

BUDGET WORKSHOP
April 16, 2019
3:45 p.m.

1. **Agency Request**

WORK SESSION
April 16, 2019
4:00 p.m.

1. **Agenda Review**

AGENDA
CITY OF MORRISTOWN, TENNESSEE
CITY COUNCIL MEETING
April 16, 2019
5:00 p.m.

1. **CALL TO ORDER**

Mayor Gary Chesney

2. **INVOCATION**

Dr. Gary Brewster, Chaplain Unit Squad Leader Morristown Police Department

3. **PLEDGE OF ALLEGIANCE**

4. **ROLL CALL**

5. **APPROVAL OF MINUTES**

1. April 2, 2019

6. **PROCLAMATIONS/PRESENTATIONS**

7. **CITIZEN COMMENTS ABOUT AGENDA ITEMS ONLY**
(Other than items scheduled for public hearing.)

8. **OLD BUSINESS**

- 8-a. **Public Hearings & Adoption of Ordinances/Resolutions**

1. Public Hearing pertaining to Public Chapter 1101 regarding Plans of Services and Progress Reports for the following annexation ordinances:
{No Council action required – Public Hearing only}

Ordinance No. 3605: Annexation of property identified as being located in the first civil district of Hamblen County, Hamblen County Tax Parcel ID # 057 11604 000 which is divided by the rights-of-way of Progress Parkway to include 23.25 (+/-) acres more or less, the general location being shown on the attached exhibit A. {April 3, 2018}.

Ordinance No. 3607: Annexation of property located along the southeast intersection of Shaver Drive and W. Andrew Johnson HWY having Hamblen County Tax Parcel ID # 0320470 E 01800 with the Zoning Designation of Intermediate Business, IB, the general location being shown on the attached exhibit A. {June 5, 2018}.

Ordinance No 3616: Annexation of property identified as being located in the sixth civil district of Hamblen County, having Hamblen County Tax Parcel ID # 016 065.00 which contains 73 (+/-) acres more or less, the general location being shown on the attached exhibit A. {September 18, 2018}

9. NEW BUSINESS

9-a. Resolutions

1. Resolution No. _____

A Resolution of the City Council of Morristown, Tennessee Approving a Lease Between Morristown Utilities Commission and Altec Capital Services, LLC for Fibernet Trucks.

9-b. Introduction and First Reading of Ordinances

1. Ordinance No. _____

An Ordinance of the City Council of Morristown, Tennessee, Amending Title 14 (Zoning and Land Use Controls), Amending Chapter 2, Section 14-203, Definitions of Family in the Morristown Municipal Code.
{Public Hearing May 7, 2019}

9-c. Awarding of Bids/Contracts

1. Capital Lease Purchase Agreement with Morristown Utilities Commission for Fibernet Trucks.
2. Approval of Recommendation from Michael Baker International to accept the bid from Specialty Services Group in the amount of \$58,311.50 for Security Fencing at the Morristown Regional Airport.
3. Approval of Grant Contract between the State of Tennessee Department of Transportation (TDOT) and the City of Morristown for Airport Development in the amount of \$50,000.

4. Approval of Option to Purchase between the City of Morristown and the State of Tennessee for the sale of 300 and 410 Dice Street, Morristown, Tennessee.
5. Approval to apply for the Tennessee Highway Safety Office Grant in the amount of \$15,000.

9-d. Board/Commission Appointments

1. City Council appointment(s) or reappointment(s) to the Construction Board of Adjustments, Appeals, and Examiners; terms expiring Robert T. Russell, Jim Clark and Joseph Wigington. The appointment(s) or re-appointment(s) will be for a three (3) year term expiring May 1, 2022.

9-e. New Issues

10. EXECUTIVE SESSION

11. CITY ADMINISTRATOR'S REPORT

12. COMMUNICATIONS/PETITIONS

This is the portion of the meeting where members of the audience may speak subject to the guidelines provided.

13. COMMENTS FROM MAYOR/COUNCILMEMBERS/COMMITTEES

14. ADJOURN

City Council Meeting/Holiday Schedule:

April 16, 2019	Tuesday	3:45 p.m.	Finance Committee Meeting Review
April 16, 2019	Tuesday	4:15 p.m.	Work Session – Council Agenda Review
April 16, 2019	Tuesday	5:00 p.m.	Regular City Council Meeting with Work Session
April 19, 2109	Friday		City Employee's Holiday - Good Friday
April 25, 2019	Thursday	7:00 p.m.	Community/Council Listening Roundtable – United Methodist Church – Panther Springs, 4555 W. Andrew Johnson Hwy.
May 7, 2019	Tuesday		City Election Day
May 7, 2019	Tuesday	4:00 p.m.	Work Session – Council Agenda Review
May 7, 2019	Tuesday	5:00 p.m.	Regular City Council Meeting with Work Session
May 13, 2019	Monday	5:00 p.m.	“Sine Die” – Swear in of Councilmembers & Mayors
May 21, 2019	Tuesday	3:45 p.m.	Finance Committee Meeting Review
May 21, 2019	Tuesday	4:15 p.m.	Work Session – Council Agenda Review
May 21, 2019	Tuesday	5:00 p.m.	Regular City Council Meeting with Work Session
May 27, 2019	Monday		City Employee's Holiday – Memorial Day
June 4, 2019	Tuesday	4:00 p.m.	Work Session – Council Agenda Review
June 4, 2019	Tuesday	5:00 p.m.	Regular City Council Meeting with Work Session
June 18, 2019	Tuesday	4:00 p.m.	Work Session – Council Agenda Review
June 18, 2019	Tuesday	5:00 p.m.	Regular City Council Meeting with Work Session
July 2, 2019	Tuesday	4:00 p.m.	Work Session – Council Agenda Review
July 2, 2019	Tuesday	5:00 p.m.	Regular City Council Meeting with Work Session
July 4, 2019	Thursday		City Employee's Holiday Independence Day
July 16, 2019	Tuesday	3:45 p.m.	Finance Committee Meeting
July 16, 2019	Tuesday	4:15 p.m.	Work Session – Council Agenda Review
July 16, 2019	Tuesday	5:00 p.m.	Regular City Council Meeting with Work Session
August 6, 2019	Tuesday	4:00 p.m.	Work Session – Council Agenda Review
August 6, 2019	Tuesday	5:00 p.m.	Regular City Council Meeting with Work Session

WORK SESSION AGENDA
APRIL 16, 2019

1. Tennessee College of Applied Technology (TCAT) Update
2. Recycle Education

**STATE OF TENNESSEE
COUNTY OF HAMBLLEN
CORPORATION OF MORRISTOWN
APRIL 2, 2019**

The City Council for the City of Morristown, Hamblen County, Tennessee, met in regular session at the regular meeting place of the Council in the Morristown City Center at 5:00 p.m., Tuesday, April 2, 2019, with the Honorable Mayor Gary Chesney presiding and the following Councilmembers present; Dennis Alvis, Tommy Pedigo, Kay Senter and Ken Smith, absent: Chris Bivens and Bob Garrett.

Reverend Jonathon Bewley, Chaplain, Morristown Police Department led in the invocation and Councilmember Dennis Alvis led the "Pledge of Allegiance".

Councilmember Alvis made a motion to approve the March 19, 2019, minutes as circulated. Councilmember Smith seconded the motion and upon roll call; all voted "aye".

Councilmember Smith made a motion to approve the Memorandum of Understanding between the Hamblen County board of Education and the City of Morristown for the Work Based Learning (WBL) Internship Program. Councilmember Pedigo seconded the motion and upon roll call; all voted "aye".

Councilmember Pedigo made a motion to approve the contract between Hamblen County Government and the City of Morristown for use of the Hamblen County Community Service Program. Councilmember Alvis seconded the motion and upon roll call; all voted "aye".

Councilmember Alvis made a motion to approve the contract for Construction Engineering Inspection (CEI) Services for West Andrew Johnson Highway with Mattern & Craig. Councilmember Smith seconded the motion and upon roll call; all voted "aye".

Councilmember Smith made a motion to approve the contract between the City of Morristown and the Tennessee Department of Transportation for the Multi-Modal Access Grant for various sidewalk improvements along SR-34. Councilmember Alvis seconded the motion and upon roll call; all voted "aye".

Councilmember Senter made a motion to approve the contract between the City of Morristown and Michael Baker International for engineering services of Central Church Road Improvements subject to approval from the State of Tennessee Department of Transportation (TDOT). Councilmember Pedigo seconded the motion and upon roll call; all voted "aye".

Councilmember Pedigo made a motion for approval of bid for Tree Obstruction Removal Project at the Morristown Regional Airport subject to

approval from the State of Tennessee Department of Transportation (TDOT) Aeronautics Division. Councilmember Smith seconded the motion and upon roll call; all voted “aye”.

Councilmember Alvis made a motion for approval of the recommendation from George Armour Ewart, Architect to accept the bid from Burke Ailey in the amount of \$665,582 for Phase III Site Improvements for Petoskey Plastics. Councilmember Smith seconded the motion and upon roll call; all voted “aye”.

Mayor Gary Chesney announced that the Community/Council Roundtable was rescheduled for April 25, 2019 beginning at 7:00 p.m. at Panther Springs Methodist Church.

Mayor Chesney adjourned the April 2, 2019 City Council meeting at 5:15 p.m.

MAYOR

ATTEST:

CITY ADMINISTRATOR

City of Morristown

Incorporated 1855



DEPARTMENT OF COMMUNITY DEVELOPMENT & PLANNING

MEMO

To: Mr. Tony Cox, City Administrator

From: Steve Neilson, Community Development Director

Date: April 16, 2019

RE: Required annual Public hearing for Annexation Plans of Service *Syt*

BACKGROUND:

In accordance with Public Chapter 1101 of 1998, it is a requirement that Tennessee municipalities which have annexed property provide a report and hold a public hearing after an annexation ordinance is adoption. Attached are the reports for the Doyle Wallace Property (Ordinance 3605), the Shaver Drive Property (Ordinance 3607), and the Carlyle Property (Ordinance 3616).

RECOMMENDATION:

Staff recommends that the City Council hold the required public hearing and make no changes to the plan of services at this time.

ATTACHMENTS

Plan of Service Reports on the three annexed territories.

City of Morristown

Incorporated 1855

DEPARTMENT OF COMMUNITY DEVELOPMENT & PLANNING



TO: Morristown City Council
FROM: Lori Matthews, Senior Planner
DATE: March 20th, 2018
SUBJECT: Annexation Request for Exit 8

BACKGROUND:

The City of Morristown is currently working in tandem with the developer of 'The Downs at Wallace Farms' at Exit 8 to annex Hamblen County Tax Parcel ID # 032057 11604, which was split into lots with the construction of the Progress Parkway entrance into the East Tennessee Progress Center.

Annexation of this 24 acre parcel will fill in much of that area still not incorporated between the East Tennessee Progress Center and 'The Downs' at Wallace Farms development. As the greater part of the area west of South Davy Crockett Highway is zoned HI (Heavy Industrial), Staff would recommend that this property be zoned likewise upon its effective date as opposed to placing the property in a 'holding' zone which involves subsequent meetings and approvals.

Morristown Utilities Commission will serve as utility provider for all electrical and sanitary sewer needs. Witt Utilities will provide all water service needs. Both areas currently adjoin City streets so no additional rights-of-way will be included. No additional Fire or Police personnel is required at this time.

RECOMMENDATION:

The Planning Commission at their regular meeting of March 13th voted to forward their recommendation of approval to City Council for both the annexation and its plan of services.



**RESOLUTION NO. 02-18
A RESOLUTION ADOPTING A PLAN OF SERVICES FOR THE
ANNEXATION OF PROPERTY LOCATED IN THE DOWNS AT
WALLACE FARMS DEVELOPMENT AT EXIT 8;**

**WHEREAS, TENNESSEE CODE ANNOTATED, TITLE 6, CHAPTER 51, AS
AMENDED REQUIRES THAT A PLAN OF SERVICES BE ADOPTED BY
THE GOVERNING BODY.**

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF MAYOR
AND COUNCIL OF THE CITY OF MORRISTOWN, TENNESSEE:**

*Property identified as being located in the first civil district of Hamblen
County, Hamblen County Tax Parcel ID # 057 11604 000 which is divided by
the rights-of-way of Progress Parkway to include 23.25 (+/-) acres more or
less, the general location being shown on the attached exhibit A;*

Section I. Pursuant to the provisions of Title 6, Chapter 51, Tennessee Code
Annotated, there is hereby adopted, for the area bounded as described above, the
following plan of services.

Police Protection

Patrolling, radio responses to calls, and other routine police services using present
personnel and equipment will be provided upon the effective date of annexation.

Fire Protection

Fire protection by the present personnel and the equipment of the fire fighting force,
within the limitations of available water and distances from fire stations, will be
provided upon the effective date of annexation. Water for fire protection to serve the
substantially developed annexed area(s) will be provided in accordance with current
policies of Witt Utilities unless authorized by franchise agreement with another
utility district which has made service available with capabilities to meet City of
Morristown Fire Protection Standards. Any extension of water system infrastructure
beyond that of Witt Utilities policies shall be at the expense of the property owner or
developer.

Water Service

Water for potable use will be provided in accordance with current policies of Witt
Utility District.

Sanitary Sewer Service

Any extension of said shall be at the expense of the property owner or property
developer.

Electrical Service

Electrical service for domestic, commercial and industrial use will be provided at city
rates for new lines as extended in accordance with current policies of Morristown
Utility Commission. In those parts of the annexed area presently served by another
utility cooperative, the above conditions or terms will begin with the acquisition by
the city of such cooperatives or parts thereof, which may be delayed by negotiations
and/or litigation.

Refuse Collection

The same regular refuse collection service now provided within the City will be
extended to the annexed area sixty days following the effective date of annexation.

Streets

Reconstruction and resurfacing of streets, installation of storm drainage facilities,
construction of curbs and gutters, and other such major improvements, as the need

therefore is determined by the governing body, will be accomplished under current policies of the city. Traffic signals, traffic signs, street markings and other traffic control devices will be installed as the need therefore is established by appropriate study and traffic standards. Street name signs where needed will be installed as new street construction requires.

Inspection Services

Any inspection services now provided by the City (building, property maintenance, electrical, plumbing, gas, housing, sanitation, etc.) will begin upon the effective date of annexation.

Planning and Zoning

The planning and zoning jurisdiction of the city will apply to the annexed area in conjunction with the effective date of annexation. The recommended zoning designation for this land will be HI (Heavy Industrial).

Street Lighting

Street lights will be installed in accordance to City policies.

Recreation

Residents of the annexed area may use all existing recreational facilities, parks, etc., on the effective date of annexation. The same standards and policies now used will be followed in expanding the recreational program and facilities in the enlarged city.

Miscellaneous

Fibernet may be installed per the current Morristown Utility System policy.

Section II. This Resolution shall become effective from and after its adoption.

PASSED ON THIS THE 3RD DAY OF APRIL 2018.


MAYOR

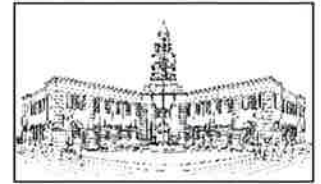
ATTEST:


CITY ADMINISTRATOR

City of Morristown

Incorporated 1855

DEPARTMENT OF COMMUNITY DEVELOPMENT & PLANNING

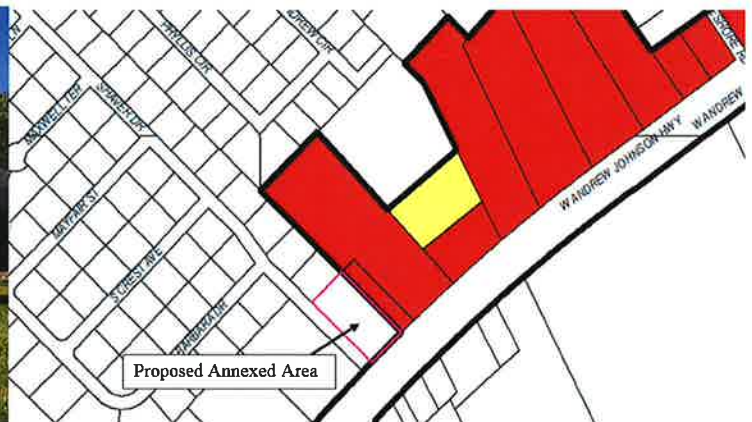


TO: Morristown City Council
FROM: Josh Cole, Planner
DATE: May 15th, 2018
SUBJECT: Annexation Request –204 Shaver Drive
Hamblen County Parcel ID #0320470 E 01800

BACKGROUND:

A request for annexation into the corporate limits of Morristown has been received from the property owner of 204 Shaver Drive (Hamblen County Parcel ID #0320470 E 01800).

This property, located at the southeast intersection of Shaver Drive and W. Andrew Johnson HWY, is 1.5 acres in size and contains the “Beacon Hills Complex” with current tenants including a Doctor’s Office and Tax Service Business. The property owners also own the parcel to the east that is currently in the city limits and being used for parking for this office complex.



If annexed, staff would recommend that the parcel be zoned IB (Intermediate Business) as this is the zoning designation of nearby parcels along W. Andrew Johnson HWY.

A Plan of Services is attached to this memo which includes utility services and standard City services. No additional Fire or Police personnel will be required. Appalachian Electric currently provides electric services with Alpha-Talbott providing water services. The owner has agreed to pay Morristown Utilities Commission any cost associated with extending sewer services to this property.

