 10, Title 12, Tennessee Code Annotated (the "Act"), to finance any project or projects eligible to be financed by bonds, notes, interim certificates or other obligations authorized to be issued by an incorporated city or town, county, metropolitan government, school district or other municipal governmental body or political subdivision in the State of Tennessee and any agency, authority, corporation or instrumentality thereof; and

WHEREAS, it has heretofore been determined by the governing body of the Borrower to be in the best interest of the Borrower to refinance the Borrower's Series VI-H-1 Loan Agreement, dated as of November 1, 2006 (the "Refunded Loan Agreement") funded by the Authority's Local Government Public Improvement Bonds, Adjustable Rate Series VI-H-1, dated November 22, 2006 (the "Refunded Bonds"), the proceeds of which the Borrower used to finance the (i) acquisition of land for and the construction, improvement, renovation, equipping and/or repair of school facilities, including Oak Ridge High School; (ii) payment of legal, fiscal, administrative, architectural and engineering costs incident to the foregoing; (iii) payment of capitalized interest during construction and for up to six months thereafter (collectively, the "Projects"); and (iv) payment of costs of issuance and sale of the Refunded Bonds and the Refunded Loan Agreement.

WHEREAS, to obtain funds for such purposes the Authority issued and sold its Local Government Public Improvement Bonds, Series VI-M-1 (the "Series VI-M-1 Bonds"), secured by and containing such terms and provisions as are set forth in that certain Indenture of Trust dated as of September 1, 2004, as amended and supplemented by the Series VI-M-1 Supplemental Indenture of Trust, dated as of January 1, 2010 (collectively, the "Original Indenture"), between the Authority and Regions Bank, Nashville, Tennessee, as trustee (the "Trustee"), and deposited the proceeds from the sale of the Series VI-M-1 Bonds with the Trustee to be disbursed in the manner and for the purposes set forth in the Indenture, all as more fully provided therein;

WHEREAS, the Authority loaned the proceeds of the Series VI-M-1 Bonds to the Borrower pursuant to that certain Series VI-M-1 Loan Agreement, dated as of January 1, 2010 (the "Original Loan Agreement") between the Authority and the Borrower in the original principal amount of \$4,735,000; and

WHEREAS, the Authority and the Trustee have entered into that certain Series VI-M-1 Second Supplemental Indenture of Trust, dated as of January 1, 2013 (the "Second Supplemental Indenture", and collectively with the Original Indenture, the "Indenture") to provide for the Index Period as an additional Rate Period; and

WHEREAS, pursuant to Sections 17.01(l) of the Original Indenture and Section 8.04 of the Original Loan Agreement, at the request of the Borrower, the Authority and the Trustee desire to enter into this Series VI-M-1 Amended and Restated Loan Agreement (the "Loan Agreement") to also provide for the Index Period as an additional Rate Period for the Series VI-M-1 Bonds, all necessary consents having been obtained.

NOW, THEREFORE, in consideration of the respective representations and agreements hereinafter contained, the Authority and the Borrower agree as follows:

ARTICLE I Definitions

Section 1.01. Defined Terms. In addition to the words, terms and phrases elsewhere defined in this Agreement or the Indenture, the following words, terms and phrases as used in this Agreement shall have the following respective meanings:

"Act" means Chapter 10, Title 12, Tennessee Code Annotated.

"Additional Payments" means the payments required to be made by the Borrower pursuant to Section 3.02 hereof.

"Adjustment Date" means each Business Day for the Daily Period and the first day of each Weekly Period, each Short-Term Period and each Medium-Term Period.

"Agreement" means this Amended and Restated Loan Agreement as it now exists and as it may hereafter be amended.

"Amortization Period Rate" shall have the meaning set forth in the Initial Index Agreement.

"Authority" means The Public Building Authority of Sevier County, Tennessee, and any successor to its functions hereunder.

"Authorized Authority Representative" means the Chairman, Vice-Chairman, Secretary or Assistant Secretary of the Authority, and when used with reference to any act or document also means any other person authorized by resolution of the Authority, a copy of which is filed with the Trustee, to perform such act or execute such document.

"Authorized Borrower Representative" means the Mayor and the City Clerk of the Borrower, and any such other person from time to time authorized to act in behalf of a Borrower pursuant to the Charter, or ordinance or resolution of the governing body of such Borrower, a copy of which is filed with the Trustee, to perform such act or execute such document on behalf

of the Borrower pursuant to a certificate signed by any of the above and giving the name and specimen signature of the person or persons so designated.

"Bank" means with respect to any Standby Bond Purchase Agreement, the bank or banks (and any agent on behalf of such banks) entering into such Standby Bond Purchase Agreement, and, in each case, their successors and assigns in such capacity.

"Bank Bond Excess Interest" with respect to Bank Bonds shall have the meaning assigned to such term in the Standby Bond Purchase Agreement.

"Bank Bond Final Excess Interest Amount" means a fee payable under a Standby Bond Purchase Agreement in connection with the Series VI-M-1 Bonds representing interest borne by Bank Bonds at a rate not in excess of the Maximum Lawful Rate calculated as set forth in the Standby Bond Purchase Agreement, which amount has been deferred and not paid as of the date such Bank Bonds are remarketed and which is payable by a Borrower under this Amended and Restated Loan Agreement as an Additional Payment.

"Bank Bond Term Date" means with respect to Series VI-M-1 Bonds that are Bank Bonds, that date which is the earlier of the Stated Expiration Date, the Purchase Termination Date or the Series Purchase Termination Date.

"Bank Bonds" means any Series VI-M-1 Bond while in any Rate Period other than the Fixed Period, the Auction Rate or the Index Period, purchased by the Bank with the proceeds of a drawing under and in accordance with the provisions of a Standby Bond Purchase Agreement pursuant to Section 8.03(b)(2) of the Indenture, and which are held by a Bank or such other Person to whom such Bank Bonds are sold as authorized by a Standby Bond Purchase Agreement other than pursuant to a remarketing thereof in accordance with Section 4.03(b) of the Indenture; provided, however, any such Series VI-M-1 Bonds shall cease to be Bank Bonds upon the earlier of the purchase thereof pursuant to a successful remarketing of such Series VI-M-1 Bonds pursuant to Section 4.03(b) of the Indenture or the effective date of such Bondholder's election to retain such Series VI-M-1 Bonds as set forth in Section 2.05(e) of the Indenture.

"Bank Rate" means the Bank Rate as defined in a related Standby Bond Purchase Agreement, which rate shall not be in excess of the Maximum Lawful Rate.

"Bonds" means the Authority's Local Government Public Improvement Bonds issued pursuant to the Indenture, as supplemented by any supplemental indenture.

"Borrower" means the City of Oak Ridge, Tennessee.

"Borrower Account" means the account in the Loan Fund designated for the Borrower pursuant to Section 7.05 of the Indenture in which the proceeds of the Loan to the Borrower are deposited.

"Borrower Request", "Borrower Order" and "Borrower Consent" means, respectively, a written request, order or consent signed by an Authorized Borrower Representative and delivered to the Trustee.

"Code" means the Internal Revenue Code of 1986, as amended, as it applies to the Series VI-M-1 Bonds, including applicable regulations and revenue rulings thereunder. Reference herein to sections of the Code are to the sections thereof as they exist on the date of execution of this Agreement, but include any successor provisions thereof to the extent applicable to the Series VI-M-1 Bonds.

"Conversion Date" means the date on which the interest rate on the Series VI-M-1 Bonds is converted from one type of Rate Period to another type of Rate Period.

"Default Rate" shall have the meaning set forth in the Index Rate Agreement.

"Event of Default" means any event defined in Section 5.01 hereof.

"Favorable Opinion of Bond Counsel" means with respect to any action relating to the Series VI-M-1 Bonds, the occurrence of which requires such an opinion, a written legal opinion of Bond Counsel to the effect that such action is permitted under the Indenture and will not impair the exclusion of interest on the Series VI-M-1 Bonds for gross income for purposes of federal income taxation (if applicable).

"Final Computation Date" means the date the last Series VI-M-1 Bond is paid in full.

"Governing Body" means the City Council of the Borrower.

"Indenture" means the Indenture of Trust, dated as of September 1, 2004, as supplemented by the Series VI-M-1 Supplemental Indenture of Trust, dated as of January 1, 2010, as further supplemented by the Series VI-M-1 Second Supplemental Indenture of Trust, dated as of January 1, 2013, and as from time to time further supplemented and amended, by and between the Authority and the Trustee.

"Index Purchaser" means the Holder of the Series VI-M-1 Bonds in the Index Period, initially Initial Index Purchaser. If there is more than one Holder of the Series VI-M-1 Bonds, "Index Purchaser" means Holders owning a majority of the aggregate principal amount of the Series VI-M-1 Bonds then Outstanding.

"Index Rate Agreement" means (i) during the Initial Index Period, the Initial Index Rate Agreement and any amendments thereto or restatements thereof, and (ii) during any Subsequent Index Period, any Index Rate Agreement between the Series VI-M-1 Borrower and an Index Purchaser, relating to the Series VI-M-1 Bonds during any Subsequent Index Period and any amendments thereto or restatements.

"Index Rate Excess Interest" with respect to Series VI-M-1 Bonds bearing interest at the Index Rate, shall have the meaning assigned to such term in the Index Rate Agreement.

“Index Rate Final Excess Interest” means a fee payable under an Index Rate Agreement in connection with the Series VI-M-1 Bonds representing interest borne by the Series VI-M-1 Bonds at a rate not otherwise paid to the Initial Index Purchaser as a result of such interest rate exceeding the Maximum Lawful Rate for any period calculated as set forth in the Index Rate Agreement, which amount has been deferred and not paid as of the date such Series VI-M-1 Bonds are remarketed or paid in full and which is payable by a Borrower under this Amended and Restated Loan Agreement as an Additional Payment.

“Initial Index Purchaser” means U.S. Bank National Association, as purchaser of the VI-M-1 Bond in the Index Period, and its successors and assigns.

“Initial Index Rate Agreement” means the Financing Agreement dated as of _____, 2013, between the Borrower and the Initial Index Purchaser.

"Installment Computation Date" means the fifth anniversary of the issue date of the Series VI-M-1 Bonds and each fifth anniversary of such date.

"Loan" means the loan described in Section 2.02 hereof.

"Loan Fund" means the fund established under Section 7.04 of the Indenture.

"Loan Repayments" means the payments of principal of and interest on the Loan, Additional Payments and any other amounts payable by the Borrower hereunder.

"Loan Repayment Date" means,

(a) with respect to that portion of Loan Repayments attributable to interest on the Series VI-M-1 Bonds, (i) while the Series VI-M-1 Bonds are in the Index Period, the 25th day of each February, May, August and November, and with respect to the Initial Index Period shall commence February 25, 2013, and five days prior to any Redemption Date and the Maturity Date, (ii) while the Series VI-M-1 Bonds are in the Commercial Paper Period, the first day after the end of any Calculation Period, five days prior to any Conversion Date and five days prior to Maturity, (iii) the twenty-fifth day of February, May, August and November of each year during the term hereof, five days prior to any Conversion Date and five days prior to the Maturity while the Series VI-M-1 Bonds are in the Daily Period, the Weekly Period and the Short-Term Period (and five days prior to the Period Adjustment Date during the Short-Term Period), (iii) the twenty-fifth day of May and November, five days prior to a Conversion Date and any Period Adjustment Date, on any Optional Tender Date and five days prior to the stated Maturity of the Series VI-M-1 Bonds if the Series VI-M-1 Bonds are in the Medium-Term Period, (iv) the twenty-fifth day of May and November, and five days prior to the Stated Maturity of the Series VI-M-1 Bonds, if the Series VI-M-1 Bonds are in the Fixed Period, (v) if any Series VI-M-1 Bond shall be a Bank Bond, the day such Bond is purchased by the Bank, the twenty-fifth day of each month commencing on the first such date to occur after such Bond is purchased by the Bank, the day such Bank Bond is remarketed by the Remarketing Agent and the

date of Maturity of such Series VI-M-1 Bond (or on such other dates set forth in the Standby Bond Purchase Agreement), (vi) the twenty-fifth day of May and November if the ARS Interest Payment Date is the first day of June and December and the twenty-fifth day of February, May, August and November, if the ARS Interest Payment Date is the first day of each March, June, September and December or the first Business Day after the Auction Period; and (vii) with respect to any unpaid interest on the Series VI-M-1 Bonds, any Interest Payment Date;

(b) with respect to that portion of Loan Repayments attributable to principal on the Series VI-M-1 Bonds, (i) on the twenty-fifth day of May of 2026 through 2029, inclusive, and five days prior to any Redemption Date, (ii) if such Series VI-M-1 Bonds are Bank Bonds subject to term repayment under the Standby Bond Purchase Agreement, on the dates set forth in Section 3.04(e) hereof or (iii) if such Series VI-M-1 Bonds are Unremarketed Bonds, the dates on which payments are required under the Index Rate Agreement;

(c) with respect to that portion of Loan Repayments consisting of Additional Payments, other than certain payments under the Standby Bond Purchase Agreement, if any, the Index Rate Agreement, if any, Rebate Amounts, if any, Loan Swap Payments, if any, and Loan Termination Payments, if any, the twenty-fifth day of February, May, August and November of each year, commencing February 25, 2013; provided, however, if the Series VI-M-1 Bonds are ARS Bonds, then the Loan Repayment Date for Additional Payments shall be the twenty-fifth day of May and November, if the ARS Interest Payment Date is the first day of June and December and the twenty-fifth day of February, May, August and November, if the ARS Interest Payment Date is the first day of each March, June, September and December or the first Business Day after the Auction Period;

(d) any amount determined to be an increased cost, Bank Bond Excess Interest or Bank Bond Final Excess Interest Amount under the Standby Bond Purchase Agreement and any other amounts due under the Standby Bond Purchase Agreement shall be payable on demand as provided therein;

(e) any amount determined to be an increased cost, Index Rate Excess Interest or Index Rate Final Excess Interest Amount under the Index Rate Agreement and any other amounts due under the Index Rate Agreement shall be payable on demand as provided therein; and

(f) any Rebate Amount shall be payable on demand.

"Loan Swap Agreement" means a written agreement between the Borrower and a Loan Swap Counterparty with respect to all or a portion of the Loan Agreement whereby the Borrower is entitled to receive Loan Swap Receipts and Loan Termination Payments from the Loan Swap

Counterparty and is obligated to pay Loan Swap Payments and Loan Termination Payments to the Loan Swap Counterparty with respect to all or a portion of the Loan Agreement.

"Loan Swap Counterparty" means one or more financial institutions (including an entity related to the Bank) whose debt or claims-paying ability or whose obligations under a Loan Swap Agreement are rated or is guaranteed by, or insured or collateralized by an entity whose debt or claims-paying ability is rated "A" or better by S&P, Moody's, or Fitch on the date a Swap Agreement is executed by the Borrower and a Loan Swap Counterparty.

"Loan Swap Payments" means amounts payable to the Loan Swap Counterparty in respect of the notional principal amount pursuant to the terms of the Loan Swap Agreement, net of amounts payable by the Loan Swap Counterparty under the Loan Swap Agreement and excluding any Loan Termination Payments.

"Loan Swap Receipts" means the amounts payable by the Loan Swap Counterparty in respect of the notional principal amount pursuant to the terms of the Loan Swap Agreement, net of amounts payable by the Borrower thereunder and excluding any Loan Termination Payments.

"Loan Termination Payment" means an amount payable by the Borrower to a Swap Counterparty from Additional Payments made by the Borrower under the Loan Agreement or by the Swap Counterparty to the Borrower upon termination of a Loan Swap Agreement, as the case may be.

"Maturity" means the earliest of (i) the Stated Maturity of the Series VI-M-1 Bonds, (ii) the date of mandatory redemption of such Series VI-M-1 Bonds pursuant to the terms of the Indenture, the Supplemental Indenture, the Index Rate Agreement, or Standby Bond Purchase Agreement (if any) relating to the Series VI-M-1 Bonds, and (iii) the date on which the principal of such Series VI-M-1 Bonds otherwise becomes due and payable.

"Optional Prepayment Price" means the amount determined pursuant to the provisions of Section 6.02 hereof payable by the Borrower in order to prepay in whole or in part its Loan Repayments.

"Original Indenture" shall have the meaning given to such term in the recitals hereof.

"Original Loan Agreement" shall have the meaning given to such term in the recitals hereof.

"Outstanding Loan Amount" means the original principal amount of the Loan, less repayments of such principal amount.

"Prepayment Date" means the date on which the Borrower is required to deposit the Optional Prepayment Price with the Trustee pursuant to Section 6.05 hereof, which day may be any Business Day.

"Projects" shall have the meaning given to such term in the recitals hereof.

"Proportionate Share" means, for purposes of common fees and expenses described in Section 3.02 hereof relating to all Series of Bonds Outstanding under the Indenture, a fraction, the numerator of which shall be the Outstanding principal amount of the Series VI-M-1 Bonds and the denominator of which shall be the Outstanding principal amount of all Series of Bonds Outstanding under the Indenture; for purposes of common fees and expenses described in Section 3.02 hereof, which are determined by the Administrator to be common to particular Series of Bonds under the Indenture, including the Series VI-M-1 Bonds, but not to all Series of Bonds under the Indenture, means a fraction, the numerator of which shall be the Outstanding principal amount of the Series VI-M-1 Bonds to which the common fees and expenses apply and the denominator of which shall be the principal amount of all Series of Bonds Outstanding under the Indenture to which the common fees and expenses apply.

"Rate Period" or "Rate Periods" means any of the Daily Period, the Commercial Paper Period, Index Period, the Weekly Period, the Short-Term Period, the Medium-Term Period, the Fixed Period, and the ARS Rate Period.

"Rebate Amount" means 100% of the amount owed to the United States under Section 148(f)(2) of the Code and Section 1.148-3 of the Treasury Regulations issued thereunder.

"Rebate Analyst" means an independent, certified public accountant, accountant, financial analyst, Bond Counsel, or any firm of the foregoing, or any financial institution which is experienced in making the rebate calculations required to be made for the purposes of Section 3.08, and which in each case is retained by the Administrator to make such calculations.

"Remarketing Agent" means any Remarketing Agent serving in such capacity from time to time in accordance with the Indenture.

"Second Supplemental Indenture" means the Series VI-M-1 Second Supplemental Indenture of Trust, dated as of January 1, 2013, between the Authority and the Trustee.

"Series VI-M-1 Bonds" means the Local Government Public Improvement Bonds, Series VI-M-1, of the Authority from time to time Outstanding under the Indenture and related to this Agreement.

"Subsequent Index Period" means each period, other than the Initial Index Period, during which the Series VI-M-1 Bonds bear interest at an Index Rate.

"Trustee" means Regions Bank, an Alabama banking corporation, Nashville, Tennessee, and any successor trustee under the Indenture, acting as paying agent, bond registrar, tender agent, and trustee.

"Unremarketed Bonds" shall have the meaning set forth in the Index Rate Agreement.

Section 1.02. Interpretation. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. The words "Bond",

"holder", and "person" shall include the plural as well as the singular number unless the context shall otherwise indicate. The word "person" shall include corporations, associations, natural persons and public bodies unless the context shall otherwise indicate.

Any certificate or opinion made or given by an Authorized Authority Representative or an Authorized Borrower Representative may be based, insofar as it relates to legal matters, upon a certificate or opinion of or representations by counsel, unless such officer knows that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion may be based as aforesaid are erroneous, or in the exercise of reasonable care should have known that the same were erroneous. Any certificate or opinion made or given by counsel may be based (insofar as it relates to factual matters, information with respect to which is in the possession of the Authority or a Borrower), upon the certificate or opinion of or representations by an officer or officers or officials of the Authority or the Borrower, unless such counsel knows that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion may be based as aforesaid are erroneous, or in the exercise of reasonable care should have known that the same were erroneous.

ARTICLE II The Series VI-M-1 Bonds

Section 2.01. Original Issuance of the Series VI-M-1 Bonds.

(a) In order to obtain funds to lend to the Borrower to assist in financing the Projects and paying costs of issuance of the Series VI-M-1 Bonds, the Authority previously issued the Series VI-M-1 Bonds in the principal amount of \$4,735,000, of which \$4,735,000 is still outstanding as of the date of this Agreement and shall be payable as set forth on Exhibit A hereto.

(b) The Series VI-M-1 Bonds were initially issued bearing interest in the Weekly Period, but on the date of this Agreement the Series VI-M-1 Bonds will be converted to the Index Period and shall bear interest at the Index Rate determined as provided in [[[Section 2.05A]]] of the Indenture. The Authority caused the proceeds received from the sale of the Series VI-M-1 Bonds to be deposited with the Trustee in the Series VI-M-1 Borrower Account of the Loan Fund pursuant to Section 7.05 of the Indenture, to the Series VI-M-1 Bond Account of the Cost of Issuance Account pursuant to Section 7.10 of the Indenture and prepaid fees to the Additional Payments Subaccount of the General Account of the Series VI-M-1 Bond Account of the Bond Fund. The Authority agrees that the Series VI-M-1 Bonds may be converted from one Rate Period to any other Rate Period as directed by a Series VI-M-1 Authorized Borrower Representative pursuant to Article II of the Indenture.

(c) The liability of the Authority under the Series VI-M-1 Bonds shall be enforceable only to the extent of its rights under this Agreement or any amendment or supplement hereto. The Series VI-M-1 Bonds shall be payable solely from payments made by or on behalf of the Borrower to the Trustee pursuant to the terms of this Agreement.

Section 2.02. Loan. The proceeds of the Series VI-M-1 Bonds were loaned to the Borrower in the original principal amount of \$4,735,000 in the manner hereinafter set forth in the Original Loan Agreement. Following the date hereof until the next Conversion Date, the Loan will bear interest at the Index Rate as set forth in Sections 3.01 and 3.04 hereof.

Section 2.03. Use of Proceeds by the Borrower. The Borrower has used all of the funds loaned to it by the Authority pursuant to the Original Loan Agreement for the purposes set forth in Section 2.01(a) hereof.

Section 2.04. Disbursements of Loan Proceeds. There are no proceeds remaining in the Borrower Account of the Loan Fund to be disbursed.

Section 2.05. Initial Index Rate Agreement. The Borrower agrees to enter into the Initial Index Rate Agreement with the Initial Index Purchaser.

Section 2.06. Investment of Funds; Application of Investment Earnings. There are no proceeds or investment earnings remaining in the Borrower Account of the Loan Fund to be invested or spent. Any excess earnings in the Series VI-M-1 Bond Account in the Rebate Fund shall be transferred to the Interest Account of the Series VI-M-1 Bond Account of the Bond Fund. All income derived from the investment of moneys on deposit in the Principal Account, Interest Account and Additional Payments Account of the Series VI-M-1 Bond Account of the Bond Fund shall be credited to the Additional Payments Account of the Series VI-M-1 Bond Account of the Bond Fund and applied to the payment of Additional Payments next due. To the extent amounts on deposit in the Additional Payments Account exceed the Additional Payments next coming due, such excess amounts may be transferred to the Interest and/or Principal Account.

Section 2.07. Conversions. The Borrower shall have the option to direct a change in the type of Rate Period on the Series VI-M-1 Bonds to another type of Rate Period, or to change the duration of a Short-Term Period or Medium Term Period, by complying with the requirements of the Indenture. The Borrower may change the length of the Auction Period in accordance with the provisions of the Indenture.

Section 2.08. Tax Status of the Series VI-M-1 Bonds. It is the intention of the parties hereto that the interest on the Series VI-M-1 Bonds be and remain excluded from gross income for federal income tax purposes, and to that end the Borrower hereby represents, warrants and agrees as follows:

(a) The Borrower shall not take or omit to take any action the taking or omission of which will cause the Series VI-M-1 Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code or otherwise cause interest on the Series VI-M-1 Bonds to be includable in the gross income of the registered owners thereof for federal income tax purposes under existing statutes. Without limiting the generality of the foregoing, the Borrower, on behalf of the Authority, shall comply with any provision of the law which may require the Authority at any time to make rebate payments to the United States of any part of the earnings derived from the investment of the gross proceeds of the Series VI-M-1 Bonds.

(b) The Borrower shall not permit the proceeds of the Series VI-M-1 Bonds to be used in any manner that would result in (a) 5% or more of such proceeds being used in a trade or business carried on by any person other than a governmental unit as provided in Section 141(b) of the Code, (b) 5% or more of such proceeds being used with respect to any output facility (other than an output facility for the furnishing of water) within the meaning of Section 141(b)(4) of the Code, or (c) 5% or more of such proceeds being used directly or indirectly to make or finance loans to any persons other than a governmental unit as provided in Section 141(c) of the Code; or (d) the payment of principal of, or interest on more than 10% of the proceeds of the Series VI-M-1 Bonds (under the terms of the Series VI-M-1 Bonds or any underlying arrangement) directly or indirectly (A) secured by any interest in (1) property used or to be used for private business use or (2) payments in receipt of such property or (B) derived from payments (whether or not to the Borrower) in respect of property, or borrowed money, used or to be used for a private business use, provided, however, that if the Borrower receives a Favorable Opinion that any such covenant need not be complied with to prevent the interest on the Series VI-M-1 Bonds from being includable in the gross income of the registered owners thereof for federal income tax purposes under existing statutes, the Borrower need not comply with such covenants.

(c) Neither the obligations of the Borrower under this Agreement nor the Series VI-M-1 Bonds are or will be "federally guaranteed", as defined in Section 149(b) of the Code.

Section 2.09. Rights of the Bond Insurer and any Index Purchaser .

(a) While any Bond Insurance is in effect and during any Index Rate Period, the Borrower or the Trustee, as appropriate, shall furnish to the Bond Insurer and any Index Purchaser:

- (i) a copy of the annual audited financial statements and annual budget of the Borrower, to be furnished within thirty (30) days of their release by the Borrower;
- (ii) a copy of any notice to be given to the registered owners of the Series VI-M-1 Bonds, or any of them, including, without limitation, notice of any redemption of or defeasance of all or any portion of the Series VI-M-1 Bonds, and any certificate rendered pursuant to the Indenture relating to the security for the Series VI-M-1 Bonds; and
- (iii) such additional information as the Bond Insurer or the Index Purchaser shall reasonably request.

(b) The Trustee or the Borrower, as appropriate, shall notify the Bond Insurer and the Index Purchaser of any failure of the Borrower to provide relevant notices, certificates, or other information required to be provided under the Indenture or this Agreement provided that the Trustee shall be required to give notice of any such failure only if it has actual knowledge of such failure.

(c) The Borrower will permit the Bond Insurer and the Index Purchaser to discuss the affairs, finances and accounts of the Borrower or any information Bond Insurer may reasonably request regarding the security for the Series VI-M-1 Bonds with appropriate officers of the Borrower. The Trustee or the Borrower, as appropriate, will permit the Bond Insurer and the Index Purchaser to have access to the Projects and have access to and to make copies of all books and records relating to the Series VI-M-1 Bonds at any reasonable time.

(d) Notwithstanding any other provision of this Agreement or the Indenture to the contrary, the Trustee shall immediately notify the Bond Insurer and the Index Purchaser on any Loan Repayment Date if there are insufficient moneys to make any payment of principal of or interest on the Series VI-M-1 Bonds or any Additional Payments when and as required by this Agreement or the Indenture or the Index Rate Agreement or upon the occurrence of any Event of Default under the Indenture or this Agreement provided that the Trustee shall be required to give such notice only if it has actual knowledge of such Event of Default.

(e) As and to the extent that any provision of this Section 2.09 is in conflict with the Index Rate Agreement, the terms of the Index Rate Agreement will be deemed controlling.

ARTICLE III Payment Obligations of Borrower

Section 3.01. Principal and Interest Payments. Notwithstanding any other provision of this Agreement, the Borrower agrees to pay to the Trustee, for the account of the Authority, on the dates, in the manner and in the amounts set forth below (i) as principal, an amount equal to the aggregate principal amount of the Series VI-M-1 Bonds, including without limitation, the Unremarketed Bonds; (ii) as interest on its obligation to pay such amount, amounts equal to the interest on the Series VI-M-1 Bonds (including interest at the Bank Rate and Bank Bond Excess Interest, if applicable, for any period during which such Series VI-M-1 Bonds are Bank Bonds, and including Index Rate Excess Interest, if applicable, during the Index Period and interest at the Amortization Period Rate or Default Rate, as applicable, for any period during which the Series VI-K-1 Bonds are Unremarketed Bonds), (iii) the purchase price of any Series VI-M-1 Bond pursuant to Article IV of the Indenture, and (iv) amounts equal to the Swap Payments due from time to time under the Swap Agreement, if any; such amounts to be paid in installments on each Loan Repayment Date, without notice or demand, to be deposited by the Trustee to the Bond Fund to be applied to the payment of principal of and interest on the Series VI-M-1 Bonds, whether at maturity or upon redemption, and to the payment of Swap Payments, if any.

Section 3.02. Additional Payments. The Borrower agrees to pay to the Trustee on the dates, in the manner and in the amounts set forth in Sections 3.03 and 3.04 hereof the following Additional Payments (each reference to expenses set forth below shall include reasonable attorney fees and expenses):

(a) The fees and expenses of and other amounts payable to a Bank, if any, under any Standby Bond Purchase Agreement, if any, relating to the Series VI-M-1 Bonds,

including, but not limited to, the Bank Bond Final Excess Interest Amount, if any, and the Borrower's Proportionate Share of the fees and expenses of and other amounts payable to any Bank under a Standby Bond Purchase Agreement which are determined by the Administrator to be fees and expenses common to other Series of Bonds covered by the Standby Bond Purchase Agreement

(b) The fees and expenses of and other amounts payable to any Index Purchaser under any Index Rate Agreement not provided for in Section 3.01 hereof, including, but not limited to, the Index Rate Final Excess Interest Amount, if any.

(c) The fees and expenses of the Remarketing Agent under the Remarketing Agreement, if applicable, relating to the Series VI-M-1 Bonds, and the Borrower's Proportionate Share of the reasonable fees and expenses of the Remarketing Agent which are determined by the Administrator to be fees and expenses common to all Series of Bonds under Indenture.

(d) The fees and expenses of the Trustee under the Indenture relating to the Series VI-M-1 Bonds, including all expenses necessary to prepare notices of redemption or purchase of Series VI-M-1 Bonds or to cancel and discharge the Indenture with respect to the Series VI-M-1 Bonds and the Borrower's Proportionate Share of the reasonable fees and expenses of the Trustee which are determined by the Administrator to be fees and expenses which should be shared by all Borrowers under the Indenture or particular groups of Borrowers under the Indenture.

(e) The fees and expenses of the Bond Insurer under the Bond Insurance, the Surety Bond, and the Guaranty Agreement relating to the Series VI-M-1 Bonds, if any, together with all amounts payable by the Authority under the Guaranty Agreement and the Borrower's Proportionate Share of any of the foregoing which are determined by the Administrator to be fees, expenses and payments which should be shared by all Borrowers under the Indenture or particular groups of Borrowers under the Indenture.

(f) The annual fee of the Authority in the amount of .005% of the Outstanding principal amount of the Series VI-M-1 Bonds plus any expenses of the Authority hereunder or under the Indenture relating to the Series VI-M-1 Bonds and the Borrower's Proportionate Share of the expenses of the Authority hereunder or under the Indenture which are determined by the Administrator to be expenses which should be shared by all Borrowers under the Indenture or particular groups of Borrowers under the Indenture.

(g) The reasonable fees and expenses of the Administrator relating to the Series VI-M-1 Bonds and the Borrower's Proportionate Share of the reasonable fees and expenses of the Administrator which are determined by the Administrator to be fees and expenses which should be shared by all Borrowers under the Indenture or particular groups of Borrowers under the Indenture.

(h) The fees and expenses of the Bond Counsel, the Underwriter and other costs of issuance relating to the Series VI-M-1 Bonds.