RECOMMENDATION:

Staff recommends approval of the annexation request with a zoning designation of Intermediate Business (IB).

At its May 5th meeting, the Planning Commission voted (7-0) to forward their recommendation of approval to City Council for both the annexation and its plan of services.

RESOLUTION NO. 04-18**A RESOLUTION ADOPTING A PLAN OF SERVICES FOR THE ANNEXATION OF PROPERTY LOCATED AT THE SOUTHEAST CORNER OF SHAVER DRIVE AND W. ANDREW JOHNSON HWY.****PLAN OF SERVICES**

WHEREAS, TENNESSEE CODE ANNOTATED, TITLE 6, CHAPTER 51, AS AMENDED REQUIRES THAT A PLAN OF SERVICES BE ADOPTED BY THE GOVERNING BODY.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF MAYOR AND COUNCIL OF THE CITY OF MORRISTOWN, TENNESSEE:

Property identified as Hamblen County Tax Parcel ID # 0320470 E 01800, including 1.58 acres of land located at the southeast intersection of Shaver Drive and W. Andrew Johnson HWY, the general location being shown on the attached exhibit A;

Section I. Pursuant to the provisions of Title 6, Chapter 51, Tennessee Code Annotated, there is hereby adopted, for the area bounded as described above, the following plan of services.

Police Protection

Patrolling, radio responses to calls, and other routine police services using present personnel and equipment will be provided upon the effective date of annexation.

Fire Protection

Fire protection by the present personnel and the equipment of the fire fighting force, within the limitations of available water and distances from fire stations, will be provided upon the effective date of annexation. Water for fire protection to serve the substantially developed annexed area(s) will be provided in accordance with current policies of Morristown Utilities Commission unless authorized by franchise agreement with another utility district which has made service available with capabilities to meet City of Morristown Fire Protection Standards. Any extension of water system infrastructure beyond that of the Morristown Utility Commission policies shall be at the expense of the property owner or developer.

Water Service

Water for potable use will be provided in accordance with current policies of Alpha-Talbott Utility District.

Sanitary Sewer Service

Any extension of said shall be at the expense of the property owner or property developer.

Electrical Service

Electrical service for domestic, commercial and industrial use will be provided at city rates for new lines as extended in accordance with current policies of Morristown Utility Commission. In those parts of the annexed area presently served by another utility cooperative, the above conditions or terms will begin with the acquisition by the city of such cooperatives or parts thereof, which may be delayed by negotiations and/or litigation.

Refuse Collection

The same regular refuse collection service now provided within the City will be extended to the annexed area sixty days following the effective date of annexation.

Streets

Reconstruction and resurfacing of streets, installation of storm drainage facilities, construction of curbs and gutters, and other such major improvements, as the need therefore is determined by the governing body, will be accomplished under current policies of the city. Traffic signals, traffic signs, street markings and other traffic control devices will be installed as the need therefore is established by appropriate study and traffic standards. Street name signs where needed will be installed as new street construction requires.

Inspection Services

Any inspection services now provided by the City (building, electrical, plumbing, gas, housing, sanitation, etc.) will begin upon the effective date of annexation.

P.O. Box 1499 • Morristown, Tennessee 37816-1499 • Phone (423) 585-4620 • Fax (423) 585-4679

Planning and Zoning

The planning and zoning jurisdiction of the city will apply to the annexed area in conjunction with the effective date of annexation. The Morristown Regional Planning Commission recommended the zoning designation of IB (Intermediate Business).

Street Lighting

Street lights will be installed in accordance to City policies.

Recreation


Residents of the annexed area may use all existing recreational facilities, parks, etc., on the effective date of annexation. The same standards and policies now used in the present city will be followed in expanding the recreational program and facilities in the enlarged city.

Miscellaneous

Fibernet will be installed per the current Morristown Utility System policy.

Section II. This Resolution shall become effective from and after its adoption.

Passed on this the 5th day of June 2018.


MAYOR

ATTEST:


CITY ADMINISTRATOR

City of Morristown

Incorporated 1855

DEPARTMENT OF COMMUNITY DEVELOPMENT & PLANNING



TO: Morristown City Council
FROM: Lori Matthews, Senior Planner
DATE: September 4th 2018
SUBJECT: Annexation Request of Hill Trail Drive and Adjoining Land

SUBMITTAL:

The Planning Department has received a request from Mr. Phillip Carlyle to annex Hamblen County Tax ID #016-065.00 currently addressed as 1731 Hill Trail Drive. Zoned both for agriculture (A-1) and single family residential (R-1) by Hamblen County, the subject land is located adjacent to Windswept Subdivision along Cherokee Lake in north Morristown.

The owner intends to develop a majority of this 71 + acre parcel into single family residential lots with public streets and infrastructure, hence his request to incorporate with the City's R-2 (Medium Density Residential) zoning designation in place, as opposed to going through a rezoning process at a later date. The owner has been advised that Hill Trail Drive is a substandard street and will require improvements be made at his expense to handle additional traffic generated by a large development.

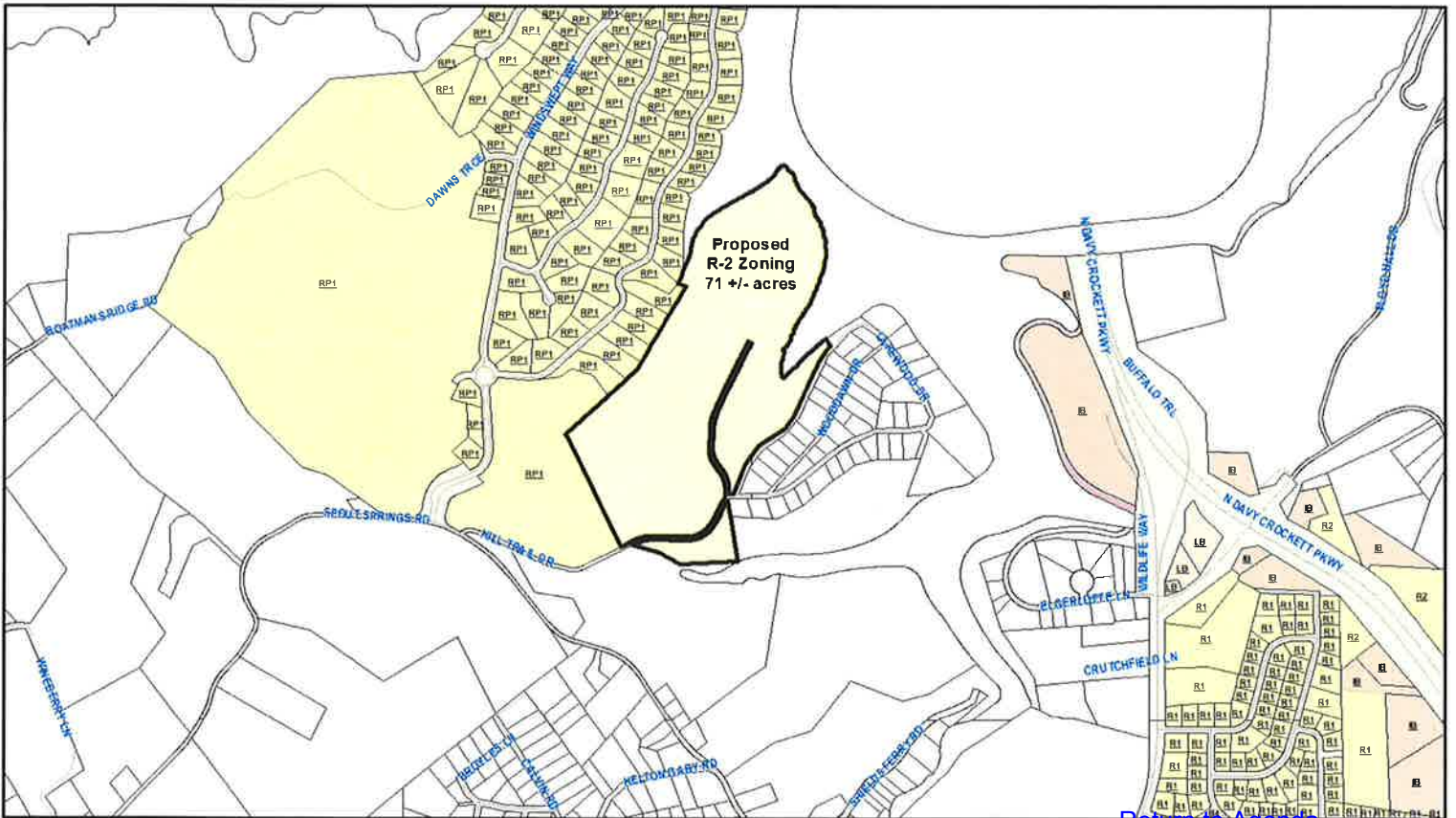
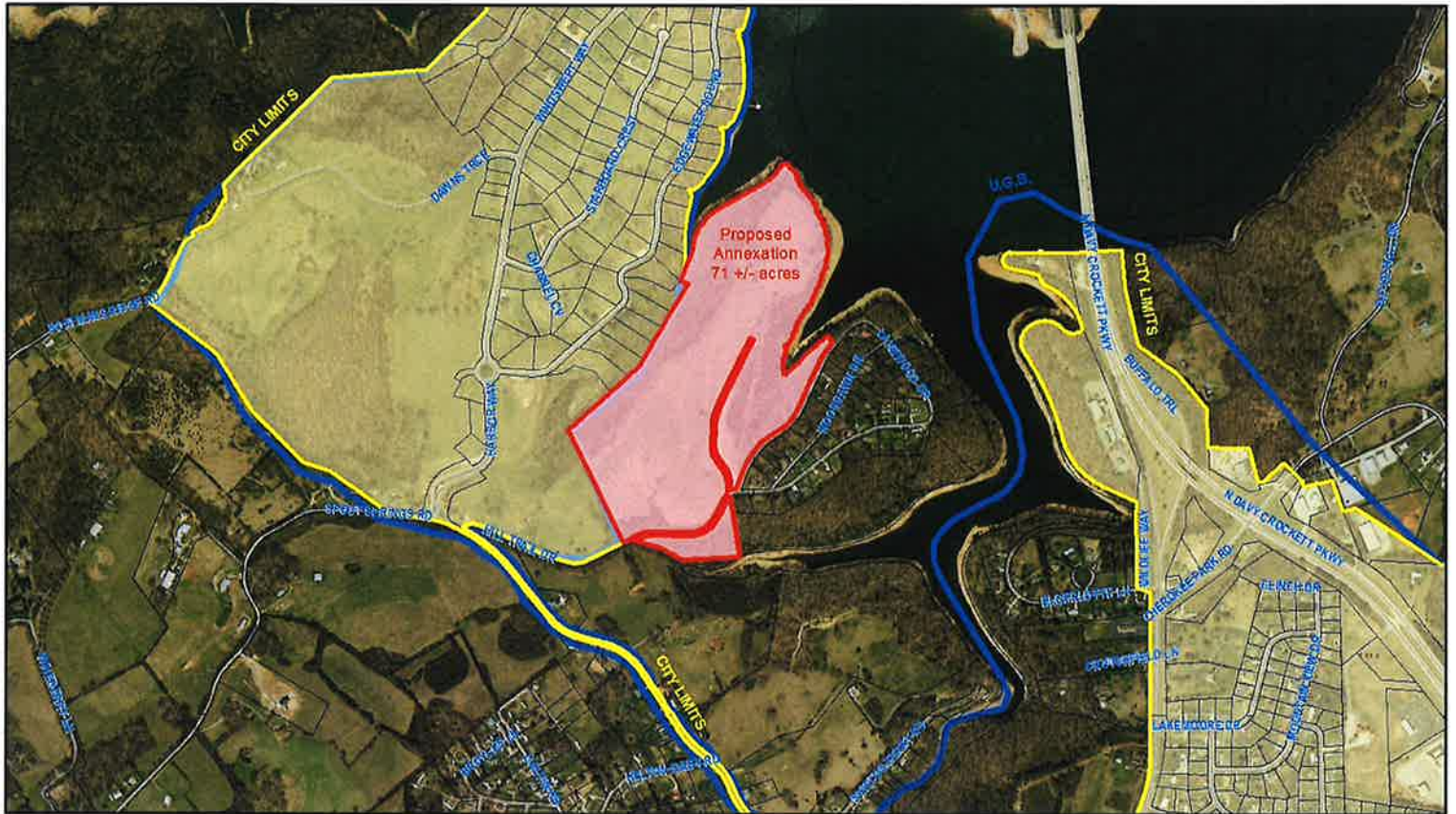
The subject parcel, which is split to the south by Hill Trail Drive, adjoins Windswept Subdivision, Cherokee Lake and Cherokee Lakeview Homes Subdivision. The requested annexation will include the entirety of Hill Trail Drive (a 30 foot +/- right-of-way) from its intersection with Spout Springs Road to its intersection with Lakewood Drive along the north which will be approximately 2,376 (1/2 mile) linear feet. Current City limits for this area extend from the intersection of Spout Springs Road at its intersection with Shields Ferry Road north, to include Windswept Subdivision (annexed in 2005, 2006) which just bypasses that portion of Hill Trail Drive.

Morristown Utilities Commission will serve as provider for all utilities to include electric, sanitary sewer and water needs to the development. No additional Fire or Police personnel will be required at this time.

Staff has as of today rec'd one email asking for more information about the annexation request. No objections have been received by this office.

RECOMMENDATION:

The Morristown Regional Planning Commission at their regular meeting on August 14th 2018 voted unanimously to approve the plan of services and forward the annexation request on to City Council for approval.



RESOLUTION NO. 16-18**A RESOLUTION ADOPTING A PLAN OF SERVICES FOR THE ANNEXATION OF PROPERTY LOCATED ALONG HILL TRAIL DRIVE**

WHEREAS, TENNESSEE CODE ANNOTATED, TITLE 6, CHAPTER 51, AS AMENDED REQUIRES THAT A PLAN OF SERVICES BE ADOPTED BY THE GOVERNING BODY.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF MAYOR AND COUNCIL OF THE CITY OF MORRISTOWN, TENNESSEE:

Property identified as being located in the first civil district of Hamblen County, Hamblen County Tax Parcel ID # 032 016 06500 000 2018 which is divided by the rights-of-way of Hill Trail Drive to include 71.2 (+/-) acres more or less, the general location being shown on the attached exhibit A;

Section I. Pursuant to the provisions of Title 6, Chapter 51, Tennessee Code Annotated, there is hereby adopted, for the area bounded as described above, the following plan of services.

Police Protection

Patrolling, radio responses to calls, and other routine police services using present personnel and equipment will be provided upon the effective date of annexation.

Fire Protection

Fire protection by the present personnel and the equipment of the fire fighting force, within the limitations of available water and distances from fire stations, will be provided upon the effective date of annexation. Water for fire protection to serve the substantially developed annexed area(s) will be provided in accordance with current policies of Morristown Utilities Commission unless authorized by franchise agreement with another utility district which has made service available with capabilities to meet City of Morristown Fire Protection Standards. Any extension of water system infrastructure beyond that of Morristown Utilities Commission policies shall be at the expense of the property owner or developer.

Water Service

Water for potable use will be provided in accordance with current policies of Morristown Utilities Commission.

Sanitary Sewer Service

Any extension of said shall be at the expense of the property owner or property developer.

Electrical Service

Electrical service for domestic, commercial and industrial use will be provided at city rates for new lines as extended in accordance with current policies of Morristown Utility Commission. In those parts of the annexed area presently served by another utility cooperative, the above conditions or terms will begin with the acquisition by the city of such cooperatives or parts thereof, which may be delayed by negotiations and/or litigation.

Refuse Collection

The same regular refuse collection service now provided within the City will be extended to the annexed area sixty days following the effective date of annexation.

Streets

Reconstruction and resurfacing of streets, installation of storm drainage facilities, construction of curbs and gutters, and other such major improvements, as the need

therefore is determined by the governing body, will be accomplished under current policies of the city. Traffic signals, traffic signs, street markings and other traffic control devices will be installed as the need therefore is established by appropriate study and traffic standards. Street name signs where needed will be installed as new street construction requires.

Inspection Services

Any inspection services now provided by the City (building, property maintenance, electrical, plumbing, gas, housing, sanitation, etc.) will begin upon the effective date of annexation.

Planning and Zoning

The planning and zoning jurisdiction of the city will apply to the annexed area in conjunction with the effective date of annexation. The recommended zoning designation for this land will be R-2 (Medium Density Residential).

Street Lighting

Street lights will be installed in accordance to City and Morristown Utilities Commission policies.

Recreation

Residents of the annexed area may use all existing recreational facilities, parks, etc., on the effective date of annexation. The same standards and policies now used will be followed in expanding the recreational program and facilities in the enlarged city.

Section II. This Resolution shall become effective from and after its adoption.

PASSED ON THIS THE 2ND DAY OF OCTOBER 2018


MAYOR

ATTEST:


CITY ADMINISTRATOR

**RESOLUTION NO. _____
BEING A RESOLUTION OF THE CITY COUNCIL OF MORRISTOWN,
TENNESSEE APPROVING A LEASE BETWEEN MORRISTOWN
UTILITIES COMMISSION AND ALTEC CAPITAL SERVICES, LLC
FOR FIBERNET TRUCKS**

WHEREAS, the Morristown Utilities Commission Board, a division of the City of Morristown, has passed a resolution permitting the execution of a lease agreement with Altec Capital Services, LLC for two bucket trucks for its FiberNet operations. This lease agreement is for a period of six (6) years and the lease payments will be made by Morristown Utilities Commission.

WHEREAS, pursuant to *Tennessee Code Annotated §7-51-904*, the City of Morristown must approve any such lease for tangible personal property.

NOW THEREFORE, BE IT RESOLVED by the City Council for the City of Morristown, Tennessee that as the governing body of the City of Morristown, it does approve and permit Morristown Utilities Commission to enter into the lease agreement between Morristown Utilities Commission and Altec Capital Services, LLC for two bucket trucks to be used for the FiberNet operations.

This Resolution shall be effective from and after its adoption

Passed this 16th day of April, 2019.

MAYOR

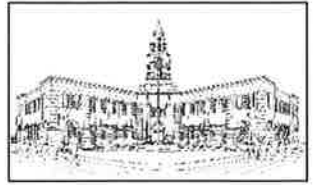
ATTEST:

CITY ADMINISTRATOR

City of Morristown

Incorporated 1855

DEPARTMENT OF COMMUNITY DEVELOPMENT & PLANNING



TO: Morristown City Council
FROM: Steve Neilson, Community Development Director *SN*
DATE: April 16, 2019
SUBJECT: Text Amendment, First Reading – Chapter 2, 14-203 DEFINITIONS - Family

BACKGROUND:

This is a staff-initiated amendment to include a definition of “FAMILY”.

Recently, our Code Enforcement Officers received a complaint that a large number of individuals were living in a house on the west end of town. They found approximately 8-10 adult individuals living in a small single-family home. Staff feels that this type living arrangement is not appropriate in a single-family neighborhood. Unfortunately, there is nothing in the Zoning Ordinance to prevent it. The best way to regulate this would be to include a definition of “family” which would define the type of living arrangement that could live in a “single-family” unit.

Staff reviewed a number of city ordinances from around East Tennessee (see attached) and found that the number of unrelated individuals allowed ranged between three and six. After discussing this in detail at the April 2nd City Council workshop, staff is proposing the following definition of “family”.

FAMILY is defined for the purpose of this ordinance as one or more person(s) that are related by blood, marriage, adoption, legal guardianship, or not more than (3) three unrelated adults.

The Planning Commission voted unanimously to approve the proposed amendment.

RECOMMENDATION:

Staff recommends approval of the proposed text amendments.

Other Jurisdictions Zoning Code Definition of Family

Johnson City TN -- *Family* means one or more related persons or a group of not more than three persons who are mutually unrelated by blood, marriage, legal adoption, or legal guardianship. In multi-family dwellings in the R-6 district, the number of unrelated persons may increase to four persons provided that the allowable density is reduced to 18.75 units per acre. Domestic workers employed on the premises are not counted as part of the family.

Bristol, TN FAMILY - One or more individuals occupying a dwelling unit, or a group of not more than 5 persons who are not related by blood or marriage, and living as a single household unit.

Kingsport, TN Family - means a person living alone or two or more persons customarily living together as a single housekeeping unit and using common cooking facilities, but not including a group occupying a hotel, club, boarding house, lodging house, fraternity or sorority house, institution for human care or other similar building.

Greeneville Family: One or more persons occupying a single dwelling unit, provided that unless all members are related by blood or marriage, no such family shall contain over five (5) persons, but further provided that domestic servants employed on the premises without being counted as a family or families.

Knoxville, TN *Family*: The heads of household plus persons who are related to the heads of the household (and any domestic employees thereof). These relationships may be of the whole or half blood, by adoption, guardianship, including foster children, or through a marriage to a person with such a relationship with the heads of household.

Mountain City, TN - Family – One or more persons occupying a single dwelling unit, provided that unless all members are related by blood or marriage to such family shall contain over five (5) persons, but further that domestic servants employed on the premises without being counted as a family or families.

Murfreesboro, TN Family: In addition to customary domestic servants, either (a) an individual or two or more persons related by blood, marriage or adoption, maintaining a common household in a dwelling unit; or (b) a group of not more than four persons who are not related by blood, marriage, or adoption, living together as a common household in a dwelling unit, or (c) a group of not more than eight unrelated persons with disabilities, as defined by applicable federal law, which includes at least one (1) additional person (and may include a total of three (3) additional persons) acting as support staff or guardians, who need not be related to any of the persons with disabilities residing in the home, living together as a common household in a dwelling unit.

Note: Persons (i) who have been convicted of a crime involving violence, (ii) who have been convicted of unlawfully manufacturing or distributing any illegal drug or controlled substance, (iii) who are registered or are required to be registered as sex offenders, (iv) who are currently illegally using a controlled substance, and / or (v) whose tenancy would constitute a direct threat to the health or safety of others or whose tenancy would result in substantial physical damage to the property of others shall not be deemed to be persons with disabilities for purposes of this definition solely by virtue of that status.

Oak Ridge- FAMILY: An individual, or two or more persons related by blood or marriage, or a group of not more than five (5) persons who need not be related by blood or marriage, living together as a single housekeeping unit in a dwelling unit

Cookeville - FAMILY. In zoning districts permitting only single-family residential dwelling units a family is defined as one (1) or more persons mutually related by blood, marriage, legal adoption, or legal guardianship occupying a single-dwelling unit and living as a single housekeeping unit, together with incidental domestic servants, temporary non-paying guests and with no more than one (1) additional person who is mutually unrelated by blood, marriage, legal adoption, or legal guardianship. In zoning districts permitting two-family and/or multi-family residential dwelling units a family is defined as one (1) or more persons mutually related by blood, marriage, legal adoption, or legal guardianship occupying a single-dwelling unit and living as a single housekeeping unit, together with incidental domestic servants, temporary non-paying guests and with no more than three (3) additional persons who are mutually unrelated by blood, marriage, legal adoption, or legal guardianship. A family is further distinguished as not consisting of a group occupying a boarding house, rooming house, lodging house, club, fraternity, sorority, or hotel.

Mt. Juliet *Family* [means] one of the following:

- A. An individual, or two or more persons occupying a dwelling unit and living as a single independent, nonprofit housekeeping unit, together with incidental domestic servants and temporary nonpaying guests.
- B. A group of not more than six unrelated persons living together as a single nonprofit housekeeping unit.
- C. Four or more persons occupying a dwelling unit and living as a single, nonprofit housekeeping unit, if said occupants are handicapped persons, as defined by Title VIII, of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988. Such unrelated individuals shall have the right to occupy a dwelling unit in the same manner and to the same extent as any family unit as defined herein.



ORDINANCE NO. _____

BEING AN ORDINANCE OF THE CITY COUNCIL OF MORRISTOWN,
TENNESSEE AMENDING TITLE 14 (ZONING AND LAND USE CONTROL),
AMENDING CHAPTER 2, SECTION 14-203 DEFINITIONS OF THE
MORRISTOWN MUNICIPAL CODE.

BE IT ORDAINED BY THE CITY COUNCIL of the City of Morristown that the text of Title 14
(Zoning and Land Use Control), Chapter 2, Section 14-203 DEFINITIONS be amended to include a
definition of FAMILY stating:

Section 14-203, DEFINITIONS

**FAMILY is defined for the purpose of this ordinance as one or more
person(s) that are related by blood, marriage, adoption, legal
guardianship, or not more than (3) three unrelated adults.**

BE IT FURTHER ORDAINED that this ordinance shall take effect from and after the date of its final
passage, the public welfare requiring it.

Passed on first reading the _____ day of _____, 2019.

Mayor

ATTEST:

City Administrator

Passed on second and final reading the _____ day of _____, 2019.

Mayor

ATTEST:

City Administrator



April 10, 2019

Morristown Utilities Commission

441 W. Main Street
Morristown, TN 37814

RE: Documents Enclosed/ Please return package within 48 hours of receipt

Enclosed is your document package for review and execution. The original executed documents are required prior to funding your transaction. To expedite the return of these documents, please overnight them to us using Altec Capital Services, LLC UPS account #V55F20, and send to:

Altec Capital Services, LLC
Attn: Jessica Whitehead
33 Inverness Center Parkway, Suite 200
Birmingham, AL 35242-4842

Only the person with signing authority should execute the documents. For verification of original documents, please execute in blue ink. Please retain a copy of the documents for your files.

Please use the checklist below to ensure all required documents are returned. This will guaranty the timely funding of your transaction.

Bank Qualified:

- Essential Use Letter
- Equipment Lease/Purchase Agreement
- Description of Equipment
- Schedule of Payments
- Certificate of Acceptance
- Incumbency Certificate
- Resolutions Form – Or copy of the actual Board Minutes
- Insurance
- Copy of Customer's Sales/Use Tax Exemption Certificate
- IRS form 8038G or 8038CG

Please include if applicable:

- Opinion of Lessee's Counsel (Only required if more than two assets)
- New York rider (Only required for New York customers)
- Florida rider (Only required for Florida customers)

Please contact me at (888) 408-8148 with any questions or concerns you may have. Thank you for the opportunity to do business with you.

Sincerely,

Jessica Whitehead

Jessica Whitehead
Inside Sales Associate

**ACS shall be entitled, after consultation with you, to change the pricing, terms, structure or amount of, or to eliminate, any of the facilities if ACS determines that such changes are necessary to fund the transaction at a rate equal to our cost of funds plus an acceptable spread and/or advisable to ensure a successful syndication of the transaction. The terms herein are subject to the arrangements in this paragraph.

_____, 2019

ALTEC CAPITAL SERVICES, L.L.C.
33 Inverness Center Parkway
Suite 200
Birmingham, AL 35242

Re: Equipment Lease/Purchase Agreement dated as of May 01, 2019 between
ALTEC CAPITAL SERVICES, L.L.C., as Lessor, and
Morristown Utilities Commission, as Lessee
Lease Number **225174**

Essential Use of Equipment.

Gentlemen:

This letter is to confirm and affirm that the personal property (the "Equipment") subject to the above-referenced Agreement is essential to the governmental functions of Lessee.

The Equipment will be used by Lessee for the purpose of performing one or more of Lessee's governmental functions consistent with the permissible scope of Lessee's authority and not in any trade or business carried on by any person other than Lessee.

Very truly yours,
Morristown Utilities Commission

By: _____

Its: _____

EQUIPMENT LEASE/PURCHASE AGREEMENT

THIS EQUIPMENT LEASE/PURCHASE AGREEMENT ("Agreement") is made as of **May 01, 2019** by and between ALTEC CAPITAL SERVICES, L.L.C. ("Lessor") and **MORRISTOWN UTILITIES COMMISSION** ("Lessee").

In consideration of the mutual covenants, terms and conditions hereinafter contained, Lessor hereby agrees to lease to Lessee, and Lessee hereby agrees to lease from Lessor, the property (hereinafter, together with all replacements and accessions thereto, referred to as the "Equipment") generally described in the Preliminary Description of Equipment attached hereto and to be more specifically described in the Certificate of Acceptance, in the form attached, to be executed and delivered pursuant hereto, subject to the terms and conditions set forth herein.

This Agreement is made upon the following terms and conditions:

(1) **TERM.** (a) **Commencement of Term.** This Agreement shall be effective, and the parties' obligations hereunder shall arise, as of the date hereof. The term of lease under this Agreement shall commence on the date on which the Equipment is accepted by Lessee, as indicated on the Certificate of Acceptance (the "Commencement Date"), and shall terminate on the last business day of Lessee's then current fiscal budget period (such period being hereinafter referred to as the "Original Term"). (b) **Renewal of Term.** Subject to the provisions of Section 10 hereof and sub-part (c) of this Section, the Original Term will be automatically and successively renewed at the end of the Original Term under the same terms and conditions for successive renewal periods ("Renewal Terms"), with the last of such Renewal Terms to end on the last day of the Full Lease Term, as specified on the Schedule of Payments executed by Lessee and attached hereto (the "Schedule"). (c) **Termination of Term.** The term of lease will terminate upon the earliest to occur of any of the following events: (1) The expiration of the Original Term or any Renewal Term and the nonrenewal thereof in accordance with the terms and conditions of this Agreement; (2) The purchase of the Equipment by Lessee under the provisions of Sections 8(c) or 10 of this Agreement; (3) A default by Lessee and Lessor's election to terminate this Agreement under Section 13; or (4) The payment by Lessee of all rental payments to be paid by Lessee hereunder with respect to the Equipment. (d) **Continuation of Lease Term by Lessee.** Lessee intends, subject to the provisions of sub-part (e) of this Section, to continue the term of the lease hereunder through the Original Term and all Renewal Terms for the Full Lease Term and to pay the rental payments hereunder. Lessee reasonably believes that legally available funds in an amount sufficient to make all rental payments for the Full Lease Term can be obtained and further intends to do all things lawfully within its power to obtain and maintain funds from which the rental payments may be made. (e) **Nonappropriation.** In the event sufficient funds are not appropriated for the payment of all rental payments required to be paid in the next succeeding Renewal Term, then Lessee may terminate this Agreement at the end of the Original Term or the then current Renewal Term, as the case may be, and Lessee shall not be obligated to make payment of the rental payments provided for in this Agreement beyond the then current term. Lessee agrees to give notice to Lessor of such termination at least sixty (60) days prior to the end of the then current term or, if nonappropriation has not occurred by that date, promptly upon the occurrence of nonappropriation. If this Agreement is terminated under this sub-part, Lessee agrees, at Lessee's sole cost and expense, peaceably to deliver the Equipment to Lessor at such location as is specified by Lessor, in the condition required by Section 5(b) hereof, on or before the effective date of termination.

(2) **RENTAL PAYMENTS.** (a) **Rental Payments to Constitute a Current Expense of Lessee.** Lessor and Lessee understand and intend that the obligation of Lessee to pay rental payments hereunder shall constitute a current expense of Lessee and shall not in any way be construed to be a debt of Lessee in contravention of any applicable constitutional or statutory limitations or requirements concerning the creation of indebtedness by Lessee, nor shall anything contained herein constitute a pledge of the general tax revenues, funds or monies of Lessee. (b) **Payment of Rental Payments.** Lessee shall pay rental payments exclusively from legally available funds, in lawful money of the United States of America, to Lessor in the amounts and on the rental payment due dates set forth in the Schedule without notice. In the event that any rental payment is not received by Lessor on or before the due date therefor, Lessee agrees to pay a late charge determined on the basis of accrued interest on the delinquent amount at the rate of one percent (1%) per month (or, if such rate is in excess of the maximum rate permitted by law, the maximum rate permitted by law) from the date of delinquency to the date that the rental payment is received by Lessor. (c) **Interest and Principal Components.** As set forth in the Schedule, a portion of each rental payment is paid as, and represents payment of, interest, and the balance of each rental payment is paid as, and represents payment of, principal. (d) **Rental Payments to be Unconditional.** The obligation of Lessee to make rental payments hereunder, and to perform and observe the covenants and agreements contained in this Agreement, shall be absolute and unconditional in all events, except as expressly provided in this Agreement. Lessee shall not assert any right of setoff, counterclaim, or abatement against its obligations hereunder, including (without limitation) by reason of equipment failure, disputes with the vendor(s) or manufacturer(s) of the Equipment or Lessor, accident or any unforeseen circumstances.

(3) **REPRESENTATIONS AND COVENANTS OF LESSEE.** Lessee represents, covenants and warrants to Lessor as follows: (a) Lessee is a state or political subdivision thereof within the meaning of Section 103(c) of the Internal Revenue Code of 1986, as amended, (the

"Code") and will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as such. (b) Lessee is authorized under the Constitution and laws of the state of **TN** to enter into this Agreement and the transactions contemplated hereby and to perform all of its obligations hereunder. (c) Lessee's name as indicated in the opening paragraph and on the signature page of this Agreement is its true, correct, and complete legal name. (d) As evidenced by an attachment hereto, the execution and delivery of this Agreement by or on behalf of Lessee has been duly authorized by all necessary action of the governing body of Lessee, and Lessee has obtained such other approvals and consents as are necessary to consummate this Agreement. Lessee further represents, covenants and warrants that all requirements have been met, and procedures have occurred, necessary to ensure the enforceability of this Agreement against Lessee, and that Lessee has complied with such public bidding requirements as may be applicable to this Agreement and the acquisition of the Equipment by Lessee hereunder. (e) Lessee shall cause to be executed and attached hereto an incumbency certificate and an opinion of its counsel in form and substance satisfactory to Lessor. (f) Lessee has determined that a present need exists for the Equipment which need is not temporary or expected to diminish in the near future. The Equipment is essential to and will be used by Lessee only for the purpose of performing one or more governmental functions of Lessee consistent with the permissible scope of Lessee's authority and will not be used in a trade or business of any person or entity. Lessee shall cause to be executed and attached hereto an Essential Use of Equipment Letter in form and substance satisfactory to Lessor. (g) Within one hundred fifty (150) days of the end of each fiscal year of Lessee during the term hereof, Lessee shall provide Lessor with a copy of its audited financial statements for such fiscal year. Additionally, Lessee shall provide Lessor with budgets, proof of appropriation for the ensuing fiscal year and such other financial information relating to the ability of Lessee to continue this Agreement as may reasonably be requested by Lessor. (h) The Equipment is, and shall remain during the period this Agreement is in force, personal property and when subject to use by Lessee under this Agreement will not be or become fixtures. (i) Lessee acknowledges that Lessor is acting only as a financing source with respect to the Equipment, which has been selected by Lessee. (j) Lessee will promptly and duly execute and deliver to Lessor such further documents, instruments and assurances and take such further action as Lessor may from time to time reasonably request in order to carry out the intent and purpose of this Agreement and to establish and protect the rights and remedies created or intended to be created in favor of Lessor hereunder.