(i) Rating agency fees relating to the Series VI-M-1 Bonds and the Borrower's Proportionate Share of the rating agency fees which are determined by the Administrator to be fees which should be shared by all Borrowers under the Indenture or particular groups of Borrowers under the Indenture.

(j) The reasonable fees and expenses of the Auction Agent, if any, the Broker-Dealer, if any, and the Market Agent, if any, relating to the Series VI-M-1 Bonds, and the Borrower's Proportionate Share of the reasonable fees and expenses of any Auction Agent, Broker-Dealers or Market Agent which are determined by the Administrator to be fees and expenses common to all Series of Bonds in the ARS Rate Period.

(k) Any amounts required to be paid to the U.S. Government as arbitrage rebate as determined pursuant to Section 148(f) of the Code with respect to the Series VI-M-1 Bonds, payable on demand.

(l) Any Termination Payments required to be paid by the Authority under the Swap Agreement.

(m) Any Loan Swap Payment or Loan Termination Payment required to be paid by the Borrower under any Loan Swap Agreement. Any Loan Swap Payment or Loan Termination Payment required to be paid by the Borrower shall constitute an Additional Payment whether or not such Loan Swap Payment or Loan Termination Payment is made to the Trustee.

(n) Such other reasonable fees and expenses relating to the Series VI-M-1 Bonds, including, but not limited to, the Borrower's Proportionate Share of any such fees and expenses, including costs associated with any conversion, substitution or extension of a Standby Bond Purchase Agreement.

The Additional Payments payable hereunder will be computed and apportioned among the various Series of Bonds by the Administrator and submitted to the Trustee on each Closing Date, as applicable, and each Loan Repayment Date, or otherwise when due, subject to periodic adjustment as needed. The Trustee shall not be responsible for the computation and allocation of any Additional Payments and shall be entitled to rely on the Administrator's computation and allocation unless contested in writing by the payee, the Bond Insurer, the Index Purchaser, or Borrower prior to the applicable Loan Repayment Date. Additional Payments due hereunder, to the extent paid by the Bond Insurer pursuant to the Surety Bond, remain due and payable under the Surety Bond at a rate equal to the lesser of the Maximum Lawful Rate or the rate of interest publicly announced from time to time by a bank named by the Bond Insurer as its Prime Rate, plus two percent (2%). Upon payment by the Bond Insurer of Additional Payments, the Bond Insurer shall be fully subrogated to the Authority's rights with respect thereto under this Agreement.

Section 3.03. Time and Manner of Payment. Other than as set forth in Section 3.04(e) below, Borrower agrees to make each of the Loan Repayments directly to the Trustee for the

account of the Authority on or before each Loan Repayment Date in lawful money of the United States of America by wire transfer of immediately available funds.

Section 3.04. Amount of Payment. The amount of each of the Loan Repayments shall be computed as follows:

(a) (i) With respect to the interest portion of each Loan Repayment while the Series VI-M-1 Bonds are in the Index Period, the amount thereof shall be equal to the interest on the Series VI-M-1 Bonds, as computed by the Calculation Agent, at the Index Rate in effect from time to time pursuant to [[[Section 2.05A]]] of the Indenture.

(ii) Subject to the provisions of subsection (vi) below, with respect to the interest portion of each Loan Repayment while the Series VI-M-1 Bonds are in the Daily Rate Period and the Weekly Rate Period, the amount thereof shall be equal to the interest on the Series VI-M-1 Bonds, as computed by the Trustee, at the Daily Rates or Weekly Rates in effect for the applicable Loan Repayment computation period, which period shall commence on the later of the Closing Date, the Conversion Date to the Daily Rate or the Weekly Rate, or the first day of the quarter in which such Loan Repayment is due to and ending on the last day of the quarter in which such Loan Repayment is due.

(iii) Subject to the provisions of subsection (vi) below, with respect to the interest portion of each Loan Repayment while the Series VI-M-1 Bonds are in the Short-Term Period, the Medium-Term Period and the Fixed Period, the amount thereof shall be equal to the interest on the Series VI-M-1 Bonds, as computed by the Trustee, at the Short-Term Rate, Medium-Term Rate or Fixed Rate in effect for the applicable Loan Repayment computation period, which period shall commence on the Closing Date, Conversion Date to the Medium-Term Period or Period Adjustment Date to another Medium-Term Period or the Conversion Date to the Fixed Rate, as applicable, and end on the last day of such Rate Period.

(iv) Subject to the provisions of subsection (vi) below, with respect to the interest portion of each Loan Repayment while the Series VI-M-1 Bonds are in the Commercial Paper Period, the amount shall be equal to the interest on the Series VI-M-1 Bonds as computed by the Trustee at the Commercial Paper Rate in effect for the Calculation Period.

(v) Subject to the provisions of subsection (vi) below, with respect to the interest portion of each Loan Repayment while the Series VI-M-1 Bonds are in the ARS Rate Period, the amount shall be equal to the aggregate of the interest on the Series VI-M-1 Bonds and the Applicable ARS Rates in effect during each ARS Interest Period.

(vi) While the Series VI-M-1 Bonds are in any Rate Period other than the Fixed Period or the Index Period, the amount of interest which will accrue on the Series VI-M-1 Bonds (the "Estimated Amount") (other than ARS Bonds with an Interest Payment Date on the Business Day following the Auction Date) for the period from and after the date the Trustee computes the Loan Repayment to the end of the computation period for the payment of interest on the Series VI-M-1 Bonds (the "Estimated Period") will be computed using an assumed interest rate equal to the Daily Rate, Weekly Rate, Commercial Paper Rate, Short-Term Rate,

Medium-Term Rate or Auction Rate (as applicable) in effect on the date of computation plus 150 basis points for the Estimated Period, and will be reduced by the amount by which the Estimated Amount for the Estimated Period on the prior Loan Repayment Date exceeded the actual interest accrual during such period. With respect to the Series VI-M-1 Bonds, while they are ARS Bonds with an Interest Payment Date on the Business Day following the Auction Date, the Administrator shall (i) estimate the interest due on the next succeeding Loan Repayment Date and shall instruct the Trustee to bill the Borrower for such amount on the day of the change in the related Auction Period, and (ii) thereafter estimate the interest due on such Series VI-M-1 Bonds (the "ARS Estimated Amount") for the ARS Interest Periods in effect based upon the Auction Rate in effect on the date of computation (the "ARS Estimated Period"), plus 150 basis points for the ARS Interest Periods in effect until the following Loan Repayment Date and shall so notify the Trustee. Each successive Loan Repayment will be reduced by the amount the prior Loan Repayment exceeded the actual interest due on the Series VI-M-1 Bonds.

(b) With respect to the principal portion of each of the Loan Repayments, the amount thereof shall be equal to next ensuing principal reduction requirement on the Loan set forth on Exhibit A attached hereto, payable on the 25th day of May in the year of each principal reduction date shown on Exhibit A, unless the Series VI-M-1 Bonds are Bank Bonds and the Bank Bond Term Date has occurred or unless the Series VI-K-1 Bonds are Unremarketed Bonds in which case the amount thereof shall be equal to the amounts provided in the following paragraph.

(c) Under certain circumstances, including the failure to remarket the Series VI-M-1 Bonds at the end of the Initial Index Period, the Series VI-M-1 Bonds will be held by the Index Purchaser pursuant to the terms of the Index Rate Agreement as Unremarketed Bonds. During the period the Series VI-M-1 Bonds are held by the Index Purchaser as Unremarketed Bonds, such Unremarketed Bonds will bear interest calculated and payable as set forth in the Index Rate Agreement (including interest at the Amortization Period Rate or Default Rate, as applicable, and Index Rate Excess Interest, if applicable) which will result in an increase in the amount of the Loan Repayments. If the Series VI-M-1 Bonds become Unremarketed Bonds under the Index Rate Agreement, the interest thereon will continue to be payable as set forth in the Index Rate Agreement on each Interest Payment Date, and the principal will be payable over a term established in the Index Rate Agreement. Each mandatory sinking fund redemption installment of principal of the Unremarketed Bonds shall be adjusted to an integral multiple of \$5,000. Any amount received by the Index Purchaser pursuant to this section may, at the Index Purchaser's option, be applied to pay any interest on such Unremarketed Bonds which is overdue as of the date of such receipt. Prior to the end of the Index Period, the Administrator shall provide to the Borrower, the Trustee and the Index Purchaser an amortization schedule approved by the Index Purchaser and consistent with the Index Rate Agreement implementing the provisions of this Subparagraph (c) relating to Loan Repayments of the Unremarketed Bonds and the Borrower will make all payments under this Subparagraph (c) in accordance with said schedule

(d) With respect to the Additional Payments portion of each of the Loan Repayments, the amount thereof shall be computed, as provided in Section 3.02 hereof, for any period commencing on the Closing Date, applicable Conversion Date, or the Business Day on which an Additional Payment was last paid to and ending on the day next preceding the Business Day on which the Additional Payment is due.

(e) If the Borrower has approved and the Authority has executed and delivered a Swap Agreement, with respect to the Series VI-M-1 Bonds in accordance with Section 2.02(h) of the Indenture, the Loan Repayments shall include any Swap Payments to be made to the Swap Counterparty under the Swap Agreement. Any Swap Receipts received from the Swap Counterparty under the Swap Agreement shall be deposited as provided in Section 7.02 of the Indenture and applied to pay interest on the Series VI-M-1 Bonds and otherwise as provided in the Indenture.

(f) Under certain circumstances, including the failure of the Remarketing Agent to remarket tendered bonds in accordance with Section 4.03 of the Indenture and upon satisfaction of the conditions in a Standby Bond Purchase Agreement, if any, providing coverage for the Series VI-M-1 Bonds, the Series VI-M-1 Bonds will be purchased by a Bank pursuant to the terms of the Standby Bond Purchase Agreement. If the Series VI-M-1 Bonds are purchased by the Bank under the Standby Bond Purchase Agreement, during the period they are held by the Bank as Bank Bonds they will bear interest calculated and payable as set forth in the Standby Bond Purchase Agreement (including interest at the Bank Rate and Bank Bond Excess Interest, if applicable) which will result in an increase in the amount of the Loan Repayments. Upon the purchase of Series VI-M-1 Bonds by a Bank under an applicable Standby Bond Purchase Agreement, the interest will continue to be payable on the Series VI-M-1 Bonds as set forth in the Standby Bond Purchase Agreement on each Interest Payment Date for Bank Bonds using the Bank Rate, and the principal will be payable as provided in Section 3.04(b) above until the Bank Bond Term Date, as such term is more specifically defined in the Indenture. If there are Bank Bonds of the Series VI-M-1 Bonds outstanding on the Bank Bond Term Date, then the outstanding principal of Bank Bonds shall be payable in full in mandatory sinking fund redemption installments over a term not to exceed ten years (or the remaining term of the Series VI-M-1 Bonds, whichever is less) in approximately equal annual mandatory sinking fund redemption installments of principal, commencing on the June 1 immediately following the earlier of the (i) ninety-first (91st) day following the day the Bank purchases the Series VI-M-1 Bonds and the last day of the Bank Purchase Period (as defined in the Standby Bond Purchase Agreement) (the "Amortization Start Date") and ending on the June 1 immediately preceding the earlier to occur of the (y) tenth anniversary of the final day of the Bank Purchase Period and the (z) tenth anniversary of the Amortization Start Date, until the principal of and interest (including Bank Bond Excess Interest) on all Bank Bonds of the Series VI-M-1 Bonds have been paid in full, and on the final such annual mandatory sinking fund redemption installment payment date, the entire outstanding principal balance of, and all accrued interest on, all Bank Bonds (together with the Bank Bond Final Excess Interest Amount, if any, in respect thereof) shall be due and payable in full. Each mandatory sinking fund redemption installment of principal of the Bank Bonds shall be adjusted to an integral multiple of \$5,000 and scheduled to provide approximately level aggregate annual principal payments during the course of such term. Notwithstanding the foregoing, if requested by the Administrator, on behalf of the Authority, at the direction of the Borrower, in the sole discretion of the Bank, the first mandatory redemption payment with respect to Bank Bonds may be postponed and paid on a date determined by the Bank, with notice given by the Bank to the Administrator (on behalf of the Authority), and the Trustee, which date shall not be later than the date on which the second such mandatory redemption payment is due. Any amount received by the Bank pursuant to this section may, at the Bank's option, be applied

to pay any interest on such Bank Bonds which is overdue as of the date of such receipt. The Borrower agrees to make payments of principal with respect to the Loan in equal annual installments in such amounts as will enable the Trustee to pay principal on the Bank Bonds in full as set forth above and as set forth in the Standby Bond Purchase Agreement. Notwithstanding the above, the time and amount of these payments may be revised by the Authority with the consent of the Bond Insurer, the Bank and the Borrower upon receipt of an Opinion of Bond Counsel that such revised schedule of payments will not adversely affect the exclusion from gross income of interest on the Series VI-M-1 Bonds for federal income tax purposes. Prior to the Bank Bond Term Date, the Administrator shall provide to the Borrower, the Trustee, the Bond Insurer and the Bank an amortization schedule approved by the Bank implementing the provisions of this Subparagraph (f) relating to Loan Repayments of the Bank Bonds and the Borrower will make all payments under this Subparagraph (f) in accordance with said schedule.

(g) If the Borrower has executed and delivered a Loan Swap Agreement, the Borrower may make arrangements with the Trustee, satisfactory to the Trustee, (i) for the Trustee to receive Loan Swap Receipts from the Loan Swap Counterparty and apply the same to the Borrower's obligation to make Loan Repayments, and (ii) for the Trustee to receive Loan Swap Payments from the Borrower and apply the same to satisfy Borrower's obligations under the Loan Swap Agreement. The Swap Advisor must consent in writing to any Loan Swap Agreement.

(h) All payments of interest shall be reduced to the extent investment earnings on the Borrower Account of the Loan Fund have been credited to the Interest Account as provided in and subject to the limitations of Section 2.06 hereof, and the Additional Payments shall be reduced to the extent of excess investment earnings on the Borrower Account of the Loan Fund not credited to the Interest Account and investment earnings on the Interest Account, the Principal Account and the Additional Payments Account of the Series VI-M-1 Bond Account of the Bond Fund which have been credited to the Additional Payments Account as provided in and subject to the limitations of Section 2.06 hereof; provided the amount of earnings accruing for credit to either of said accounts for the period from and after the date the Trustee computes a Loan Repayment to the end of the period for which the computation is made will be computed using the interest rate on the investments as of the Adjustment Date immediately preceding the computation date as the interest rate for estimating the earnings, and will be increased by the amount by which the actual earnings during such period for the previous period exceeded the estimated amount for said period. If funds in the Borrower Account of the Loan Fund are invested in investments bearing interest at a variable rate, then the interest rate used by the Trustee for estimating the estimated amount of earnings shall be a zero rate of interest from the date earnings on such investments were last credited to the Borrower Account of the Loan Fund.

(i) It is the intention of the Authority and the Borrower that, notwithstanding any other provision of this Agreement, the Trustee, as assignee of the Authority, shall receive funds from or on behalf of the Borrower in such amounts and at such times as, together with any Swap Receipts actually received by the Trustee under the Swap Agreement, will enable the Authority to pay when due all obligations for the payment of principal of and premium, if any, and interest on the Series VI-M-1 Bonds (including during any period that any Series VI-M-1 Bonds are

Bank Bonds), for the payment of all Swap Payments payable by the Authority under the Swap Agreement and for payment of all Additional Payments payable by the Borrower. The Borrower shall have the right, on behalf of the Authority, to enforce the payment and collection of Swap Receipts under a Swap Agreement for deposit with the Trustee. It is further intended that the earnings on the Borrower Account of the Loan Fund and the Interest Account and the Additional Payments Account of the Series VI-M-1 Bond Account of the Bond Fund will be sufficient to pay the interest and Additional Payment components of the Loan Repayments relating to the portion of the Loan not disbursed from the Loan Fund, subject to the limitations of Section 2.06 hereof. In the event said earnings are not sufficient to make such payments, the Borrower shall pay the deficiency in the manner and at the times required herein for Loan Repayments in consideration for the agreement by the Authority to continue to make the amounts therein available to be disbursed by the Authority.

Section 3.05. Payments Assigned. It is understood and agreed that the rights of the Authority under this Agreement (other than its rights to indemnification, payment of expenses, receive notices, and rights to payment of Loan Swap Payments and Loan Swap Receipts), are assigned to the Trustee pursuant to the Indenture. The Borrower consents to such assignment, and agrees to pay to the Trustee all amounts payable by the Borrower that are so assigned. All such assigned payments shall be made directly to the Trustee and shall be deposited as provided in the Indenture.

Section 3.06. Obligation of Borrower Unconditional. The obligation of the Borrower to make payments hereunder (including Additional Payments) and to perform and observe all other covenants, conditions and agreements hereunder shall be absolute and unconditional until payment of all Borrower obligations hereunder, irrespective of any defense or any rights of setoff, recoupment or counterclaim which the Borrower might otherwise have against the Authority, the Bond Insurer, the Bank, the Index Purchaser or the Trustee. Until payment of all Borrower obligations hereunder, the Borrower shall not suspend or discontinue any such payment hereunder or fail to observe and perform any of their other covenants, conditions and agreements hereunder for any cause, including without limitation failure of consideration, failure of title to any part or all of the Projects, or commercial frustration of purpose, or any damage to or destruction or condemnation of all or any part of the Projects, or any change in the tax or other laws of the United States of America, the State of Tennessee or any political subdivision of either, or any failure of the Authority, the Bond Insurer, the Index Purchaser, if any, the Bank, if any, the Trustee, the Remarketing Agent, if any, the Auction Agent, if any, the Broker-Dealer, if any, the Market Agent, if any, and the Swap Counterparty, if any, to observe and perform any covenant, condition or agreement, whether express or implied, or any duty, liability or obligation arising out of or in connection with any document in connection with the financing of the Projects. Nothing contained in this Section shall be construed to release the Authority, the Trustee, the Remarketing Agent, the Auction Agent, the Broker-Dealer, the Market Agent, if any, and the Swap Counterparty, if any, from the performance of any of their respective obligations hereunder or under any documents related hereto, and in the event the Authority, the Trustee, the Remarketing Agent, the Auction Agent, the Broker-Dealer and the Market Agent should fail to perform any such obligation the Borrower may institute such action as the Borrower may deem advisable to compel performance or recover damages for non-performance so long as such action is consistent with the preceding sentence.

Section 3.07. Pledge of Taxing Power. The Borrower covenants that it shall provide for the annual levy and collection of a tax sufficient to pay when due the annual amounts payable under this Agreement (including Additional Payments) as and when they become due and payable and to pay all other expenses of maintaining and operating the Projects required to be paid by the Borrower under the terms of this Agreement. The Borrower hereby pledges its full faith and credit to such payments. The tax to be levied pursuant to this Section shall be assessed, levied, collected and paid in like manner as other taxes of the Borrower. Such tax shall not be included within any statutory or other limitation of rate or amount for the Borrower but shall be excluded therefrom and be in addition thereto and in excess thereof, notwithstanding and without regard to the prohibitions, restrictions or requirements of any other law. To the extent other moneys are not available therefor, there shall be set aside by the Borrower from such tax levy in a special fund an amount sufficient for the payment of the amounts under this Agreement, and such fund shall be used exclusively for such purpose and shall not be used for any other purpose until the amounts payable hereunder have been paid in full. Notwithstanding the foregoing, the tax hereinabove described will not be required to be levied by the Borrower or, if levied, may be proportionately reduced to the extent of funds of the Borrower appropriated by the governing body of the Borrower to the payment of the amounts described above from other revenues of the Borrower. Notwithstanding the foregoing, the Borrower shall be unconditionally obligated to levy such tax and to pay, whether from the proceeds of such tax or from other funds, the amounts due hereunder.

To the extent permitted by law and subject to any prior lien, this Agreement is additionally payable from a pledge of the Borrower's share of revenues derived from the sales tax levied and collected within the Borrower pursuant to Sections 67-6-701, et seq., Tennessee Code Annotated.

Section 3.08. Rebate Covenants of Borrower.

(a) The Administrator, on behalf of the Authority, shall retain a Rebate Analyst to determine on behalf of the Borrower the Rebate Amount as of each of the dates set forth in (b) and (c) below.

(b) The Borrower shall deliver to the Trustee the determination of the Rebate Amount in writing signed by an Authorized Borrower Representative not later than fifty-eight (58) days after each Computation Date, provided, that if such fifty-eighty day after any Computation Date is not a Business Day, then not later than three (3) Business Days prior to such fifty-eighth day.

(c) Not later than fifty-eight (58) days following each Installment Computation Date, the Borrower shall deposit with the Trustee for deposit into the Series VI-M-1 Bond Account of the Rebate Fund an amount equal to the portion of the Rebate Amount that is required to be paid to the United States with respect to such Installment Computation Date.

(d) Not later than fifty-eight (58) days following the Final Computation Date, the Borrower shall deposit with the Trustee for deposit into the Series VI-M-1 Bond Account of the Rebate Fund an amount equal to the portion of the Rebate Amount that is required to be paid to the United States as of the Final Computation Date.

(e) The Borrower shall not make, or permit to be made, any payment, or agreement to pay, to a party other than the United States, any amount that is required to be paid to the United States by entering into a transaction that reduces the amount required to be paid pursuant to Section 148(f) of the Code because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the yield on the Series VI-M-1 Bonds not been relevant to either party (the failure to invest, or direct investment of, moneys that could be invested shall constitute an agreement to pay that results in such a smaller profit for the purposes of this subsection).

(f) The restrictions contained in the foregoing subsection (b) through (e) shall not apply to obligations the interest on which is exempt from gross income pursuant to Section 103(a) of the Code (other than obligations that constitute "specified private activity bonds" within the meaning of Section 57(a)(5)(C) of the Code), and any interest or other income from such obligations, or the sale thereof, shall not be included in any of the calculations or rebates required pursuant to such subsections.

(g) None of the foregoing provisions of this Section 3.08 need be observed, and, anything herein or in the Indenture to the contrary notwithstanding, this Section 3.08 may be amended, supplemented or terminated by the Authority, the Trustee and the Borrower, (i) if the Administrator files a certificate with the Trustee stating that the rebate exceptions set forth in the Arbitrage Certificate of the Borrower have been fulfilled, (ii) if the Authority receives an opinion of Bond Counsel, in form and substance satisfactory to the Trustee, that (I) the failure to observe such covenants or entering into such amendments or supplements, will not cause the Series VI-M-1 Bonds to become arbitrage bonds under Section 148 of the Code or otherwise adversely affect the exclusion of interest on the Series VI-M-1 Bonds from the gross income of the owners thereof for purposes of federal income taxation or (II) additional or different regulatory or statutory provisions must be complied with for the interest on the Series VI-M-1 Bonds to remain excludable from gross income for federal income tax purposes.

ARTICLE IV Representations and Covenants

Section 4.01. Representations and Covenants of the Authority. The Authority makes the following representations and covenants as the basis for the undertakings on the part of the Borrower contained herein:

(a) The Authority is a public nonprofit corporation and a public instrumentality of Sevier County, Tennessee, organized and existing pursuant to the Act. The Authority is authorized to issue the Series VI-M-1 Bonds in accordance with the Act and to use the proceeds thereof to provide funds for making the Loan.

(b) The Authority has complied with the provisions of the Act and has full power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby and to perform its obligations hereunder.

(c) The Authority is not in violation of any of the laws of the State of Tennessee which would affect its existence or its powers referred to in the preceding subsection (b).

(d) By resolution duly adopted by the Board of Directors of the Authority and in full force and effect on the date hereof, the Authority has authorized the execution and delivery of the Indenture and this Agreement and the conversion of the Series VI-M-1 Bonds to the Index Period, the due performance of all obligations of the Authority hereunder, under the Indenture and under the Series VI-M-1 Bonds, and the taking of any and all actions as may be required on the part of the Authority to carry out, give effect to and consummate the transactions contemplated by each of the foregoing, and the Authority will take all actions within its reasonable control to obtain all approvals necessary in connection with the foregoing that have not been obtained as of the date hereof.

(e) This Agreement has been duly authorized, executed and delivered by the Authority, and upon due authorization, execution and delivery by the Borrower, will constitute a legal, valid and binding obligation of the Authority. The Series VI-M-1 Bonds will constitute legal, valid and binding limited special obligations of the Authority and will be payable solely from the Trust Estate and any amounts otherwise available under the Indenture, and will be entitled to the benefit of the Indenture. None of the Authority (except to the foregoing extent), Sevier County, the State of Tennessee, or any political subdivision thereof shall be obligated, directly or (except as a Borrower from the Authority) indirectly, to pay the principal of or premium, if any, or interest on the Series VI-M-1 Bonds. The Authority has no taxing power.

(f) The execution and delivery by the Authority of this Agreement, the Series VI-M-1 Bonds, and the Indenture and the consummation of the transactions contemplated in each of the foregoing will not violate any indenture, mortgage, deed of trust, note, loan agreement or other contract or instrument to which the Authority is a party or by which it is bound or, to the best of the Authority's knowledge, any judgment, decree, order, statute, rule or regulation applicable to the Authority, and the Authority will take all actions within its reasonable control to obtain all consents, approvals, authorizations and orders of governmental or regulatory authorities which are required for the consummation of the transactions contemplated thereby that have not been obtained as of the date hereof.

(g) The Authority will apply or cause to be applied the proceeds of the Series VI-M-1 Bonds in accordance with the Indenture and this Agreement.

(h) There is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body pending or threatened against or affecting the Authority or, to the best knowledge of the Authority, any basis therefor, wherein an unfavorable decision, ruling, or finding would adversely affect the transactions contemplated hereby or by the Indenture or the Series VI-M-1 Bonds or which, in any way, would adversely affect the validity of this Agreement, the Series VI-M-1 Bonds, the Indenture or any agreement or instrument to which the Authority is a party and which is used or contemplated for use in consummation of the transactions contemplated by each of the foregoing.

(i) The Authority covenants that it will not pledge the amounts derived from this Agreement other than to secure the Series VI-M-1 Bonds.

Section 4.02. Representations and Covenants of the Borrower. The Borrower makes the following representations and covenants, in addition to those elsewhere set forth herein, as the basis for the undertakings on the part of the Authority contained herein:

(a) The Borrower is a municipal corporation or political subdivision, as appropriate, within the meaning of the Act, duly created and existing under the laws of the State of Tennessee and possessing general powers of taxation, including the power to levy ad valorem taxes, and has full legal right, power and authority (i) to conduct its business and own its properties, (ii) to enter into this Agreement, and (iii) to carry out and consummate all other transactions contemplated by this Agreement.

(b) With respect to the authorization, execution and delivery of this Agreement, the Borrower has complied and will comply with all applicable laws of the State of Tennessee.

(c) The Borrower has duly approved the execution and delivery of this Agreement and has authorized the taking of any and all action as may be required on the part of the Borrower to carry out, give effect to and consummate the transactions contemplated by this Agreement and the Indenture.

(d) This Agreement has been duly authorized executed and delivered by the Borrower and, assuming due authorization, execution and delivery by the Authority, will constitute a legal, valid and binding obligation of the Borrower enforceable in accordance with its terms. To the extent permitted by applicable law, the defense of sovereign immunity is not available to the Borrower in any proceedings by the Authority or the Trustee to enforce any of the obligations of the Borrower under this Agreement and, to the fullest extent permitted by law, the Borrower consents to the initiation of any such proceedings in any court of competent jurisdiction and agrees not to assert the defense of sovereign immunity in any such proceedings.

(e) There is no action, suit, proceedings, inquiry on investigation, at law or in equity, before or by any court, public board or body, pending or, to the knowledge of the Borrower, threatened against the Borrower, nor is there any basis therefor, (i) affecting the creation, organization or existence of the Borrower or the title of its officers to their respective offices, (ii) seeking to prohibit, restrain or enjoin the execution or delivery of this Agreement, (iii) in any way contesting or affecting the validity or enforceability of this Agreement or any agreement or instrument relating to any of the foregoing or used or contemplated for use in the consummation of the transactions contemplated by any of the foregoing, or (iv) materially adversely affecting the Borrower's financial condition or its obligations to make Loan Repayments under this Agreement.

(f) The Borrower is not in any material respect in breach of or in default under any applicable law or administrative regulation of the State or the United States of America or any applicable judgment or decree or any agreement or other instrument to which the Borrower is a party or by which it or any of its properties is bound, and no event has occurred

which with the passage of time, the giving of notice or both would constitute such a breach or default; and the execution and delivery of this Agreement and compliance with the respective provisions thereof will not conflict with or constitute a breach of or default under any applicable law or administrative regulation of the State or of the United States of America or any applicable judgment or decree or any agreement or other instrument to which the Borrower is a party or by which it or any of its property is bound.

(g) So long as any Series VI-M-1 Bonds are Outstanding, the Borrower shall promptly cure any violations under all laws, ordinances, orders, rules, regulations and requirements of duly constituted public authorities, which are or shall become applicable to the Projects, the repair and alteration thereof, and the use or manner of use of the Projects, whether or not such laws, ordinances, orders, rules, regulations and requirements are foreseen or unforeseen, ordinary or extraordinary, and whether or not they shall involve any change or governmental policy or shall require structural or extraordinary repairs, alterations or additions, irrespective of the cost thereof.

(h) The Borrower will not take or omit to take any action which action or omission will in any way cause the proceeds of the Series VI-M-1 Bonds advanced to it to be applied in a manner contrary to that provided in the Indenture and this Agreement.

(i) The Borrower has not taken or omitted to take, and will not take or omit to take, any action, and knows of no action that any other person, firm or corporation has taken or intends to take, which would cause interest on the Series VI-M-1 Bonds to be includable in the gross income of owners thereof for federal income tax purposes.

(j) The Borrower is not in default under any loan agreement, note, bond, mortgage or other instrument evidencing or securing indebtedness.

(k) The Borrower approves the conversion of the Series VI-M-1 Bonds to the Index Period and, as of the date hereof, is not in default in the performance or observance of any of the covenants, conditions, agreements or provisions of this Agreement and all warranties and representations of Borrower herein are true and correct on the date hereof.

(l) The Borrower covenants and agrees to provide annual audited financial statements as required under Section 2.09 hereof and, upon request, such other financial information as shall be reasonably requested to the Administrator, the Bank, the Index Purchaser, the Bond Insurer and the Authority.

(m) The Borrower covenants and agrees to comply with the terms and requirements applicable to Borrower in the Indenture, the Index Rate Agreement, the Remarketing Agreement, the Standby Bond Purchase Agreement and the Program Administration Agreement.

(n) The interest on the Agreement is intended to be excludable from gross income for purposes of Federal income taxation.

(o) The Borrower covenants and agrees to take all necessary action to enforce the payment and collection of Swap Receipts under a Swap Agreement, on behalf of the Authority, and to deposit, or cause to be deposited, all Swap Receipts with the Trustee.

(p) All information provided to the Authority in this Agreement or in any other document or instrument with respect to the Loan, this Agreement or the Projects, was at the time provided, and is now, true, correct and complete, and such information does not omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

ARTICLE V Events of Default

Section 5.01. Events of Default. An Event of Default shall occur hereunder if any one or more of the following events shall happen:

(a) the payments required by Sections 3.01, 3.02 and 3.04 hereof are not paid punctually when due;

(b) default shall be made by the Borrower in the due performance of or compliance with any of the terms hereof, other than those referred to in the foregoing subdivision (a), and such default shall continue for thirty (30) days after the Authority or the Trustee shall have given the Borrower written notice of such default (or in the case of any such default which cannot with due diligence be cured within such 30-day period, if the Borrower shall fail to proceed promptly to commence curing the same and thereafter prosecute the curing of such default with due diligence, it being intended in connection with any such default not susceptible of being cured with due diligence within the 30 days that the time to cure the same shall be extended for such period as may be reasonably necessary to complete the curing of the same with all due diligence);

(c) the Borrower shall file a voluntary petition in bankruptcy, or shall be adjudicated a bankrupt or insolvent, or shall file any petition or answer seeking any reorganization, composition, readjustment, liquidation or similar relief for itself under any present or future statute, law or regulation, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of the Borrower or of all or any substantial part of its properties or of the Projects or shall make any general assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due;

(d) a petition shall be filed against the Borrower seeking any reorganization, composition, readjustment, liquidation or similar relief under any present or future statute, law or regulation and shall remain undismissed or unstayed for an aggregate of 90 days (whether or not consecutive), or if any trustee, receiver or liquidator of the Borrower or of all or any substantial part of its properties or of the Projects shall be appointed without the consent or acquiescence of the Borrower and such appointment shall remain unvacated or unstayed for an aggregate of 90 days (whether or not consecutive); or

(e) the Borrower shall contest the validity of enforceability of any provision of this Agreement.