(4) TITLE TO EQUIPMENT; SECURITY INTEREST. (a) **Title to the Equipment.** During the term of this Agreement, title to the Equipment shall vest in Lessee, subject to the rights of Lessor under this Agreement. In the event of a default as set forth in Section 13 hereof or nonappropriation as set forth in Section 1(c) hereof, title shall immediately vest in Lessor. (b) **Security Interest.** To secure the prompt payment and performance as and when due of all of Lessee's obligations under this Agreement, Lessee hereby grants to Lessor a first priority security interest in the Equipment, all replacements, substitutions, accessions and proceeds (cash and non-cash), including the proceeds of all insurance policies, thereof. Lessee agrees that with respect to the Equipment Lessor shall have all of the rights and remedies of a secured party under the Uniform Commercial Code as in effect in **TN**. Lessee may not dispose of any item of the Equipment without the prior written consent of Lessor, notwithstanding the fact that proceeds constitute a part of the Equipment.

(5) USE AND MAINTENANCE. (a) **Use.** Lessee shall use the Equipment solely for the purpose of performing one or more governmental functions of Lessee and in a careful, proper and lawful manner consistent with the requirements of all applicable insurance policies relating to the Equipment. Lessee will not change the location of any items of the Equipment as specified in the applicable Certificate of Acceptance without the prior written consent of Lessor, which consent shall not be unreasonably withheld. Lessee shall not attach or incorporate the Equipment to or in any other item of equipment in such a manner that the Equipment becomes or may be deemed to have become an accession to or a part of such other item of equipment. (b) **Maintenance.** Lessee, at its own expense, will keep and maintain, or cause to be kept and maintained, the Equipment in as good operating condition as when delivered to Lessee hereunder, ordinary wear and tear resulting from proper use thereof alone excepted, and will provide all maintenance and service and make all repairs reasonably necessary for such purpose. All replacement parts and accessions shall be free and clear of all liens, encumbrances or rights of others and have a value and utility at least equal to the parts or accessions replaced. Lessee shall not make any material alterations to the Equipment without the prior written consent of Lessor, which consent shall not be unreasonably withheld. All additions to the Equipment which are essential to its operation, or which cannot be detached without materially interfering with such operation or adversely affecting the Equipment's value and utility, shall immediately be deemed incorporated in the Equipment and subject to the terms of this Agreement as if originally leased hereunder, and subject to the security interest of Lessor. Upon reasonable advance notice, Lessor shall have the right to inspect the Equipment and all maintenance records with respect thereto, if any, at any reasonable time during normal business hours.

Additional Provisions for Vehicles. As to any Equipment leased hereunder that constitutes motor vehicles ("Vehicles"), you further covenant and agree as follows:

(a) You shall, at your own expense, obtain in our name all registration plates and other plates, permits inspections or licenses required to be obtained in connection with the Vehicles, or related to their operation and use except for the initial registration plates which we obtain at your expense. We shall issue to you, for such purpose, appropriate limited powers of attorney or such other authority as may be necessary. You shall not, without our prior written consent, permit any Vehicle to be located in a state other than the state in which such Vehicle is then titled for any continuous period of time that would subject such Vehicle to the titling or registration laws of such other state. **YOU AGREE THAT NO VEHICLE SHALL BE USED TO TRANSPORT PERSONS FOR HIRE OR HAZARDOUS SUBSTANCES.**

(b) At any time that you are required to return the Vehicle to us, you shall, at your expense, deliver the Vehicle to the nearest Altec facility within the United States which we specify.

(c) Each Vehicle shall not have more than the average miles per year recorded on its odometer than the mileage specified for the selected Lease Term for each vehicle type and specific model as detailed on the Supplement (or, if no mileage is specified in the Supplement, each Vehicle shall not have more than twelve thousand (12,000) miles per year for each year of the applicable Lease Term) and you shall pay us, at the time of Vehicle surrender, an excess mileage charge equal to \$.35 per mile for each mile exceeding specified mileage

(d) Ensure all Equipment and equipment operations conform to all applicable local, state, and Federal laws, health and safety guidelines. Upon return, the Equipment will be complete and operational with all components as originally supplied and will have passed D.O.T. inspections, or other appropriate agency or association requirements for operation. If applicable, an inspection sticker or certificate will be furnished to Lessor verifying compliance with any regulatory requirements. Lessee shall satisfy all legal and regulatory conditions necessary for Lessor to sell or lease the Equipment to a third party. Lessee will keep all licenses and operating certificates required for operation of the Equipment current during the term of the Lease. Lessee will at all times use the Equipment in compliance with all applicable laws and regulations of any governmental, local and regulatory agency;

(e) Provide safe, secure storage for the Equipment for one-hundred and eighty (180) days after expiration or earlier termination of the Lease at not more than three (3) location (s) selected by Lessor;

(f) Take such action as may be required so that, upon return, each unit of Equipment must meet all of its manufacturer's specifications for performance under full-rated loads and all of the following conditions:

1). Tires: All tires shall be of the same type (original size) and manufacturer (i.e. matched) and have a minimum of fifty (50) percent remaining tread life. All front tires shall be original casing with no crossed lugs, rear tires may be either original casings or first time recapped tires and no tire shall exhibit or have flat or bald spots, dry rot, exposed cord or cuts in sidewall;

2). Any time or life-limited components including, but not limited to, power train assembly, transmissions, converters, generators, axles, wheels, pumps or other parts shall have at least fifty (50%) percent useful life remaining before the manufacturer's next recommended major overhaul, rebuild, calibration or replacement as recommended by the manufacturer and/or published in standard maintenance manuals;

3). Mechanical Power Train: Each unit of Equipment shall have passed a dynamometer test, road test and oil analysis, each conducted not more than sixty- (60) days prior to the return of the equipment, the test results shall have been provided to Lessor not more than two- (2) weeks after each test has been conducted and not less than two- (2) weeks prior to the return of the Equipment and the tests and test results shall have been reasonably acceptable to the Lessor. The engine must have at least 50% remaining mileage until the next manufacturer's scheduled "in-frame" overhaul, there shall be no cracked cylinder heads or engine blocks, the wheel horsepower must be within 80% - 85% of the rated flywheel horsepower without excess blow-by, exhaust system leakage or oil leakage and must meet current smoke emission standards. The transmission and rear axles shall be capable of pulling loads to their full rated capacity, there shall be no transmission, drive axle or wheel hub oil leaks and there shall be no "slipping" or "grabbing" clutch. Cooling and lubrication systems shall not be contaminated and there shall be no leaking between systems, no battery shall have any dead cell, cracked case or be inoperative;

4). Service Body/Digger Derrick: Lessee will ensure that the Equipment will be mechanically and structurally sound, no bowed sections, free of cracks, bends or warping that impacts the Fair Market Value and marketability of the Equipment and is capable of performing the functions for which the Equipment was originally designed. Ensure all safety equipment, covers and guards, parts and components must be in-place and operational. No safety features shall be bypassed or disconnected. All body parts shall be intact with no tears or dents in metal. Service bodies to be free of dents (or cracks on fiberglass components) or damages over \$50.00, normal wear and tear excepted. Sheet metal must be complete. All cooling, heating and lubrication systems shall not be contaminated and there shall be no leaks or leakage between systems. All gauges, indicators and controls will be in good conditions, plastic or glass coverings intact, clear and all will be in good working order. No battery shall have any dead cells, cracked case be inoperative or unable to be charged. All internal fluids, such as lube oil and hydraulic fluids, are to be filled to operating levels and all filler caps are to be secured. Digger/Derrick boom, hydraulic cylinders and all accessories and attachments shall be free of damage and capable of performing to their maximum operational designs. All drive axles and non-drive axles are to be fully functional with no slipping, grinding or grabbing, and the Equipment shall be operational in all gears, forward and reverse. If during such inspection, the authorized inspector finds any of the material or workmanship to be defective or the Equipment not meeting or exceeding the manufacturer's operating requirements, Lessee, at lessee's cost, shall repair or replace the material or defective workmanship utilizing manufacturer approved components and in accordance with the manufacturer's recommendations. After corrective measures are completed, lessee, at Lessee's cost will provide for a follow-up inspection of the Equipment by the authorized inspector as outlined in this paragraph;

5). General Condition: With respect to each unit, there must be no structural or mechanical damage; no glass shall be broken, chipped or cracked; no upholstery shall have any cuts, tears or burn marks. All rust or corrosion must be treated in a manner consistent with standard industry practices. All Equipment must have a good overall appearance and no material damage. The Equipment shall be cleaned (internal and external), free of rust and corrosion with no missing or damaged parts. Upon return, all commercial logos, advertising, graffiti, insignias and lettering shall be removed and repaired in a workmanlike manner so as to not damage the Equipment. Manufacturer's identity plates and markings shall not be removed. With respect to each unit, the total cost of necessary repairs for damage or other related costs necessary to place the Equipment in such condition as to be in complete compliance with this Lease may not exceed \$150.00;

6). Documents and Records: Written records of scheduled and other maintenance and repair work done shall be kept, dated, and signed by the appropriate authority. A service history or log will be maintained during the Lease term and a copy provided to Lessor upon request during the term of the Lease, or at Lease termination. All maintenance records, maintenance record jackets, repair jackets, repair orders, license plates, registration certificates and all other similar documents, in their entirety, must be returned to Lessor;

7). Brakes: Brake drums, linings and other brake components shall not be cracked and shall not exceed manufacturers' recommended wear limits. Brake linings shall have fifty (50) percent remaining wear;

8). **Maintenance:** Lessee shall strictly follow the manufacturer's recommended maintenance and service schedule, as required to validate any warranty, at Lessee's sole cost and expense. Any maintenance or repair work shall comply with the guidelines and procedures as specified by the manufacturers of the equipment and in accordance with standards in the industry. Lessee will use only original manufacturer's approved replacement parts and components in the performance or any maintenance and repair of the Equipment. Lessee will at all times maintain the Equipment in good operational condition and appearance;

9). **Use:** Lessee guarantees that the Equipment will not be or have been operated beyond the rated capacity as certified by the manufacturer at any time during the Lease term. Lessee will not discriminate in the use of the Equipment from any other similar equipment in its fleet;

10). **Alterations:** Lessee will not modify the Equipment without the prior written approval of Lessor. In any event, Lessee will not make any modifications or alterations that would impair the Equipment's use, value, marketability or manufacturer's warranty and recommendations. Lessee will not make any alterations to the Equipment that would damage or restrict the use of the Equipment from its initial use and design and that cannot be removed without damage to the unit. Changes, modifications or additions to the Equipment mandated by Federal or state authorities will be completed by Lessee and become property of Lessor;

11). Not more than ninety- (90) days prior to return of Equipment, during regular working hours, Lessee must make the Equipment available to allow Lessor or Lessor's agent to conduct an in-depth physical inspection. Any part, component or function found not to be within the manufacturer's tolerances and operational specifications, including but not limited to engines, transmissions, clutches, drive trains, and rear axles, will be replaced or brought within those tolerances and specifications to the satisfaction of Lessor. Testing with necessary reconditioning to meet the return conditions are to be provided to Lessor two (2) weeks prior to the return of the equipment. Lessee shall obtain written certification from the manufacturers or their authorized representative that the Equipment has been returned in accordance with the terms set forth herein;

(6) **FEES; TAXES; OTHER GOVERNMENTAL AND UTILITY CHARGES; LIENS.** (a) **Fees.** Lessee shall be liable to reimburse Lessor for, and agrees to hold Lessor harmless from, all titling, recordation, documentary stamp and other fees arising at any time prior to or during the Full Lease Term, or upon or relating to the Equipment or this Agreement. (b) **Taxes, Other Governmental Charges and Utility Charges.** The parties contemplate that the Equipment will be used for a governmental purpose of Lessee and that the Equipment will be exempt from all taxes presently assessed and levied with respect to personal property. In the event that the use, possession or acquisition of the Equipment is found to be subject to taxation in any form (except for net income taxes of Lessor), Lessee will pay, as the same come due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied during the Full Lease Term against or with respect to the Equipment, as well as all utility and other charges incurred in the operation and use of the Equipment. (c) **Liens.** Lessee shall keep the Equipment free and clear of all liens, levies and encumbrances, except those created under this Agreement.

(7) **INSURANCE.** (a) **Casualty Insurance.** At its own expense, Lessee shall keep the Equipment insured against loss or damage due to fire and the risks normally included in extended coverage, malicious mischief and vandalism, for not less than the Full Insurable Value of the Equipment. As used herein, "Full Insurable Value" means the full replacement value of the Equipment or the Prepayment Amount applicable to the immediately preceding rental payment due date as designated on the Schedule, whichever is greater. All insurance for loss or damage shall provide that losses, if any, shall be payable to Lessor and Lessee, as their interests may appear, and Lessee shall utilize its best efforts to have all checks relating to any losses delivered promptly to Lessor. If Lessee insures similar properties against casualty loss by self-insurance, with Lessor's prior consent Lessee may satisfy its obligations with respect to casualty insurance hereunder by means of a self-insurance fund reasonably acceptable to Lessor. The Net Proceeds of the insurance required hereby shall be applied as provided in Section 8 hereof. As used herein, "Net Proceeds" means the amount remaining from the gross proceeds of any insurance claim or condemnation award after deduction of all expenses (including attorneys' fees) incurred in the collection of such claim or award. (b) **Liability Insurance.** Lessee shall also carry public liability insurance, both personal injury and property damage, covering the Equipment in an amount as Lessor may from time to time reasonably require on notice to Lessee. Lessor shall be named as an additional insured with respect to all such liability insurance. With Lessor's prior consent, Lessee may satisfy its obligations with respect to liability insurance hereunder by maintaining a funded self-insurance plan. (c) **Worker's Compensation.** Lessee shall carry worker's compensation insurance covering all employees working on, in, near or about the Equipment, or demonstrate to the satisfaction of Lessor that adequate self-insurance is provided, and shall require any other person or entity working on, in, near or about the Equipment to carry such coverage throughout the Full Lease Term. (d) **General Requirements.** All insurance required under this Section 7 shall be in form and amount and with companies reasonably satisfactory to Lessor except as otherwise expressly provided herein. Lessee shall pay the premiums therefor and deliver to Lessor the policies of insurance or duplicates thereof, or other evidence satisfactory to Lessor of such insurance coverage, annually throughout the Full Lease Term. Each insurer shall agree, by endorsement upon the policy or policies issued by it or by independent instrument furnished to Lessor, that (a) it will give Lessor thirty (30) days' prior written notice of the effective date of any material alteration or cancellation of such policy; and (b) insurance as to the interest of any named additional insured or loss payee other than Lessee shall not be invalidated by any actions, inactions, breach of warranty or conditions or negligence of Lessee with respect to such policy or policies.

(8) **RISK OF LOSS; DAMAGE, DESTRUCTION AND CONDEMNATION; USE OF NET PROCEEDS.** (a) **Risk of Loss.** Lessee assumes all risk of loss of or damage to the Equipment from any cause whatsoever, and no such loss of or damage to the Equipment, defect therein, or unfitness or obsolescence thereof, shall relieve Lessee of its obligation to make rental payments or perform any other obligations hereunder. (b) **Damage, Destruction and Condemnation.** If prior to the termination of the Full Lease Term (1) the Equipment or any

portion thereof is destroyed (in whole or in part) or is damaged by fire or other casualty; or (2) title to, or the temporary use of, the Equipment or any part thereof or the estate of Lessee or Lessor in the Equipment or any part thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority; Lessee and Lessor will cause the Net Proceeds of any insurance claim or condemnation award to be applied to Lessee's obligations pursuant to sub-part (c) of this Section. (c) **Use of Net Proceeds**. Provided the Equipment is not deemed to be a total loss, Lessee shall, at its expense (subject to application of the Net Proceeds), cause the prompt repair, replacement or restoration of the affected Equipment. In the event that the Equipment is totally destroyed or damaged and Lessee is unable to make arrangements satisfactory to Lessor for the prompt replacement thereof, Lessee shall pay to Lessor, on the rental payment due date next succeeding the date of such loss, the Prepayment Amount applicable to such rental payment due date plus the rental payment due on such date and any other amounts then payable by Lessee hereunder. Upon such payment, the term of the lease and the security interest of Lessor in the Equipment shall terminate, and Lessee will acquire full and unencumbered title to the Equipment as provided in Section 10 hereof. If Lessee is not then in default hereunder, any portion of the Net Proceeds in excess of the amount required to pay in full Lessee's obligations as set forth in this sub-part (c) shall be for the account of Lessee. Lessee agrees that if the Net Proceeds are insufficient to pay in full Lessee's obligations as set forth in this sub-part (c), Lessee shall make such payments to the extent of any deficiency.