Section 5.02. Remedies. Upon the occurrence of an Event of Default (regardless of the pendency of any proceeding which has or might have the effect of preventing the Borrower from complying with the terms of this Agreement), the Trustee, as assignee of the Authority, or any other Person who has succeeded to the rights of the Authority hereunder, including the registered owners of the Series VI-M-1 Bonds, the Bond Insurer, the Bank, if any, the Index Purchaser, and a Swap Counterparty, at any time thereafter and while such Event of Default shall continue, shall notify the Bank, if any, the Index Purchaser, and the Bond Insurer, within five (5) Business Days and may, at its option, with the consent of the Bank, if any, and the Bond Insurer, and subject to the provisions of the Indenture, take any action at law, including mandamus, or in equity to collect amounts then due and thereafter to become due hereunder as such amounts become due, or to enforce performance and observance of any obligation, agreement or covenant of the Borrower under this Agreement. Any amounts collected pursuant to action taken under this Article shall be applied in accordance with the Indenture.

ARTICLE VI Prepayment

Section 6.01. Option to Prepay. Subject to any restrictions in the Index Rate Agreement, the Borrower shall have the right and option throughout the term hereof to prepay in whole or in part the Loan advanced hereunder at the prices and upon the terms hereinafter set forth.

Section 6.02. Optional Prepayment Price.

(a) If the Series VI-M-1 Bonds are bearing interest at the Auction Rate, Daily Rate, Weekly Rate, the Commercial Paper Rate, the Index Rate, and the Short-Term Rate at the time of prepayment, the prepayment amount shall be the Outstanding principal amount of the Series VI-M-1 Bonds as of the designated Redemption Date, plus interest and Additional Payments accrued thereon to the Redemption Date of the Series VI-M-1 Bonds.

(b) If the Series VI-M-1 Bonds are bearing interest at the Medium-Term Rate or the Fixed Rate at the time of prepayment, the prepayment amount shall be the applicable Redemption Price as set forth in Section 5.02(b) of the Indenture, plus interest accruing between the Prepayment Date and the Redemption Date (or, if said investment earnings exceed interest accrued during said period, less said excess), plus Additional Payments accrued to the Redemption Date.

(c) If any of the Series VI-M-1 Bonds are Bank Bonds at the time of prepayment, the prepayment amount with respect to the Bank Bonds shall be the Outstanding principal amount of the Bank Bonds, plus Additional Payments and interest (including interest at the Bank Rate and Bank Bond Excess Interest, if applicable) accrued to the Redemption Date.

Section 6.03. Notice of Prepayment. The Borrower shall give notice of its intent to prepay its Loan to the Trustee and the Administrator in the manner for giving notices hereunder

pursuant to Section 8.07 hereof at least forty-five (45) days prior to the Prepayment Date. The notice shall state the intent of the Borrower to prepay its Loan or a portion thereof, the proposed Prepayment Date, the proposed Redemption Date for the Series VI-M-1 Bonds and, in the case of a partial prepayment, the principal amount of the Series VI-M-1 Bonds to be redeemed. The Borrower shall cause the Administrator to provide written instructions to the Trustee as to the investment of the funds so deposited and the amount of the Optional Prepayment Price required to be paid by the Borrower, and the Authority and Trustee are entitled to rely on said instructions. After the notice of prepayment has been given as above provided, the Series VI-M-1 Bonds shall not be converted from one Interest Rate Mode to another Interest Rate Mode and Series VI-M-1 Bonds bearing interest at the Medium-Term Rate shall not be changed to a different Medium-Term Rate Period after the notice of prepayment has been given as above provided.

Section 6.04. Partial Prepayment. If the Borrower exercises its right and option to prepay the Loan in part, the prepayment shall be in an amount such that the Series VI-M-1 Bonds remaining Outstanding after the Redemption Date will be in an Authorized Denomination and no portion of a Series VI-M-1 Bond shall be redeemed that would result in a Series VI-M-1 Bond remaining Outstanding that is smaller than the minimum Authorized Denomination for the Series VI-M-1 Bonds. The principal prepayment amount shall be applied in reduction of payment obligations set forth on Exhibit A as Borrower shall elect by written notice to the Trustee.

Section 6.05. Deposit of Prepayment Amount. If the Series VI-M-1 Bonds are bearing interest at the Auction Rate, the Daily Rate, the Commercial Rate, the Index Rate, the Weekly Rate, or the Short-Term Rate, the prepayment amount shall be deposited with the Trustee in immediately available funds not later than 10:00 a.m., Nashville time, on the Redemption Date. If the Series VI-M-1 Bonds are bearing interest at the Medium-Term Rate or the Fixed Rate, the prepayment amount shall be deposited on any date prior to the Redemption Date.

Section 6.06. Discharge of Other Obligations. Notwithstanding any other provisions hereof, this Agreement shall not terminate on the date on which the Borrower shall be obligated to prepay (whether or not any delay in the completion of such prepayment shall be the fault of Authority), nor shall the Borrower obligations hereunder cease until the Borrower shall have paid all amounts payable hereunder without set-off, counterclaim, abatement, suspension, deduction, diminution, or defense for any reason whatsoever, so long as the Series VI-M-1 Bonds are Outstanding and unpaid, and until the Borrower shall have discharged or made provision satisfactory to Authority for the discharge of, all of its obligations under this Agreement, which obligations have arisen on or before the date for prepayment, including the obligation to pay amounts due and payable on the date of the prepayment.

ARTICLE VII Indemnification

Section 7.01. Indemnification of Trustee, Administrator and Authority. The Borrower covenants and agrees, to the extent it is authorized by applicable law, to indemnify the Trustee, the Administrator and the Authority and each successor trustee and the officers, directors, employees and agents of the Trustee or any such successor trustee, the Administrator and the

Authority (the Trustee, each successor trustee, the Authority, the Administrator and such officers, directors, employees and agents being hereinafter referred to in this Section collectively as the "Indemnified Parties" and individually as an "Indemnified Party") for, and to hold each Indemnified Party harmless against, any loss, liability, tax, assessment or other governmental charge (other than taxes applicable to their compensation hereunder) or expenses incurred without negligence, willful misconduct or bad faith on the part of such Indemnified Party, arising out of or in connection with the acceptance or administration of the Indenture or the trusts thereunder and the duties of the Trustee, the Administrator and the Authority thereunder (but only to the extent the Indenture, its administration, required duties and trusts thereunder are applicable to Borrower, this Agreement or the Series VI-M-1 Bonds), including enforcement of this Agreement and this Section thereof and also including any liability which may be incurred as a result of failure to withhold, pay or report any tax, assessment or other governmental charge, and the costs and expenses incurred by such Indemnified Party in the course of defending itself against or investigating any claim of liability in the premises. The obligations of the Borrower under this Section to compensate and indemnify the Indemnified Parties and to pay or reimburse each Indemnified Party for expenses, disbursements and advances shall constitute an additional obligation hereunder and shall survive the satisfaction and discharge of this Agreement.

ARTICLE VIII Miscellaneous

Section 8.01. Waiver of Statutory Rights. The rights and remedies of the Authority and the Borrower under this Agreement shall not be adversely affected by any laws, ordinances, or regulations, whether federal, state, county, city, municipal or otherwise, which may be enacted or become effective from and after the date of this Agreement affecting or regulating or attempting to affect or regulate any amounts payable hereunder.

Section 8.02. Non-Waiver by Authority. No failure by Authority or by any assignee to insist upon the strict performance of any term hereof or to exercise any right, power or remedy consequent upon a breach thereof, and no acceptance of any payment hereunder, in full or in part, during the continuance of such breach, shall constitute waiver of such breach or of such term. No waiver of any breach shall affect or alter this Agreement or constitute a waiver of a then existing or subsequent breach.

Section 8.03. Remedies Cumulative. Each right, power and remedy of Authority provided for in this Agreement shall be cumulative and concurrent and shall be in addition to every other right, power or remedy provided for in this Agreement, or now or hereafter existing at law or in equity or by statute or otherwise, in any jurisdiction where such rights, powers or remedies are sought to be enforced, and the exercise or beginning of the exercise by the Authority or the Trustee of any one or more of the rights, powers or remedies provided for in this Agreement or now or hereafter existing at law or in equity or by statute, or otherwise shall not preclude the simultaneous or later exercise by the Authority or Trustee of any or all such other rights, powers or remedies.

Section 8.04. Amendments, Changes and Modification. Except as otherwise provided in this Agreement or in the Indenture, subsequent to the issuance of the Series VI-M-1 Bonds and

prior to the payment in full of the Series VI-M-1 Bonds (or provision for the payment thereof having been made in accordance with the provisions of the Indenture), this Agreement may not be effectively amended, changed, modified, altered or terminated without the concurring written consent of the Trustee, the Bank (if applicable) and to the extent such amendment would affect the rights or obligations of a Swap Counterparty, the Swap Counterparty under a Swap Agreement, and the Bond Insurer given in accordance with the provisions of the Indenture.

Section 8.05. Applicable Law - Entire Understanding. This Agreement shall be governed exclusively by the applicable laws of the State of Tennessee. This Agreement expresses the entire understanding and all agreements of the parties hereto with each other and neither party hereto has made or shall be bound by any agreement or any representation to the other party which is not expressly set forth in this Agreement.

Section 8.06. Severability. In the event that any clause or provision of this Agreement shall be held to be invalid by any court of competent jurisdiction, the invalidity of such clause or provisions shall not affect any of the remaining provisions of such instrument.

Section 8.07. Notices and Demands. All notices, certificates, demands, requests, consents, approvals and other similar instruments under this Agreement shall be in writing, and shall be deemed to have been properly given and received if sent by United States certified or registered mail, postage prepaid, (a) if to the Borrower, addressed to the Borrower, at 200 S. Tulane Avenue, Oak Ridge, Tennessee 37830, Attention: Mayor and Finance Director; (b) if to the Authority, addressed to the Authority, c/o Sharp & Ripley PLLC, Mill Corner Place, 248 Bruce Street, Suite 7, Sevierville, Tennessee 37862, Attention: Ronald Sharp, Esq.; (c) if the Administrator, at 813 S. Northshore Drive, Suite 201A, Knoxville, TN 37919 Attention: Joseph K. Ayres; (d) if to the Trustee, addressed to the Trustee at 315 Deaderick Street, 4th Floor, Nashville, Tennessee 37238, Attention: Corporate Trust; (e) if to the Index Purchaser U.S. Bank National Association, Government Banking Division, 1350 Euclid Avenue, Suite 1100, Cleveland, Ohio 44115, Attention: Jeffrey M. Spetrino, or at such other addresses as any addressee from time to time may have designated by written notice to the other addressees named above. The Authority shall promptly forward to the Borrower copies of any notice received by it from the Trustee under the Indenture.

Section 8.08. Headings and References. The headings in this Agreement are for the convenience of reference only and shall not define or limit the provisions thereof. All references in this Agreement to particular Articles or Sections are references to Articles or Sections of this Agreement, unless otherwise indicated.

Section 8.09. Successors and Assigns. The terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns and to the Bond Insurer.

Section 8.10. Multiple Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original but all of which together shall constitute but one and the same instrument.

Section 8.11. Amendments, Changes and Modifications of Indenture. The Authority covenants and agrees that it will not, without the prior written consent of the Borrower, enter into or consent to any amendment, change or modification of the Indenture which would adversely affect the Borrower rights under this Agreement.

Section 8.12. No Liability of Authority's and Borrower's Officers. No recourse under or upon any obligation, covenant or agreement contained in this Agreement shall be had against any incorporator, member, director or officer, as such, past, present or future, of the Authority or the Borrower, either directly or through the Authority or the Borrower. 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 is hereby expressly waived and released by the Borrower and the Authority against the other's incorporators, members, directors or officers as a condition of and consideration for the execution of this Agreement.

Section 8.13. Refunding of the Series VI-M-1 Bonds. The Series VI-M-1 Bonds may be refunded at any time and from time to time as permitted by applicable law, upon the direction of the Borrower. In the event the Series VI-M-1 Bonds are refunded by Bonds issued by the Authority, all references in this Agreement to (i) the Series VI-M-1 Bonds shall be deemed to refer also to the refunding bonds, (ii) the Indenture shall be deemed to refer also to the indenture or other instrument pursuant to which the refunding bonds are issued, and (iii) any funds or accounts referred to herein shall be deemed to refer also to the corresponding funds or accounts established under the indenture or other instrument pursuant to which the refunding bonds are issued.

Section 8.14. Continuing Disclosure. In the event the Series VI-M-1 Bonds are not exempt under Section 15c2-12, the Borrower hereby covenants and agrees that it will provide such annual financial information and material event notices, if any, as required by Rule 15c2-12 of the Securities Exchange Commission for the Series VI-M-1 Bonds. The Authorized Borrower Representative is authorized to execute an agreement for the benefit of and enforceable by the owners of the Series VI-M-1 Bonds specifying the details of the financial information and material event notices to be provided and its obligations relating thereto. Failure of the Borrower to comply with the undertaking herein described and to be detailed in said closing agreement, shall not be a default hereunder, but any such failure shall entitle the owner or owners of any of the Series VI-M-1 Bonds to take such actions and to initiate such proceedings as shall be necessary and appropriate to cause the Borrower to comply with its undertaking as set forth herein and in said agreement, including the remedies of mandamus and specific performance.

Section 8.15. Allocation for Purposes of Section 265. The Borrower hereby agrees that the proceeds of the Series VI-M-1 Bonds and of the Loan shall be allocated to it for purposes of Section 265 of the Code.

[Signatures on following page]

IN WITNESS WHEREOF, THE PUBLIC BUILDING AUTHORITY OF SEVIER COUNTY, TENNESSEE, has executed this Amended and Restated Loan Agreement by causing its name to be hereunto subscribed by its Chairman and attested by its Secretary; and CITY OF OAK RIDGE, TENNESSEE has executed this Amended and Restated Loan Agreement by causing its name to be hereunto subscribed by its Mayor and City Clerk, all being done as of the day and year first above written.

THE PUBLIC BUILDING AUTHORITY
OF SEVIER COUNTY, TENNESSEE

By: _____
Chairman

ATTEST:

Secretary

CITY OF OAK RIDGE, TENNESSEE

By: _____
Its: Mayor

ATTEST:

By: _____
Its: City Clerk

EXHIBIT A

PRINCIPAL REDUCTION SCHEDULE

<u>Date</u> <u>(May 25)</u>	<u>Principal</u>
2026	\$1,465,000
2027	1,540,000
2028	1,615,000
2029	\$115,000

11376430.1

\$21,140,000

AMENDED AND RESTATED
LOAN AGREEMENT
(SERIES VII-E-1)

DATED AS OF JANUARY 1, 2013

BETWEEN

THE PUBLIC BUILDING AUTHORITY
OF SEVIER COUNTY, TENNESSEE

AND

CITY OF OAK RIDGE, TENNESSEE

AMENDED AND RESTATED
LOAN AGREEMENT

This Amended and Restated Loan Agreement is made and entered into as of the first day of January, 2013, by and between THE PUBLIC BUILDING AUTHORITY OF SEVIER COUNTY, TENNESSEE (the "Authority"), and CITY OF OAK RIDGE, TENNESSEE (the "Borrower").

W I T N E S S E T H:

WHEREAS, the Authority is a public nonprofit corporation and a public instrumentality of Sevier County, Tennessee, organized and existing pursuant to Chapter 10, Title 12, Tennessee Code Annotated (the "Act"), to finance any project or projects eligible to be financed by bonds, notes, interim certificates or other obligations authorized to be issued by an incorporated city or town, county, metropolitan government, school district or other municipal governmental body or political subdivision in the State of Tennessee and any agency, authority, corporation or instrumentality thereof; and

WHEREAS, it has heretofore been determined by the governing body of the Borrower to be in the best interest of the Borrower to refinance the Borrower's Series VI-H-1 Loan Agreement, dated as of November 1, 2006 (the "Refunded Loan Agreement") funded by the Authority's Local Government Public Improvement Bonds, Adjustable Rate Series VI-H-1, dated November 22, 2006 (the "Refunded Bonds"), the proceeds of which the Borrower used to finance the (i) acquisition of land for and the construction, improvement, renovation, equipping and/or repair of school facilities, including Oak Ridge High School; (ii) payment of legal, fiscal, administrative, architectural and engineering costs incident to the foregoing; (iii) payment of capitalized interest during construction and for up to six months thereafter (collectively, the "Refunded Projects"); and (iv) payment of costs of issuance and sale of the Refunded Bonds and the Refunded Loan Agreement.

WHEREAS, to obtain funds for such purposes the Authority issued and sold its Local Government Public Improvement Bonds, Series VII-E-1 (the "Series VII-E-1 Bonds"), secured by containing such terms and provisions as are set forth in that certain Indenture of Trust dated as of August 1, 2008, as supplemented by the Series VII-E-1 Supplemental Indenture of Trust, dated as of April 1, 2009 (collectively, the "Original Indenture"), between the Authority and Regions Bank, an Alabama banking corporation, Nashville, Tennessee, as trustee (the "Trustee"), and deposited the proceeds from the sale of the Series VII-E-1 Bonds with the Trustee to be disbursed in the manner and for the purposes set forth in the Indenture, all as more fully provided therein

WHEREAS, the Authority loaned the proceeds of the Series VII-E-1 Bonds to the Borrower pursuant to that certain Series VII-E-1 Loan Agreement, dated as of April 1, 2009 (the "Original Loan Agreement") in the original principal amount of \$21,140,000; and

WHEREAS, the Authority and the Trustee have entered into that certain Series VII-E-1 Second Supplemental Indenture of Trust, dated as of January 1, 2013 (the "Second Supplemental

Indenture' and collectively with the Original Indenture, the "Indenture"), amending the Original Indenture to provide for the Index Rate Period as an additional Interest Period; and

WHEREAS, pursuant to Sections 13.02 of the Original Indenture and Section 8.04 of the Original Loan Agreement, at the request of the Borrower, the Authority and the Trustee desire to enter into this Series VII-E-1 Amended and Restated Loan Agreement (the "Loan Agreement") to also provide for the Index Rate Period as an additional Interest Period for the Series VII-E-1 Bonds, all necessary consents having been obtained from the Trustee, the Credit Provider, and the Holder of all the Outstanding Series VII-E-1 Bonds

NOW, THEREFORE, in consideration of the respective representations and agreements hereinafter contained, the Authority and the Borrower agree as follows:

ARTICLE I.
Definitions

Section 1.01 Defined Terms. In addition to the words, terms and phrases elsewhere defined in this Agreement or the Indenture, the following words, terms and phrases as used in this Agreement shall have the following respective meanings:

"Additional Payments" means the payments required to be made by the Borrower pursuant to Section 3.02 hereof.

"Amortization Period Rate" shall have the meaning set forth in the Initial Index Rate Agreement.

"Agreement" means this Loan Agreement as it now exists and as it may hereafter be amended.

"Borrower" means City of Oak Ridge, Tennessee.

"Code" means the Internal Revenue Code of 1986, as amended, as it applies to the Series VII-E-1 Bonds, including applicable regulations and revenue rulings thereunder. Reference herein to sections of the Code are to the sections thereof as they exist on the date of execution of this Agreement, but include any successor provisions thereof to the extent applicable to the Series VII-E-1 Bonds.

"Default Rate" shall have the meaning set forth in the Index Rate Agreement.

"Event of Default" means any event defined in Section 5.01 hereof.

"Excess Interest" shall have the meaning assigned to such term in the Index Rate Agreement.

"Final Computation Date" means the date the last Series VII-E-1 Bond is paid in full.

"Final Excess Interest" means a fee payable under an Index Rate Agreement in connection with the Series VII-E-1 Bonds representing interest borne by the Series VII-E-1

Bonds at a rate not in excess of the Maximum Lawful Rate calculated as set forth in the Index Rate Agreement, which amount has been deferred and not paid as of the date such Series VII-E-1 Bonds are remarketed and which is payable by a Borrower under this Loan Agreement as an Additional Payment.

“Governing Body” means the City Council of the Borrower.

“Indenture” means the Indenture of Trust, dated as of August 1, 2008, as supplemented by the Series VII-E-1 Supplemental Indenture of Trust, dated as of April 1, 2009, and as amended by the Series VII-E-1 Second Supplemental Indenture of Trust, dated as of January 1, 2013, as from time to time further supplemented and amended, by and between the Authority and the Trustee.

“Initial Index Purchaser” means U.S. Bank National Association, as purchaser of the VII-E-1 Bond in the Index Rate Period.

“Initial Index Rate Agreement” means the Index Rate Agreement dated _____, 2013, between the Borrower and the Initial Index Purchaser.

“Index Purchaser” means, during the Initial Index Rate Period and with respect to the Initial Index Rate Agreement, the Initial Index Purchaser, and with respect to any subsequent Index Rate Period, the bank or banks purchasing the Series VII-E-1 Bonds in the Index Rate Period.

“Index Rate Agreement” means during the Initial Index Rate Period, the Initial Index Rate Agreement, and during any subsequent Index Rate Period any Index Rate Agreement with an Index Purchaser, including any amendments, modifications and supplements thereto, which is entered into between an Index Purchaser and the Borrower in connection with such Index Purchaser’s purchase of the Series VII-E-1 Bonds in the Index Rate Period.

“Installment Computation Date” means the fifth (5th) anniversary of the issue date of the Series VII-E-1 Bonds and each fifth (5th) anniversary of such date.

“Loan” means the loan described in Section 2.02 hereof.

“Loan Repayment Date” means:

(a) with respect to that portion of the Loan Repayments attributable to interest on the Series VII-E-1 Bonds, (i) while the Series VII-E-1 Bonds are in the Index Rate Period, the 25th day of each February, May, August and November, and with respect to the Initial Index Period shall commence February 25, 2013, and five days prior to any Redemption Date and the Maturity Date, (ii) while the Series VII-E-1 Bonds are in the Commercial Paper Period, the first day after the end of any Calculation Period, five days prior to any Conversion Date, the Maturity Date, and any Credit Agreement Termination Date, (iii) while the Series VII-E-1 Bonds are in the Daily Period or the Weekly Period, the 25th day of each month during the term hereof and five days prior to any Redemption Date, the Maturity Date, and any Credit Agreement Termination Date, (iv) while the Series VII-E-1 Bonds are in the Long Term Period, the twenty-fifth day of May and

November, and five days prior to any Redemption Date and the Maturity Date, and (v) with respect to any unpaid interest on the Series VII-E-1 Bonds, any Interest Payment Date;

(b) with respect to that portion of Loan Repayments attributable to principal on the Series VII-E-1 Bonds, (i) on the twenty-fifth day of May of 2029 through 2036, inclusive; and five days prior to any Redemption Date and any Credit Agreement Termination Date and on the termination date of any Credit Facility or (ii) if such Series VII-E-1 Bonds are Unremarketed Bonds, the dates on which payments are required under the Index Rate Agreement;

(c) with respect to that portion of the Loan Repayments consisting of the Purchase Price of any Series VII-E-1 Bond tendered pursuant to Section 4.02 of the Indenture, the Business Day immediately preceding the date on which such Series VII-E-1 Bond is required to be purchased;

(d) with respect to that portion of Loan Repayments consisting of Reimbursement Payments, on each date such Reimbursement Payments are due under any Credit Agreement;

(e) with respect to that portion of Loan Repayments consisting of Additional Payments, other than certain payments under any Index Rate Agreement, Credit Facility and any Credit Agreement, if any, Rebate Amounts, if any, Loan Swap Payments, if any, and Loan Termination Payments, if any, the twenty-fifth day of February, May, August and November of each year;

(f) the date on which any amount determined to be an increased cost under any Credit Facility, any Credit Agreement and any Index Rate Agreement and any other amounts due under any Credit Facility and any Credit Agreement,

(g) the date on which any Final Excess Interest amount under the Index Rate Agreement is due and the date on which any other amounts are due under the Index Rate Agreement as provided in the Index Rate Agreement, and

(h) any Rebate Amount shall be payable on demand.

“Maturity” means the earliest of (i) the Stated Maturity of the Series VII-E-1 Bonds, and (ii) the date on which the principal of such Series VII-E-1 Bonds otherwise becomes due and payable.

“Outstanding Loan Amount” means the original principal amount of the Loan authorized under this Agreement, less repayments of such principal amount.

“Prepayment Date” means the date on which the Borrower is required to deposit the Optional Prepayment Price with the Trustee pursuant to Section 6.05 hereof, which day may be any Business Day.

“Proportionate Share” means, for purposes of common fees and expenses described in Section 3.02 hereof relating to all Series of Bonds Outstanding under the Indenture, a fraction, the numerator of which shall be the Outstanding principal amount of the Series VII-E-1 Bonds and the denominator of which shall be the Outstanding principal amount of all Series of Bonds Outstanding under the Indenture; for purposes of common fees and expenses described in Section 3.02 hereof, which are determined by the Administrator to be common to particular Series of Bonds under the Indenture, including the Series VII-E-1 Bonds, but not to all Series of Bonds under the Indenture, means a fraction, the numerator of which shall be the Outstanding principal amount of the Series VII-E-1 Bonds to which the common fees and expenses apply and the denominator of which shall be the principal amount of all Series of Bonds Outstanding under the Indenture to which the common fees and expenses apply.

“Rebate Amount” means 100% of the amount owed to the United States under Section 148(f)(2) of the Code and Section 1.148-3 of the Treasury Regulations issued thereunder with respect to the Series VII-E-1 Bonds.

“Rebate Analyst” means an independent, certified public accountant, accountant, financial analyst, Bond Counsel, or any firm of the foregoing, or any financial institution which is experienced in making the rebate calculations required to be made for the purposes of Section 3.08, and which in each case is retained by the Administrator to make such calculations.

“Refunded Bonds” has the meaning set forth in the recitals hereto.

“Refunded Projects” has the meaning set forth in the recitals hereto.

“Series VII-E-1 Authorized Borrower Representative” means Mayor and City Clerk of the Borrower, and any such others from time to time authorized to act in behalf of the Borrower pursuant to the Charter, or ordinance or resolution of the governing body of such Borrower, a copy of which is filed with the Trustee, to perform such act or execute such document on behalf of the Borrower pursuant to a certificate signed by any of the above and giving the name and specimen signature of the person or persons so designated.

“Series VII-E-1 Bond Account” means the Series Bond Accounts of the Bond Fund and Cost of Issuance Fund for the Series VII-E-1 Bonds.

“Series VII-E-1 Bonds” means the Authority's Local Government Public Improvement Bonds, Series VII-E-1 issued pursuant to the Indenture, as supplemented by the Supplemental Indenture.

“Series VII-E-1 Borrower Account” means the Series VII-E-1 Borrower Account designated for the Borrower pursuant to Section 6.03 of the Indenture in which the proceeds of the Loan are deposited.

“Series VII-E-1 Closing Date” means the date of issuance and delivery of the Series VII-E-1 Bonds.

“Series VII-E-1 Credit Agreement” means, with respect to the Series VII-E-1 Bonds, a Reimbursement Agreement among the Authority, the Borrower and the Series VII-E-1 Credit

Provider with respect to a Series VII-E-1 Credit Facility, and any amendments or supplements thereto, together with any letter of credit, reimbursement or similar agreement between the Authority and any subsequent Series VII-E-1 Credit Provider, and any amendments and supplements thereto.

"Series VII-E-1 Credit Agreement Rate" means the rate of interest in effect from time to time on the Series VII-E-1 Bonds under a Series VII-E-1 Credit Agreement when purchased with a draw on the Series VII-E-1 Credit Facility.

"Series VII-E-1 Credit Agreement Term Date" means the date on which all payment obligations under the Series VII-E-1 Credit Agreement resulting from draws by the Trustee under the Series VII-E-1 Credit Agreement to purchase Series VII-E-1 Bonds not remarketed pursuant to Section 4.03 of the Indenture become due and payable.

"Series VII-E-1 Credit Agreement Term Repayment" means that period commencing on the day the Trustee draws on the Series VII-E-1 Credit Facility to purchase Series VII-E-1 Bonds not remarketed by the Remarketing Agent through and including the Series VII-E-1 Credit Agreement Term Date when all payments are due under the Series VII-E-1 Credit Agreement and under this Agreement.

"Series VII-E-1 Credit Facility" means, with respect to the Series VII-E-1 Bonds, the Letter of Credit and any Substitute Credit Facility provided by the Authority for the Series VII-E-1 Bonds pursuant to the Indenture.

"Series VII-E-1 Credit Provider" means the provider of any Series VII-E-1 Credit Facility.

"Series VII-E-1 Loan Repayments" means the Loan Repayments of the Borrower with respect to the Loan, set forth in Article III.

"Series VII-E-1 Remarketing Agent" means any Remarketing Agent serving in such capacity from time to time in accordance with the Indenture.

"Unremarketed Bonds" shall have the meaning set forth in the Index Rate Agreement.

Section 1.02 Interpretation. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. The words "Bond", "holder", and "person" shall include the plural as well as the singular number unless the context shall otherwise indicate. The word "person" shall include corporations, associations, natural persons and public bodies unless the context shall otherwise indicate.

Any certificate or opinion made or given by an Authorized Authority Representative or a Series VII-E-1 Authorized Borrower Representative may be based, insofar as it relates to legal matters, upon a certificate or opinion of or representations by counsel, unless such officer knows that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion may be based as aforesaid are erroneous, or in the exercise of reasonable care should have known that the same were erroneous. Any certificate or opinion made or given by counsel may be based (insofar as it relates to factual matters, information with respect to

which is in the possession of the Authority or a Borrower), upon the certificate or opinion of or representations by an officer or officers or officials of the Authority or the Borrower, unless such counsel knows that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion may be based as aforesaid are erroneous, or in the exercise of reasonable care should have known that the same were erroneous.

ARTICLE II.
The Series VII-E-1 Bonds

Section 2.01 Issuance of the Series VII-E-1 Bonds.

(a) For the purpose of obtaining funds to lend to the Borrower to assist in (i) refinancing the loans made from the Refunded Bonds and in refunding the Refunded Bonds, and (ii) paying costs of issuance in connection with the Series VII-E-1 Bonds and the Agreement as provided in Section 2.02 hereof, the Authority previously issued its Series VII-E-1 Bonds in the original principal of \$21,140,000, of which the entire amount is outstanding as of the date of this Agreement and shall be payable as set forth on Exhibit A hereto.

(b) The Series VII-E-1 Bonds were initially issued bearing interest at the Weekly Rate, but as of _____, 2013, the Series VII-E-1 Bonds shall bear interest at the Index Rate determined as provided in [[[Section 2.08A]]] of the Indenture. The Authority caused the proceeds received from the sale of the Series VII-E-1 Bonds to be deposited with the Trustee in the Series VII-E-1 Borrower Account of the Loan Fund pursuant to Section 6.03 of the Indenture, to the Series VII-E-1 Bond Account of the Cost of Issuance Account pursuant to Section 6.05 of the Indenture and prepaid fees to the Additional Payments Subaccount of the General Account of the Series VII-E-1 Bond Account of the Bond Fund. The Authority agrees that the Series VII-E-1 Bonds may be converted from one Interest Period to any other Interest Period as directed by a Series VII-E-1 Authorized Borrower Representative pursuant to the Indenture.