(9) **DISCLAIMER OF WARRANTIES. LESSOR, NOT BEING A SELLER (AS SUCH TERM IS DEFINED IN THE UNIFORM COMMERCIAL CODE), NOR A SELLER'S AGENT, HEREBY EXPRESSLY DISCLAIMS AND MAKES TO LESSEE NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR OTHERWISE, INCLUDING, BUT NOT LIMITED TO: THE FITNESS FOR USE, DESIGN OR CONDITION OF THE EQUIPMENT; THE QUALITY OR CAPACITY OF THE EQUIPMENT; THE WORKMANSHIP IN THE EQUIPMENT; THAT THE EQUIPMENT WILL SATISFY THE REQUIREMENTS OF ANY LAW, RULE, SPECIFICATION OR CONTRACT PERTAINING THERETO; AND ANY GUARANTY OR WARRANTY AGAINST PATENT INFRINGEMENT OR LATENT DEFECTS**, it being agreed that all such risks, as between Lessor and Lessee, are to be borne by Lessee. Lessor is not responsible or liable for any direct, indirect, incidental or consequential damage to or losses resulting from the installation, operation or use of the Equipment or any products manufactured thereby. All assignable warranties made by the vendor(s) or manufacturer(s) to Lessor are hereby assigned to Lessee for and during the Full Lease Term and Lessee agrees to resolve all such claims directly with the vendor(s) or manufacturer(s). Provided that Lessee is not then in default hereunder, Lessor shall cooperate fully with Lessee with respect to the resolution of such claims, in good faith and by appropriate proceedings at Lessee's expense. Any such claim shall not affect in any manner the unconditional obligation of Lessee to make rental payments hereunder.

(10) **PURCHASE OF EQUIPMENT BY LESSEE/PREPAYMENT**. Provided that Lessee is not then in default under this Agreement, this Agreement will terminate, the security interest of Lessor in the Equipment will be terminated, and Lessee will acquire title to the Equipment free and clear of all liens and encumbrances created by, or arising through or under, Lessor: (a) at the end of the Full Lease Term, upon payment in full of all rental payments and other amounts payable by Lessee hereunder for the Full Lease Term; or (b) on any rental payment due date, upon payment by Lessee of the then applicable Prepayment Amount as set forth on the Schedule plus the rental payment due on such date and all other amounts then due by Lessee hereunder, provided Lessee shall have given Lessor not less than thirty (30) days' prior notice of its intent to make such payment.

(11) **QUIET POSSESSION**. Lessor represents and covenants to Lessee that Lessor has full authority to enter into this Agreement, and that, conditioned upon Lessee performing all of the covenants and conditions hereof, as to claims of Lessor or persons claiming under Lessor, Lessee shall peaceably and quietly hold, possess and use the Equipment during the term of this Agreement subject to the terms and provisions hereof.

(12) **ASSIGNMENT; SUBLEASING; INDEMNIFICATION**. (a) **Assignment by Lessor**. This Agreement, and the rights of Lessor hereunder and in and to the Equipment and the Schedule, may be assigned and reassigned in whole or in part to one or more assignees by Lessor or its assignees at any time without the necessity of obtaining the consent of Lessee; provided, however, no such assignment or reassignment shall be effective unless and until Lessee shall have been given written notice of assignment disclosing the name and address of the assignee or its agent authorized to receive payments and otherwise service this Agreement on its behalf. Upon receipt of notice of assignment, Lessee agrees to record the same in records maintained for such purpose, and further, to make all payments as designated in the assignment, notwithstanding any claim, defense, setoff or counterclaim whatsoever (whether arising from a breach of this Agreement or otherwise) that Lessee may from time to time have against Lessor or Lessor's assignees. Lessee agrees to execute all documents, including acknowledgments of assignment, which may reasonably be requested by Lessor or its assignees to protect their interests in the Equipment and in this Agreement. (b) **No Sale, Assignment or Subleasing by Lessee**. This Agreement and the interest of Lessee in the Equipment may not be sold, assigned, sublet or encumbered by Lessee without the prior written consent of Lessor. (c) **Release and Indemnification Covenants**. To the extent permitted by the laws and Constitution of the state of **TN** Lessee hereby assumes and agrees to indemnify, protect, save and keep harmless Lessor, its agents and employees, from and against any and all losses, damages, injuries, claims, demands and expenses, including legal expenses, of whatsoever kind and nature, arising on account of (1) the ordering, acquisition, delivery, installation

or rejection of the Equipment; (2) the possession, maintenance, use, condition (including without limitation, latent and other defects whether or not discoverable by Lessor or Lessee, any claim in tort, including actions for strict liability, and any claim for patent, trademark or copyright infringement) or operation of any item of the Equipment (by whomsoever used or operated); or (3) the loss, damage, destruction, removal, return, surrender, sale or other disposition of the Equipment, or any item thereof. It is understood and agreed, however, that Lessor shall give Lessee prompt notice of any claim or liability hereby indemnified against and that Lessee shall be entitled to control the defense thereof, so long as Lessee is not in default hereunder.

(13) EVENTS OF DEFAULT AND REMEDIES. (a) Events of Default. The following shall be "events of default" under this Agreement and the terms "event of default" and "default" shall mean, whenever they are used in this Agreement, any one or more of the following events: (1) failure by Lessee to pay any rental payment or other payment required to be paid hereunder within five (5) days of the due date therefor; or (2) failure by Lessee to observe and perform any other covenant, condition or agreement on its part to be observed or performed hereunder and such failure shall continue unremedied for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied, unless Lessor shall agree in writing to an extension of such time prior to its expiration; or (3) any certificate, statement, representation, warranty or audit contained herein or heretofore or hereafter furnished with respect hereto by or on behalf of Lessee proving to have been false in any material respect at the time as of which the facts therein set forth were stated or certified, or having omitted any substantial contingent or unliquidated liability or claim against Lessee; or (4) commencement by Lessee of a case or proceeding under the Federal bankruptcy laws or filing by Lessee of any petition or answer seeking relief under any existing or future bankruptcy, insolvency or other similar laws or an answer admitting or not contesting the material allegations of a petition filed against Lessee in any such proceeding; or (5) a petition against Lessee in a proceeding under any existing or future bankruptcy, insolvency or other similar laws shall be filed and not withdrawn or dismissed within sixty (60) days thereafter; or (6) an attachment, levy or execution is levied upon or against the Equipment or any item thereof. (b) Remedies on Default. Whenever any event of default shall have occurred and be continuing, Lessor shall have the right, at its sole option without any further demand or notice, to exercise any one or more of the following remedies: (1) with or without terminating this Agreement, retake possession of the Equipment or items thereof and sell, lease or sublease items of the Equipment for the account of Lessee, with the net amount of all proceeds received by Lessor to be applied to Lessee's obligations hereunder including, but not limited to, all payments due and to become due during the Full Lease Term, holding Lessee liable for the excess (if any) of (i) the rental payments payable by Lessee hereunder to the end of the Original Term or then current Renewal Term (whichever is applicable) and any other amounts then payable by Lessee hereunder (including but not limited to attorneys' fees, expenses and costs of repossession), over (ii) the net purchase price or rent and other amounts paid by a purchaser, lessee or sublessee of the Equipment pursuant to such sale, lease or sublease, provided that the excess (if any) of such amounts over the Prepayment Amount applicable to the last rental payment due date of the Original Term or Renewal Term (whichever is applicable) and the amounts referred to in clause (i) shall be paid to Lessee; (2) require Lessee at Lessee's risk and expense promptly to return the Equipment to Lessor in the manner and in the condition set forth in Section 5(b) hereof at such location as is specified by Lessor; (3) if Lessor is unable to repossess the Equipment for any reason, the Equipment shall be deemed a total loss and Lessee shall pay to Lessor the amount due pursuant to Section 8 hereof; and (4) exercise any other right, remedy or privilege which may be available to it under applicable laws of TN or any other applicable law or proceed by appropriate court action to enforce the terms of this Agreement, to recover damages for the breach of this Agreement, or to rescind this Agreement as to the Equipment. In addition, Lessee will remain liable for all legal fees and other costs and expenses, including court costs, incurred by Lessor with respect to the enforcement of any of the remedies listed above or any other remedy available to Lessor. (c) No Remedy Exclusive. No remedy herein conferred upon or reserved to Lessor is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity. Lessor's remedies hereunder may be exercised separately with respect to items of the Equipment. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

(14) TAX COVENANTS. (a) The parties assume that Lessor can exclude the interest component of the rental payments from federal gross income. Lessee covenants and agrees that it will (i) use a book entry system to register the owner of this Agreement so as to meet the applicable requirements of Section 149(a)(3) of the Code; (ii) timely file an IRS Form 8038-G (or, if the invoice price of the Equipment is less than \$100,000, a Form 8038-GC) with the Internal Revenue Service ("IRS") in accordance with Section 149(e) of the Code; (iii) not permit the Equipment to be directly or indirectly used for a private business use within the meaning of Section 141 of the Code including, without limitation, use by private persons or entities pursuant to contractual arrangements which do not satisfy the IRS' guidelines for permitted management contracts, as the same may be amended from time to time; (iv) comply with all provisions and regulations applicable to excluding the interest component of the rental payments from federal gross income pursuant to Section 103 of the Code; and (v) cause to be completed, executed and delivered to Lessor a Tax Compliance Agreement and No Arbitrage Certificate substantially in the form provided by Lessor. (b) If Lessor either (i) receives notice, in any form, from the Internal Revenue Service; or (ii) reasonably determines, based on an opinion of independent tax counsel selected by Lessor and approved by Lessee, which approval Lessee shall not unreasonably withhold, that Lessor may not exclude the interest component of any rental payment from federal gross income because Lessee breached a covenant contained herein, then Lessee shall pay to Lessor, within thirty (30) days after Lessor notifies Lessee of such determination, the amount which, with respect to rental payments previously paid and taking into account all penalties, fines, interest and additions to tax (including all

federal, state and local taxes imposed on the interest component of all rental payments due through the date of such event) that are imposed on Lessor as a result of the loss of the exclusion, will restore to Lessor the same after-tax yield on the transaction evidenced by this Agreement (assuming tax at the highest marginal corporate tax rate) that it would have realized had the exclusion not been lost. Additionally, Lessee agrees that upon the occurrence of such an event, it shall pay additional rent to Lessor on each succeeding rental payment due date in such amount as will maintain such after-tax yield to Lessor. (c) Lessee has not issued, and reasonably anticipates that it and its subordinate entities will not issue, tax-exempt obligations (including this Agreement) in the amount of more than \$10,000,000 during the current calendar year; hereby designates this Agreement as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"); and agrees that it and its subordinate entities will not designate more than \$10,000,000 of their obligations as "qualified tax-exempt obligations" during the current calendar year.

(15) LESSOR'S RIGHT TO PERFORM FOR LESSEE. If Lessee fails to perform or comply with any of its agreements contained herein, Lessor shall have the right, but shall not be obligated, to effect such performance or compliance, and the amount of any out of pocket expenses and other reasonable expenses of Lessor incurred in connection with the performance of or compliance with such agreement, together with interest thereon at the rate of twelve percent (12%) per annum (or, if such rate is in excess of the maximum rate permitted by law, the maximum rate permitted by law), shall be payable by Lessee upon demand. Within ten (10) days of receipt, Lessee shall execute, endorse and deliver to Lessor any deed, conveyance, assignment or other instrument in writing as may be required to vest in Lessor any right, title or power which by the terms hereof are expressed to be conveyed or conferred upon Lessor, including, without limitation: (a) Uniform Commercial Code financing statements (including continuation statements), real property waivers; (b) documents and checks or drafts relating to or received in payment for any loss or damage under the policies of insurance required by the provisions of Section 7 hereof to the extent that the same relate to the Equipment; and (c) upon default or nonappropriation or times thereafter as Lessor in its sole and absolute discretion may determine, any bill of sale, document, instrument, invoice, freight bill, bill of lading or similar document relating to the Equipment in order to vest title in Lessor and transfer possession to Lessor. Further, to the extent permitted by law, Lessee appoints Lessor as its attorney-in-fact for the limited purpose of, and with the full authority to, execute and file Uniform Commercial Code financing statements (including continuation statements) in the name and on behalf of Lessor, and agrees that photocopies of originally executed Uniform Commercial Code financing statements (including continuation statements) may be filed in the appropriate recordation offices as originals. In addition, the Lessee hereby authorizes the Lessor to prepare and file Uniform Commercial Code financing statements (including continuation statements) naming Lessee as debtor and Lessor as secured party without the signature of the Lessee to the extent permitted by law.

(16) MISCELLANEOUS. (a) **Notices.** All notices (excluding billings and communications in the ordinary course of business) hereunder shall be in writing, and shall be sufficiently given and served upon the other party if delivered (i) personally, (ii) by United States registered or certified mail, return receipt requested, postage prepaid, (iii) by an overnight delivery by a service such as Federal Express or Express Mail from which written confirmation of overnight delivery is available; or (iv) by facsimile with a confirmation copy by regular United States mail, postage prepaid, addressed to the other party at its respective address stated below the signature of such party or at such other address as such party shall from time to time designate in writing to the other party, and shall be effective from the date of mailing. (b) **Binding Effect.** This Agreement shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns. (c) **Severability; Survival.** Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, Lessee hereby waives any provision of law which renders any provision hereof prohibited or unenforceable in any respect. The representations, warranties and covenants of Lessee herein shall be deemed to be continuing and to survive the closing hereunder. Each execution by Lessee of a Certificate of Acceptance shall be deemed a reaffirmation and warranty that there have been no material adverse change in the financial condition of Lessee from the date of execution hereof. The obligations of Lessee under Sections 1(e), 6, 12(c) and 14, which accrue during the term of this Agreement, shall survive the termination of this Agreement. (d) **Execution in Counterparts.** This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. (e) **Applicable Law.** This Agreement shall be governed by and construed in accordance with the laws of the state of **TN** (f) **TO THE EXTENT PERMITTED BY APPLICABLE LAW, LESSOR AND LESSEE EACH WAIVE ANY AND ALL RIGHTS TO A TRIAL BY JURY TO ANY ACTION, CLAIM OR SUIT ARISING OUT OF, RELATING TO, OR BROUGHT IN CONNECTION WITH THIS LEASE.** (g) **Captions.** The captions in this Agreement are for convenience of reference only and shall not define or limit any of the terms or provisions hereof. (h) **Entire Agreement.** This Agreement constitutes the entire agreement between Lessor and Lessee. No waiver, consent, modification or change of terms of this Agreement shall bind either party unless in writing signed by both parties, and then such waiver, consent, modification or change shall be effective only in the specific instance and for the specific purpose given. There are no understandings, agreements, representations or warranties, express or implied, not specified herein regarding this Agreement or the Equipment leased hereunder. Any terms and conditions of any purchase order or other document (with the exception of supplements) submitted by Lessee in connection with this Agreement which are in addition to or inconsistent with the terms and conditions of this Agreement will not be binding on Lessor and will not apply to this Agreement. Lessee by the signature below of its authorized representative acknowledges that it has read this Agreement, understands it, and agrees to be bound by its terms and conditions.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above set forth.

ALTEC CAPITAL SERVICES, L.L.C., Lessor

By: _____

Address: 33 Inverness Center Parkway, Suite 200

Birmingham, AL 35242

Phone: (205) 408-8650

Fax No: (205) 437-0197

Morristown Utilities Commission, Lessee

By: _____

Address: 441 W. Main Street

Morristown, TN 37814

Phone: (423) 586-4121

Fax No.:

225174

DESCRIPTION OF EQUIPMENT

Attached to and made a part of that certain
Equipment Lease/Purchase Agreement dated as of
May 01, 2019

by and between ALTEC CAPITAL SERVICES, L.L.C., as Lessor,
and **Morristown Utilities Commission**, as Lessee

The items of Equipment to become subject to the Agreement can be generally described as follows:

	VIN	SN	Cost
2019 Ford F550 Altec Bucket AT37M	1FDUF5HT2KDA07115	1118GH1433	\$146,832.00
2019 Ford F550 Altec Bucket AT37M	1FDUF5HT0KDA07114	1118GH1436	\$146,832.00

LOCATION OF EQUIPMENT:

441 W. Main Street
Morristown, TN 37814

ANTICIPATED PURCHASE PRICE: \$293,664.00

SCHEDULE OF PAYMENTS

Attached to and made a part of that certain Equipment Lease/Purchase Agreement dated as of **May 01, 2019** by and between ALTEC CAPITAL SERVICES, L.L.C., as Lessor, and **Morristown Utilities Commission**, as Lessee.

Commencement Date: Equipment Delivery Date as confirmed by Signature on Delivery and Acceptance.

Full Lease Term: **72** months beginning with Commencement Date.

Rental payments are payable (**check one**) X in advance _____ in arrears of the period to which they relate. Rental payment due dates will be based on the Commencement Date, and established in Lessor's notification to Lessee of the Commencement Date.