(c) The liability of the Authority under the Series VII-E-1 Bonds shall be enforceable only to the extent of its rights under this Agreement or any amendment or supplement hereto. The Series VII-E-1 Bonds and all other payments due under the Indenture shall be payable solely from payments made by or on behalf of the Borrower to the Trustee pursuant to the terms of this Agreement.

Section 2.02 Loan. The proceeds of the Series VII-E-1 Bonds were loaned to the Borrower in the original principal amount of \$21,140,000 in the manner hereinafter set forth in the Original Loan Agreement. Following the date hereof until the next Conversion Date, the Loan will bear interest at the Index Rate as set forth in Sections 3.01 and 3.04 hereof.

Section 2.03 Use of Proceeds by the Borrower. The Borrower used the funds loaned to it by the Authority pursuant to Section 2.02 hereof solely for the purposes set forth in Section 2.01(a).

Section 2.04 Disbursements of Loan Proceeds. There are no proceeds remaining in the Borrower Account of the Loan Fund to be disbursed.

Section 2.05 Initial Index Rate Agreement. The Borrower hereby agrees to enter into the Initial Index Rate Agreement with the Initial Index Purchaser.

Section 2.06 Investment of Funds; Application of Investment Earnings. There are no proceeds or investment earnings remaining in the Borrower Account of the Loan Fund to be invested or spent. Any excess earnings in the Series VII-E-1 Bond Account in the Rebate Fund shall be transferred to the Interest Account of the Series VII-E-1 Bond Account of the Bond Fund. All income derived from the investment of moneys on deposit in the Principal Account, Interest Account and Additional Payments Account of the Series VII-E-1 Bond Account of the Bond Fund shall be credited to the Additional Payments Account of the Series VII-E-1 Bond Account of the Bond Fund and applied to the payment of Additional Payments next due. To the extent amounts on deposit in the Additional Payments Account exceed the Additional Payments next coming due, such excess amounts may be transferred to the Interest and/or Principal Account.

Section 2.07 Conversions. The Borrower shall have the option to direct a change in the type of Interest Period on the Series VII-E-1 Bonds to another type of Interest Period by complying with the requirements of Section 2.09 of the Indenture.

Section 2.08 Tax Status of the Series VII-E-1 Bonds. It is the intention of the parties hereto that the interest on the Series VII-E-1 Bonds be and remain excluded from gross income for federal income tax purposes, and to that end the Borrower hereby represents, warrants and agrees as follows:

(a) The Borrower shall not take or omit to take any action the taking or omission of which will cause the Series VII-E-1 Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code or otherwise cause interest on the Series VII-E-1 Bonds to be includable in the gross income of the registered owners thereof for federal income tax purposes under the Code. Without limiting the generality of the foregoing, the Borrower, on behalf of the Authority, shall comply with any provision of the law which may require the Authority at any time to make rebate payments to the United States of any part of the earnings derived from the investment of the gross proceeds of the Series VII-E-1 Bonds.

(b) The Borrower shall not permit the proceeds of the Series VII-E-1 Bonds to be used in any manner that would result in (a) five percent (5%) or more of such proceeds being used in a trade or business carried on by any person other than a governmental unit as provided in Section 141(b) of the Code, (b) five percent (5%) or more of such proceeds being used with respect to any output facility (other than an output facility for the furnishing of water) within the meaning of Section 141(b)(4) of the Code, or (c) five percent (5%) or more of such proceeds being used directly or indirectly to make or finance loans to any persons other than a governmental unit as provided in Section 141(c) of the Code; or (d) the payment of principal of or interest on more than ten percent (10%) of the proceeds of the Series VII-E-1 Bonds (under the terms of the Series VII-E-1 Bonds or any underlying arrangement) directly or indirectly (A) secured by any interest in (1) property used or to be used for private business use or (2) payments in receipt of such property or (B) derived from payments (whether or not to the Borrower) in respect of property, or borrowed money, used or to be used for a private business use, provided, however, that if the Borrower receives an opinion from nationally recognized bond counsel,

acceptable to the Trustee and the Administrator on behalf of the Authority, that any such covenant need not be complied with to prevent the interest on the Series VII-E-1 Bonds from being includable in the gross income of the registered owners thereof for federal income tax purposes under existing statutes, the Borrower need not comply with such covenants.

(c) Neither the obligations of the Borrower under this Agreement nor the Series VII-E-1 Bonds are or will be “federally guaranteed”, as defined in Section 149(b) of the Code.

Section 2.09 Rights of any Index Purchaser and any Credit Provider.

(a) While a Credit Facility is in effect and during any Index Rate Period, the Borrower or the Trustee, as appropriate, shall furnish to any Credit Provider or any Index Purchaser and the Administrator:

- (i) a copy of the annual audited financial statements and annual budget of the Borrower, to be furnished within thirty (30) days of their release by the Borrower;
- (ii) a copy of any notice to be given to the registered owners of the Series VII-E-1 Bonds, or any of them, including, without limitation, notice of any redemption of or defeasance of all or any portion of the Series VII-E-1 Bonds, and any certificate rendered pursuant to the Indenture relating to the security for the Series VII-E-1 Bonds; and
- (iii) such additional information as the Credit Provider or the Index Purchaser shall reasonably request.

(b) The Trustee or the Borrower, as appropriate, shall notify the Credit Provider or any Index Purchaser of any failure of the Borrower to provide relevant notices, certificates, or other information required to be provided under the Indenture or this Agreement provided that the Trustee shall be required to give notice of any such failure only if it has actual knowledge of such failure.

(c) The Borrower will permit the Credit Provider or any Index Purchaser to discuss the affairs, finances and accounts of the Borrower or any information the Credit Provider or the Index Purchaser may reasonably request regarding the security for the Series VII-E-1 Bonds with appropriate officers of the Borrower. The Trustee or the Borrower, as appropriate, will permit the Credit Provider or any Index Purchaser to have access to the Series VII-E-1 Project and have access to and to make copies of all books and records relating to the Series VII-E-1 Bonds at any reasonable time.

(d) Notwithstanding any other provision of this Agreement or the Indenture to the contrary, the Trustee shall immediately notify the Credit Provider or any Index Purchaser on any Loan Repayment Date if there are insufficient moneys to make any payment of principal or interest on the Series VII-E-1 Bonds, any payments due under the Credit Agreement or the Index Rate Agreement, or any Additional Payments when and as required by this Agreement or the

Indenture or upon the occurrence of any Event of Default under the Indenture or this Agreement provided that the Trustee shall be required to give such notice only if it has actual knowledge of such Event of Default.

(e) As and to the extent that any provision of this Section 2.09 is in conflict with the Credit Agreement or the Index Rate Agreement, the terms of the Credit Agreement or the Index Rate Agreement will be deemed controlling.

ARTICLE III.
Payment Obligations of Borrower

Section 3.01 Loan Repayments. Notwithstanding any other provision of this Loan Agreement, the Borrower agrees to pay to the Trustee, for the account of the Authority on the dates, in the manner and in the amounts set forth in Sections 3.03 and 3.04 hereof, (i) as principal, an amount equal to the aggregate principal amount of the Series VII-E-1 Bonds, (ii) as interest on its obligation to pay such amount, amounts equal to the interest on the Series VII-E-1 Bonds (including Excess Interest, if applicable, and interest at the Amortization Period Rate or Default Rate, as applicable, for any period during which the Series VII-E-1 Bonds are Unremarketed Bonds), (iii) the Purchase Price of any Series VII-E-1 Bond pursuant to Article IV of the Indenture, (iv) Reimbursement Payments due under any Credit Facility; and (v) amounts equal to the Swap Payments due from time to time under the Swap Agreement, if any.

Section 3.02 Additional Payments. The Borrower agrees to pay to the Trustee on the dates, in the manner and in the amounts set forth in Sections 3.03 and 3.04 hereof the following Additional Payments (except that the payee of any such payment related to the making of the Loan may require payment on the Series VII-E-1 Closing Date of the Loan and provided that each reference to expenses set forth below shall include reasonable attorney fees and expenses):

(a) The fees and expenses of and other amounts payable to any Index Purchaser under any Index Rate Agreement not provided for in Section 3.01 hereof.

(b) The fees and expenses of and other amounts payable to a Credit Provider, if any, under any Credit Facility and Credit Agreement, if any, relating to the Series VII-E-1 Bonds.

(c) The fees and expenses of any Remarketing Agent under any Remarketing Agreement, if applicable, relating to the Series VII-E-1 Bonds.

(d) The fees and expenses of the Trustee under the Indenture relating to the Series VII-E-1 Bonds, including all expenses necessary to prepare notices of redemption or purchase of Series VII-E-1 Bonds or to cancel and discharge the Indenture with respect to the Series VII-E-1 Bonds and the Borrower's Proportionate Share of the reasonable fees and expenses of the Trustee which are determined by the Administrator to be fees and expenses which should be shared by all Borrowers under the Indenture or particular groups of Borrowers under the Indenture.

(e) The annual fee of the Authority in the amount of .005% of the Outstanding principal amount of the Series VII-E-1 Bonds plus any expenses of the Authority hereunder or under the Indenture relating to the Series VII-E-1 Bonds and the Borrower's Proportionate Share

of the expenses of the Authority hereunder or under the Indenture which are determined by the Administrator to be expenses which should be shared by all Borrowers under the Indenture or particular groups of Borrowers under the Indenture.

(f) The fees and expenses of the Administrator relating to the Series VII-E-1 Bonds and the Borrower's Proportionate Share of the reasonable fees and expenses of the Administrator which are determined by the Administrator to be fees and expenses which should be shared by all Borrowers under the Indenture or particular groups of Borrowers under the Indenture.

(g) The fees and expenses of the Bond Counsel and other costs of issuance relating to the Series VII-E-1 Bonds.

(h) Rating Agency fees relating to the Series VII-E-1 Bonds.

(i) Any amounts required to be paid to the U.S. Government as arbitrage rebate as determined pursuant to Section 148(f) of the Code with respect to the Series VII-E-1 Bonds, payable on demand.

(j) Any Termination Payments required to be paid by the Authority under any Swap Agreement.

(k) Any Loan Swap Payment or Loan Termination Payment required to be paid by the Borrower under any Loan Swap Agreement. Any Loan Swap Payment or Loan Termination Payment required to be paid by the Borrower shall constitute an Additional Payment whether or not such Loan Swap Payment or Loan Termination Payment is made to the Trustee.

(l) Such other reasonable fees and expenses relating to the Series VII-E-1 Bonds.

The Additional Payments payable hereunder will be computed and, to the extent appropriate, apportioned among the various Series of Bonds by the Administrator, and submitted to the Trustee on each Closing Date for a Series of Bonds, as applicable, and each Loan Repayment Date, or otherwise when due, subject to periodic adjustment as needed. The Trustee shall not be responsible for the computation and allocation of any Additional Payments and shall be entitled to rely on the Administrator's computation and allocation unless contested in writing by the payee or Borrower prior to the applicable Loan Repayment Date.

Section 3.03 Time and Manner of Payment. Borrower agrees to make each of the Loan Repayments directly to the Trustee for the account of the Authority on or before each Loan Repayment Date in lawful money of the United States of America by wire transfer of immediately available funds.

Section 3.04 Amount of Payment. The amount of each of the Loan Repayments shall be computed as follows:

(a) (i) With respect to the interest portion of each Loan Repayment while the Series VII-E-1 Bonds are in the Index Rate Period, the amount thereof shall be equal to the interest on the Series VII-E-1 Bonds, as computed by the Calculation Agent, at the Index Rate in effect from time to time pursuant to [[[Section 2.08A]]] of the Indenture.

(ii) Subject to the provisions of subsection (v) below, with respect to the interest portion of each Loan Repayment while the Series VII-E-1 Bonds are in the Daily Period or the Weekly Period, the amount thereof shall be equal to the interest on the Series VII-E-1 Bonds, as computed by the Trustee, at the Daily Rate or the Weekly Rate in effect for the applicable Loan Repayment computation period, which period shall commence on the later of the Conversion Date to the Daily Rate or the Weekly Rate, any date on which the Daily Rate or the Weekly Rate is adjusted under Section 2.05 or 2.06 of the Indenture, or the first day of the month in which such Loan Repayment is due to and ending on the last day of the month in which such Loan Repayment is due.

(iii) With respect to the interest portion of each Loan Repayment while the Series VII-E-1 Bonds are in the Commercial Paper Period, the amount shall be equal to the interest on the Series VII-E-1 Bonds as computed by the Trustee at the Commercial Paper Rate in effect for the Calculation Period.

(iv) With respect to the interest portion of each Loan Repayment while the Series VII-E-1 Bonds are in the Long Term Period, the amount thereof shall be equal to the interest on the Series VII-E-1 Bonds, as computed by the Trustee, at the Long Term Rate in effect for the applicable Loan Repayment computation period, which period shall commence on the Conversion Date to such Long Term Period, and end on the last day of such Interest Period.

(v) While the Series VII-E-1 Bonds are in the Daily Period or the Weekly Period or in the Commercial Paper Period, Loan Repayments constituting interest shall be estimated and billed by the Trustee and paid by the Borrower commencing on each Loan Repayment Date based on the Daily Rate, the Weekly Rate or the Commercial Paper Rate in effect on the date of computation plus 150 basis points for the following Daily Period, Weekly Period or Commercial Paper Period in effect or such lesser amount as directed by the Administrator. Notwithstanding the foregoing, the Administrator, on behalf of the Authority, may direct the Trustee fifteen days prior to any Loan Repayment Date (“Interim Interest Adjustment Date”) to bill the Borrower an additional payment based on actual interest accrued on the Series VII-E-1 Bonds from the Series VII-E-1 Closing Date or prior Loan Repayment Date to the Interim Interest Adjustment Date. Each successive Loan Repayment will be reduced by the amount the prior Loan Repayment exceeded the actual interest due on the Series VII-E-1 Bonds.

(b) With respect to the principal portion of each of the Loan Repayments, the amount thereof shall be equal to the next ensuing principal reduction requirement on the Loan set forth on Exhibit A attached hereto, payable on the 25th day of May in the year of each principal reduction date shown on Exhibit A unless the Series VII-E-1 Bonds are Unremarketed Bonds in which case the amount thereof shall be equal to the amounts provided in the following paragraph.

(c) Under certain circumstances, including the failure to remarket the Series VII-E-1 Bonds at the end of the Initial Index Rate Period, the Series VII-E-1 Bonds will be held by the Index Purchaser pursuant to the terms of the Index Rate Agreement as Unremarketed Bonds. During the period the Series VII-E-1 Bonds are held by the Index Purchaser as Unremarketed Bonds, such Unremarketed Bonds will bear interest calculated and payable as set forth in the

Index Rate Agreement (including interest at the Amortization Period Rate or Default Rate, as applicable, and Excess Interest, if applicable) which will result in an increase in the amount of the Loan Repayments. If the Series VII-E-1 Bonds become Unremarketed Bonds under the Index Rate Agreement, the interest thereon will continue to be payable as set forth in the Index Rate Agreement on each Interest Payment Date, and the principal will be payable over a term established in the Index Rate Agreement. Each mandatory sinking fund redemption installment of principal of the Unremarketed Bonds shall be adjusted to an integral multiple of \$5,000. Any amount received by the Index Purchaser pursuant to this section may, at the Index Purchaser's option, be applied to pay any interest on such Unremarketed Bonds which is overdue as of the date of such receipt. Prior to the end of the Index Rate Period, the Administrator shall provide to the Borrower, the Trustee and the Index Purchaser an amortization schedule approved by the Index Purchaser and consistent with the Index Rate Agreement implementing the provisions of this Subparagraph (c) relating to Loan Repayments of the Unremarketed Bonds and the Borrower will make all payments under this Subparagraph (c) in accordance with said schedule.

(d) With respect to the Reimbursement Payments, the amount shall be computed in accordance with the Credit Facility.

(e) With respect to the Additional Payments portion of each of the Loan Repayments, the amount thereof shall be computed, as provided in Section 3.02 hereof, for any period commencing on the Series VII-E-1 Closing Date or the Business Day on which an Additional Payment was last paid to and ending on the day next preceding the Business Day on which the Additional Payment is due.

(f) If the Borrower has approved and the Authority has executed and delivered a Swap Agreement, with respect to the Series VII-E-1 Bonds in accordance with Section 2.02(h) of the Indenture, the Loan Repayments shall include any Swap Payments to be made to the Swap Counterparty under the Swap Agreement. Any Swap Receipts received from the Swap Counterparty under the Swap Agreement shall be deposited as provided in Section 6.02 of the Indenture and applied to pay interest on the Series VII-E-1 Bonds and otherwise as provided in the Indenture.

(g) If the Borrower has executed and delivered a Loan Swap Agreement, the Borrower may make arrangements with the Trustee, satisfactory to the Trustee, (i) for the Trustee to receive Loan Swap Receipts from the Loan Swap Counterparty and apply the same to the Borrower's obligation to make Loan Repayments, and (ii) for the Trustee to receive Loan Swap Payments from the Borrower and apply the same to satisfy Borrower's obligations under the Loan Swap Agreement. The Swap Advisor must consent in writing to any Loan Swap Agreement.

(h) All payments of interest shall be reduced to the extent moneys in the Series VII-E-1 Borrower Account of the Loan Fund provided for capitalized interest have been credited to the Interest Subaccount. All payments of interest shall be reduced to the extent investment earnings on the Series VII-E-1 Borrower Account of the Loan Fund have been credited to the Interest Subaccount, and the Additional Payments shall be reduced to the extent of excess investment earnings on the Series VII-E-1 Borrower Account of the Loan Fund not credited to the Interest Account and investment earnings on the Interest Subaccount, the Principal

Subaccount and the Additional Payments Account of the General Account of the Series VII-E-1 Bond Account of the Bond Fund which have been credited to the Additional Payments Account as provided in and subject to the limitations of Section 2.06 hereof; provided the amount of earnings accruing for credit to either of said accounts for the period from and after the date the Trustee computes a Loan Repayment to the end of the period for which the computation is made will be computed using the interest rate on the investments as of the Adjustment Date immediately preceding the computation date as the interest rate for estimating the earnings, and will be increased by the amount by which the actual earnings during such period for the previous period exceeded the estimated amount for said period. If funds in the Series VII-E-1 Borrower Account of the Loan Fund are invested in investments bearing interest at a variable rate, then the interest rate used by the Trustee for estimating the estimated amount of earnings shall be a zero rate of interest from the date earnings on such investments were last credited to the Series VII-E-1 Borrower Account of the Loan Fund or at a rate provided by the Administrator.

(i) It is the intention of the Authority and the Borrower that, notwithstanding any other provision of this Agreement, the Trustee, as assignee of the Authority, shall receive funds from or on behalf of the Borrower in such amounts and at such times as, together with any Swap Receipts actually received by the Trustee under the Swap Agreement, will enable the Authority to pay when due all obligations for the payment of principal of and premium, if any, and interest on the Series VII-E-1 Bonds, for the payment of all Swap Payments payable by the Authority under the Swap Agreement and for payment of all Additional Payments payable by the Borrower. The Borrower shall have the right, on behalf of the Authority, to enforce the payment and collection of Swap Receipts under a Swap Agreement for deposit with the Trustee. It is further intended that the earnings on the Series VII-E-1 Borrower Account of the Loan Fund and the Interest Account and the Additional Payments Account of the Series VII-E-1 Bond Account of the Bond Fund will be sufficient to pay the interest and Additional Payment components of the Loan Repayments relating to the portion of the Loan not disbursed from the Loan Fund, subject to the limitations of Section 2.06 hereof. In the event said earnings are not sufficient to make such payments, the Borrower shall pay the deficiency in the manner and at the times required herein for Loan Repayments in consideration for the agreement by the Authority to continue to make the amounts therein available to be disbursed by the Authority.

Section 3.05 Payments Assigned. It is understood and agreed that the rights of the Authority under this Agreement (other than its rights to indemnification, payment of expenses, receive notices, and rights to payment of Loan Swap Payments and Loan Swap Receipts), are assigned to the Trustee pursuant to the Indenture. The Borrower consents to such assignment, and agrees to pay to the Trustee all amounts payable by the Borrower that are so assigned. All such assigned payments shall be made directly to the Trustee and shall be deposited as provided in the Indenture.

Section 3.06 Obligation of Borrower Unconditional. The obligation of the Borrower to make payments hereunder (including Additional Payments) and to perform and observe all other covenants, conditions and agreements hereunder shall be absolute and unconditional until payment of all Borrower obligations hereunder, irrespective of any defense or any rights of setoff, recoupment or counterclaim which the Borrower might otherwise have against the Authority or the Trustee. Until payment of all Borrower obligations hereunder, the Borrower shall not suspend or discontinue any such payment hereunder or fail to observe and perform any

of their other covenants, conditions and agreements hereunder for any cause, including without limitation failure of consideration, failure of title to any part or all of the Refunded Projects, or commercial frustration of purpose, or any damage to or destruction or condemnation of all or any part of the Refunded Projects, or any change in the tax or other laws of the United States of America, the State of Tennessee or any political subdivision of either, or any failure of the Authority, the Trustee, the Administrator and the Swap Counterparty, if any, to observe and perform any covenant, condition or agreement, whether express or implied, or any duty, liability or obligation arising out of or in connection with any document in connection with the financing of the Refunded Projects. Nothing contained in this Section shall be construed to release the Authority, the Administrator, the Trustee and the Swap Counterparty, if any, from the performance of any of their respective obligations hereunder or under any documents related hereto, and in the event the Authority and the Trustee should fail to perform any such obligation the Borrower may institute such action as the Borrower may deem advisable to compel performance or recover damages for non-performance so long as such action is consistent with the preceding sentence.

Section 3.07 Pledge of Taxing Power. The Borrower covenants that it shall provide for the annual levy and collection of a tax sufficient to pay when due the annual amounts payable under this Agreement, including, without limitation, the Swap Payments and the Additional Payments, as and when they become due and payable and to pay all other expenses of maintaining and operating the Refunded Projects required to be paid by the Borrower under the terms of this Agreement. The Borrower hereby pledges its full faith and credit to such payments. The tax to be levied pursuant to this Section shall be assessed, levied, collected and paid in like manner as other taxes of the Borrower. Such tax shall not be included within any statutory or other limitation of rate or amount for the Borrower but shall be excluded therefrom and be in addition thereto and in excess thereof, notwithstanding and without regard to the prohibitions, restrictions or requirements of any other law. To the extent other moneys are not available therefore, there shall be set aside by the Borrower from such tax levy in a special fund an amount sufficient for the payment of the amounts under this Agreement, and such fund shall be used exclusively for such purpose and shall not be used for any other purpose until the amounts payable hereunder have been paid in full. Notwithstanding the foregoing, the tax hereinabove described will not be required to be levied by the Borrower or, if levied, may be proportionately reduced to the extent of funds of the Borrower appropriated by the governing body of the Borrower to the payment of the amounts described above from other revenues of the Borrower. Notwithstanding the foregoing, the Borrower shall be unconditionally obligated to levy such tax and to pay, whether from the proceeds of such tax or from other funds, the amounts due hereunder.

To the extent permitted by law and subject to any prior lien, this Agreement is additionally payable from a pledge of the Borrower's share of revenues derived from the sales tax levied and collected within the Borrower pursuant to Sections 67-6-701, et seq., Tennessee Code Annotated.

Section 3.08 Rebate Covenants of Borrower.

(a) The Administrator, on behalf of the Authority, shall retain a Rebate Analyst to determine on behalf of the Borrower the Rebate Amount as of each of the dates set forth in (b) and (c) below.

(b) The Borrower shall deliver to the Trustee the determination of the Rebate Amount in writing signed by an Authorized Borrower Representative not later than fifty-eight (58) days after each Computation Date, provided, that if such fifty-eighth (58th) day after any Computation Date is not a Business Day, then not later than three (3) Business Days prior to such fifty-eighth day.

(c) Not later than fifty-eight (58) days following each Installment Computation Date, the Borrower shall deposit with the Trustee for deposit into the Series VII-E-1 Bond Account of the Rebate Fund an amount equal to the portion of the Rebate Amount that is required to be paid to the United States with respect to such Installment Computation Date.

(d) Not later than fifty-eight (58) days following the Final Computation Date, the Borrower shall deposit with the Trustee for deposit into the Series VII-E-1 Bond Account of the Rebate Fund an amount equal to the portion of the Rebate Amount that is required to be paid to the United States as of the Final Computation Date.

(e) The Borrower shall not make, or permit to be made, any payment, or agreement to pay, to a party other than the United States, any amount that is required to be paid to the United States by entering into a transaction that reduces the amount required to be paid pursuant to Section 148(f) of the Code because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the yield on the Series VII-E-1 Bonds not been relevant to either party (the failure to invest, or direct investment of, moneys that could be invested shall constitute an agreement to pay that results in such a smaller profit for the purposes of this subsection).

(f) The restrictions contained in the foregoing subsection (b) through (e) shall not apply to obligations the interest on which is exempt from gross income pursuant to Section 103(a) of the Code (other than obligations that constitute "specified private activity bonds" within the meaning of Section 57(a)(5)(C) of the Code), and any interest or other income from such obligations, or the sale thereof, shall not be included in any of the calculations or rebates required pursuant to such subsections.

(g) None of the foregoing provisions of this Section 3.08 need be observed, and, anything herein or in the Indenture to the contrary notwithstanding, this Section 3.08 may be amended, supplemented or terminated by the Authority, the Trustee and the Borrower, (i) if the Administrator files a certificate with the Trustee stating that the rebate exceptions set forth in the Arbitrage Certificate of the Borrower have been fulfilled, or (ii) if the Authority receives an opinion of Bond Counsel, in form and substance satisfactory to the Trustee, that (I) the failure to observe such covenants or entering into such amendments or supplements, will not cause the Series VII-E-1 Bonds to become arbitrage bonds under Section 148 of the Code or otherwise adversely affect the exclusion of interest on the Series VII-E-1 Bonds from the gross income of

the owners thereof for purposes of federal income taxation or (II) additional or different regulatory or statutory provisions must be complied with for the interest on the Series VII-E-1 Bonds to remain excludable from gross income for federal income tax purposes.

ARTICLE IV.
Representations and Covenants

Section 4.01 Representations and Covenants of the Authority. The Authority makes the following representations and covenants as the basis for the undertakings on the part of the Borrower contained herein:

(a) The Authority is a public nonprofit corporation and a public instrumentality of Sevier County, Tennessee, organized and existing pursuant to the Act. The Authority is authorized to issue the Series VII-E-1 Bonds in accordance with the Act and to use the proceeds thereof to provide funds for making the Loan.

(b) The Authority has complied with the provisions of the Act and has full power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby and to perform its obligations hereunder.

(c) The Authority is not in violation of any of the laws of the State of Tennessee which would affect its existence or its powers referred to in the preceding subsection (b).

(d) By resolution duly adopted by the Board of Directors of the Authority and in full force and effect on the date hereof, the Authority has authorized the execution and delivery of the Indenture, this Agreement and the Series VII-E-1 Bonds, the due performance of all obligations of the Authority hereunder, under the Indenture and under the Series VII-E-1 Bonds, and the taking of any and all actions as may be required on the part of the Authority to carry out, give effect to and consummate the transactions contemplated by each of the foregoing, and the Authority will take all actions within its reasonable control to obtain all approvals necessary in connection with the foregoing that have not been obtained as of the date hereof.

(e) This Agreement has been duly authorized, executed and delivered by the Authority, and upon due authorization, execution and delivery by the Borrower, will constitute a legal, valid and binding obligation of the Authority. The Series VII-E-1 Bonds will constitute legal, valid and binding limited special obligations of the Authority and will be payable solely from the Trust Estate and any amounts otherwise available under the Indenture, and will be entitled to the benefit of the Indenture. None of the Authority (except to the foregoing extent), Sevier County, the State of Tennessee, or any political subdivision thereof shall be obligated, directly or (except as a Borrower from the Authority) indirectly, to pay the principal of or premium, if any, or interest on the Series VII-E-1 Bonds. The Authority has no taxing power.

(f) The execution and delivery by the Authority of this Agreement, the Series VII-E-1 Bonds, and the Indenture and the consummation of the transactions contemplated in each of the foregoing will not violate any indenture, mortgage, deed of trust, note, loan agreement or other contract or instrument to which the Authority is a party or by which it is bound or, to the best of the Authority's knowledge, any judgment, decree, order, statute, rule or regulation applicable to the Authority, and the Authority will take all actions within its reasonable control to obtain all

consents, approvals, authorizations and orders of governmental or regulatory authorities which are required for the consummation of the transactions contemplated thereby that have not been obtained as of the date hereof.

(g) The Authority will apply or cause to be applied the proceeds of the Series VII-E-1 Bonds in accordance with the Indenture and this Agreement.

(h) There is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body pending or threatened against or affecting the Authority or, to the best knowledge of the Authority, any basis therefore, wherein an unfavorable decision, ruling, or finding would adversely affect the transactions contemplated hereby or by the Indenture or the Series VII-E-1 Bonds or which, in any way, would adversely affect the validity of this Agreement, the Series VII-E-1 Bonds, the Indenture or any agreement or instrument to which the Authority is a party and which is used or contemplated for use in consummation of the transactions contemplated by each of the foregoing.

(i) The Authority covenants that it will not pledge the amounts derived from this Agreement other than to secure the Series VII-E-1 Bonds.

Section 4.02 Representations and Covenants of the Borrower. The Borrower makes the following representations and covenants, in addition to those elsewhere set forth herein, as the basis for the undertakings on the part of the Authority contained herein:

(a) The Borrower is a municipal corporation or political subdivision, as appropriate, within the meaning of the Act, duly created and existing under the laws of the State of Tennessee and possessing general powers of taxation, including the power to levy ad valorem taxes, and has full legal right, power and authority (i) to conduct its business and own its properties, (ii) to enter into this Agreement, and (iii) to carry out and consummate all other transactions contemplated by this Agreement.

(b) With respect to the authorization, execution and delivery of this Agreement, the Borrower has complied and will comply with all applicable laws of the State of Tennessee.

(c) The Borrower has duly approved the execution and delivery of this Agreement and has authorized the taking of any and all action as may be required on the part of the Borrower to carry out, give effect to and consummate the transactions contemplated by this Agreement and the Indenture.

(d) This Agreement has been duly authorized executed and delivered by the Borrower and, assuming due authorization, execution and delivery by the Authority, will constitute a legal, valid and binding obligation of the Borrower enforceable in accordance with its terms.

(e) There is no action, suit, proceedings, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or, to the knowledge of the Borrower, threatened against the Borrower, nor is there any basis therefor, (i) affecting the creation, organization or existence of the Borrower or the title of its officers to their respective offices, (ii) seeking to prohibit, restrain or enjoin the execution or delivery of this Agreement, (iii) in any way contesting or affecting the validity or enforceability of this Agreement or any agreement or

instrument relating to any of the foregoing or used or contemplated for use in the consummation of the transactions contemplated by any of the foregoing, or (iv) materially adversely affecting the Borrower's financial condition or its obligations to make Loan Repayments under this Agreement.

(f) The Borrower is not in any material respect in breach of or in default under any applicable law or administrative regulation of the State or the United States of America or any applicable judgment or decree or any agreement or other instrument to which the Borrower is a party or by which it or any of its properties is bound, and no event has occurred which with the passage of time, the giving of notice or both would constitute such a breach or default; and the execution and delivery of this Agreement and compliance with the respective provisions thereof will not conflict with or constitute a breach of or default under any applicable law or administrative regulation of the State or of the United States of America or any applicable judgment or decree or any agreement or other instrument to which the Borrower is a party or by which it or any of its property is bound.

(g) So long as any Series VII-E-1 Bonds are Outstanding, the Borrower shall promptly cure any violations under all laws, ordinances, orders, rules, regulations and requirements of duly constituted public authorities, which are or shall become applicable to the Refunded Projects, the repair and alteration thereof, and the use or manner of use of the Refunded Projects, whether or not such laws, ordinances, orders, rules, regulations and requirements are foreseen or unforeseen, ordinary or extraordinary, and whether or not they shall involve any change or governmental policy or shall require structural or extraordinary repairs, alterations or additions, irrespective of the cost thereof.