	Date	Payment	Interest	Principal	Balance
Loan	5/1/2019				293,664.00
1	5/1/2019	4,772.00	0.00	4,772.00	288,892.00
2	6/1/2019	4,772.00	1,316.91	3,455.09	285,436.91
3	7/1/2019	4,772.00	1,301.16	3,470.84	281,966.07
4	8/1/2019	4,772.00	1,285.34	3,486.66	278,479.41
5	9/1/2019	4,772.00	1,269.45	3,502.55	274,976.86
6	10/1/2019	4,772.00	1,253.48	3,518.52	271,458.34
7	11/1/2019	4,772.00	1,237.44	3,534.56	267,923.78
8	12/1/2019	4,772.00	1,221.33	3,550.67	264,373.11
2019 Totals		38,176.00	8,885.11	29,290.89	
9	1/1/2020	4,772.00	1,205.14	3,566.86	260,806.25
10	2/1/2020	4,772.00	1,188.89	3,583.11	257,223.14
11	3/1/2020	4,772.00	1,172.55	3,599.45	253,623.69
12	4/1/2020	4,772.00	1,156.14	3,615.86	250,007.83
13	5/1/2020	4,772.00	1,139.66	3,632.34	246,375.49
14	6/1/2020	4,772.00	1,123.10	3,648.90	242,726.59
15	7/1/2020	4,772.00	1,106.47	3,665.53	239,061.06
16	8/1/2020	4,772.00	1,089.76	3,682.24	235,378.82
17	9/1/2020	4,772.00	1,072.97	3,699.03	231,679.79
18	10/1/2020	4,772.00	1,056.11	3,715.89	227,963.90
19	11/1/2020	4,772.00	1,039.17	3,732.83	224,231.07
20	12/1/2020	4,772.00	1,022.16	3,749.84	220,481.23
2020 Totals		57,264.00	13,372.12	43,891.88	
21	1/1/2021	4,772.00	1,005.06	3,766.94	216,714.29
22	2/1/2021	4,772.00	987.89	3,784.11	212,930.18
23	3/1/2021	4,772.00	970.64	3,801.36	209,128.82
24	4/1/2021	4,772.00	953.31	3,818.69	205,310.13
25	5/1/2021	4,772.00	935.91	3,836.09	201,474.04

	26	6/1/2021	4,772.00	918.42	3,853.58	197,620.46
	27	7/1/2021	4,772.00	900.85	3,871.15	193,749.31
	28	8/1/2021	4,772.00	883.21	3,888.79	189,860.52
	29	9/1/2021	4,772.00	865.48	3,906.52	185,954.00
	30	10/1/2021	4,772.00	847.67	3,924.33	182,029.67
	31	11/1/2021	4,772.00	829.78	3,942.22	178,087.45
	32	12/1/2021	4,772.00	811.81	3,960.19	174,127.26
2021						
Totals			57,264.00	10,910.03	46,353.97	
	33	1/1/2022	4,772.00	793.76	3,978.24	170,149.02
	34	2/1/2022	4,772.00	775.62	3,996.38	166,152.64
	35	3/1/2022	4,772.00	757.41	4,014.59	162,138.05
	36	4/1/2022	4,772.00	739.11	4,032.89	158,105.16
	37	5/1/2022	4,772.00	720.72	4,051.28	154,053.88
	38	6/1/2022	4,772.00	702.25	4,069.75	149,984.13
	39	7/1/2022	4,772.00	683.70	4,088.30	145,895.83
	40	8/1/2022	4,772.00	665.07	4,106.93	141,788.90
	41	9/1/2022	4,772.00	646.34	4,125.66	137,663.24
	42	10/1/2022	4,772.00	627.54	4,144.46	133,518.78
	43	11/1/2022	4,772.00	608.65	4,163.35	129,355.43
	44	12/1/2022	4,772.00	589.67	4,182.33	125,173.10
2022						
Totals			57,264.00	8,309.84	48,954.16	
	45	1/1/2023	4,772.00	570.60	4,201.40	120,971.70
	46	2/1/2023	4,772.00	551.45	4,220.55	116,751.15
	47	3/1/2023	4,772.00	532.21	4,239.79	112,511.36
	48	4/1/2023	4,772.00	512.88	4,259.12	108,252.24
	49	5/1/2023	4,772.00	493.47	4,278.53	103,973.71
	50	6/1/2023	4,772.00	473.96	4,298.04	99,675.67
	51	7/1/2023	4,772.00	454.37	4,317.63	95,358.04
	52	8/1/2023	4,772.00	434.69	4,337.31	91,020.73
	53	9/1/2023	4,772.00	414.92	4,357.08	86,663.65
	54	10/1/2023	4,772.00	395.06	4,376.94	82,286.71
	55	11/1/2023	4,772.00	375.10	4,396.90	77,889.81
	56	12/1/2023	4,772.00	355.06	4,416.94	73,472.87
2023						
Totals			57,264.00	5,563.77	51,700.23	
	57	1/1/2024	4,772.00	334.93	4,437.07	69,035.80
	58	2/1/2024	4,772.00	314.70	4,457.30	64,578.50
	59	3/1/2024	4,772.00	294.38	4,477.62	60,100.88
	60	4/1/2024	4,772.00	273.97	4,498.03	55,602.85
	61	5/1/2024	4,772.00	253.47	4,518.53	51,084.32
	62	6/1/2024	4,772.00	232.87	4,539.13	46,545.19

63	7/1/2024	4,772.00	212.18	4,559.82	41,985.37
64	8/1/2024	4,772.00	191.39	4,580.61	37,404.76
65	9/1/2024	4,772.00	170.51	4,601.49	32,803.27
66	10/1/2024	4,772.00	149.53	4,622.47	28,180.80
67	11/1/2024	4,772.00	128.46	4,643.54	23,537.26
68	12/1/2024	4,772.00	107.29	4,664.71	18,872.55
2024 Totals		57,264.00	2,663.68	54,600.32	
69	1/1/2025	4,772.00	86.03	4,685.97	14,186.58
70	2/1/2025	4,772.00	64.67	4,707.33	9,479.25
71	3/1/2025	4,772.00	43.21	4,728.79	4,750.46
72	4/1/2025	4,772.00	21.54	4,750.46	0.00
2025 Totals		19,088.00	215.45	18,872.55	
Grand Totals		343,584.00	49,920.00	293,664.00	

Lessee
Morristown Utilities Commission

By: _____

Date: _____

CERTIFICATE OF ACCEPTANCE

The undersigned, as Lessee under the Equipment Lease/Purchase Agreement dated as of May 01, 2019 (the "Agreement") with ALTEC CAPITAL SERVICES, L.L.C. ("Lessor"), hereby certifies:

1. The items of the Equipment, as such term is defined in the Agreement, fully and accurately described on the Equipment List attached hereto have been delivered and installed at the location(s) set forth therein.
2. A present need exists for the Equipment which need is not temporary or expected to diminish in the near future. The Equipment is essential to and will be used by the Lessee only for the purpose of performing one or more governmental functions of Lessee consistent with the permissible scope of Lessee's authority.
3. The estimated useful life of the Equipment based upon the manufacturer's representations and Lessee's projected needs is not less than the term of lease with respect to the Equipment.
4. Lessee has conducted such inspection and/or testing of the Equipment as it deems necessary and appropriate and hereby acknowledges that it accepts the Equipment for all purposes as of the date of this Certificate.
5. The Equipment is covered by insurance in the types and amounts required by the Agreement.
6. No event of default, as such term is defined in the Agreement, and no event which with the giving of notice or lapse of time, or both, would become an event of default, has occurred and is continuing on the date hereof.
7. Based on the foregoing, Lessor is hereby authorized and directed to fund the acquisition of the Equipment set forth on the Equipment List by paying, or causing to be paid, the manufacturer(s)/vendor(s) the amounts set forth on the attached invoices.
8. The following documents are attached hereto and made a part hereof:
 - (a) Equipment List
 - (b) Original Invoice(s)
 - (c) Copies of Certificate(s) of Origin designating Altec Capital Trust as lienholder if any part of the Equipment consists of motor vehicles, and evidence of filing
 - (d) Copy of Application for Titling

If Lessee paid an invoice prior to the commencement date of the Agreement and is requesting reimbursement for such payment, also attach a copy of evidence of such payment together with a copy of Lessee's Declaration of Official Intent and other evidence that Lessee has satisfied the requirements for reimbursement set forth in Treas. Reg. §1.150-2.

Morristown Utilities Commission

Lessee

By: _____
Date: _____

INCUMBENCY CERTIFICATE

I do hereby certify that I am the duly elected or appointed and acting Secretary/Clerk of Morristown Utilities Commission, a body corporate and politic duly organized and existing under the laws of the state of TN, that I have custody of the records of such entity, and that, as of the date hereof, the individuals named below are the duly elected or appointed officers of such entity holding the offices set forth opposite their respective names. I further certify that (i) the signatures set opposite their respective names and titles are their true and authentic signatures, and (ii) such officers have the authority on behalf of such entity to enter into that certain Equipment Lease/Purchase Agreement dated as of May 01, 2019 (the "Agreement") between such entity and ALTEC CAPITAL SERVICES, L.L.C. and is duly authorized to execute Certificates of Acceptance, Requisition Requests, and other documents relating to the Agreement.

<u>NAME</u>	<u>TITLE</u>	<u>SIGNATURE</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

IN WITNESS WHEREOF, I have duly executed this Certificate and affixed the seal of Morristown Utilities Commission hereto this ____ day of _____, 2019.

[SEAL]

(Secretary/Clerk)

(OTHER THAN THE PERSON SIGNING THE DOCUMENTS)

FORM OF - RESOLUTION OF GOVERNING BODY/EXTRACT OF MINUTES

Lessee: **Morristown Utilities Commission**

RE: Equipment Lease/Purchase Agreement with ALTEC CAPITAL SERVICES, L.L.C.

At a duly called meeting of the governing body of Lessee held in accordance with all applicable legal requirements, including open meeting laws, on the ____ day of _____, 2019, the following resolution was introduced and adopted:

RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN EQUIPMENT LEASE/PURCHASE AGREEMENT, AND RELATED INSTRUMENTS, AND DETERMINING OTHER MATTERS IN CONNECTION THEREWITH.

WHEREAS, the governing body of **Morristown Utilities Commission** ("Lessee") has determined that a true and very real need exists for the Equipment (the "Equipment") described in the proposed Equipment Lease/Purchase Agreement (the "Agreement") by and between ALTEC CAPITAL SERVICES, L.L.C., as Lessor, and Lessee, as lessee, presented to this meeting; and

WHEREAS, Lessee has taken the necessary steps, including those relating to any applicable legal bidding requirements, to arrange for the acquisition of the Equipment; and

WHEREAS, Lessee reasonably anticipates that it and its subordinate units will not issue tax-exempt obligations in the face amount of more than \$10,000,000 during the current calendar year; and

WHEREAS, Lessee proposes to enter into the Agreement with ALTEC CAPITAL SERVICES, L.L.C. substantially in the proposed form presented to this meeting.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF LESSEE AS FOLLOWS:

Section 1. It is hereby found and determined that the terms of the Agreement in the form presented to this meeting and incorporated in this resolution, are in the best interests of Lessee for the acquisition of the Equipment.

Section 2. The Agreement is hereby approved. The _____ of Lessee and any other officer of Lessee who shall have power to execute contracts on behalf of Lessee be, and each of them hereby is, authorized to execute, acknowledge and deliver the Agreement with any changes, insertions and omissions therein as may be approved by the officers who execute the Agreement, such approval to be conclusively evidenced by such execution and delivery of the Agreement. The _____ of Lessee and any other officer of Lessee who shall have power to do so be, and each of them hereby is, authorized to affix the official seal of Lessee to the Agreement and attest the same.

Section 3. The proper officers of Lessee be, and each of them hereby is, authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and to do or cause to be done any and all other acts and things necessary or proper for carrying out this resolution and the Agreement.

Section 4. Lessee hereby designates the Agreement as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

The project to which the original expenditure(s) relates can be generally described as _____ [general description of the project]. The original expenditure(s) will be made from Lessee's general operating account. The maximum principal amount of the obligations expected to be issued for the project is \$_____ [dollar amount of project]. This resolution is being entered into on or before, or not later than 60 days after, the date on which the original expenditure(s) to be reimbursed will or have been paid. This resolution is intended to be a declaration of official intent within the meaning of Treasury Regulations Section 1.150-2.1

The undersigned further certifies that the above resolution has not been repealed or amended and remains in full force and effect and further certifies that the Equipment Lease/Purchase Agreement by and between ALTEC CAPITAL SERVICES, L.L.C., as Lessor, and Lessee, as Lessee, is the same as presented at said meeting of the governing body of Lessee, excepting only such changes, insertions and omissions as shall have been approved by the officers who executed the same.

[SEAL]

(Secretary/Clerk)

Date: _____, 2019

<div style="display: flex; justify-content: space-between;"> CERTIFICATE OF LIABILITY INSURANCE DATE (MM/DD/YY) Date </div>						
PRODUCER <div style="font-size: 24pt; color: red; font-weight: bold; margin-bottom: 10px;">1</div> Insurance Broker/Agent			<small>THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW</small>			
INSURED <div style="font-size: 24pt; color: red; font-weight: bold; margin-bottom: 10px;">2</div> Name of Customer – Lease Number(s) *** Address City, State Zip			COMPANIES AFFORDING COVERAGE			
			<small>COMPANY</small> A Carrier's AM Best Rating must be B+ VI or higher			
			<small>COMPANY</small> B Carrier's AM Best Rating must be B+ VI or higher			
			<small>COMPANY</small> C Carrier's AM Best Rating must be B+ VI or higher			
<small>COMPANY</small> D Carrier's AM Best Rating must be B+ VI or higher						
<small>CO</small> <small>LIR</small>	<small>TYPE OF INSURANCE</small>	<small>POLICY NUMBER</small>	<small>POLICY EFFECT.</small> <small>DATE MM/DD/YY</small>	<small>POLICY EXPIR.</small> <small>DATE (MM/DD/YY)</small>	<small>LIMITS</small>	
A	<small>GENERAL LIABILITY</small>				<small>GENERAL AGGREGATE</small> <div style="text-align: right;"> <div style="font-size: 24pt; color: red; font-weight: bold;">6</div> <div>\$ 1,000,000</div> </div>	
	<div style="display: flex;"> <div style="width: 30px; text-align: center;"><input checked="" type="checkbox"/></div> <div>COMMERCIAL GENERAL LIABILITY</div> </div>	<div style="font-size: 24pt; color: red; font-weight: bold;">3</div> Policy # is Required	<div style="font-size: 24pt; color: red; font-weight: bold;">4</div> mm/dd/yy	<div style="font-size: 24pt; color: red; font-weight: bold;">5</div> mm/dd/yy	<div style="display: flex;"> <div style="width: 30px; text-align: center;"><input type="checkbox"/></div> <div>CLAIMS MADE</div> <div style="width: 30px; text-align: center;"><input checked="" type="checkbox"/></div> <div>OCUR.</div> </div>	<small>PRODUCTS-COMP/OP AGG</small> <div style="text-align: right;">\$</div>
	<small>OWNER'S & CONTRACTOR'S PROT.</small>				<small>PERSONAL & ADV INJURY</small> <div style="text-align: right;">\$</div>	
					<small>EACH OCCURRENCE</small> <div style="text-align: right;">\$ 1,000,000</div>	
					<small>FIRE DAMAGE (Any one fire)</small> <div style="text-align: right;">\$</div>	
					<small>MED EXP (Any one person)</small> <div style="text-align: right;">\$</div>	
B	<small>AUTOMOBILE LIABILITY</small>				<small>COMBINED SINGLE LIMIT</small> <div style="text-align: right;"> <div style="font-size: 24pt; color: red; font-weight: bold;">6</div> <div>\$ 1,000,000</div> </div>	
	<div style="display: flex;"> <div style="width: 30px; text-align: center;"><input checked="" type="checkbox"/></div> <div>ANY AUTO OR</div> </div>	<div style="font-size: 24pt; color: red; font-weight: bold;">3</div> Policy # is Required	<div style="font-size: 24pt; color: red; font-weight: bold;">4</div> mm/dd/yy	<div style="font-size: 24pt; color: red; font-weight: bold;">5</div> mm/dd/yy	<small>BODILY INJURY (Per person)</small> <div style="text-align: right;">\$</div>	
	<div style="display: flex;"> <div style="width: 30px; text-align: center;"><input checked="" type="checkbox"/></div> <div>ALL OWNED AUTOS</div> </div>				<small>BODILY INJURY (Per accident)</small> <div style="text-align: right;">\$</div>	
	<div style="display: flex;"> <div style="width: 30px; text-align: center;"><input checked="" type="checkbox"/></div> <div>SCHEDULED AUTOS</div> </div>					
	<div style="display: flex;"> <div style="width: 30px; text-align: center;"><input type="checkbox"/></div> <div>HIRED AUTOS</div> </div>					
	<div style="display: flex;"> <div style="width: 30px; text-align: center;"><input type="checkbox"/></div> <div>NON-OWNED AUTOS</div> </div>					
<div style="display: flex;"> <div style="width: 30px; text-align: center;"><input checked="" type="checkbox"/></div> <div>Physical Damage</div> </div>	<div style="font-size: 24pt; color: red; font-weight: bold;">7</div> Max Comp. /Coll. Deduct. \$2,500/\$2,500	<small>PROPERTY DAMAGE</small> <div style="text-align: right;">\$</div>				
A	<small>OTHER</small> *Contractors Equip. Incl. Leased / Rented	<div style="font-size: 24pt; color: red; font-weight: bold;">3</div> Policy # is Required ** See Footer Below	<div style="font-size: 24pt; color: red; font-weight: bold;">4</div> mm/dd/yy	<div style="font-size: 24pt; color: red; font-weight: bold;">5</div> mm/dd/yy	Required for the value of Leased Equipment.	
<small>DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS</small> <div style="font-size: 24pt; color: red; font-weight: bold; margin-bottom: 10px;">8</div> "ALTEC CAPITAL SERVICES, LLC AND ALTEC CAPITAL TRUST AND/OR ITS ASSIGNS AND SUCCESSORS" are named as additional insured with respect to General Liability and Auto Liability and as Loss Payee.						
<div style="font-size: 24pt; color: red; font-weight: bold; margin-bottom: 10px;">9</div> Please list VIN #'s for all vehicles and equipment, as well as the Original leased value of each item for the specified lease.						
CERTIFICATE HOLDER			CANCELLATION			

<p>Altec Capital Services, LLC and Altec Capital Trust and/or its assigns and successors 33 Inverness Center Parkway, Suite 200 Birmingham, AL 35242</p>	<p>SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO GIVE 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.</p>
--	--

Insurance Requirements

General Liability

- The minimum amount of coverage required is \$1,000,000 for each occurrence and \$1,000,000 aggregate
- Altec Capital Services, LLC and Altec Capital Trust and/or its assigns and successors, must be listed as Additional Insured.