(h) The Borrower will not take or omit to take any action which action or omission will in any way cause the proceeds of the Series VII-E-1 Bonds advanced to it to be applied in a manner contrary to that provided in the Indenture and this Agreement.

(i) The Borrower has not taken or omitted to take, and will not take or omit to take, any action, and knows of no action that any other person, firm or corporation has taken or intends to take, which would cause interest on the Series VII-E-1 Bonds to be includable in the gross income of owners thereof for federal income tax purposes.

(j) The Borrower is not in default under any loan agreement, note, bond, mortgage or other instrument evidencing or securing indebtedness.

(k) The Borrower approves the issuance of the Series VII-E-1 Bonds and, as of the date hereof, is not in default in the performance or observance of any of the covenants, conditions, agreements or provisions of this Loan Agreement and all warranties and representations of Borrower herein are true and correct on the date hereof.

(l) The Borrower covenants and agrees to provide annual audited financial statements to the Administrator as soon as reasonably practical upon their becoming available and, upon request, such other financial information as shall be reasonably requested to the Administrator and the Authority.

(m) The Borrower covenants and agrees to comply with the terms and requirements applicable to Borrower in the Indenture, the Purchase Agreement and the Program Administration Agreement.

(n) The interest on the Agreement is intended to be excludable from gross income for purposes of federal income taxation and the Borrower will take all actions reasonably required to prevent interest on this Agreement and on the Series VII-E-1 Bonds from becoming includable in gross income for purposes of federal income taxation.

(o) The Borrower covenants and agrees to take all necessary action to enforce the payment and collection of Swap Receipts under a Swap Agreement, on behalf of the Authority, and to deposit, or cause to be deposited, all Swap Receipts with the Trustee.

(p) All information provided to the Authority in this Agreement or in any other document or instrument with respect to the Loan, this Agreement, the Refunded Bonds or the Refunded Projects, was at the time provided, and is now, true, correct and complete, and such information does not omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

ARTICLE V. Events of Default

Section 5.01 Events of Default. An Event of Default shall occur hereunder if any one or more of the following events shall happen:

(a) the payments required by Sections 3.01, 3.02 and 3.04 are not paid punctually when due;

(b) default shall be made by the Borrower in the due performance of or compliance with any of the terms hereof, other than those referred to in the foregoing subdivision (a), and such default shall continue for thirty (30) days after the Authority or the Trustee shall have given the Borrower written notice of such default (or in the case of any such default which cannot with due diligence be cured within such 30-day period, if the Borrower shall fail to proceed promptly to commence curing the same and thereafter prosecute the curing of such default with due diligence, it being intended in connection with any such default not susceptible of being cured with due diligence within the thirty (30) days that the time to cure the same shall be extended for such period as may be reasonably necessary to complete the curing of the same with all due diligence);

(c) the Borrower shall file a voluntary petition in bankruptcy, or shall be adjudicated a bankrupt or insolvent, or shall file any petition or answer seeking any reorganization, composition, readjustment, liquidation or similar relief for itself under any present or future statute, law or regulation, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of the Borrower or of all or any substantial part of its properties or of the Refunded Projects or shall make any general assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due;

(d) a petition shall be filed against the Borrower seeking any reorganization, composition, readjustment, liquidation or similar relief under any present or future statute, law or regulation and shall remain undismissed or unstayed for an aggregate of ninety (90) days (whether or not consecutive), or if any trustee, receiver or liquidator of the Borrower or of all or any substantial part of its properties or of the Refunded Projects shall be appointed without the consent or acquiescence of the Borrower and such appointment shall remain unvacated or unstayed for an aggregate of ninety (90) days (whether or not consecutive); or

(e) the Borrower shall contest the validity of enforceability of any provision of this Agreement.

Section 5.02 Remedies. Upon the occurrence of an Event of Default (regardless of the pendency of any proceeding which has or might have the effect of preventing the Borrower from complying with the terms of this Agreement), the Trustee, as assignee of the Authority, or any other Person who has succeeded to the rights of the Authority hereunder, including the registered owners of the Series VII-E-1 Bonds, any Credit Provider and a Swap Counterparty, at any time thereafter and while such Event of Default shall continue, shall notify the Index Purchaser or the Credit Provider, if any, within five Business Days and may, at its option and subject to the provisions of the Indenture, take any action at law, including mandamus, or in equity to collect amounts then due and thereafter to become due hereunder as such amounts become due, or to enforce performance and observance of any obligation, agreement or covenant of the Borrower under this Agreement. Any amounts collected pursuant to action taken under this Article shall be applied in accordance with the Indenture.

ARTICLE VI. Prepayment

Section 6.01 Option to Prepay. Subject to any restrictions in the Index Rate Agreement, the Borrower shall have the right and option throughout the term hereof to prepay in whole or in part the Loan advanced hereunder at the prices and upon the terms hereinafter set forth.

Section 6.02 Optional Prepayment Price.

(a) If the Series VII-E-1 Bonds are bearing interest at the Index Rate, the Commercial Paper Rate, the Daily Rate or the Weekly Rate at the time of prepayment, the prepayment amount shall be the Outstanding principal amount of the Series VII-E-1 Bonds as of the designated Redemption Date, plus interest and Additional Payments accrued thereon to the Redemption Date of the Series VII-E-1 Bonds.

(b) If the Series VII-E-1 Bonds are bearing interest at the Long Term Rate at the time of prepayment, the prepayment amount shall be the applicable Redemption Price as set forth in Section 3.02(b) of the Indenture, plus interest accruing between the Prepayment Date and the Redemption Date (or, if said investment earnings exceed interest accrued during said period, less said excess), plus Additional Payments accrued to the Redemption Date.

(c) If any of the Series VII-E-1 Bonds are Pledged Bonds at the time of prepayment, the prepayment amount with respect to such Pledged Bonds shall be the Outstanding principal amount of such Pledged Bonds, plus Additional Payments and interest (including interest at the applicable Credit Agreement Rate) accrued to the Redemption Date.

Section 6.03 Notice of Prepayment. The Borrower shall give notice of its intent to prepay its Loan to the Trustee and the Administrator in the manner for giving notices hereunder pursuant to Section 8.07 hereof at least forty-five (45) days prior to the Prepayment Date. The notice shall state the intent of the Borrower to prepay its Loan or a portion thereof, and the proposed Prepayment Date. The Borrower shall cause the Administrator to instruct the Trustee as to the investment of the funds so deposited and the amount of the Optional Prepayment Price required to be paid by the Borrower, and the Authority and Trustee are entitled to rely on said instructions. After the notice of prepayment has been given as above provided, the Series VII-E-1 Bonds shall not be converted from one Interest Period to another Interest Period.

Section 6.04 Partial Prepayment. If the Borrower exercises its right and option to prepay the Loan in part, the prepayment shall be in an amount such that the Series VII-E-1 Bonds remaining Outstanding after the Redemption Date will be in a denomination permitted under the Indenture (an "Authorized Denomination") and no portion of a Series VII-E-1 Bond shall be redeemed that would result in a Series VII-E-1 Bond remaining Outstanding that is smaller than the minimum Authorized Denomination for the Series VII-E-1 Bonds. The principal prepayment amount shall be applied in reduction of payment obligations set forth on Exhibit A as Borrower shall elect by written notice to the Trustee.

Section 6.05 Deposit of Prepayment Amount. If the Series VII-E-1 Bonds are bearing interest at the Commercial Rate, the Weekly Rate, the Daily Rate or the Index Rate, the prepayment amount shall be deposited with the Trustee in immediately available funds not later than 10:00 a.m., Nashville time, on the Redemption Date. If the Series VII-E-1 Bonds are bearing interest at the Long Term Rate, the prepayment amount shall be deposited on any date prior to the Redemption Date.

Section 6.06 Discharge of Other Obligations. Notwithstanding any other provisions hereof, this Agreement shall not terminate on the date on which the Borrower shall be obligated to prepay (whether or not any delay in the completion of such prepayment shall be the fault of Authority), nor shall the Borrower obligations hereunder cease until the Borrower shall have paid all amounts payable hereunder without set-off, counterclaim, abatement, suspension, deduction, diminution, or defense for any reason whatsoever, so long as the Series VII-E-1 Bonds are Outstanding and unpaid, and until the Borrower shall have discharged or made provision satisfactory to Authority for the discharge of, all of its obligations under this Agreement, which obligations have arisen on or before the date for prepayment, including the obligation to pay amounts due and payable on the date of the prepayment.

ARTICLE VII. Indemnification

Section 7.01 Indemnification of Trustee, Administrator and Authority. The Borrower covenants and agrees, to the extent it is authorized by applicable law, to indemnify the Trustee,

the Administrator and the Authority and each successor trustee and the officers, directors, employees and agents of the Trustee or any such successor trustee, the Administrator and the Authority (the Trustee, each successor trustee, the Authority, the Administrator and such officers, directors, employees and agents being hereinafter referred to in this Section collectively as the “Indemnified Parties” and individually as an “Indemnified Party”) for, and to hold each Indemnified Party harmless against, any loss, liability, tax, assessment or other governmental charge (other than taxes applicable to their compensation hereunder) or expenses incurred without negligence, willful misconduct or bad faith on the part of such Indemnified Party, arising out of or in connection with the acceptance or administration of the Indenture or the trusts thereunder and the duties of the Trustee, the Administrator and the Authority thereunder (but only to the extent the Indenture, its administration, required duties and trusts thereunder are applicable to Borrower, this Agreement or the Series VII-E-1 Bonds), including enforcement of this Agreement and this Section thereof and also including any liability which may be incurred as a result of failure to withhold, pay or report any tax, assessment or other governmental charge, and the costs and expenses incurred by such Indemnified Party in the course of defending itself against or investigating any claim of liability in the premises. The obligations of the Borrower under this Section to compensate and indemnify the Indemnified Parties and to pay or reimburse each Indemnified Party for expenses, disbursements and advances shall constitute an additional obligation hereunder and shall survive the satisfaction and discharge of this Agreement.

ARTICLE VIII.
Miscellaneous

Section 8.01 Waiver of Statutory Rights. The rights and remedies of the Authority and the Borrower under this Agreement shall not be adversely affected by any laws, ordinances, or regulations, whether federal, state, county, city, municipal or otherwise, which may be enacted or become effective from and after the date of this Agreement affecting or regulating or attempting to affect or regulate any amounts payable hereunder.

Section 8.02 Non-Waiver by Authority. No failure by the Authority or by any assignee to insist upon the strict performance of any term hereof or to exercise any right, power or remedy consequent upon a breach thereof, and no acceptance of any payment hereunder, in full or in part, during the continuance of such breach, shall constitute waiver of such breach or of such term. No waiver of any breach shall affect or alter this Agreement or constitute a waiver of a then existing or subsequent breach.

Section 8.03 Remedies Cumulative. Each right, power and remedy of the Authority provided for in this Agreement shall be cumulative and concurrent and shall be in addition to every other right, power or remedy provided for in this Agreement, or now or hereafter existing at law or in equity or by statute or otherwise, in any jurisdiction where such rights, powers or remedies are sought to be enforced, and the exercise or beginning of the exercise by the Authority or the Trustee of any one or more of the rights, powers or remedies provided for in this Agreement or now or hereafter existing at law or in equity or by statute, or otherwise shall not preclude the simultaneous or later exercise by the Authority or Trustee of any or all such other rights, powers or remedies.

Section 8.04 Amendments, Changes and Modification. Except as otherwise provided in this Agreement or in the Indenture, subsequent to the issuance of the Series VII-E-1 Bonds and prior to the payment in full of the Series VII-E-1 Bonds (or provision for the payment thereof having been made in accordance with the provisions of the Indenture), this Agreement may not be effectively amended, changed, modified, altered or terminated without the concurring written consent of the Trustee and, during the Index Rate Period, the Index Purchaser, and during any Credit Facility Period, the Credit Provider, and to the extent such amendment would affect the rights or obligations of a Swap Counterparty, the Swap Counterparty under a Swap Agreement.

Section 8.05 Applicable Law - Entire Understanding. This Agreement shall be governed exclusively by the applicable laws of the State of Tennessee. This Agreement expresses the entire understanding and all agreements of the parties hereto with each other and neither party hereto has made or shall be bound by any agreement or any representation to the other party which is not expressly set forth in this Agreement.

Section 8.06 Severability. In the event that any clause or provision of this Agreement shall be held to be invalid by any court of competent jurisdiction, the invalidity of such clause or provisions shall not affect any of the remaining provisions of such instrument.

Section 8.07 Notices and Demands. All notices, certificates, demands, requests, consents, approvals and other similar instruments under this Agreement shall be in writing, and shall be deemed to have been properly given and received if sent by United States certified or registered mail, postage prepaid, (a) if to the Borrower, addressed to the Borrower, at 200 S. Tulane Avenue, Oak Ridge, Tennessee 37830, Attention: Mayor and Finance Director; (b) if to the Authority, addressed to the Authority, c/o Ron Sharp, Sharp & Ripley, PLLC, 248 Bruce Street, Suite 7, Sevierville, Tennessee 37864, Attention: Chairman, with a copy to the Authority's counsel, Sharp & Ripley, PLLC, 248 Bruce Street, Suite 7, Sevierville, Tennessee 37864, Attention: Ron Sharp; (c) if the Administrator, at 813 S. Northshore Drive, Suite 201A, Knoxville, TN 37919 Attention: Joseph K. Ayres (d) if to the Trustee, addressed to the Trustee at 315 Deaderick Street, 4th Floor, Nashville, Tennessee 37238, Attention: Corporate Trust, and (e) if to the Initial Index Purchaser, addressed to U.S. Bank National Association, Government Banking Division, 1350 Euclid Avenue, Suite 1100, Cleveland, Ohio 44115, Attention: Jeffrey M. Spetrino or at such other addresses as any addressee from time to time may have designated by written notice to the other addressees named above. The Authority shall promptly forward to the Borrower copies of any notice received by it from the Trustee under the Indenture.

Section 8.08 Headings and References. The headings in this Agreement are for the convenience of reference only and shall not define or limit the provisions thereof. All references in this Agreement to particular Articles or Sections are references to Articles or Sections of this Agreement, unless otherwise indicated.

Section 8.09 Successors and Assigns. The terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

Section 8.10 Multiple Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original but all of which together shall constitute but one and the same instrument.

Section 8.11 Amendments, Changes and Modifications of Indenture. The Authority covenants and agrees that it will not, without the prior written consent of the Borrower, enter into or consent to any amendment, change or modification of the Indenture which would adversely affect the Borrower rights under this Agreement.

Section 8.12 No Liability of Authority's and Borrower's Officers. No recourse under or upon any obligation, covenant or agreement contained in this Agreement shall be had against any incorporator, member, director or officer, as such, past, present or future, of the Authority or the Borrower, either directly or through the Authority or the Borrower. 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 is hereby expressly waived and released by the Borrower and the Authority against the other's incorporators, members, directors or officers as a condition of and consideration for the execution of this Agreement.

Section 8.13 Refunding of the Series VII-E-1 Bonds. The Series VII-E-1 Bonds may be refunded at any time and from time to time as permitted by applicable law, upon the direction of the Borrower. In the event the Series VII-E-1 Bonds are refunded by bonds issued by the

Authority, all references in this Agreement to (i) the Series VII-E-1 Bonds shall be deemed to refer also to the refunding bonds, (ii) the Indenture shall be deemed to refer also to the indenture or other instrument pursuant to which the refunding bonds are issued, and (iii) any funds or accounts referred to herein shall be deemed to refer also to the corresponding funds or accounts established under the indenture or other instrument pursuant to which the refunding bonds are issued.

Section 8.14 Continuing Disclosure. In the event the Series VII-E-1 Bonds are not exempt under Section 15c2-12, the Borrower hereby covenants and agrees that it will provide such annual financial information and material event notices, if any, as required by Rule 15c2-12 of the Securities Exchange Commission for the Series VII-E-1 Bonds. The Authorized Borrower Representative is authorized to execute an agreement for the benefit of and enforceable by the owners of the Series VII-E-1 Bonds specifying the details of the financial information and material event notices to be provided and its obligations relating thereto. Failure of the Borrower to comply with the undertaking herein described and to be detailed in said closing agreement, shall not be a default hereunder, but any such failure shall entitle the owner or owners of any of the Series VII-E-1 Bonds to take such actions and to initiate such proceedings as shall be necessary and appropriate to cause the Borrower to comply with its undertaking as set forth herein and in said agreement, including the remedies of mandamus and specific performance.

Section 8.15 Allocation for Purposes of Section 265. The Borrower hereby agrees that the proceeds of the Series VII-E-1 Bonds and of the Loan shall be allocated to it for purposes of Section 265 of the Code.

IN WITNESS WHEREOF, THE PUBLIC BUILDING AUTHORITY OF SEVIER COUNTY, TENNESSEE, has executed this Loan Agreement by causing its name to be hereunto subscribed by its Chairman and attested by its Secretary; and CITY OF OAK RIDGE, TENNESSEE has executed this Loan Agreement by causing its name to be hereunto subscribed by its Mayor and City Clerk, all being done as of the day and year first above written.

THE PUBLIC BUILDING AUTHORITY OF SEVIER COUNTY, TENNESSEE

By: _____
Chairman

ATTEST:

Secretary

CITY OF OAK RIDGE, TENNESSEE

By: _____
Title: Mayor

ATTEST:

By: _____
Title: City Clerk

EXHIBIT A

PRINCIPAL REDUCTION SCHEDULE

<u>Date</u> <u>(May 25)</u>	<u>Principal</u>
2029	1,570,000
2030	1,745,000
2031	1,820,000
2032	4,315,000
2033	4,515,000
2034	2,295,000
2035	2,390,000
2036	2,490,000



Government Banking Division
1350 Euclid Avenue, Suite 1100
Cleveland, OH 44115

October 24, 2012

Joseph K. Ayres
President
Cumberland Securities Company, Inc.
813 S. Northshore Drive, Suite 201A
Knoxville, TN 37919

Christopher C. Bessler
Senior Vice President
Cumberland Securities Company, Inc.
813 Northshore Drive, Suite 201A
Knoxville, TN 37919

Re: Via E-Mail U.S. Bank Proposal for Direct Purchase

Dear Joseph and Christopher:

On behalf of U.S. Bancorp (“U.S. Bank” or “Bank”), and in response to Request for Proposal dated October 8, 2012, we are pleased to submit the attached Proposal to provide a funded loan facility (“Direct Purchase”) on behalf of the City of Oak Ridge, TN (the “City”) to replace the City’s existing \$21,140,000 Direct Pay Letter of Credit from KBC Bank N.V. that is set expire on July 15, 2013, and the \$4,735,000 Standby Bond Purchase Agreement from Bank of America that is set to expire on January 13, 2013.

The attached Term Sheet is intended to be used as a basis for continued discussions with you and the City. U.S. Bank does not represent that the Term Sheet is a commitment to enter into any credit facility. Our commitment will be subject to certain protocols and procedures including: (i) completion of the Bank’s due diligence with respect to the City and this financing, (ii) credit approval, (iii) a capital allocation for this Direct Purchase, and (iv) a satisfactory review of all documentation by the Bank and its legal counsel. The attached Term Sheet includes minor revisions to our original Term Sheet of even date.

The attached terms and conditions represent our understanding of the City’s objectives with respect to this RFP. If there are provisions or terms that are not aligned with the City’s requirements, please be aware that we are available to discuss mutually agreeable alternatives in order to facilitate an acceptable transaction for both parties.

Headquartered in Minneapolis, Minnesota, U.S. Bank is the fifth largest commercial bank in the U.S. with nearly \$353 billion in total assets. Reflecting our roots as a regional consumer bank with a prudent lending posture and a strong capital base, U.S. Bank has a Tier I Capital ratio of 10.9% at 9/30/12, and the Bank enjoys superior long-term, credit ratings of Aa2 / AA- / AA-.

It is important to us to note that U.S. Bank is a relationship-oriented institution and can offer a number of quality products and services. Our suite of solutions includes several specialized products and services from our card product, treasury/investment management, corporate trust, and custody services that we believe can help lower costs to the City and provide its constituents with better service. We look forward to the opportunity to present these to the City.

Additionally and separately, we would appreciate the opportunity to introduce you to other professionals within our Municipal Securities Group including the short term desk which is performing as the leader in remarketing notes and bonds supported by U.S. Bank liquidity facilities. U.S. Bancorp also has the advantage of diverse distribution capabilities, which reach all sectors of buy side clients, including municipal institutional clients, money center sales, corporations, and private wealth management.

In the evaluation of this Proposal, we encourage the City and members of its finance and legal team to consider the following as you select your financial partner:

- Ratings of the providers and related outlooks.
- Prior experience, commitment to the market, and relationship history.
- Depth and breadth of non-credit services.

We look forward to hearing from you. Please contact us with any questions or additional requests for information. Financial statements and other information about U.S. Bank may be found on our website at www.usbank.com.

This proposal constitutes indicative terms for the described transaction for discussion only. The summary that follows is subject to credit approval and does not constitute an offer or commitment. As we obtain more information, additional substantive conditions may be required and terms may be changed or be supplemented. In addition, upon completion of our analysis and due diligence and if we obtain credit approval of this proposal, loan documentation must be created which will include terms and conditions customary to the Bank, as well as warranties and covenants specific to this transaction. To that end, this term sheet is an expression of interest only, and it is not a contract, commitment nor intent to be bound. The Bank does not intend that this term sheet or discussions relative to the terms of this term sheet create any legal rights or obligations, implicit or explicit, in favor of or against the other party. Also, no oral discussions and/or written agreements shall be in place of or supersede written loan agreements executed by your business and accepted by the Bank. Upon your acceptance of the terms and conditions contained within this letter of interest, we will seek credit approval to provide a Direct Purchase for this transaction.

Thank you for considering U.S. Bank.

Sincerely,



Jeffrey M. Spetrino
Vice President

CC:

Steven A. Chapel – U.S. Bank – Government Banking (TN)
Bedford Boyce – Municipal Securities Group (NC)
Timothy J. McKeon – U.S. Bank – Government Banking (NY)
Jeffrey C. Heckman – U.S. Bank – Government Banking (NY)
Geraldine Kerr – U.S. Bank-- Government Banking (New York)

ALL VIA E-MAIL



**DISCUSSION PURPOSES ONLY
PROPOSAL
AND
TERM SHEET
("DIRECT PURCHASE PROPOSAL")**

**PROPOSAL TO PROVIDE A
DIRECT PURCHASE FACILITY ("DP" OR 'INDEX FLOATER")**

TO PURCHASE UP TO

**\$21.14 MILLION LOCAL GOVERNMENT PUBLIC IMPROVEMENT BONDS, SERIES (2009)
VII-E1, AND**

**\$4.735 MILLION LOCAL GOVERNMENT PUBLIC IMPROVEMENT BONDS, SERIES (2010)
VI-M1**

VARIABLE RATE DEMAND BONDS ("BONDS")

PROVIDED BY

U.S. Bank N.A.

FOR THE BENEFIT OF

**CITY OF OAK RIDGE, TENNESSEE
(THE "CITY")**

NOTE: This proposal constitutes indicative terms for the described transaction for discussion only. The summary that follows is subject to credit approval and does not constitute an offer or commitment. As we obtain more information, additional substantive conditions may be required and terms may be changed or be supplemented. In addition, upon completion of our analysis and due diligence and if we obtain credit approval of this proposal, loan documentation must be created which will include terms and conditions customary to the Bank, as well as warranties and covenants specific to this transaction. To that end, this term sheet is an expression of interest only, and it is not a contract, commitment nor intent to be bound. The Bank does not intend that this term sheet or discussions relative to the terms of this term sheet create any legal rights or obligations, implicit or explicit, in favor of or against the other party. Also, no oral discussions and/or written agreements shall be in place of or supersede written loan agreements executed by your business and accepted by the Bank. Upon your acceptance of the terms and conditions contained within this letter of interest, we will seek credit approval to provide a Direct Purchase for this transaction.

Facility Provider (“Provider”):

US Bank N.A.	
JEFFREY M. SPETRINO, VICE PRESIDENT	STEVEN A. CHAPEL VICE PRESIDENT, CTP
Ph: (216) 623-9233	Ph: (615) 251-0783
Fax: (216) 623-9253	Fax : (615) 251-9233
E-mail: jeffrey.spetrino@usbank.com	E-mail : steven.chapel@usbank.com

*Government Banking Division
 1350 Cleveland, Suite 1100
 Cleveland, OH 44115*

*Government Banking Division
 150 4th Avenue North
 Nashville, TN 37219*

<http://www.usbank.com> (for Annual Report)

Issuer: The Public Building Authority of Seiver County, Tennessee

Borrower: The City of Oak Ridge, Tennessee (“City” or “Borrower”)

Issue: Variable Rate General Obligation Bonds, Local Government Public Improvement Bonds, Series VII-E1 and Series VI-M-1 (the “Bonds”)

U.S. Bank Credit Rating:

Year	Moody's		S&P		Fitch	
	(long/short)	Outlooks	(long/short)	Outlooks	(long/short)	Outlooks
2012	Aa2/P-1	Negative	AA-/A-1+	Stable	AA-/F1+	Stable
2011	Aa2/P-1	Negative	A-/A-1	Stable	AA-/F1+	Stable
2010	Aa1/P-1	Negative	AA-/A-1+	Stable	AA-/F1+	Stable
2009	Aa1/P-1	Negative	AA-/A-1+	Stable	AA-/F1+	Positive

Experience: The credit team at U.S. Bank has collectively closed over \$50 billion of credit facilities. Additional information and references will be provided upon request. We have approximately \$250 million of municipal credit exposure in Tennessee.

Facility: Direct Purchase.

Facility Amount: Total of \$25,875,000

Term: Depending upon the outcome of conversations with the City, U.S. Bank will seek final approval for a one (1), three (3), and five (5) year Direct Purchase.

Pledged Revenues: The Bonds and amounts owed under the Direct Purchase Agreement shall be secured by an unlimited General Obligation pledge of the City together with the City's share of Sales Taxes levied and collected within the City limits. With respect to the pledge of the Sales Tax revenues to the Bonds, the Bank will enjoy a sole senior or parity senior lien position.

Downgrade Pricing: The above pricing is subject to the maintenance of the current ratings assigned to unenhanced, unlimited General Obligation debt the City. The Applicable rate for the Direct Purchase facility will be increased one time per level by the following for each rating downgrade of the City's unenhanced, unlimited General Obligation debt below its current ratings of AA/Aa2. All such increases to the Applicable Rate will be cumulative.

<u>GO Bond Ratings</u>	<u>Spread Increase (basis points per annum)</u>
AA / Aa2	0
AA- / Aa3	0
A+ / A1	30
A / A2	Mandatory Tender 35
Below A / A2	An Event of Default

In addition to any increase pursuant to a rating downgrade, the Applicable Rate will also be increased pursuant to the following:

(i) 150 BPs per annum should a rating be withdrawn or suspended by any Rating Agency for any reason (which shall also be an Event of Default), and

In the event of a split rating, the rating and Default provision shall be based on the lowest rating of any Rating Agency. For purposes of the Event of Default rating, U.S. Bank will use *any one rating* of the City's long term debt that is below the A / A2 level.

References above are to rating categories as presently determined by the rating agencies, and in the event of the adoption of any new or changed rating system or "global" rating scale by any such rating agency, the ratings categories shall be adjusted accordingly to the new rating which most closely approximates the ratings currently in effect.

Extensions: The Issuer may request an extension of the Facility in writing within a time period no later than 180 days prior to the expiration date of the Facility. The Bank will respond in writing within 30 business days of receipt of such

written request. The Bank's determination to accept or reject such request shall be within the Bank's sole and absolute discretion. The failure of the Bank to respond to such request shall be deemed a denial of the request.

The terms of each extension will be determined by mutual agreement after such analysis and due diligence as the Bank may require. Should the Direct Purchase not be renewed, an Event of Default occurs, or should the City fail to request an extension on a timely basis, the City will covenant to refinance or defease the Bonds or convert the interest rate on the Bonds to a rate of interest not supported by a Bank or Credit Facility of any kind within 90 days, during which the rate on any Bonds held by the bank shall be the Default Rate.

Other Fees and Expenses:

Draw Fee: Not applicable

Amendment Fee: The Issuer shall pay to the Bank an amendment, waiver or transfer fee for each amendment or waiver of a Bond Document in a minimum amount of \$ 3,500 plus reasonable attorney's fees and expenses of any outside professional costs as required by the Bank.

Bank Counsel Fee: Estimated at \$25,000 - \$27,000, and will be capped at \$30,000 plus reasonable expenses.

Termination Fee: In the event the Facility is terminated prior to the first, third, or fifth anniversary of closing of the Facility, the City shall pay to the Bank (i) all amounts due to the Bank to such date, plus (ii) a Termination Fee, in an amount equal to the product of the (a) the Interest Rate in effect on the date of such termination, (b) the Facility Amount and (c) a fraction, the numerator of which is equal to the number of days from and including the date of such termination to and including the date on which the expiry date of the Facility, and the denominator of which is 360 days. With respect to the one (1) year and three (3) year Direct Purchase options, the Termination Fee will expire and will no longer be applicable to the Borrower 12 months after the date of closing. With respect to the five (5) year Direct Purchase option, the Termination Fee will expire and will no longer be applicable to the Borrower 18 months after the date of closing.

Payment of Fees and Expenses:

Timing/Calculation: Interest and Fees, if any, are payable quarterly in arrears on the first business day after the end of each calendar quarter. Interest is based on the Facility Amount, calculated on the basis of actual days elapsed and a 360-day year, including date of issuance and expiration. Other Bank Fees and Interest Charges are calculated on a basis of actual days over 360 days.

Interest Rates:

Index Rate: The Direct Purchase shall bear interest at a per annum rate equal to the sum of the (i) the Index (as defined below) plus the Applicable Spread (the “Index Rate”), subject to adjustment as provide below.

The loan shall bear interest at the floating Index Rate for one (1), three (3), or five (5) years which shall be the final maturity of the Direct Purchase so long as no Event of Default exists.

Applicable Spread: U.S. Bank proposes LIBOR pricing matrixes as shown below.

The pricing schedule is for an “Index” defined as 75.0% of the one month LIBOR rate. The DP funding rate formula would be: (75.0% of one month LIBOR) plus the (Applicable Spread).

Applicable Spread Per Annum	Direct Purchase Term - Years
30 basis points	1 Year
40 basis points	3 Years
50 basis points	5 Years

Base Rate: The greater of:
(i) Prime Rate plus 0.5%,
(ii) Federal Funds plus 1.0%, and
(iii) 7.5%.

Default Rate: Base Rate plus 4.0%.

Claw-back Amounts:

The Direct Purchase Agreement will include customary interest rate recapture (“claw-back”) language allowing the Banking to recover interest in excess of any maximum interest rate imposed by law.

Prepayment: The Direct Purchase may be prepaid at any time, subject to the minimum Termination Payment. The Direct Purchase shall amortize in accordance with the Bonds existing amortization schedule. Any prepayment costs or other

early redemption costs as determined by the Bank shall be for the account of the City.

**Mandatory
Tender on Direct
Purchase Facility:**

The Direct Purchase amount will be subject to (assuming no extension is negotiated between U.S. Bank and the Borrower) mandatory tender for purchase on the first, third or fifth anniversary of the delivery date, corresponding with the initial term of the underlying agreement (the Mandatory Tender Date).

Increased Costs and Capital Adequacy; Taxes:

Standard increased costs, capital adequacy and tax provisions will be provided for in final documentation including, without limitation, increases resulting from implementation of the Dodd-Frank Act or Basel III accords regardless of the date when implemented, or as interpreted by U.S. Bank.

**Security for the
Bonds:**

The Bonds shall be secured by an unlimited General Obligation pledge of the City, and the City's share of revenues derived from the sales taxes levied and collected within the City. With respect to the pledge of the Sales Tax revenues to the Bonds, the Bank will enjoy a sole senior or parity senior lien position.

Documentation:

Documentation will include a Direct Purchase Agreement prepared by Bank Counsel, specifying the fees, expenses and other charges described herein (the "Fee Letter"). The Direct Purchase Agreement will include, but not be limited to, the terms and conditions outlined herein as well as provisions that are customary and standard with respect to conditions precedent, representations and warranties, covenants, events of default and remedies (including acceleration of the Issuer's obligations under the Direct Purchase Agreement).

Conditions Precedent to Closing:

Standard for facilities of this type including, but not limited to, the following: documentation satisfactory to the Bank, delivery of enforceability and approving opinions; authorizing resolutions; financial statements; bring-down of representations and warranties; no default; receipt of rating letters from each Rating Agency applicable to the Bonds (other than Bank Bonds); payment of fees due to the bank at closing; receipt of a rating, and a CUSIP number unique to the Bank Bonds.

Representations and Warranties

Standard for facilities of this type including, but not limited to, the following: due authorization and organization; validity and enforceability of Bond Documents; accuracy of financial statements; status of debt payable from revenues; security; compliance with laws (including ERISA, if applicable) and environmental matters; accuracy of disclosure; no litigation; no default; no usury restrictions; no margin stock; no proposed legal changes; no immunity; tax-exempt status of Bonds, if applicable; and incorporation of representations and warranties from Bond Documents.

Covenants:

Financial Covenants:

The following existing key financial covenants will apply to each of the Pledged Revenues:

- 1) *Annual adoption of a balanced budget of the City*
- 2) *Maintain unlimited General Obligation Debt Ratings above A/A2/A by any rating service.*
- 3) *Maintain at least two ratings from nationally recognized rating services.*

Other Covenants: Standard for facilities of this type including, but not limited to, the following: performance of obligations under the Bond Documents; maintenance of status; further assurances; books and records; reporting requirements; notice requirements such as notice of material litigation and other events material to the Issuer's ability to perform its obligations including, without limitation, an IRS, MSRB or SEC inquiry; compliance with laws (including ERISA, if applicable) and environmental matters; restrictions on additional debt; subordination of swap termination fees; restrictions on liens; restrictions on amendments to Bond Documents; incorporation of covenants from Bond Documents; waiver of sovereign immunity; use of proceeds; maintenance of tax-exempt status of Bonds, if applicable; restrictions on substitute fiduciary and remarketing agent; and redemption of Bank Bonds prior to any other Bonds; delivery of substitute facility upon the occurrence of specified conditions; and limitation on delivery of a substitute facility, or redemption, defeasance or conversion of all or any portion of the Bonds, without payment in full of all obligations.

Financial

- Statements:** The Provider will require current financial information, budget, financial and operating projections, and up-dated rating agency reports prior to the final credit approval. Annual audited statements and Certificate of No Default will be sufficient.
- Events of Default:** Those customary for transactions of this nature including, but not limited to, the following: failure to pay principal and interest on any debt; cross default to any contract evidencing or securing any such debt; bankruptcy or insolvency of City; material inaccuracy of any representation and warranty; failure to comply with covenants; invalidity or contest of the City's obligations under the Direct Purchase Agreement or any document related to the Bonds; City's rating is withdrawn or suspended by any Rating Agency for any reason; the Bonds are declared taxable, default in payment of any judgment in the amount greater than \$5 Million.
- Remedies:** Those customary for transactions of this nature including, but not limited to, the following: acceleration of any debt outstanding under the Direct Purchase Agreement; set-off; or any other remedy allowed by law, by contract or equity.
- Governing Law and Venue:** The Direct Purchase Agreement, Fee Letter and any other Bond Document to which the Bank shall become a party will be governed by the laws of the State of Tennessee for the City, and the State of New York for the Bank.
- Jury Trial:** The Issuer agrees to waive a jury trial in any proceeding including the Bank.
- Venue:** Any litigation involving the Bank shall be brought in the appropriate New York court having jurisdiction over the matter. If the City requires that litigation be brought in its jurisdiction, the Direct Purchase Agreement would require that the action be limited to federal court.
- Indemnification:** To the extent permitted by law, the City shall indemnify the Bank, including tax indemnity, for all circumstances except those caused by the negligence, or willful misconduct of the Bank.
- Participations:** The Bank reserves the right in its sole discretion to sell participations in this transaction.
- Bank Counsel:** To be determined

Proposed Terms and Conditions subject to Certain Events:

This proposal is not a commitment. It represents a willingness on the part of U.S. Bank to seek approval to consummate a transaction based upon the terms and conditions outlined herein and is subject to:

- *Final credit and capital allocation approval;*
- *Absence of any material adverse change in the financial condition, operations or prospects of the City, or in any law, rule or regulation (or their interpretation or administration), that, in each case, may adversely affect the consummation of the transaction, to be determined in the Bank's sole discretion;*
- *Re-affirmation of the City's long term ratings;*
- *Such additional due diligence as the Bank may require; and*
- *Agreement as to all final terms and conditions and satisfactory documentation thereof (including satisfactory legal opinions).*

Credit Process Timeframe:

The credit process will take 10-15 business days from the point at which the Bank is officially awarded the transaction, and, following discussions with the City, has in their possession all materials necessary to undertake a full credit analysis. U.S. Bank, in submitting this Proposal, has already obtained one of two approvals for this transaction.

Rescission by the Bank:

The Bank reserves the right to unilaterally rescind part or all of the proposed terms and conditions herein at any time prior to their acceptance, which can only be effected by signing and returning this document to the Bank.

Expiration of Terms and Conditions:

Unless rescinded earlier, consideration of a financing, based on the terms and conditions presented in this term sheet, shall automatically expire on December 31, 2012.

Confidentiality:

This Summary of Preliminary Terms and Conditions contains confidential and proprietary structuring and pricing information.

Except for disclosure on a confidential basis to your accountants, attorneys and other professional advisors retained by you in connection with the Direct Purchase Facility or as may be required by law, the contents of this Summary of Preliminary Terms and Conditions may not be disclosed in whole or in part to any other person or entity without our prior written consent, provided that nothing herein shall restrict disclosure of information relating to the tax structure or tax treatment of the proposed Facility.

AGREEMENT BY THE ISSUER:

The City hereby agrees to engage U.S. Bank to provide the Facility, which is the subject hereof, pursuant to the terms and conditions stated herein.

Please evidence your acceptance of the foregoing by signing and returning a copy of the document to U.S. Bank.

ACCEPTED AND AGREED

By: _____

Name: _____

Title: _____

Date: _____



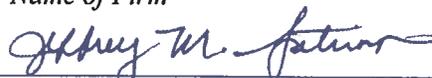
FACILITY TERM SHEET

Borrower	City of Oak Ridge, Tennessee																						
Provider Name	U. S. Bank																						
Provider's Ratings		<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td></td> <td align="center">Moody's</td> <td align="center">S&P</td> <td align="center">Fitch</td> </tr> <tr> <td>Long-term Rating</td> <td align="center">Aa2</td> <td align="center">AA-</td> <td align="center">AA-</td> </tr> <tr> <td>Short-term Rating</td> <td align="center">P-1</td> <td align="center">A-1+</td> <td align="center">F1+</td> </tr> <tr> <td>Long Term Outlook</td> <td align="center">Negative</td> <td align="center">Stable</td> <td align="center">Stable</td> </tr> <tr> <td>Recent Ratings Action</td> <td></td> <td></td> <td></td> </tr> </table>		Moody's	S&P	Fitch	Long-term Rating	Aa2	AA-	AA-	Short-term Rating	P-1	A-1+	F1+	Long Term Outlook	Negative	Stable	Stable	Recent Ratings Action				
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Bank Loan and Standby Purchase Agreement Commitment Amount		<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td></td> <td align="center">Series VII-E-1 (\$21.14MM Par)</td> <td align="center">Series VI-M-1 (\$4.735MM Par)</td> </tr> <tr> <td>Bank Loan (SIFMA Index)</td> <td></td> <td></td> </tr> <tr> <td>Bank Loan (% LIBOR)</td> <td align="center">\$21.14MM Par</td> <td align="center">\$4.735MM Par</td> </tr> <tr> <td>SBPA</td> <td></td> <td></td> </tr> <tr> <td>LOC</td> <td></td> <td></td> </tr> </table>		Series VII-E-1 (\$21.14MM Par)	Series VI-M-1 (\$4.735MM Par)	Bank Loan (SIFMA Index)			Bank Loan (% LIBOR)	\$21.14MM Par	\$4.735MM Par	SBPA			LOC								
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SBPA																							
LOC																							
Interest Coverage on SBPA	___ days at ___ % interest rate																						
Pricing – Bank Loan In basis points per annum on bond principal component. <i>Additional fees, if any, should be noted separately.</i>	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td></td> <td align="center">Bank Loan (SIFMA Index)</td> <td align="center">Bank Loan (% LIBOR)</td> </tr> <tr> <td>Term:</td> <td></td> <td></td> </tr> <tr> <td>364 days:</td> <td align="center">SIFMA + ___ bps</td> <td align="center">75 % LIBOR + 30 bps</td> </tr> <tr> <td>Three years:</td> <td align="center">SIFMA + ___ bps</td> <td align="center">75 % LIBOR + 40 bps</td> </tr> <tr> <td>Five years:</td> <td align="center">SIFMA + ___ bps</td> <td align="center">75 % LIBOR + 50 bps</td> </tr> <tr> <td>Seven Years:</td> <td align="center">SIFMA + ___ bps</td> <td align="center">___ % LIBOR + ___ bps</td> </tr> <tr> <td>Other:</td> <td align="center">SIFMA + ___ bps</td> <td align="center">___ % LIBOR + ___ bps</td> </tr> </table>		Bank Loan (SIFMA Index)	Bank Loan (% LIBOR)	Term:			364 days:	SIFMA + ___ bps	75 % LIBOR + 30 bps	Three years:	SIFMA + ___ bps	75 % LIBOR + 40 bps	Five years:	SIFMA + ___ bps	75 % LIBOR + 50 bps	Seven Years:	SIFMA + ___ bps	___ % LIBOR + ___ bps	Other:	SIFMA + ___ bps	___ % LIBOR + ___ bps	
	Bank Loan (SIFMA Index)	Bank Loan (% LIBOR)																					
Term:																							
364 days:	SIFMA + ___ bps	75 % LIBOR + 30 bps																					
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Seven Years:	SIFMA + ___ bps	___ % LIBOR + ___ bps																					
Other:	SIFMA + ___ bps	___ % LIBOR + ___ bps																					
	Day count basis: __360__																						
Pricing In basis points per annum on bond principal component. <i>Additional fees, if any, should be noted separately.</i>	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td></td> <td align="center">Standby Bond Purchase Agreement</td> <td align="center">Letter of Credit Agreement</td> </tr> <tr> <td>Term:</td> <td></td> <td></td> </tr> <tr> <td>364 days:</td> <td align="center">___ bps</td> <td align="center">___ bps</td> </tr> <tr> <td>Three years:</td> <td align="center">___ bps</td> <td align="center">___ bps</td> </tr> <tr> <td>Five years:</td> <td align="center">___ bps</td> <td align="center">___ bps</td> </tr> <tr> <td>Seven Years:</td> <td align="center">___ bps</td> <td align="center">___ bps</td> </tr> <tr> <td>Other:</td> <td align="center">___ bps</td> <td align="center">___ bps</td> </tr> </table>		Standby Bond Purchase Agreement	Letter of Credit Agreement	Term:			364 days:	___ bps	___ bps	Three years:	___ bps	___ bps	Five years:	___ bps	___ bps	Seven Years:	___ bps	___ bps	Other:	___ bps	___ bps	
	Standby Bond Purchase Agreement	Letter of Credit Agreement																					
Term:																							
364 days:	___ bps	___ bps																					
Three years:	___ bps	___ bps																					
Five years:	___ bps	___ bps																					
Seven Years:	___ bps	___ bps																					
Other:	___ bps	___ bps																					
	Day count basis: _____																						
	Arrears or Advance? _____																						

Interest Rates	Interest Rate	
	Bank interest rate (base rate):	See Proposal
	Default interest rate:	BaseRt +4%
	Interest rate on drawings (liquidity rate):	N/A
	Term loan rate:	N/A
	Maximum interest rate:	N/A
Term Out Provisions Preferred that the City is provided minimum of 367-day interest only period prior to term out		
Evergreen Renewal Optional (yes or no?) Please detail terms including minimum termination time required.		
If no evergreen, please detail the renewal process (and fees) including a minimum termination period that would be required of the Bank to provide The City with future commitments.		
Upfront Fees (if any)	None	
Termination Fees (if any)	Yes. Please see attached Proposal.	
Draw Fees (if any)	None	
Other Ongoing Fees (if any)	Amendments \$3,500, plus reasonable attorney's fees and expenses	
Proposed Legal Counsel	N/A	
Cap on Legal Fees (in \$)	\$35,000, plus reasonable expenses	
Conditions Precedent to Funding (including any due diligence conditions required prior to close)	<ul style="list-style-type: none"> *Completion of the Bank's due diligence of the City and financing structure *Credit approval *Determination of capital allocation for proposed credit facility *Satisfactory review of all documentation by Bank and its legal counsel 	

U.S. Bank

Name of Firm



Signature of Executive in Charge

FINANCE DEPARTMENT MEMORANDUM
12-14

Date: December 05, 2012

To: Mark S. Watson, City Manager 

From: Janice E. McGinnis, Finance Director
Gary M. Cinder, P.E. , Public Works Director

Subject: DOE Water Services Agreement Contract Amendment

The accompanying resolution extends the water services contract with the US Department of Energy (DOE) for the provision of potable and non-potable water from the City of Oak Ridge. The City and DOE have operated under the subject contract since May 2000. The contract has had several modifications and short-term extensions since that time. The current proposal is to extend the contract for three additional years, ending December 31, 2015. Several significant changes are being proposed as outlined below.

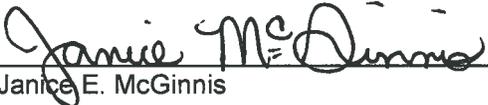
Since the beginning of the contract the City has charged DOE for both potable and non-potable water based on a volumetric rate per thousand gallons of use. Over time, DOE's water use has declined and has also been shown to be highly variable, creating instability in the City revenue stream. In order to stabilize the revenue received, it is proposed that an annual fixed rate be charged for both potable and non-potable water and billed to DOE on a flat monthly basis.

It has been agreed that the initial contract year rate is a fixed cost of \$2,075,000 for potable water and \$463,750 for non-potable water, to be billed monthly. This was determined based on a review of the City's operation and maintenance costs over the previous several years with the total costs being apportioned based on the split of DOE flow and City flow. DOE currently uses 53.5% of the total water produced and the City 46.5%. DOE is the only user of non-potable water. The fixed cost will be adjusted annually using the Consumer Price Index (CPI). History has shown little variability in the total operating costs based on flow produced, however there are safeguards included in this amendment should either party experience a major increase or decrease in their annual usage. Annually, this would be reevaluated and appropriate modifications to the respective water rates would be made.

The costs identified above are exclusive of capital improvement costs. It was mutually agreed that the City would provide to DOE the capital improvement plan prepared each year. This document identifies each improvement projected for the water plant, the water booster station and the river intake facility, all components of the water treatment process. DOE would use this plan to budget for their portion of the capital costs. At such time as City Council approves a contract for a major capital project (engineering or construction) upon presentation of the approved contract to DOE it is proposed DOE would then pay for its pro-rata portion of that contract based on the previously described flow split. This would serve to reduce the City's need to borrow capital funds in the total amount of the contract.

A copy of the draft contract is attached and final approval is pending from DOE management. After both Council and DOE have approved the contract, it will be executed by both parties and will go into effect on January 1, 2013.

Staff recommends approval of the attached resolution.

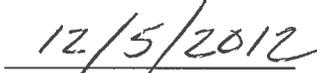

Janice E. McGinnis


Gary M. Corder, P.E.

City Manager's Comments:

I have reviewed the above issue and recommend council action as outlined in this document.


Mark S. Watson


Date

SECTION B
SUPPLIES OR SERVICES AND PRICES/COSTS

B.1 DEFINITIONS

(a) As used in this Contract:

- (1) The term "Contractor" means the City of Oak Ridge ("City").
- (2) The term "Government" means the U.S. Department of Energy (DOE).
- (3) The term "Government Sites" means the DOE Sites consisting of the Y-12 Weapons Plant (Y-12) and the Oak Ridge National Laboratory (ORNL), including the Spallation Neutron Source (SNS) and the High Flux Isotope Reactor (HFIR).
- (4) The term "Potable Water" means water that meets current and future Federal and State of Tennessee drinking water standards applicable to municipalities.
- (5) The term "Non-potable Water" means water from the intake facility that has not been processed at the Water Treatment Facility located on Bear Creek Road and does not meet Potable Water standards.
- (6) The term "Government Easement" means property owned by the Government to which the City has been granted a legal easement which establishes terms and conditions for the use of that easement.
- (7) The term "back-flow prevention facilities" means those facilities which prevent the Government Sites from contaminating the City's Water Treatment Facility.

(b) This clause is hereby expanded to include the additional definitions contained in Federal Acquisition Regulation (FAR) Clause 52.201-1, Definitions (Oct. 1995) (as modified by the Department of Energy Acquisition Regulation (DEAR) 952.202-1) (Mar. 1985), which is included in its entirety in Section I.

B.2 OBLIGATION OF FUNDS

The total amount currently obligated to the Contract for the services described in Section C is \$33,318,707.32. It is anticipated that from time to time additional funds will be obligated to this Contract as necessary to reimburse the City at the rates established for metered quantities of both Potable and Non-potable Water

supplied to the points of delivery identified in Section C throughout the term of this Contract.

The total funds are obligated specifically for metered consumption at either the Y-12 Plant or ORNL as follows:

<u>Government Site</u>	<u>B&R No.</u>	<u>Total Amount Obligated</u>
ORNL	YN1901000(0471981)	\$13,240,436.00
Y-12 Plant	YN1901000(0490941)	\$19,978,271.32

B.3 PRICE

In consideration of the performance under this Contract, the City shall be paid the consideration identified below; which consideration shall constitute complete payment for all services and materials furnished and accepted pursuant to the statement of work.

The Potable Water rate shall be the rate charged by the City to DOE for Potable Water supplied to DOE points of delivery for Potable Water as set in accordance with this Section. In accordance with the Quitclaim Deed executed on April 28, 2000, paragraph (13), at no time shall the City charge DOE a Potable Water rate which is higher than the rate the City charges the City of Oak Ridge Water Distribution Center.

Through December 31, 2012, the Non-potable Water rate shall be the rate charged by the City to DOE for Non-potable Water supplied to the Y-12 site point of delivery. During this time period, the Non-potable Water rate shall be equal to twenty-five percent (25%) of the Potable Water rate for that defined period.

From January 1, 2013, through December 31, 2015, the Non-potable Water rate is \$463,750.00 annually as adjusted on January 1 each year pursuant to Section B.4(b) and payable monthly pursuant to Section G.2.

(a) **POTABLE WATER RATES BEGINNING THE EFFECTIVE DATE OF THE CONTRACT THROUGH JUNE 30, 2005:**

- (1) From the effective date of the Contract through June 30, 2001, the Potable Water rate shall be \$0.62 per 1,000 gallons.
- (2) From July 1, 2001, through June 30, 2005, the Potable Water rate shall be subject to adjustment in accordance with the clause in Section B, entitled "Economic Price Adjustment." In addition, water rates may be adjusted by mutual agreement as provided elsewhere in the Contract.

(b) RATE SCHEDULE – From Effective Date of Contract through June 30, 2005:

The Potable and Non-Potable water unit rates per 1,000 gallons for each period will be as follows:

<u>Rate</u>	<u>Period</u>	<u>Potable Rate</u>	<u>Non-Potable</u>
	Effective Date - June 30, 2001	\$ 0.620	\$ 0.155
	July 1, 2001 - June 30, 2002	\$ 0.641	\$ 0.160
	July 1, 2002 – June 30, 2003	\$ 0.654	\$ 0.164
	July 1, 2003 – June 30, 2004	\$ 0.658	\$ 0.165
	July 1, 2004 – June 30, 2005	\$ 0.669	\$ 0.167

(c) POTABLE RATES BEGINNING JULY 1, 2005:

For the periods defined in Paragraph (d) below, entitled RATE SCHEDULE -- BEGINNING JULY 1, 2005, the Potable water rates for each period are hereby established based on the following:

- (1) For the period beginning July 1, 2005 and concluding June 30, 2007, the water unit rates shall be established based on the revenues already collected for potable and non-potable water based on the billed consumptions and no invoices shall for this period be recalculated.
- (2) No surpluses or losses will be carried forward into the period from July 1, 2007, through September 30, 2008.
- (3) For the period beginning July 1, 2007 and through June 30, 2012, the potable water unit rate for each year shall be established by dividing the annual budget for water production furnished by the City and agreed upon by DOE by the total of the projected annual potable water consumption at the DOE sites (Y-12 and ORNL) and the City of Oak Ridge.
- (4) For the period from October 1, 2008 through September 30, 2009, and through the remainder of the period of the Contract, surpluses or losses from the previous annual period shall be included as a line item in the annual budget projection for that year. DOE requests that the City furnish the reconciliation for the expenditures versus the budget for the water plant within ten (10) days of when this information becomes available each year.

(d) RATE SCHEDULE -- BEGINNING JULY 1, 2005:

The Potable and Non-Potable water unit rates for each period will be as follows:

<u>Period</u>	<u>Potable Rate</u>	<u>Non-Potable</u>
July 1, 2005 - June 30, 2006	\$ 0.7660	\$ 0.1915
July 1, 2006 - June 30, 2007	\$ 1.0943*	\$ 0.2736*
July 1, 2007 - September 30, 2008	\$ 1.3200	\$ 0.3300
October 1, 2008 - September 30, 2009	\$ 1.3200	\$ 0.3300

* This rate is an average based on multiple billed rates for this period.

(e) POTABLE WATER RATES THROUGH DECEMBER 31, 2012:

From the effective date of the last modification through December 31, 2012, the Potable Water rate shall be subject to adjustment by mutual agreement as provided elsewhere in the Contract.

(f) POTABLE WATER RATES BEGINNING JANUARY 1, 2013 THROUGH DECEMBER 31, 2015:

- (1) From January 1, 2013 through December 31, 2015, DOE shall pay the fixed rate of \$2,075,000.00 annually, as adjusted on January 1 each year pursuant to Section B.4(b) ("Current Potable Water Rate") and payable monthly pursuant to Section G.2.
- (2) The City shall provide a notice to DOE if, during a calendar year, any of the following events occur: (a) DOE uses more than 1.96B gallons of Potable Water, (b) DOE uses less than 1.6B gallons of Potable Water, (c) the City uses more than 1.86B gallons of Potable Water, or (d) the City uses less than 1.52B gallons of Potable Water. In such event, the City and DOE shall engage in negotiations for the limited purpose of agreeing on an amendment to the Current Potable Water Rate to properly allocate the change in water usage. Any price adjustment shall be made by a Contract modification to be executed bilaterally by the City and the Contracting Officer.
- (3) Prior to July 1, 2015, DOE and the City shall use their best efforts to schedule at least one meeting to discuss the extension of this Contract and rate modifications. Prior to October 15, 2015, DOE and the City shall use their best efforts to agree upon a new Current Potable Water Rate, and if agreement is reached, the change in the Current Potable Water Rate shall be codified as part of the term extension as set forth in Section B.5.

(g) CONTRIBUTIONS TO CAPITAL IMPROVEMENT PROJECTS

- (1) The rules and regulations of the City require its customers to contribute to the costs of facilities construction which are commonly known as "capital improvements." Accordingly, the Government will make contributions in aid of these improvements. The Government's cost share shall be equal to fifty-three and one-half percent (53.5%) of the cost of such capital improvements.
- (2) As of June 30, 2012, the City had \$2,349,416 designated for capital improvement projects to the water treatment plant ("WTP"), and prior to January 1, 2013, the City has spent a portion of such funds (the remaining funds are referred to as the "Existing Capital Funds").

(A) Prior to December 31, 2015, the City will incur \$750,000.00 from the Existing Capital Funds to fund minor projects for the WTP ("Minor Projects").

(B) Until the City has expended the Existing Capital Funds, the Government shall not contribute additional funds to capital improvement projects; provided, however, that the Government shall make additional payments in the event that the City notifies the Government that a scheduled capital improvement project is expected to exceed the Existing Capital Funds as described in Section G.2.

- (3) Each year, the City shall provide the Government with a report which consists of an aid of construction budget identifying the City's planned investments and other capital improvements excluding Minor Projects to the WTP, a projected schedule to complete such improvements for the next two (2) years, and a plan for expending capital improvement funds for such improvements over the upcoming year. The report shall include a budget estimate of the work to be performed excluding Minor Projects that includes the following:

- Name and description of project;
- Phase of project (design, construction, design/construct, etc.);
- Engineers cost estimate; and
- Statement of work from the bid package specifications.

After the City has provided written notification to the Government that a particular major project(s) is/are scheduled to be presented to the City Council for authorization, the Government shall obligate funds matching its cost share and shall provide written documentation of this obligation to the City. Any price adjustment shall be made by a Contract modification to be executed bilaterally by the City and the Contracting Officer.

- (4) The Government has the right to present any relevant information related to the capital improvements to the City.
- (5) Payments to the City for capital improvement projects shall be made after the Government is invoiced by the City in accordance with clause G.2 Submission of Vouchers/Invoices.

B.4 ECONOMIC PRICE ADJUSTMENT

The purpose of this clause is to establish the terms for annually adjusting the Potable Water rate and the Non-potable Water rate which are currently in effect. The provisions set forth in section (a) apply prior to December 31, 2012, and the provisions set forth in section (b) apply beginning on January 1, 2013.

(a) ECONOMIC PRICE ADJUSTMENT PRIOR TO DECEMBER 31, 2012

The purpose of this clause is to establish the terms for annually adjusting the Potable Water rate which will be in effect through June 30, 2005. On June 30, 2001, 2002, 2003, and 2004, the Potable Water rate shall be adjusted based on the changes in the Gross Domestic Product-Price Index (GDP-PI) also referred to as the chain-type price index. The GDP-PI is published quarterly by the U.S. Department of Commerce, Bureau of Economic Analysis and is available on the Internet. The final GDP-PI for each calendar year is published in March/April of the succeeding year. The GDP-PI for 1999 is 104.55 and will be used as the base year index and the final yearly index for 2000, 2001, 2002, and 2003 shall be applied to a labor and materials base of \$.355 per 1000 gallons. The formula for calculating the economic price adjustment is given below:

$$\frac{\text{Yearly Index} - 104.55}{104.55} = \text{Percentage Amount of Cumulative Increase}$$

Example assuming the final Yearly Index for 2002 is 110:

$$\frac{110 - 104.55}{104.55} = .052 \qquad 1.052 \times .355 = .373$$

\$.373 would be the labor and materials portion of the Potable Water rate effective July 1, 2003. The full Potable Water rate based on economic price adjustment would be calculated as \$.62 - \$.355 + \$.373 = \$.638

The labor and materials base consists of personnel, engineering and lab fees, routine maintenance, chemicals, and power. Other portions of the water rate shall not be subject to economic price adjustment. The portion of the water rate which consists of tax equivalent shall be adjusted as if it were a local tax in accordance with the provisions of the clause in Section I entitled, "Federal, State, and Local Taxes (Noncompetitive Contract)."

In the event that the GDP-PI named above is discontinued or materially changed, the parties shall bilaterally agree to utilize another index which will be as nearly identical as possible in scope and content to the original index. In the event the parties cannot agree on such an index, the Government retains the right to unilaterally make the determination of an appropriate index and such determination shall be subject to the Disputes Clause of this Contract.

No economic price adjustment will be made which would cause the City to charge the Department of Energy a Potable Water rate which is higher than the rate the City charges its best customer including the City of Oak Ridge Water Distribution Center and/or the City of Oak Ridge.

(b) ECONOMIC PRICE ADJUSTMENT BEGINNING ON JANUARY 1, 2013

On January 1 of each year (the "Adjustment Date"), the Potable Water rate and the Non-potable Water rate shall be adjusted based on the Percentage Change (as defined below) in the Index (the "Index"). The term "Index" shall, for the purpose of this Contract, be the "Consumer Price Index For All Urban Consumers, U.S. City Average, All Items, Not Seasonally Adjusted, 1982 – 1984 = 100) published by the Bureau of Labor Statistics of the United States Department of Labor. The term "Percentage Change" shall mean the difference between the Index for the month of October preceding the year the rate was last established (for the initial year, October 2012) or adjusted, as appropriate (the "Base Month"), and the Index for the month of October immediately prior to the upcoming Adjustment Date, expressed as a percentage of the Index for the Base Month. The Potable Water rate shall increase annually by multiplying the then current Potable Water rate by the Percentage Change, and the Non-potable Water rate shall increase annually by multiplying the then current Non-potable Water rate by the Percentage Change; provided, however, if the Percentage Change is negative, the Potable Water rate and the Non-potable Water rate shall not be adjusted.

Any adjustment in price shall be reflected in a Contract modification to be executed bilaterally by the City and the Contracting Officer.

In the event that the Index is discontinued or materially changed, the parties shall bilaterally agree to utilize another index which will be as nearly identical as possible in scope and content to the original Index.

No economic price adjustment will be made which would cause the City to charge DOE a Potable Water rate which is higher than the rate the City charges the City of Oak Ridge Water Distribution Center.

B.5 OPTION(S) TO EXTEND THE CONTRACT

This Contract may be extended with the bilateral agreement of the City and DOE for a term agreed to by the parties. Any Contract extension shall be made by a Contract modification to be executed bilaterally by the City and the Contracting Officer.

In the event that the parties do not bilaterally agree to extend the Contract, this Contract shall expire in accordance with Section F.1.

When calculating and negotiating a future rate for the Current Potable Water Rate that will apply after December 31, 2015, the City will add the cost for Minor Projects identified in Section B.3(g)(2)(A) to such new Current Potable Water Rate.

B.6 INSTALLATION OF BACK-FLOW PREVENTION STATION

If additional back-flow prevention is required by law to prevent contamination of the City's water supply by the Government Sites, the City shall construct back-flow prevention facilities (including required modifications to the system, metering relocation, piping modification, and pressure modification) on its property or on easements provided by the Government. The Government recognizes that it will be DOE's responsibility to reimburse the City for the cost of these facilities. DOE will negotiate specifications and cost with the City. The City shall not receive reimbursement in excess of the cost incurred for the Installation and shall provide the Government with documentation supporting such costs. DOE shall have the right to review and approve the design of all back-flow prevention facilities.

B.7 SUBSTANTIAL EVENTS AND CHANGES IN COSTS OF ELECTRICITY OR PAYMENTS TO TCRS

(a) SUBSTANTIAL EVENTS

(1) If a Substantial Event occurs at any time during the term of the Contract, the City may increase the contribution to capital improvement projects identified in Section B.3. Any such increase may only be utilized to pay for the Substantial Event. The increase in the rate contributed shall terminate as soon as the cost incurred by the City as a result of the substantial event has been recovered. Any price adjustment shall be made by a Contract modification to be executed bilaterally by the City and the Contracting Officer.

(2) For purposes of this clause, the term "Substantial Event" means an event, e.g., structural, pipe or mechanical failure, that cannot be reasonably insured against; that would occur unexpectedly; that was not the result of the City's failure to perform routine inspection, maintenance, and repair; and that would cause the City to incur costs in excess of \$500,000.