Property Damage

(Contractor's Equipment/Equipment Floater/Inland Marine)

- The **minimum** amount of coverage required is the cost of the equipment
 - Example – Cost of Excavator is \$52,963, then the amount of coverage must be \$52,963 or greater
- The **maximum** deductible amount is \$2,500.00
- Altec Capital Services, LLC and Altec Capital Trust and/or its assigns and successors, must be listed as Loss Payee.

Auto Liability

- The minimum amount of coverage required is \$1,000,000 (\$5,000,000 limit if vehicle capacity of 9 or more).
- Altec Capital Services, LLC and Altec Capital Trust and/or its assigns and successors, must be listed as Additional Insured.

Automobile Physical Damage Insurance:

- **Comprehensive:**
 - Deductible: \$250/Minimum \$2,500/Maximum
- **Collision:**
 - Deductible: \$250/Minimum \$2,500/Maximum
- **⚠ Specified Perils or FTCAC Coverage does not meet ACS Insurance requirements**
- Altec Capital Services, LLC and Altec Capital Trust and/or its assigns and successors, must be listed as Loss Payee.

Agreement Type	Equipment Type	General Liability	Auto Liability	Physical Damage	Property Damage
FMV / TRAC	Vehicle/w Attachment	Yes	Yes	Yes	
	Vehicle		Yes	Yes	
	Equipment	Yes			Yes

Examp es

Equipment Type	VIN	Serial Number	General Liability	Auto Liability	Physical Damage	Property Damage
Bucket Truck / Altec Crane	Yes	Yes	Yes	Yes	Yes	
Tractor or Trailer	Yes			Yes	Yes	
Dump Truck	Yes			Yes	Yes	
Chipper		Yes	Yes	Yes (If Tagged)	Yes (If Tagged)	Yes
Excavator		Yes	Yes			Yes

[Required for transactions with more three or more assets]
FORM OF OPINION OF LESSEE'S COUNSEL
(To be prepared on letterhead of Lessee's Counsel)
_____, 2019

ALTEC CAPITAL SERVICES, L.L.C.
33 Inverness Center Parkway, Suite 200
Birmingham, AL35242

As counsel for _____ ("Lessee"), we have examined a duly executed original of the Equipment Lease/Purchase Agreement dated as of _____ (the "Agreement"), between Lessee and ALTEC CAPITAL SERVICES, L.L.C. ("Lessor"), and the proceedings taken by Lessee to authorize and execute the Agreement, evidence of which is attached to the Agreement (the "Approval"). Based upon such examination of law and fact as we have deemed necessary or appropriate for purposes of the opinions set forth below, we are of the opinion that:

1. Lessee is a state or political subdivision thereof within the meaning of Section 103(c) of the Internal Revenue Code of 1986, as amended.
2. The Agreement has been duly authorized, executed and delivered by Lessee pursuant to Constitutional, statutory and/or home rule provision and the Approval.
3. The Agreement is a legal, valid and binding obligation of Lessee, enforceable against Lessee in accordance with its terms. In the event Lessor obtains a judgment against Lessee in money damages as a result of an event of default under the Agreement, Lessee will be obligated to pay such judgment.
4. Lessee's name indicated above is its true, correct, and complete legal name.
5. Any applicable public bidding requirements have been met.
6. There are no pending actions or proceedings to which Lessee is a party, and there are no other pending or threatened actions or proceedings of which Lessee has knowledge, before any public body, court, arbitrator or administrative agency, which, either individually or in the aggregate, would materially adversely affect the transaction contemplated by the Agreement or the ability of Lessee to perform its obligations under the Agreement, or question the validity of the Approval. Further, Lessee is not in default under any material obligation for the payment of borrowed money, for the deferred purchase price of property or for the payment of any rent under any lease agreement which, either individually or in the aggregate, would have the same such effect.
7. The signatures of the officers of Lessee which appear on the Agreement are true and genuine, we know said officers and know them to hold the offices set forth below their names, and they have been duly authorized by the Approval to execute and deliver the Agreement.

8. The Equipment leased pursuant to the Agreement constitutes personal property and when subjected to use by Lessee will not be or become fixtures under applicable law.

9. The Agreement is in full conformity with all laws relating to usury applicable thereto.

10. The Uniform Commercial Code, as adopted in TN, will govern the method of perfecting Lessor's security interest in the Equipment.

This opinion is for the sole benefit of, and may be relied upon by, you and any permitted assignee or subassignee of Lessor under the Agreement, provided that we understand and agree that this opinion may be relied upon by special tax counsel if one is retained to render an opinion as to the exemption from federal income taxation of the interest component of payments to be made by Lessee pursuant to the Agreement.

Sincerely yours,
Counsel for Lessee

[For New York Customers Only]
State of New York Addendum*
To
EQUIPMENT LEASE/PURCHASE AGREEMENT
NO. **225174** DATED: May 01, 2019

LESSOR:

ALTEC CAPITAL SERVICES, LLC
33 INVERNESS CENTER DRIVE
BIRMINGHAM, AL 35242

LESSEE:

Morristown Utilities Commission
441 W. Main Street
Morristown, TN 37814

For and in consideration of the mutual promises and agreements contained in the Equipment Lease/Purchase Agreement to which this Addendum is attached, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. *Definitions.* Each term used, but not defined, herein shall have the same meaning as when such term is used in the Equipment Lease-Purchase Agreement (the “Lease”) described above.

2. *Executory Contract.* For purposes of Section 109-b (2)(f) of the General Municipal Law of the State of New York, Lessor and Lessee hereby agree that the Lease executed and delivered shall be deemed executory only to the extent of monies appropriated and available for the purpose of such Lease, and no liability on account thereof shall be incurred by Lessee beyond the amount of such monies. The Lease is not a general obligation of **Morristown Utilities Commission**. Neither the full faith and credit nor the taxing power of **Morristown Utilities Commission** are pledged to the payment of any amount due or to become due under such Lease. It is understood that neither any Lease nor any representation by any public employee or officer creates any legal or moral obligation to appropriate or make monies available for the purpose of such Lease.

3. *Lessee’s Additional Representations.* In addition to Lessee’s representations, warranties and covenants set forth in the Lease, Lessee hereby further represents to Lessor as follows: (a) the stated full term of the Lease (including all contemplated Renewal Terms) does not exceed the “period of probable usefulness” prescribed by Section 11.00 of the Local Finance Law of the State of New York for the equipment, machinery or apparatus financed under such Lease; (b) the authorization for the issuance of obligations to finance the equipment, machinery or apparatus to be leased, acquired and financed under the Lease is not required by law to be subject to (i) a permissive or mandatory referendum, (ii) a supermajority vote of Lessee’s governing board or (iii) a referendum only if the obligations have a maturity not less than a specified minimum period; and (c) the amount of unpaid periodic payments

* For use with New York municipal corporations, school districts, district corporations or boards of cooperative educational services, but not the State of New York or any of its departments, agencies or institutions or the City University of New York.

(excluding interest) proposed to be made under all of the Leases to be executed and delivered pursuant to the Lease and those other installment purchase contracts entered into by Lessee pursuant to Section 109-b of the General Municipal Law of the State of New York together with the amount of outstanding indebtedness do not exceed 115% of the limit prescribed by Section 104.00 of the Local Finance Law of the State of New York and the total amount of such payments (excluding interest) under all such Leases and such other installment purchase contracts do not exceed 40% of such limit.

4. *Deletion of Nonsubstitution Provisions.* To the extent that the Lease includes provisions prohibiting Lessee from purchasing, leasing, renting or otherwise acquiring equipment for the same or similar purpose as the Equipment acquired under the Lease, such provisions are hereby deleted and are of no force or effect with respect to the Lease.

IN WITNESS WHEREOF, Lessor and Lessee have each caused this State of New York Addendum to be duly executed and delivered as of this __ day of _____, 2019.

LESSOR:
Altec Capital Services, LLC

LESSEE:
Morristown Utilities Commission

By: _____
Printed Name: _____
Title: _____

By: _____
Printed Name: _____
Title: _____

[For Florida Customers Only]
(FLORIDA RIDER)

RIDER NO. 01

Attached to and made a part of that certain Equipment Lease/Purchase Agreement No. 225174 dated as of May 01, 2019 (the "Agreement") by and between ALTEC CAPITAL SERVICES, L.L.C., as Lessor, and Morristown Utilities Commission , as Lessee.

1. Lessor and Lessee confirm their understanding and agreement that (a) all payments due under the Agreement are to be made only from Lessee's legally available and appropriated revenues from sources other than ad valorem or other taxes, (b) that Lessee shall not be obligated to pay any sums due under the Agreement from the proceeds of ad valorem or other taxes, and (c) that Lessee's contractual obligations to request annual appropriations from which payments due under the Agreement may be made does not constitute an indebtedness of Lessee within the meaning of any constitutional or statutory provision or limitation.

2. Section 4(b) of the Agreement and all other provisions referencing Lessor having a security interest in the Equipment are hereby cancelled and shall not have any force or effect. Lessor and Lessee agree that the Agreement does not result in the creation of any lien, charge, security interest or other encumbrance upon the Equipment or any other asset of Lessee.

3. With respect to each provision of the Agreement requiring Lessee to return all or any portion of the Equipment to Lessor or to transfer title to all or any portion of the Equipment to Lessor, Lessee agrees to voluntarily do so. In the event that Lessee fails or refuses to return or transfer the Equipment or title thereto voluntarily as set forth above, Lessor acknowledges that the Agreement does not and shall not create a right in Lessor to involuntarily dispossess Lessee of title to or possession of all or any item of the Equipment. In lieu of such right, Lessor shall be entitled to and Lessee agrees to pay to Lessor immediately, but only from Lessee's legally available and appropriated revenues from sources other than ad valorem or other taxes, the Prepayment Amount applicable to the immediately preceding rental payment due date, as set forth on the Schedule of Payments, plus the interest component of any rental payments accrued and unpaid as of the date of such payment.

4. Section 13(b)(1)-(3) of the Agreement are hereby cancelled and shall not have any force or effect. In the event of default by Lessee under the Agreement, Lessor shall be authorized and entitled to sue Lessee for compensatory damages, which Lessee agrees to pay and which are hereby agreed to be the Prepayment Amount applicable to the immediately preceding rental payment due date, as set forth on the Schedule of Payments, plus the interest component of any rental payments accrued and unpaid as of the date of default and any rental payments due through the end of Lessee's then current fiscal period, provided that in the event that Lessee voluntarily returns the Equipment to Lessor at any location designated by Lessor at Lessee's sole risk, cost and expense and in the condition required by Section 5(b) of the Agreement, Lessor shall not be entitled to the Prepayment Amount applicable to the immediately preceding rental payment due date. Lessor shall also have the right in the event of default to exercise any other right, remedy or privilege which may be available to it, including without limitation proceeding by appropriate court action to require specific performances of any provision of the Agreement other than Lessee's covenant to return possession of and title to the Equipment, which covenant shall not be subject

to enforcement by specific performance, and such rights and remedies of a lessor as are provided under Chapter 680, Florida Statutes, as amended from time to time. Lessee shall remain liable for all legal fees and other costs and expenses, including court costs, incurred by Lessor in the enforcement of its remedies under the Agreement except to the extent prohibited by the Constitution and laws of the State of Florida.

5. Lessor and Lessee hereby acknowledge and agree that the Agreement constitutes a "finance lease" as defined in and governed by Chapter 680, Florida Statutes, as amended from time to time.

6. In the event any conflict between the provisions of this Rider and the Agreement, this Rider shall control.

7. Lessor and Lessee agree that this Rider is an integral part of the Agreement.

Date: May 01, 2019 ALTEC CAPITAL SERVICES, LLC
Lessor

By: _____

Title: _____

Morristown Utilities Commission
Lessee

By: _____

Title: _____



33 Inverness Center Parkway, Suite 200
Birmingham, AL 35242-4842
Telephone: (888) 408-8148
Facsimile: (205) 408-8113
brittany.chandler@altec.com

"THIS STATEMENT IS SUBMITTED IN ACCORDANCE WITH REV. PROC. 88-10"

April 10, 2019

VIA UPS

Internal Revenue Service Center
Attn: Governmental Entities
Tax Exempt Bond Unit
Ogden, UT 84201

Re: Form 8038 G – **Morristown Utilities Commission**
EIN: see attached

Dear Sir or Madam:

Enclosed is an executed and completed Form 8038-G Information Return for Tax-Exempt Governmental Obligations, which is being filed on behalf of the **Morristown Utilities Commission**, with respect to it entering into its **Equipment Lease/Purchase Agreement No. 225174** dated May 01, 2019 (the "Financing") in the principal amount of **\$ \$293,664.00**. We respectfully request that the Internal Revenue Service grant an extension to file this return in accordance with Revenue Procedure 88-10, 1988-1 C.B. 635, because the failure to file this form timely was due to reasonable cause and not due to willful neglect. The Financing is not currently under examination by the Internal Revenue Service.

Please call me at (205) 408-8081, if you require any additional information before you can issue the requested extension. In addition, please call me if any decision of yours is inconsistent with the requested extension before such decision is finalized. Thank you for your prompt attention to this matter.

Very truly yours,

ALTEC CAPITAL SERVICES, L.L.C.

Elizabeth Henderson
Manager, Legal/Documentation

Enclosures:
Original Form 8038-G to be filed



33 Inverness Center Parkway, Suite 200
Birmingham, AL 35242-4842
Telephone: (888) 408-8148
Facsimile: (205) 408-8113
brittany.chandler@altec.com



Altec Capital Services, LLC
33 Inverness Center Parkway, Suite 200
Birmingham, AL 35242-4842
Telephone: 1-888-408-8148
Facsimile: (205) 408-8113

Invoice Date: April 10, 2019

**Please return payment with
signed lease documents.**

INVOICE TO:

Morristown Utilities Commission
441 W. Main Street
Morristown, TN37814

REMIT TO:

Altec Capital Services, LLC
33 Inverness Center Parkway, Suite 200
Birmingham, AL 35242

Lease #	Description	Amount
225174	Inception Payment	\$ 4772.00
225174	Documentation Fee	\$ 400.00
	Total	\$ 5172.00

****Any applicable sales and use taxes will be billed after lease commencement and on the remaining invoice payments.**

[Return to Agenda](#)

April 10th, 2019

Mr. Joey Barnard, Finance Director
City of Morristown
100 West First North Street
Morristown, TN 37814

RE: Letter of Contractor Recommendation
Security Fencing
TAD No. 32-555-0164-19

Dear Mr. Barnard:

This letter shall serve to document that Michael Baker International has reviewed the bids submitted on March 27th, 2019 for the above referenced project. The three Contractors submitting a bid were East Tennessee Turf & Landscaping, Specialty Services Group, and McCall Commercial Fencing. The bid was opened publicly and read aloud. The bid amount was as follows:

Contractor	Bid Amount
McCall Commercial Fencing	\$50,817.50
Specialty Services Group	\$58,311.50
East Tennessee Turf & Landscaping	\$78,575.00

This bid was reviewed to determine the responsiveness of the contractor. Our conclusion is as follows:

McCall Commercial Fencing had the lowest bid. We do not believe it is in the best interest of the project to recommend contract award to McCall Commercial Fencing due to lack of performance on a previous project. The second lowest bid by Specialty Services Group was complete. No errors were found in unit pricing and extended totals. MBI has verified their license to contract in the State of Tennessee. I have included the bid tabulation with this letter.

We hereby recommend that The City of Morristown award the construction contract to Specialty Services Group in the amount of \$58,311.50. The current grant funding amount would support this decision and maintain remaining funds for incidental and/or unforeseen project costs.

We will begin contract preparation and distribution after the award of the contract is verified.