(b) CHANGES IN COSTS OF ELECTRICITY OR PAYMENTS TO TCRS

(1) If, during a calendar year, the actual cost incurred by the City for (i) electricity or (ii) payments to the Tennessee Consolidated Retirement System ("TCRS") (based on the estimated expenses for such items provided to DOE by January 1 of each year) increases by more than the Percentage Change of the Index plus two percent (2%), the City shall notify DOE and provide an explanation with supporting information of such increased costs. DOE shall be responsible for fifty-three and one-half percent (53.5%) of the actual increased cost above the estimate for such item, as applicable, on the next monthly invoice. Any price adjustment shall be made by a Contract modification to be executed bilaterally by the City and the Contracting Officer.

(2) If, during a calendar year, the actual cost incurred by the City for (i) electricity or (ii) payments to the TCRS (based on the estimated expenses for such items provided to DOE by January 1 of each year) decreases by more than the Percentage Change of the Index plus two percent (2%), the City shall notify DOE and provide DOE with a credit on the next monthly invoice equal to the difference of fifty-three and one-half percent (53.5%) of the estimated expense and fifty-three and one-half percent (53.5%) of the actual cost incurred by the City for such item, as applicable. Any price adjustment shall be made by a Contract modification to be executed bilaterally by the City and the Contracting Officer.

B.8 ANTI-DEFICIENCY

Unless otherwise authorized by Public Law or Federal Regulation, nothing contained herein shall be construed as binding the Government to expend, in any one fiscal year, any sum in excess of the appropriation made by Congress for that fiscal year in furtherance of the matter of the Contract or to involve the Government in an obligation for the future expenditure of monies before an appropriation is made (Anti-Deficiency Act, 31 U.S.C. Section 1341).

SECTION C

DESCRIPTION/SPECIFICATIONS/WORK STATEMENT

C.1 STATEMENT OF WORK

The City shall use reasonable efforts to provide a continuous supply of Potable Water to the Government Sites as defined in Section B.1, Definitions, at the points of delivery specified below. The City shall use reasonable efforts to provide a continuous supply of Non-potable Water to the Y-12 site at the point of delivery specified below. There is no requirement for the delivery of Non-potable Water to the ORNL site.

The City shall not reconfigure, or otherwise modify, the current water distribution system to the Government Sites in a manner that could result in changes to the operational characteristic of facilities at the Government Sites without prior consultation with the DOE Contracting Officer's Representative (COR). DOE shall not modify the City's water distribution system without the consent of the City.

The City is responsible for complying with all applicable federal, state and local laws when operating the water system.

The City shall, on a monthly basis, submit an electronic spreadsheet of the Tennessee Department of Environment and Conservation, Division of Water Supply, Comprehensive Monthly Operation Report (MOR), to the Contracting Officer's Representative.

DOE is under a mandate to reduce consumption of water. Due to variations in monthly consumption of water, DOE shall provide the City with an estimate of its prospective water consumption for two (2) years annually ("Water Usage Estimate") to assist the City with planning for future water requirements. The Water Usage Estimate does not obligate DOE to make any minimum level of purchases and shall be used by the City for planning purposes only. In addition, since the High Flux Isotope Reactor (HFIR) at ORNL has a large impact on usage, the following website can be accessed for the HFIR operating schedule.

<http://neutrons.ornl.gov/facilities/HFIR/status.shtml>

C.2 POINTS OF DELIVERY

The points of delivery for Potable Water delivered to the Y-12 site shall be:

- (a) Flange of tee on downstream side of COR valve V-100 at East Elevated Water Tank

- (b) Flange of tee on downstream side of COR valve V-200 at East Elevated Water Tank

The point of delivery for Potable Water delivered to the ORNL shall be the elbow joint on the 24" line where the line turns South at Bear Creek Road.

The point of delivery for Non-potable Water delivered to the Y-12 site, shall be the flanged joint North of the Booster Pump Station on the 16" line located on the East end of the Y-12 facility.

All delivery points are identified on the map included in this Contract as Section J, Attachment A.

DRAFT

**SECTION D
PACKAGING AND MARKING**

RESERVED

DRAFT

SECTION E
INSPECTION AND ACCEPTANCE

E.1 INSPECTION AND ACCEPTANCE

The Government reserves the right to inspect or test water quality at the points of delivery; however, the Government is not obligated to do so.

The City shall notify the Contracting Officer if any Potable Water from the Water Treatment Facility to the Government Sites fails to meet the Federal and/or State of Tennessee standards for municipal water production facilities in Tennessee. If the Potable Water delivered to any Point of Delivery does not meet these standards, the City shall be responsible for any and all corrective actions required to bring the Potable Water yet to be delivered into conformance at no cost to the Government except as provided in the clause in Section B.7(a) entitled, "Substantial Events."

The City shall not modify the chemicals used in the treatment of either Potable or Non-potable Water without reasonable notification to DOE Contracting Officer's Representative. The chemicals used in the treatment of Potable and Non-potable Water are identified in Section J, Attachment B.

DRAFT

**SECTION F
DELIVERIES OR PERFORMANCE**

F.1 TERM OF CONTRACT

This Contract shall expire on December 31, 2015, unless the parties agree to extend as described in Section B.5.

F.2 ORO F05 PRINCIPAL PLACE OF PERFORMANCE (MAY 1997)

The principal place of performance is Oak Ridge, Tennessee.

DRAFT

SECTION G
CONTRACT ADMINISTRATION DATA

G.1 ORO G01 CORRESPONDENCE PROCEDURES (MAY 1997) (Revised)

(a) Correspondence: All correspondence submitted by the City (except for invoices and reports) shall be subject to the following procedures:

- (1) Technical Correspondence. Technical correspondence concerning performance of this Contract shall be addressed to the DOE COR, with an information copy of the correspondence to the DOE Contract Specialist.
- (2) Non-technical Administrative Correspondence. All correspondence, other than technical correspondence, shall be addressed to the Contracting Officer or Contract Specialist designated in Clause G.4, with information copies of the correspondence to the DOE COR.
- (3) Subject Line(s). All correspondence shall contain a subject line commencing with the Contract number, as illustrated below:

“SUBJECT: Contract No. DE-AC05-00OR22777 [] (Insert subject topic after Contract number, e.g., “Request for subcontract placement consent”).”

(b) Notices: Any notice required by this Contract shall be given in writing to the Parties designated below. Notices shall be effective

- (1) when delivered personally to any Party, or
- (2) three (3) business days after deposited, postage fully prepaid, registered or certified, in an official receptacle of the United States Postal Service, or
- (3) upon confirmation of receipt, if electronically communicated by electronic mail (“e-mail”) or telecopier (provided that the receipt of e-mail or telecopier communication is confirmed by the other Party in writing or by return e-mail or telecopier message).

To the City:

City of Oak Ridge
Attn: Mark S. Watson, City Manager
P.O. Box 1
Oak Ridge, Tennessee 37831-0001

Telephone: 865-425-3551
Facsimile: 865-425-3420
e-mail: mwatson@oakridgetn.gov

with a copy to: City of Oak Ridge
Department of Public Works
Attn: Gary M. Cinder
Director of Public Works
100 Woodbury Lane
Oak Ridge, Tennessee 37830

Telephone: 865-425-1875
Facsimile: 865-425-1843
e-mail: gcinder@oakridgetn.gov

Government: U.S. Department of Energy
Oak Ridge Office
Procurement and Contracts Division
Special Acquisitions Branch
Attn: Natasha White, Contract Specialist
P.O. Box 2001, MS AD-423
Oak Ridge, Tennessee 37831

Telephone: 865-576-2397
e-mail: whiten@oro.doe.gov

Without the need to modify this clause, a Party may at any time, by written notice, change the designation, address, telephone number or facsimile number of the person specified. This paragraph does not apply to notices and requests of a routine character in connection with delivery or receipt of water, or in connection with operation of facilities.

G.2 SUBMISSION OF VOUCHERS/INVOICES

The City shall measure service in accordance with the clause in Section I entitled, "Service Provisions." The City shall submit monthly invoices using the form set forth in Section J, Attachment C.

The City must submit vouchers electronically through the Oak Ridge Financial Service Center's (ORFSC) Vendor Inquiry Payment Electronic Reporting System (VIPERS). VIPERS allows vendors to submit vouchers, attach supporting documentation and check the payment status of any voucher submitted to the DOE. To obtain access to and use VIPERS, please visit the web page at <http://finweb.oro.doe.gov/vipers.htm>. Detailed instructions on how to enroll and use the system are provided on the web page. The submission of vouchers electronically will reduce correspondence and other causes for delay to a minimum and will facilitate prompt payment to the City. Do not submit a paper copy of the voucher.

G.3 ORO G20 CONTRACTING OFFICER'S REPRESENTATIVE (MAY 1997)

The Contracting Officer's Representative will be designated by separate letter and will represent the Contracting Officer in the technical phases of the work. A copy of this designation letter shall be furnished to the City. The Contracting Officer's Representative is not authorized to change any of the terms and conditions of this Contract. Changes in the Scope of Work will be made only by the Contracting Officer by properly written modification(s) to the Contract. Additional Contracting Officer's Representative(s) for other purposes as required may be designated in writing by the Contracting Officer.

G.4 ORO G25 CONTRACT ADMINISTRATION (MAY 1997)

The Contract will be administered by:

U.S. Department of Energy
Oak Ridge Office
Procurement and Contracts Division
Special Acquisitions Branch
ATTN: Natasha White
P.O. Box 2001, MS AD-423
Oak Ridge, Tennessee 37831

Written communication shall make reference to the Contract number and shall be mailed to the Contract Specialist designated via separate correspondence to the above address.

SECTION H SPECIAL CONTRACT REQUIREMENTS

H.1 ORO H05 MODIFICATION AUTHORITY (MAY 1997)

Notwithstanding any of the other clauses of this Contract, the Contracting Officer shall be the only individual authorized to:

- (a) Accept nonconforming work,
- (b) Waive any requirement of this Contract, or
- (c) Modify any term or condition of this Contract.

H.2 CHLORINE STORAGE

The City shall manage the storage and use of chlorine in a manner consistent with all applicable Regulations for municipal utilities. The City shall not exceed the current level of onsite chlorine cylinder usage and storage without notifying DOE one hundred and twenty (120) days in advance.

H.3 EXCAVATION (OCT 1999)

- (a) DOE shall notify the City and request a utility locate through the Tennessee One Call systems ("utility locate") at least three (3) working days before performing excavation on within thirty (30) feet of the water production system pipelines, unless the work is being performed in an emergency situation, under which DOE shall notify the City and request a utility locate as soon as the Government has knowledge of the need.
- (b) The City shall notify DOE ten (10) days prior to commencing any non-emergency excavation work on any portion of any parcel to which DOE has granted the City an easement. This notification will allow DOE and its contractors time to conduct monitoring activities necessary to assure the City the area in question is free of any contamination. When the City conducts activities provided by this clause on the Government Easement, DOE will provide Environmental, Safety, and Health assistance and consultation for the City since the Occupational Safety and Health Agency does not provide such oversight at DOE facilities.

H.4 CONTINUITY OF SUPPLY AND EMERGENCY RESPONSE

Since the City will be providing water to nuclear facilities, the City shall use its best efforts to provide a regular and uninterrupted supply of water to the facilities at the

Government Sites pursuant to the requirements of the contact. The City agrees to treat

the Government Sites as priority customers and to divert water from other customers, if necessary, to prevent any potential nuclear incident once the DOE Oak Ridge Office (ORO) Manager or designee notifies the City's manager or designee about the threat of a potential nuclear incident. That notification will take place as soon as practicable. If the City is required to divert water to the Government Sites to prevent a potential nuclear incident, the Government waives the requirement that the water diverted to the Government Sites be Potable Water.

The City shall immediately notify the Government and the Government shall immediately notify the City when either becomes aware of the need for an emergency repair to a portion of the City's water system located on the Government Easement.

Additionally, the City agrees that in the event there is a utility line emergency in the City's distribution system, and the City cannot respond in a reasonable time and requests assistance, DOE has the option of dispatching one of its contractors to take appropriate action to assure a continuing supply of water. If a Government Site is threatened or if there is an immediate threat to human health or the environment, DOE has the option of dispatching one of its contractors to take appropriate action to assure a continuing supply of water.

DOE shall respond immediately to any utility line emergency located on the Government Easement that requires emergency service and immediately assess the portion of the property affected by the portion of the water system that is in need of repair for the presence of environmental and radioactive contamination. If contamination is not found on the portion of the water system in need of emergency repair, the City shall immediately take appropriate action to repair that portion of the water system. If contamination is found on the property, DOE shall make the appropriate repair to that portion of the water system. When making any repairs to the City's water system, DOE shall utilize generally acceptable water line repair practices.

The City further agrees to reimburse DOE for costs DOE reasonably incurs as a result of the required response of DOE's contractors, except for costs arising from environmental or radioactive contamination or other hazard existing on DOE Property that is not caused by the City.

In the event that equipment owned by the City or its subcontractors becomes contaminated during the repair of the water system, DOE or its contractors shall clean the equipment to remove the contamination. If the contamination cannot be removed from the equipment, ownership of the affected equipment shall revert to DOE, and DOE shall pay for the replacement of the affected equipment. DOE or its contractors shall use its best efforts to clean or replace any contaminated equipment as expeditiously as possible.

H.5 ORO H150 REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF THE OFFEROR (MAY 1997)

The Representations, Certifications, and Other Statements of the Offeror, executed by the City for this Contract are, by reference, hereby incorporated in and made a part of this Contract.

H.6 FACILITY SAFEGUARDS

The City shall control access to the Water Treatment Facility with such access limited to employees or other authorized individuals. The City shall maintain the current fencing and access controls. The City will make arrangements for all eligible City employees to be badged in order to pass specific Security Checkpoints for access to those parts of Bear Creek Road which require authorization. The City shall maintain an intrusion-detection and alarm system. The City shall permit communication repeaters to remain on water tanks and provide access to DOE's other contractors and/or subcontractors to service the repeaters. Such service shall not interfere with the City's operations.

All required badging and processing of security clearances will be completed at the expense of DOE. DOE shall use reasonable efforts to assist the City to accommodate badging. To the extent that the City's ability to provide water under this Contract is compromised due to access issues, DOE recognizes that the City may have difficulty in delivering water to DOE.

H.7 THIRD PARTIES

Other than as provided in the clause in Section I, entitled "Assignment of Claims," nothing contained in this Contract, including any amendments or modifications thereto, shall be construed to grant, vest, or create any rights in any person not a party to this Contract. This provision is not intended to limit or impair the rights which any person may have under applicable Federal Statutes.

H.8 APPLICABILITY OF CONTRACT CLAUSES

The DOE is a customer of the City of Oak Ridge for the purposes of supplying water to the Government Sites. This Contract is for the purchase of water; it is not for the management and operation of the Water Treatment Facilities. Certain clauses have been added in Sections B through H of the Contract based on requirements peculiar to the Government Sites, and these clauses apply to all aspects of services provided to the Government Sites. Section I of the Contract contains a number of clauses which apply only when the City is performing services solely for the Government Sites which are not as a part of the normal maintenance and operation of the Water Treatment Facilities. The specific clauses from Section I are listed below:

- 52.215-21 REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA--MODIFICATIONS (OCT 1997)
- 52.219-9 SMALL BUSINESS SUBCONTRACTING PLAN (OCT 1999)
- 52.219-16 LIQUIDATED DAMAGES--SUBCONTRACTING PLAN (JAN 1999)
- 52.244-5 COMPETITION IN SUBCONTRACTING (DEC 1996)
- 52.244-6 SUBCONTRACTS FOR COMMERCIAL ITEMS AND COMMERCIAL COMPONENTS (OCT 1998)

DRAFT

**SECTION I
CONTRACT CLAUSES**

I.1 52.252-2 CLAUSES INCORPORATED BY REFERENCE

This Contract incorporates the following clauses by reference with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make the full text available. Also, the full text of a clause may be accessed electronically at these addresses:

<http://www.acquisition.gov/far>

<http://professionals.prs.doe.gov/>

Clause No.	FAR/DEAR Reference	Title	Fill-in Information See FAR 52.104(D)
I.2	52.202-1	Definitions (Oct 1995)(As Modified by 952.202-1) (Mar 1985)	
I.3	52.203-3	Gratuities (Apr 1984)	
I.4	52.203-5	Covenant Against Contingent Fees (Apr 1984)	
I.5	52.203-6	Restrictions on Subcontractor Sales to the Government (Jul 1995)	
I.6	52.203-7	Anti-Kickback Procedures (Jul 1995)	
I.7	52.203-8	Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity (Jan 1997)	
I.8	52.203-10	Price or Fee Adjustment for Illegal or Improper Activity (Jan 1997)	
I.9	52.203-12	Limitation on Payments to Influence Certain Federal Transactions (Jun 1997)	
I.10	52.204-4	Printing/Copying Double-Sided on Recycled Paper (Jun 1996)	
I.11	52.209-6	Protecting the Government's Interest when Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment (Jul 1995)	
I.12	52.215-8	Order of Precedence-Uniform Contract Format (Oct 1997)	
I.13	52.215-21	Requirements for the Cost or Pricing Data or Information Other Than Cost or Pricing Data--Modifications (Oct 1997)	
I.14	52.216-21	Requirements (Oct 1995) Alternate I (Apr 1984)	
I.15	52.217-8	Option to Extend Services (Nov 1999) (*Applies to Contract through December 31, 2012.)	
I.16	52.217-9	Option to Extend the Term of the Contract (Mar 2000) (*Applies to Contract through December 31, 2012)	
I.17	52.219-8	Utilization of Small Business Concerns (Oct 1999)	

I.18	52.219-9	Small Business Subcontracting Plan (Oct 1999)	
I.19	52.219-16	Liquidated Damages-Subcontracting Plan (Jan 1999)	
I.20	52.222-3	Convict labor (Aug 1996)	
I.21	52.222-21	Prohibition of Segregated Facilities (Feb 1999)	
I.22	52.222-26	Equal Opportunity (Feb 1999)	
I.23	52.222-35	Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era (Apr 1998)	
I.24	52.222-36	Affirmative Action for Workers with Disabilities (Jun 1998)	
I.26	52.222.37	Employment Reports on Disabled Veterans and Veterans of the Vietnam Era (Jan 1999)	
I.27	52.223-6	Drug-Free Workplace (Jan 1997)	
I.28	52.225-13	Restrictions on Certain Foreign Purchases (Feb 2000)	
I.29	52.229-4	Federal, State, and Local Taxes (Non-Competitive Contract) (Jan 1991)	
I.30	52.232-1	Payments (Apr 1984)	
I.31	52.232-11	Extras (Apr 1984)	
I.32	52.232-23	Assignment of Claims (Jan 1986)	
I.33	52.232-25	Prompt Payment (Jun 1997)	
I.34	52.232-34	Payment by Electronic Funds Transfer – Other than Central Contractor Registration (May 1999)	
I.35	52.233-1	Disputes (Dec 1998) Alternate I (Dec 1991)	
I.36	52.233-3	Protest After Award (Aug 1996)	
I.37	52.241-2	Order of Precedence – Utilities (Feb 1995)	
I.38	52.241-4	Change in Class of Service (Feb 1995)	
I.39	52.241-5	Contractor's Facilities (Feb 1995)	
I.40	52.241-11	Multiple Service Locations (Feb 1995)	
I.41	52.242-13	Bankruptcy (Jul 1995)	
I.42	52.243-1	Changes – Fixed Price (Aug 1987) Alternate I (Apr 1984)	
I.43	52.244-5	Competition in Subcontracting (Dec 1996)	
I.44	52.244-6	Subcontracts for Commercial Items and Commercial Components (Oct 1998)	
I.45	52.246-25	Limitation of Liability – Services (Feb 1997)	
I.46	52.249-2	Termination for Convenience of the Government (Fixed-Price) (Sep 1996)	
I.47	52.249-8	Default (Fixed-Price Supply and Service) (Apr 1984)	
I.48	52.253-1	Computer Generated Forms (Jan 1991)	
I.49	952.204-2	Security (Sep 1997)	
I.50	952-242-70	Technical Direction (Dec 2000)	

In addition, the following clauses apply:

I.51 52.241-3 SCOPE AND DURATION OF CONTRACT (FEB 1995)

- (a) For the period of the Contract the City agrees to furnish and the Government agrees to purchase water utility service in accordance with the applicable

tariff(s), rules, and regulations as approved by the applicable governing regulatory body and as set forth in the contract.

- (b) It is expressly understood that neither the City nor the Government is under any obligation to continue any service under the terms and conditions of this Contract beyond the expiration date.
- (c) The City shall provide the Government with one complete set of rates, terms, and conditions of service which are in effect as of the date of this Contract and any subsequently approved rates.
- (d) The City shall be paid at the applicable rate(s) under the tariff and the Government shall be liable for the minimum monthly charge, if any, specified in this Contract commencing with the period in which service is initially furnished and continuing for the term of this Contract. Any minimum monthly charge specified in this Contract shall be equitably prorated for the period in which commencement and termination of this Contract becomes effective.

I.52 52.241-6 SERVICE PROVISIONS (FEB 1995)

(a) *Measurement of service.*

- (1) All water furnished by the City shall be measured by suitable metering equipment of standard manufacture, to be furnished, installed, maintained, repaired, calibrated, and read by the City at its expense. When more than a single meter is installed at a service location, the readings thereof may be billed conjunctively, if appropriate. In the event any meter fails to register (or registers incorrectly) the water furnished, the parties shall agree upon the length of time of meter malfunction and the quantity of water delivered during such period of time. An appropriate adjustment shall be made to the next invoice for the purpose of correcting such errors. However, any meter which registers not more than three percent (3%) slow or fast shall be deemed correct.
- (2) The City shall read all meters at periodic intervals of approximately 30 days or in accordance with the policy of the cognizant regulatory body or applicable bylaws. All billings based on meter readings of less than 30 days shall be prorated accordingly.

(b) *Meter test.*

- (1) The City, at its expense, shall periodically inspect and test City-installed meters at intervals not exceeding two years. The Government has the right to have representation during the inspection and test.

- (2) At the written request of the Contracting Officer, the City shall make additional tests of any or all such meters in the presence of Government representatives. The cost of such additional tests shall be borne by the Government if the percentage of errors is found to be not more than three percent (3%) slow or fast.
- (3) No meter shall be placed in service or allowed to remain in service which as an error in registration in excess of three percent (3%) under normal operating conditions.
- (c) *Change in volume or character.* Reasonable notice shall be given by the Contracting Officer to the City regarding any material changes anticipated in the volume or characteristics of the utility service required at each location.
- (d) *Continuity of service and consumption.* The City shall use reasonable diligence to provide a regular and uninterrupted supply of service at each service location, but shall not be liable for damages, breach of Contract or otherwise, to the Government for failure, suspension, diminution, or other variations of service occasioned by or in consequence of any cause beyond the control of the City, including but not limited to acts of God or of the public enemy, fires, floods, earthquakes, or other catastrophe, strikes, or failure or breakdown of transmission or other facilities. If any such failure, suspension, diminution, or other variation of service shall aggregate more than 168 hour(s) during any billing period hereunder, an equitable adjustment shall be made in the monthly billing specified in this Contract (including the minimum monthly charge).

**SECTION J
LIST OF ATTACHMENTS**

Attachment A – Map showing Points of Delivery

Attachment B – Chemicals Currently in Use at the Oak Ridge Water Plant

Attachment C – SF 1034 Public Voucher for Purchases and Services

DRAFT

Section J
Attachment A – Map showing Points of Delivery

DRAFT

Section J
Attachment B – Chemicals Currently in Use at the Oak Ridge Water Plant

50% hydrogen peroxide
Delta Flocc 812 coagulation
Chlorine gas
Zinc phosphate
Hydrofluoric acid

DRAFT

Section J
Attachment C – SF 1034 Public Voucher for Purchases and Services

Standard Form 1034 Revised October 1987 Department of the Treasury 1 TFM 4-2000 1034-122	PUBLIC VOUCHER FOR PURCHASES AND SERVICES OTHER THAN PERSONAL					VOUCHER NO.					
U.S. DEPARTMENT, BUREAU, OR ESTABLISHMENT AND LOCATION	DATE VOUCHER PREPARED				SCHEDULE NO.						
	CONTRACT NUMBER AND DATE				PAID BY						
	REQUISITION NUMBER AND DATE										
PAYEE'S NAME AND ADDRESS	DRAFT					DATE INVOICE RECEIVED					
						DISCOUNT TERMS					
						PAYEE'S ACCOUNT NUMBER					
SHIPPED FROM TO WEIGHT					GOVERNMENT B/I NUMBER						
NUMBER AND DATE OF ORDER	DATE OF DELIVERY OR SERVICE	ARTICLES OR SERVICES <small>(Enter description, item number of Contract or Federal supply schedule, and other information deemed necessary)</small>	QUANTITY	UNIT PRICE		AMOUNT (¹)					
				CO ST	PER						

(Use continuation sheets if necessary)

(Payee must NOT use the space below)

TOTAL

PAYMENT: <input type="checkbox"/> PROVISIONAL <input type="checkbox"/> COMPLETE <input type="checkbox"/> PARTIAL <input type="checkbox"/> FINAL <input type="checkbox"/> PROGRESS <input type="checkbox"/> ADVANCE	APPROVED FOR	EXCHANGE RATE	DIFFERENCES
	= \$	= \$1.00	
	BY ²		Amount verified, correct for
	TITLE		(Signature or initials)

Pursuant to authority vested in me, I certify that this voucher is correct and proper for payment.

(Date)

(Authorized Certifying Officer)²

(Title)

ACCOUNTING CLASSIFICATION

CHECK NUMBER	ON ACCOUNT OF U.S. TREASURY	CHECK NUMBER	ON (Name of bank)
CASH \$	DATE	PAYEE ³	

¹ When stated in foreign currency, insert name of currency.

² If the ability to certify and authority to approve are combined in one person, one signature only is necessary; otherwise the approving officer will sign in the space provided, over his official title.

³ When a voucher is receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary" or "Treasurer", as the case may be.

PER

TITLE

Previous edition usable

NSN 7650-00-634-420

Section J - Attachment C

Each invoice submitted shall also include the following Statement of Cost:

STATEMENT OF COST

Contractor: _____ Contract _____ No.
 Address: _____ Invoice _____ No.

	CURRENT CUMULATIVE		PERIOD
<u>Cost Elements</u>		<u>Current Amount</u>	<u>Total</u>
	<u>Contract \$</u>		
Y-12 Water Consumption			
Potable	_____ gal.		
Non-Potable	_____ gal.		
ORNL Water Consumption			
Potable	_____ gal.		
Capital Improvements			
Cumulative Billing Summary (if applicable)			
Cumulative \$	_____		

RESOLUTION

A RESOLUTION TO EXTEND AND MODIFY THE CURRENT WATER SERVICES CONTRACT BETWEEN THE CITY AND THE UNITED STATES DEPARTMENT OF ENERGY (DOE) TO SET FORTH A NEW PRICING STRUCTURE AND OTHER NECESSARY MODIFICATIONS, WITH SAID CONTRACT THROUGH DECEMBER 31, 2015.

WHEREAS, by Resolution 4-47-98, City Council approved a Memorandum of Understanding between the City and the United States Department of Energy (DOE) to transfer the Y-12 Water Plant from DOE to the City; and

WHEREAS, the transfer documents included a water services contract whereby DOE purchases water from the City; and

WHEREAS, the water services contract had an original term of ten years (May 1, 2000 through April 30, 2010) with DOE having the option to extend for up to six (6) months; and

WHEREAS, DOE exercised its option to extend through October 31, 2010; and

WHEREAS, by Resolutions 10-98-10, 6-46-11, 5-34-2012 and 9-69-2012, City Council amended the water services contract to provide for additional extensions through December 31, 2012; and

WHEREAS, the City and DOE have entered into negotiations to modify the existing contract to set forth a new pricing structure and other necessary modifications, and to extend the contract through December 31, 2015; and

WHEREAS, the City Manager recommends approval of the water services contract modifications and extension.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF OAK RIDGE, TENNESSEE:

That the City is hereby authorized to enter into the necessary legal documents to modify the water services contract between the City and the United States Department of Energy to set forth a new pricing structure and other necessary modifications, and to extend the contract through December 31, 2015.

BE IT FURTHER RESOLVED that the Mayor is hereby authorized to execute the appropriate legal instruments to accomplish the same.

This the 10th day of December 2012.

APPROVED AS TO FORM AND LEGALITY:



Kenneth R. Krushenski, City Attorney

Mayor

Diana R. Stanley, City Clerk

**PUBLIC HEARING
AND
FIRST READING
OF
ORDINANCES**

COMMUNITY DEVELOPMENT DEPARTMENT MEMORANDUM
12-48

DATE: November 28, 2012

TO: Mark S. Watson, City Manager

THROUGH: Kathryn Baldwin, Community Development Director 

FROM: Kahla Gentry, Senior Planner *K. G.*

SUBJECT: **Request to Amend Hendrix Creek PUD to Allow an Open Space Lot to be used as a Single-Family Residential Lot**

An item for the City Council agenda is a request to amend the Hendrix Creek PUD, Phase IV, by changing the designation of an Open Space lot to a single-family residential lot. The Anderson County tax parcel identification number for the subject property is Map 100J, Group B, Parcel 3.00. Mr. and Mrs. Jack Mansfield, who are the owners of the property, are requesting the amendment in order to build a single-family detached dwelling at the intersection of Heritage Drive and Hendrix Drive. At their regular meeting on November 15, 2012 the Planning Commission failed to approve a motion to recommend approval by a vote of 1-7. This request was previously denied by City Council in 2008.

The final plat for Hendrix Creek PUD, Phase IV was recorded on October 1, 1981. On the plat the subject property is identified as Parcel 572.05, is zoned R-1-C within a PUD overlay and is labeled as Open Space. At the time the original plat was filed the subject property had an area of approximately 2.07 acres. There have been three resubdivisions since 1981, reducing the current area to 0.37 acres. The first resubdivision was in 1983, when a separate 0.20 acre open space lot was divided out. The second resubdivision was in 1988 when a 0.24 acre portion of the subject property was combined with a residential lot on Hollbrook Lane. The third resubdivision was recently done in March 2012 when the subject property was divided into two portions. The original configuration of the subject property clearly indicates that the intended function was as an open space buffer. The majority of the original property is long and narrow, primarily providing a division from the Housing Authority parcel and the other Hendrix Creek lots around the Housing Authority development and separating the different residential types of development occurring in this area of Hendrix Creek.

Other "Open Space" lots in the Hendrix Creek PUD have been converted to residential property by combination with existing lots, but not as new lots for construction. In 1987, at the request of Sonja Development and the Hendrix Creek Homeowners Association, a proposal to dedicate three open space lots to the City and to divide other open space lots among the adjacent homeowners was approved by City Council as Ordinance 34-87. The ordinance states "...all of such lands shall be so divided and added to the lots of adjacent landowners, that all such transfers be subject to deed restrictions prohibiting the erection of new structures within the parcels so transferred, and no remnant parcels shall be left. Parcel 572.05 was included as a parcel to be divided among the adjacent homeowners. When resubdivision plats were approved by the Planning Commission in April 1988, which divided the open space among the Hendrix Creek homeowners, Parcel 572.05 was not included, except for the 0.24 acre portion that was combined with a residential lot on Hollbrook Lane. Open space lots in Phase I, II, and III of Hendrix Creek were divided among homeowners, but Parcel 572.05 in Phase IV, remained as a separate lot. Any action other than resubdividing Parcel 572.05 among the adjacent homeowners as approved in Ordinance 34-87 requires City Council approval.

The shape of the subject property is very irregular because it was not intended as a residential building site; therefore any residential building plan would likely require a setback reduction. Typically corner lots such as this one provide sufficient area to meet the front setback requirement from each street as well as providing sufficient area for side and rear setbacks. The lot has a small building envelope and that building envelope has a drainage ditch running through it. The Subdivision Regulations require that all building lots meet the minimum standards for the zone in which they are located. "The area, depth and width of lots must be appropriate for the size of proposed principal structures, without violation of building setback

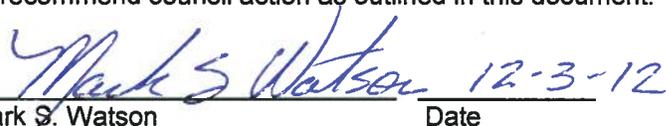
distances." Due to the configuration of the lot, staff does not believe the subject property complies with the aforementioned Subdivision Regulation requirement. The drainage ditch running through the lot is a reason it was set aside as open space and this makes it undesirable as a building lot. The drainage would have to be relocated in a manner that would not cause future drainage problems for this lot and the neighboring properties. Mr. Mansfield has indicated that he plans to install a buried drainage pipe to handle the drainage.

In 2011 Mr. Bobby Ledford requested approval to amend the Hendrix Creek PUD to allow him to divide a portion of his lot that was formerly an open space lot for a building lot. This lot is located at 123 Hendrix Drive and the former open space designation was applied because of the location of the John Hendrix grave site. The request was approved based upon a finding that the property had adequate area and was suitable for building based upon size, and shape, without impediments within the building area such as utility easements or drainage-ways. In addition, Mr. Ledford presented a document signed by the majority of property owners within Hendrix Creek, Phase One approving the requested PUD amendment. City Council approved the amendment subject to a permanent access easement being provided to the Hendrix grave site at the time the lot was replatted.

Staff does not recommend approval of amending the PUD to allow the lot requested by the Mansfields for use as a building lot because the lot is not configured as a building lot and as a corner lot a variance from the setback requirements would likely be required in order to build a house. The lot drops down from the roadway into a drainage swale. Any building will require changing the drainage in such a way that the area continues to drain effectively without causing negative impacts to the subject property or other nearby properties. Using an odd shaped lot on which there is difficulty fitting a house would likely result in construction that does not fit the context and character of the existing development. In addition, as a designated Open Space parcel on the final plat, adjoining property owners would have an expectation that the open space designation would be a permanent aspect of the Hendrix Creek development. The other Hendrix Creek PUD lot at 123 Hendrix Drive previously approved as a building lot is more suitable for such use because it has a greater buildable area not impacted by being on a street corner and bisected by a drainage swale.

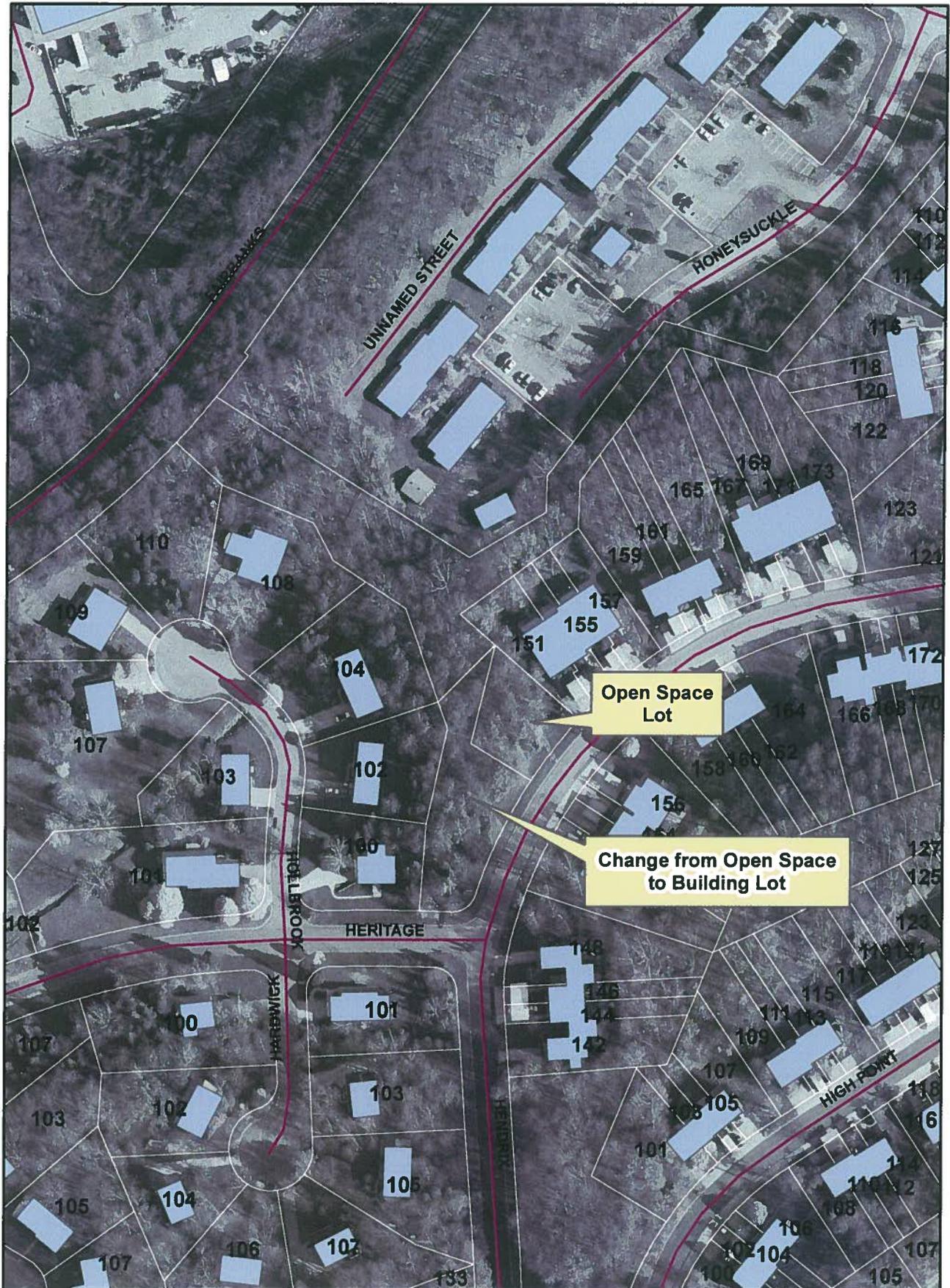
City Manager's Comments:

I have reviewed the above issue and recommend council action as outlined in this document.


Mark S. Watson

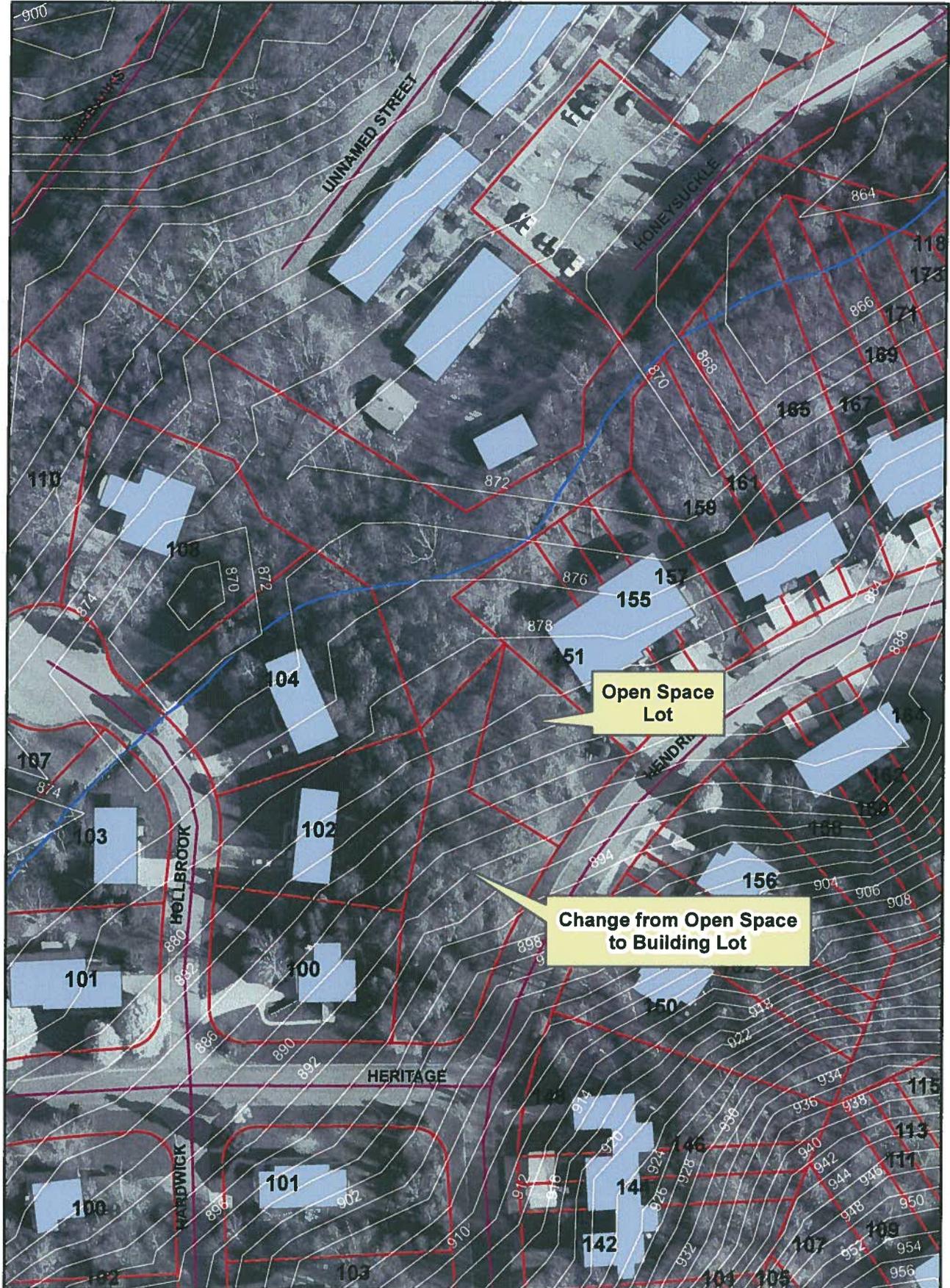
12-3-12
Date

Requested PUD Amendment Location Map



1 inch = 150 feet

Requested PUD Amendment Topo Map



1 inch = 100 feet

TITLE

AN ORDINANCE TO AMEND A USE DESIGNATION OF PARCEL 3.01, MAP 100J, GROUP B, IN HENDRIX CREEK PLANNED UNIT DEVELOPMENT, PHASE IV, LOCATED AT THE CORNER OF HENDRIX DRIVE AND HERITAGE DRIVE, FROM OPEN SPACE TO RESIDENTIAL, WITH THE OVERALL ZONING DISTRICT REMAINING R-1-C/PUD, ONE-FAMILY RESIDENTIAL WITH A PLANNED UNIT DEVELOPMENT OVERLAY.

WHEREAS, the following change has been submitted for approval or disapproval to the Oak Ridge Municipal Planning Commission and the Commission has disapproved the same; and

WHEREAS, a public hearing thereon has been held as required by law.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF OAK RIDGE TENNESSEE:

Section 1. That Hendrix Creek Planned Unit Development, Phase IV, is hereby amended to change the use designation of Parcel 3.01, Map 100J, Group B, from open space to residential, with the overall zoning district remaining R-1-C/PUD, One-Family Residential with a Planned Unit Development Overlay.

Section 2. This ordinance shall become effective ten (10) days after adoption on second reading, the welfare of the City of Oak Ridge requiring it.

APPROVED AS TO FORM AND LEGALITY:



Kenneth R. Krushenski, City Attorney

Mayor

Diana R. Stanley, City Clerk

Public Hearing: _____
First Reading: _____
Publication Date: _____
Second Reading: _____
Publication Date: _____
Effective Date: _____

**COMMUNITY DEVELOPMENT MEMORANDUM
PLANNING DIVISION
12-50**

DATE: December 3, 2012

TO: Mark S. Watson, City Manager

FROM: Kathryn G. Baldwin, Community Development Director 

THROUGH: Monica Austin Carroll, AICP, Community Development Division Manager 

RE: **REVISIONS FOR THE ZONING ORDINANCE**

An item for the City Council agenda on December 10, 2012 is an amendment to Article XIV of the Zoning Ordinance. The amendment establishes criteria for operation of reader board signs (moving copy signs). Over the past few months, City staff has received numerous complaints regarding these electronic reader board signs (moving copy signs) from motorists and residents alike.

In order to address these complaints, City staff, the Oak Ridge Municipal Planning Commission Chair, and the Oak Ridge Chamber of Commerce were involved in a collaborative effort to examine our current sign ordinance in an effort to clarify regulations regarding this type of sign. Below is a list of these amendments as a result of those efforts:

- Add the following subsection to Section 14.05 **General Requirements**
 7. **Maximum Length of Time for Display**

Each message displayed on a moving copy sign shall be static (sign which includes no animation or effects simulating animation) or depicted for a minimum of 10 seconds. Transition from one message to another shall be continuous without fade-outs, animation or other type of movement between messages. Animated video or continuous scrolling of messages is prohibited.

- Add the following subsection to Section 14.16 **Illumination of Signs**
 6. **Maximum Light Intensity**

No moving copy sign shall be brighter than necessary for clear and adequate visibility or of such intensity that it interferes with the effectiveness of an official traffic control device. All such signs shall have dimming capabilities, which are via scheduled (date & time) dimming or photo cell technology (sensory controlled). The brightness of such signs shall not exceed 10,000 nits (measured at white levels) day light hours and not to exceed 1,000 nits at night. All applications shall include a letter from the sign manufacturer to verify the dimming capabilities and brightness of the sign. The owner of such sign is responsible for making any adjustments to the brightness of the sign following notice by the City of non-compliance with these requirements.

The Oak Ridge Municipal Planning Commissions will discuss the aforementioned revisions for the Zoning Ordinance at their December 20, 2012 meeting. The recommendations from that meeting will then be submitted to City Council at their January meeting which will also include the public hearing for the zoning amendment. Consideration of this item now, will allow the City to enforce the new requirements for the moving signs sooner, rather than later.

City Manager's Comments:

I have reviewed the above issue and recommend Council action as outlined in this document.

Mark S. Watson 12/5/12
Mark S. Watson Date

SECTION 14.05. GENERAL REQUIREMENTS.

1. No sign shall constitute a traffic hazard. No sign shall be erected along any street or at any intersection in such a manner as to obstruct free and clear vision or to create a hazard by blocking a safe line of sight as defined in the City Code of Ordinance, Sections 20-35 and 20-36, or as hereafter amended. At corner lots, ground or pole identification signs shall be located a minimum of thirty five (35) feet from the intersection of the edge of a road's right-of-way; or in the case where the right-of-way line is determined by a radius, thirty five (35) feet from the midpoint of that radius.

2. In the event more than one (1) ground and/or pole sign is allowed on a single parcel, the ground and/or pole signs shall be located a minimum of one hundred (100) feet apart from each other.

(Ord. No. 6-10 Revised Effective 5/13/10)

3. Temporary signs shall be allowed in all commercial office, and industrial districts only for temporary special events and are not to be displayed for more than fifteen (15) consecutive days or three (3) days after the end of the event, whichever is less. Special events shall include, but not be limited to, grand openings; business closings; and special promotional events such as seasonal sales. Only one (1) permit shall be issued for a given place of business during any four (4) month period. Temporary signs shall be non-illuminated and shall not exceed thirty-two (32) square feet of surface display area. No such signs shall be snipe signs.

(Ord. No. 20-03 Revised Effective 10/16/03)

4. Temporary signs, as defined in this article, shall be allowed in all other zoning districts only for special events such as, but not limited to, art and cultural events; recreation and sporting events; city, county or state sponsored events; and appertaining to campaigns, drives or events of civic, philanthropic, educational or religious organizations. This section shall also apply to all non-profit organizations in all zoning districts. Permits for such signs shall not exceed thirty (30) consecutive days. Such signs shall be allowed to be displayed the week prior to the individual special event and removed two (2) days after cessation of the individual special event. Signs may be interchanged to advertise individual activities throughout the thirty (30) day period. Temporary signs shall be non-illuminated and shall not exceed thirty-two (32) square feet of surface display area. One (1) temporary sign on-site and three (3) temporary off-site signs for special scheduled recreation and sporting events shall be allowed. Off-site signs shall not be placed within any public rights-of-way unless written permission is granted by the City and shall be removed the Monday following the scheduled event. Only one (1) permit shall be issued for a given place of business, school or church during any three (3) month period. Temporary signs for athletic facilities/fields are defined in Section 14.07.

(Ord. No. 18-11 Revised Effective 11/24/11)

5. The Sign Administrator shall determine the type, style and content of publicly owned community signs, and is responsible for their construction, placement and maintenance. One (1) non-illuminated or indirectly illuminated community bulletin board or community identification sign shall be allowed at the principal entrances of the City. Such signs shall not exceed one hundred and twenty (120) square feet of surface display area and shall not be higher than twenty (20) feet above ground level. Each organization is limited to three (3) square feet in size.

(Ord. No. 12-04 Revised Effective 5/14/04)

6. Commercial flags, which includes the company's name, insignia, emblem, or logo on a flag,

smaller than forty (40) square feet are allowed and shall not be counted against the maximum signage allowed. However if the commercial flag is larger than forty (40) square feet then it shall count against the maximum signage allowed. Flags are limited to a maximum of three (3) flags per lot, only one of which shall include the company's name, insignia, emblem or logo.

(Ord. No. 20-03 Revised Effective 10/16/03)

SECTION 14.06. SIGNS ALLOWED IN ALL DISTRICTS (EXEMPT SIGNS).

The following signs shall be allowed in all zoning districts, provided that the following requirements are met or exceeded. A sign permit shall not be required for the following:

1. Official public notices and/or official signs posted by public officers in the performance of their duties. Official signs such as those designating a neighborhood watch service program shall be non-illuminated and shall not exceed three (3) square feet of surface display area.
2. No sign shall be allowed in the public rights-of-way, except for public signs which are erected by or on behalf of a governmental body to post legal notices, identify public property, convey public information; signs which direct or regulate pedestrian or vehicular traffic and which comply with the Manual of Uniform Traffic Control Devices; and informational signs of a public utility regarding its poles, lines, pipes or facilities.
3. Flags or emblems of the United States, the state of Tennessee, or their political divisions.
4. Freestanding political signs supporting a candidate for election or a position on an issue which is the subject of a referendum, provided that: they do not exceed sixteen (16) square feet of surface display area and eight (8) feet in height above ground level; signs not to be erected more than thirty (30) days prior to the election to which the campaign pertains; signs must be taken down no more than five (5) days after the election to which the campaign pertains; not allowed to be snipe signs or to be placed on traffic signs, street name signs, sidewalks, subdivision entrance signs or parks; signs shall be allowed within the rights-of-way provided that the signs shall be located a minimum of fifteen (15) feet from the edge of pavement along arterial streets, not to be located in traffic islands or so as not to be located in areas which obstruct visibility pursuant to City Code of Ordinances, Sections 20-35 and 20-36, or as hereafter amended; and must meet the provisions set forth in Tennessee Code Annotated. A freestanding sign designed to be viewed from two (2) different directions shall be considered as one (1) sign, provided that the two (2) sign faces are parallel (back-to-back), mounted on the same support structures, and neither side exceeds 16 (sixteen) square feet. For all two-sided signs not mounted parallel (back-to-back), the total surface display area shall not exceed 16 (sixteen) square feet.

(Ord. No. 20-03 Revised Effective 10/16/03)

5. Address signs, not more than one (1) for each street frontage of each principal use on a lot and none exceeding seventy-two (72) square inches of surface display area, showing only the numerical address designations of the premises upon which they are situated. All address signs shall be prominently displayed and written in contrasting colors to the color of the structure or background against which said signs are placed in order to facilitate emergency identification for public service employees.
6. Decals, numerals, names, addresses, hours, credit card information, etc., attached to the doors or windows of the principal building and all of which occupy a total area of two (2) square feet or less.

8. Signs attached to, suspended from or painted on any vehicle(s) and/or trailer(s), which is parked on or visible from any street or public right-of-way and which is left stationary shall not be allowed. This shall not apply to those signs which are required to be affixed to service vehicles by the requirements of federal, state, or local regulations; nor is this prohibition to be construed as prohibiting the identification of a firm or its principal products on a vehicle operating during the normal course of business.

SECTION 14.16. ILLUMINATION OF SIGNS. Illuminated signs shall adhere to the following provisions and restrictions in addition to those stated in the sign requirements by zoning districts.

1. Signs may be illuminated by a direct or indirect source of light, as per district regulations, provided the indirect light source is shaded, shielded or directed so that no direct rays or glare emanating from the light source are visible from any public right-of-way or abutting property.
2. No sign shall have blinking, flashing, or fluttering lights or other illuminating device, which has a changing light intensity, brightness or color.
3. Neon signs shall be allowed so long as they conform to all district regulations. Fluorescent tubes, which are typically used as a source of internal illumination, shall be shielded or diffused.
4. No colored lights shall be used at any location in any manner so as to be confused with or construed as traffic control devices.
5. Neither the direct nor reflected light from primary light sources shall create a traffic hazard to operators of motor vehicles on public streets.

SECTION 14.17. GENERAL MAINTENANCE OF SIGNS. All signs constructed or placed within the City of Oak Ridge must comply with all current building codes adopted by the City of Oak Ridge. An electrical permit must be obtained for installation of any sign requiring electrical service or connection.

1. **Inspections.** The Sign Administrator shall make inspections periodically for each permanent business sign displayed in the City to ensure compliance with the provisions of this article.
2. **Maintenance.** All signs and components thereof shall be kept in good repair and in safe, neat, clean and attractive condition.
3. **Removal of Sign.** Any sign outside of the City's right-of-way or located on public property which is defaced; has internal illumination exposed; or whose face, frame and/or supports are chipped, peeling or otherwise damaged shall be deemed in disrepair. The Sign Administrator shall give thirty (30) days written notice for the removal of any permanent sign erected or maintained in violation of this article. Upon failure to comply with this notice, the Sign Administrator shall remove or cause to be removed the sign with the cost of such action charged to the responsible party or shall be issued a summons into City Court. The Sign Administrator and/or building inspectors without notice may remove temporary signs erected or maintained in violation of this article. The Sign Administrator and/or building inspectors shall be allowed to remove any sign that presents an immediate threat to the safety of the general public and there is no attempt by the owner(s) to correct the situation. Any removal of such signs shall be at the expense of the property owner. The property owner shall be determined by the most recent property tax roll listing.

TITLE

AN ORDINANCE TO AMEND ORDINANCE NO. 2, TITLED "THE ZONING ORDINANCE OF THE CITY OF OAK RIDGE, TENNESSEE," ARTICLE XIV, TITLED "SIGN REGULATIONS," SECTION 14.05, TITLED "GENERAL REQUIREMENTS," TO ADD A NEW SUBSECTION 7, AND SECTION 14.16, TITLED "ILLUMINATION OF SIGNS," TO ADD A NEW SUBSECTION 6 FOR THE PURPOSE OF ESTABLISHING CRITERIA FOR OPERATION OF READER BOARD SIGNS (MOVING COPY SIGNS).

WHEREAS, the City of Oak Ridge desires to establish criteria for the operation of reader board signs in response to complaints received from motorists and residents; and

WHEREAS, the following changes have been submitted for approval or disapproval to the Oak Ridge Municipal Planning Commission and the Commission has _____ the same; and

WHEREAS, a public hearing thereon has been held as required by law.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF OAK RIDGE, TENNESSEE:

Section 1. Ordinance No. 2, titled "The Zoning Ordinance of the City of Oak Ridge, Tennessee," Section 14.05, titled "General Requirements," is hereby amended by adding a new subsection 7, titled "Maximum Length of Time for Display," which new subpart shall read as follows:

Section 14.05. General Requirements.

7. Maximum Length of Time for Display

Each message displayed on a moving copy sign shall be static (sign which includes no animation or effects simulating animation) or depicted for a minimum of 10 seconds. Transition from one message to another shall be continuous without fade-outs, animation or other type of movement between messages. Animated video or continuous scrolling of messages is prohibited.

Section 2. Ordinance No. 2, titled "The Zoning Ordinance of the City of Oak Ridge, Tennessee," Section 14.16, titled "Illumination of Signs," is hereby amended by adding a new subsection 6, titled "Maximum Light Intensity," which new subpart shall read as follows:

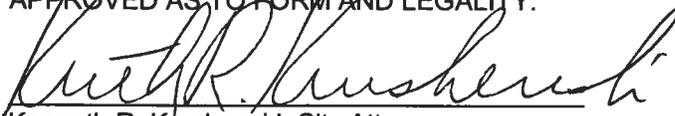
Section 14.16. Illumination of Signs.

6. Maximum Light Intensity

No moving copy sign shall be brighter than necessary for clear and adequate visibility or of such intensity that it interferes with the effectiveness of an official traffic control device. All such signs shall have dimming capabilities, which are via scheduled (date & time) dimming or photo cell technology (sensory controlled). The brightness of such signs shall not exceed 10,000 nits (measured at white levels) day light hours and not to exceed 1,000 nits at night. All applications shall include a letter from the sign manufacturer to verify the dimming capabilities and brightness of the sign. The owner of such sign is responsible for making any adjustments to the brightness of the sign following notice by the City of non-compliance with these requirements.

Section 3. This ordinance shall become effective ten (10) days after adoption on second reading, the welfare of the City of Oak Ridge requiring it.

APPROVED AS TO FORM AND LEGALITY:



Kenneth R. Krushenski, City Attorney

Mayor

Diana R. Stanley, City Clerk

Public Hearing: _____
Publication Date: _____
First Reading: _____
Publication Date: _____
Second Reading: _____
Publication Date: _____
Effective Date: _____

**FINAL ADOPTION
OF
ORDINANCES**

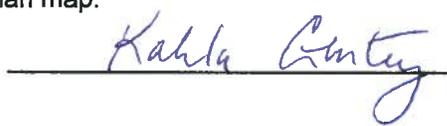
**COMMUNITY DEVELOPMENT DEPARTMENT MEMORANDUM
PLANNING DIVISION
12-39**

DATE: October 25, 2012
TO: Mark S. Watson, City Manager
THROUGH: Kathryn Baldwin, Community Development Director
FROM: Kahla Gentry, Senior Planner
SUBJECT: **Land Use Plan Amendment**



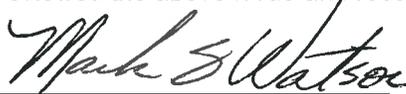
An item for the City Council agenda is a request to approve a major amendment to the Land Use Plan by changing the designation for Parcels 16-37, Anderson County Tax Map 099K, Group B, and Parcels 28-57, Anderson County Tax Map 099K, Group C, from R, Residential to B, General Business; and changing the designation of Parcels 13-15, Anderson County Tax Map 099K, Group B, from O, Office/Institutional To B, General Business. This area is the proposed site of the Kroger Marketplace PUD located between Illinois Avenue, Oak Ridge Turnpike, Robertsville Road, Raleigh Road and Ivanhoe Road. By approving this amendment the Land Use Plan map will be changed to coincide with the zoning for this property. The Planning Commission recommended approval of the Land Use Plan amendment by a vote of 6-0.

The proposed amendment is consistent with Comprehensive Plan policies to locate commercial development in the city center with access to major thoroughfares and to support the development of retail sales as an important component of the Oak Ridge economic development strategy. Staff recommends approval of the proposed amendment to the Land Use Plan map.



City Manager's Comments:

I have reviewed the above issue and recommend Council action as outlined in this document.


Mark S. Watson 10/30/12
Date

TITLE

AN ORDINANCE TO AMEND THE COMPREHENSIVE PLAN'S LAND USE PLAN BY CHANGING THE DESIGNATION OF PARCELS 16-37, ANDERSON COUNTY TAX MAP 099K, GROUP B, AND PARCELS 28-57, ANDERSON COUNTY TAX MAP 099K, GROUP C, FROM R, RESIDENTIAL TO B, GENERAL BUSINESS; AND CHANGING THE DESIGNATION OF PARCELS 13-15, ANDERSON COUNTY TAX MAP 099K, GROUP B, FROM O, OFFICE/INSTITUTIONAL TO B, GENERAL BUSINESS.

WHEREAS, the following change has been submitted for approval or disapproval to the Oak Ridge Municipal Planning Commission and the Commission has approved the same; and

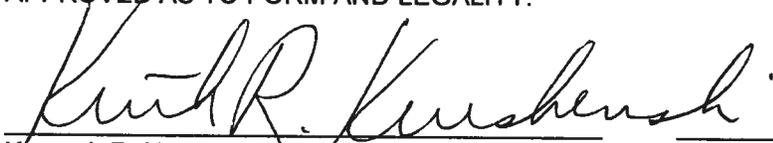
WHEREAS, a public hearing thereon has been held as required by law.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF OAK RIDGE TENNESSEE:

Section 1. The Comprehensive Plan's Land Use Plan is hereby amended, as a major amendment, by changing the designation of Parcels 16-37, Anderson County Tax Map 099K, Group B, and Parcels 28-57, Anderson County Tax Map 099K, Group C, from R, Residential to B, General Business; and changing the designation of Parcels 13-15, Anderson County Tax Map 099K, Group B, from O, Office/Institutional to B, General Business.

Section 2. This ordinance shall become effective ten (10) days after adoption on second reading, the welfare of the City of Oak Ridge requiring it.

APPROVED AS TO FORM AND LEGALITY:



Kenneth R. Krushenski, City Attorney

Thomas L. Beehan, Mayor

Diana R. Stanley, City Clerk

Public Hearing: 11/05/2012
Publication Date: 10/03/2012
First Reading: 11/05/2012
Publication Date: 11/12/2012
Second Reading: 12/10/2012
Publication Date: _____
Effective Date: _____

ELECTIONS
&
APPOINTMENTS
ANNOUNCEMENTS
SCHEDULING

CITY CLERK MEMORANDUM

12-55

DATE: December 3, 2012

TO: Mark S. Watson, City Manager

FROM: Diana R. Stanley, City Clerk

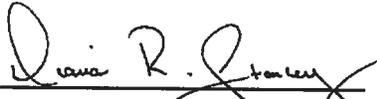
SUBJECT: ELECTION OF MAYOR AND MAYOR PRO TEM

According to Article II, Section 6 of the Oak Ridge City Charter, the position of Mayor is elected by the members of City Council at the first regular meeting following a regular city election and after all newly-elected members have been duly qualified for a term of two (2) years.

With regards to the Mayor Pro Tem, the Oak Ridge City Charter (Article II, Section 7) states that "the Council shall choose one of its members Mayor pro tem who shall act in the temporary absence or disability of the Mayor." The current edition of the Rules and Procedures of the Oak Ridge City Council, (Officers and Committees of Council) specifies that the Mayor Pro Tem shall be chosen immediately following the election of the Mayor.

Since a city election was held in conjunction with the November 6, 2012 General Election, City Council will need to elect a Mayor and Mayor Pro Tem at their December 10, 2012 City Council meeting.

The last election for Mayor and Mayor Pro Tem was held in June 2011.


Diana R. Stanley

Voting Ballot for Mayor of the City of Oak Ridge	
Trina Baughn	<input type="checkbox"/>
Thomas L. Beehan	<input type="checkbox"/>
Anne Garcia Garland	<input type="checkbox"/>
L. Charles Hensley	<input type="checkbox"/>
Charles J. Hope, Jr.	<input type="checkbox"/>
D. Jane Miller	<input type="checkbox"/>
David N. Mosby	<input type="checkbox"/>
Abstain	<input type="checkbox"/>

****Please select only one candidate above and sign below**

**Member, Oak Ridge City Council
December 10, 2012**

Voting Ballot for Mayor Pro Tem of the City of Oak Ridge	
Trina Baughn	<input type="checkbox"/>
Thomas L. Beehan	<input type="checkbox"/>
Anne Garcia Garland	<input type="checkbox"/>
L. Charles Hensley	<input type="checkbox"/>
Charles J. Hope, Jr.	<input type="checkbox"/>
D. Jane Miller	<input type="checkbox"/>
David N. Mosby	<input type="checkbox"/>
Abstain	<input type="checkbox"/>

****Please select only one candidate above and sign below**

**Member, Oak Ridge City Council
December 10, 2012**