Sincerely,



Jason D. Bennett, P.E.
Office Manager
Michael Baker International


**MORRISTOWN REGIONAL AIRPORT
SECURITY FENCING
TAD NO. 32-555-0164-19**

28-Mar-19
JDB

BID TABULATION

ITEM	SPEC.	DESCRIPTION	UNIT	PLANS QUANTITY	ENGINEER'S ESTIMATE		East TN Turf & Landscp		Specialty Svs Group		McCall Commercial Fencing	
					UNIT PRICE	EXTENDED TOTAL	UNIT PRICE	EXTENDED TOTAL		EXTENDED TOTAL	UNIT PRICE	EXTENDED TOTAL
1	1000	Mobilization	LS	1	\$3,562.50	\$3,562.50	\$8,000.00	\$8,000.00	\$2,000.00	\$2,000.00	\$2,915.00	\$2,915.00
2	F161a	4' Wildlife fence	LF	5,725	\$10.00	\$57,250.00	\$11.00	\$62,975.00	\$9.42	\$53,929.50	\$6.90	\$39,502.50
3	F161B	8' Single-Leaf Swing Gate	EA	2	\$2,000.00	\$4,000.00	\$2,800.00	\$5,600.00	\$691.00	\$1,382.00	\$450.00	\$900.00
4	S-105	Construction Layout Survey	LS	1	\$10,000.00	\$10,000.00	\$2,000.00	\$2,000.00	\$1,000.00	\$1,000.00	\$7,500.00	\$7,500.00
TOTAL BASE BID						\$74,812.50	\$78,575.00		\$58,311.50		\$50,817.50	
BID FORMS COMPLETE												

Michael Baker
INTERNATIONAL

 GOVERNMENTAL GRANT CONTRACT (cost reimbursement grant contract with a federal or Tennessee local governmental entity or their agents and instrumentalities)					
Begin Date 5/5/2019		End Date 5/4/2021		Agency Tracking # 40100-00619	
Edison ID 57815				Edison Vendor ID 4108	
Grantee Legal Entity Name City of Morristown				Edison Vendor ID 4108	
Subrecipient or Contractor <input checked="" type="checkbox"/> Subrecipient <input type="checkbox"/> Contractor		CFDA # N/A			
		Grantee's fiscal year end – June 30			
Service Caption (one line only) Security Gate Access Card System					
Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Grant Contract Amount
2019	\$47,500.00			\$2,500.00	\$50,000.00
TOTAL:	\$47,500.00			\$2,500.00	\$50,000.00
Grantee Selection Process Summary					
<input checked="" type="checkbox"/> Competitive Selection		For every project, the airport owner, sponsor or educational program must submit a letter of request and an application to the Aeronautics Division. The Aeronautics Division staff reviews all project requests monthly. The review is based on the Division's established criteria and policies. The review results are presented to the Commissioner for approval. Grant award amounts will be based upon available funds and the amount requested, and such funding will be continued in order of application approval.			
<input type="checkbox"/> Non-competitive Selection		Describe the reasons for a non-competitive grantee selection process.			
Budget Officer Confirmation: There is a balance in the appropriation from which obligations hereunder are required to be paid that is not already encumbered to pay other obligations.				CPO USE - GG	
Speed Chart (optional) TX00264937		Account Code (optional) 71302			

VENDOR ADDRESS: 1

LOCATION CODE: MAIN

**GRANT CONTRACT
BETWEEN THE STATE OF TENNESSEE,
DEPARTMENT OF TRANSPORTATION
AND
CITY OF MORRISTOWN**

This grant contract ("Grant Contract"), by and between the State of Tennessee, Department of Transportation, hereinafter referred to as the "State" or the "Grantor State Agency" and City of Morristown, hereinafter referred to as the "Grantee," is for the provision of airport development, as further defined in the "SCOPE OF SERVICES AND DELIVERABLES."

Grantee Edison Vendor ID # 4108

A. SCOPE OF SERVICES AND DELIVERABLES:

- A.1. The Grantee shall provide the scope of services and deliverables ("Scope") as required, described, and detailed in this Grant Contract.
- A.2. The purpose of this Grant shall be to sponsor a project for the further development of a public airport under Tennessee Code Annotated 42-2-203 and the Airport and Airway Improvement Act of 1982, Title 49 of the United States Code or Tennessee Code Annotated 4-3-2313 and 2314, Aeronautics Economic Development Fund. Pursuant to these provisions, the State shall be designated as the party to apply for, receive, and disburse all funds to be used in the payment of the costs of said project or as reimbursement of costs incurred. The Grantee shall be a recipient of funds from the State Transportation Equity Fund and/or Federal Airport Improvement Program, and/or Aeronautics Economic Development Fund, and shall undertake an airport improvement project.
- A.3. Incorporation of Additional Documents. Each of the following documents is included as a part of this Grant Contract by reference or attachment. In the event of a discrepancy or ambiguity regarding the Grantee's duties, responsibilities, and performance hereunder, these items shall govern in order of precedence below.
 - a. this Grant Contract document with any attachments or exhibits (excluding the items listed at subsections b. and c., below);
 - b. the State grant proposal solicitation as may be amended, if any;
 - c. the Grantee's proposal **Attachment One** incorporated to elaborate supplementary scope of services specifications.

B. TERM OF CONTRACT:

- B.1. This Grant Contract shall be effective on **May 5, 2019** ("Effective Date") and extend for a period of **TWENTY-FOUR (24) months** after the Effective Date ("Term"). The State shall have no obligation to the Grantee for fulfillment of the Scope outside the Term.
- B.2. Renewal Options. This Grant Contract may be renewed upon satisfactory completion of the Term. The State reserves the right to execute up to three (3) renewal options under the same terms and conditions for a period not to exceed twelve (12) months each by the State, at the State's sole option. In no event, however, shall the maximum Term, including all renewals or extensions, exceed a total of sixty (60) months.

C. PAYMENT TERMS AND CONDITIONS:

- C.1. Maximum Liability. In no event shall the maximum liability of the State under this Grant Contract exceed **Fifty Thousand Dollars and No Cents (\$50,000.00)** ("Maximum Liability"). The Grant Budget, attached and incorporated as **Attachment Two** is the maximum amount due the Grantee under this Grant Contract. The Grant Budget line-items include, but are not limited to, all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Grantee.
- C.2. Compensation Firm. The Maximum Liability of the State is not subject to escalation for any reason unless amended. The Grant Budget amounts are firm for the duration of the Grant Contract and are not subject to escalation for any reason unless amended, except as provided in Section C.6.
- C.3. Payment Methodology. The Grantee shall be reimbursed for actual, reasonable, and necessary costs based upon the Grant Budget, not to exceed the Maximum Liability established in Section C.1. Upon progress toward the completion of the Scope, as described in Section A of this Grant Contract, the Grantee shall submit invoices prior to any reimbursement of allowable costs.
- C.4. Travel Compensation. Reimbursement to the Grantee for travel, meals, or lodging shall be subject to amounts and limitations specified in the "State Comprehensive Travel Regulations," as they are amended from time to time, and shall be contingent upon and limited by the Grant Budget funding for said reimbursement.
- C.5. Invoice Requirements. The Grantee shall invoice the State no more often than monthly, with all necessary supporting documentation, and present such to:

Department of Transportation-Aeronautics Division
aero.grants@tn.gov

- a. Each invoice shall clearly and accurately detail all of the following required information (calculations must be extended and totaled correctly).
- (1) Invoice/Reference Number (assigned by the Grantee).
 - (2) Invoice Date.
 - (3) Invoice Period (to which the reimbursement request is applicable).
 - (4) Grant Contract Number (assigned by the State).
 - (5) Grantor: Department of Transportation-Aeronautics Division
 - (6) Grantor Number (assigned by the Grantee to the above-referenced Grantor).
 - (7) Grantee Name.
 - (8) Grantee Tennessee Edison Registration ID Number Referenced in Preamble of this Grant Contract.
 - (9) Grantee Remittance Address.
 - (10) Grantee Contact for Invoice Questions (name, phone, or fax).
 - (11) Itemization of Reimbursement Requested for the Invoice Period— it must detail, at minimum, all of the following:
 - i. The amount requested by Grant Budget line-item (including any travel expenditure reimbursement requested and for which documentation and receipts, as required by "State Comprehensive Travel Regulations," are attached to the invoice).
 - ii. The amount reimbursed by Grant Budget line-item to date.
 - iii. The total amount reimbursed under the Grant Contract to date.
 - iv. The total amount requested (all line-items) for the Invoice Period.
- b. The Grantee understands and agrees to all of the following.

- (1) An invoice under this Grant Contract shall include only reimbursement requests for actual, reasonable, and necessary expenditures required in the delivery of service described by this Grant Contract and shall be subject to the Grant Budget and any other provision of this Grant Contract relating to allowable reimbursements.
- (2) An invoice under this Grant Contract shall not include any reimbursement request for future expenditures.
- (3) An invoice under this Grant Contract shall initiate the timeframe for reimbursement only when the State is in receipt of the invoice, and the invoice meets the minimum requirements of this section C.5.
- (4) An invoice under this Grant Contract shall be presented to the State within sixty (60) days after the end of the calendar month in which the subject costs were incurred or services were rendered by the Grantee. An invoice submitted more than sixty (60) days after such date will NOT be paid. The State will not deem such Grantee costs to be allowable and reimbursable by the State unless, at the sole discretion of the State, the failure to submit a timely invoice is warranted. The Grantee shall submit a special, written request for reimbursement with any such untimely invoice. The request must detail the reason the invoice is untimely as well as the Grantee's plan for Submitting future invoices as required, and it must be signed by a Grantee agent that would be authorized to sign this Grant Contract.

C.6. Budget Line-items. Expenditures, reimbursements, and payments under this Grant Contract shall adhere to the Grant Budget. The Grantee may vary from a Grant Budget line-item amount by up to one percent (1%) of the line-item amount, provided that any increase is off-set by an equal reduction of other line-item amount(s) such that the net result of variances shall not increase the total Grant Contract amount detailed by the Grant Budget. Any increase in the Grant Budget, grand total amounts shall require an amendment of this Grant Contract.

C.7. Disbursement Reconciliation and Close Out. The Grantee shall submit any final invoice and a grant disbursement reconciliation report within sixty (60) days of the Grant Contract end date and in form and substance acceptable to the State.

- a. The Grant Budget specifies a Grantee Match Requirement and the final grant disbursement reconciliation report shall detail all Grantee expenditures recorded to meet this requirement.
 - i. No Grantee expenditure shall be recorded and reported toward meeting a Grantee Match Requirement of more than one grant contract with the State.
 - ii. The final grant disbursement reconciliation report shall specifically detail the exact amount of any Grantee failure to meet a Match Requirement, and the maximum total amount reimbursable by the State pursuant to this Grant Contract, as detailed by the Grant Budget column "Grant Contract," shall be reduced by the amount that the Grantee failed to contribute to the Total Project as budgeted.
- b. If total disbursements by the State pursuant to this Grant Contract exceed the amounts permitted by the section C, payment terms and conditions of this Grant Contract (including any adjustment pursuant to subsection a.ii. above), the Grantee shall refund the difference to the State. The Grantee shall submit the refund with the final grant disbursement reconciliation report.
- c. The State shall not be responsible for the payment of any invoice submitted to the state after the grant disbursement reconciliation report. The State will not deem any Grantee

costs submitted for reimbursement after the grant disbursement reconciliation report to be allowable and reimbursable by the State, and such invoices will NOT be paid.

- d. The Grantee's failure to provide a final grant disbursement reconciliation report to the state as required shall result in the Grantee being deemed ineligible for reimbursement under this Grant Contract, and the Grantee shall be required to refund any and all payments by the state pursuant to this Grant Contract.
 - e. The Grantee must close out its accounting records at the end of the contract period in such a way that reimbursable expenditures and revenue collections are NOT carried forward.
- C.8. Indirect Cost. Should the Grantee request reimbursement for indirect costs, the Grantee must submit to the State a copy of the indirect cost rate approved by the cognizant federal agency or the cognizant state agency, as applicable. The Grantee will be reimbursed for indirect costs in accordance with the approved indirect cost rate and amounts and limitations specified in the attached Grant Budget. Once the Grantee makes an election and treats a given cost as direct or indirect, it must apply that treatment consistently and may not change during the Term. Any changes in the approved indirect cost rate must have prior approval of the cognizant federal agency or the cognizant state agency, as applicable. If the indirect cost rate is provisional during the Term, once the rate becomes final, the Grantee agrees to remit any overpayment of funds to the State, and subject to the availability of funds the State agrees to remit any underpayment to the Grantee.
- C.9. Cost Allocation. If any part of the costs to be reimbursed under this Grant Contract are joint costs involving allocation to more than one program or activity, such costs shall be allocated and reported in accordance with the provisions of Department of Finance and Administration Policy Statement 03 or any amendments or revisions made to this policy statement during the Term.
- C.10. Payment of Invoice. A payment by the State shall not prejudice the State's right to object to or question any reimbursement, invoice, or related matter. A payment by the State shall not be construed as acceptance of any part of the work or service provided or as approval of any amount as an allowable cost.
- C.11. Non-allowable Costs. Any amounts payable to the Grantee shall be subject to reduction for amounts included in any invoice or payment that are determined by the State, on the basis of audits or monitoring conducted in accordance with the terms of this Grant Contract, to constitute unallowable costs.
- C.12. State's Right to Set Off. The State reserves the right to set off or deduct from amounts that are or shall become due and payable to the Grantee under this Grant Contract or under any other agreement between the Grantee and the State of Tennessee under which the Grantee has a right to receive payment from the State.
- C.13. Prerequisite Documentation. The Grantee shall not invoice the State under this Grant Contract until the State has received the following, properly completed documentation.
- a. The Grantee shall complete, sign, and return to the State an "Authorization Agreement for Automatic Deposit (ACH Credits) Form" provided by the State. By doing so, the Grantee acknowledges and agrees that, once this form is received by the State, all payments to the Grantee under this or any other grant contract will be made by automated clearing house ("ACH").
 - b. The Grantee shall complete, sign, and return to the State the State-provided W-9 form. The taxpayer identification number on the W-9 form must be the same as the Grantee's

Federal Employer Identification Number or Social Security Number referenced in the Grantee's Edison registration information.

D. STANDARD TERMS AND CONDITIONS:

- D.1. Required Approvals. The State is not bound by this Grant Contract until it is signed by the parties and approved by appropriate officials in accordance with applicable Tennessee laws and regulations (depending upon the specifics of this Grant Contract, the officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).
- D.2. Modification and Amendment. This Grant Contract may be modified only by a written amendment signed by all parties and approved by the officials who approved the Grant Contract and, depending upon the specifics of the Grant Contract as amended, any additional officials required by Tennessee laws and regulations (the officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).
- D.3. Termination for Convenience. The State may terminate this Grant Contract without cause for any reason. A termination for convenience shall not be a breach of this Grant Contract by the State. The State shall give the Grantee at least thirty (30) days written notice before the effective termination date. The Grantee shall be entitled to compensation for authorized expenditures and satisfactory services completed as of the termination date, but in no event shall the State be liable to the Grantee for compensation for any service that has not been rendered. The final decision as to the amount for which the State is liable shall be determined by the State. The Grantee shall not have any right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount for the State's exercise of its right to terminate for convenience.
- D.4. Termination for Cause. If the Grantee fails to properly perform its obligations under this Grant Contract, or if the Grantee violates any terms of this Grant Contract, the State shall have the right to immediately terminate this Grant Contract and withhold payments in excess of fair compensation for completed services. Notwithstanding the exercise of the State's right to terminate this Grant Contract for cause, the Grantee shall not be relieved of liability to the State for damages sustained by virtue of any breach of this Grant Contract by the Grantee.
- D.5. Subcontracting. The Grantee shall not assign this Grant Contract or enter into a subcontract for any of the services performed under this Grant Contract without obtaining the prior written approval of the State. If such subcontracts are approved by the State, each shall contain, at a minimum, sections of this Grant Contract pertaining to "Conflicts of Interest," "Lobbying," "Nondiscrimination," "Public Accountability," "Public Notice," and "Records" (as identified by the section headings). Notwithstanding any use of approved subcontractors, the Grantee shall remain responsible for all work performed.
- D.6. Conflicts of Interest. The Grantee warrants that no part of the total Grant Contract Amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Grantee in connection with any work contemplated or performed relative to this Grant Contract.
- D.7. Lobbying. The Grantee certifies, to the best of its knowledge and belief, that:
- a. No federally appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal

contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

- b. If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this contract, grant, loan, or cooperative agreement, the Grantee shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.
- c. The Grantee shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into and is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. § 1352.

- D.8. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Grant Contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by email or facsimile transmission with recipient confirmation. All communications, regardless of method of transmission, shall be addressed to the respective party as set out below:
- The State:

Richard Vaughn
 Transportation Program Monitor 1
 TN Dept. of Transportation-Aeronautics Division
 607 Hangar Lane, Bldg. 4219
 Nashville, TN 37217
 Telephone: 615-741-3208
 Email: Richard.E.Vaughn@tn.gov

The Grantee:

Gary Chesney, Mayor
 City of Morristown
 PO Box 1499
 Morristown, TN 37816-1499
 Email: kmorilak@mymorristown.com
 Telephone # 423-581-0100

A change to the above contact information requires written notice to the person designated by the other party to receive notice.

All instructions, notices, consents, demands, or other communications shall be considered effectively given upon receipt or recipient confirmation as may be required.

- D.9. Subject to Funds Availability. This Grant Contract is subject to the appropriation and availability of State or Federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate this Grant Contract upon written notice to the Grantee. The State's right to terminate this Grant Contract due to lack of funds is not a

breach of this Grant Contract by the State. Upon receipt of the written notice, the Grantee shall cease all work associated with the Grant Contract. Should such an event occur, the Grantee shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date. Upon such termination, the Grantee shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

- D.10. Nondiscrimination. The Grantee hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Grant Contract or in the employment practices of the Grantee on the grounds of handicap or disability, age, race, color, religion, sex, national origin, or any other classification protected by federal, Tennessee state constitutional, or statutory law. The Grantee shall, upon request, show proof of nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.
- D.11. HIPAA Compliance. The State and the Grantee shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Health Information Technology for Economic and Clinical Health Act (HITECH) and any other relevant laws and regulations regarding privacy (collectively the "Privacy Rules"). The obligations set forth in this Section shall survive the termination of this Grant Contract.
- a. The Grantee warrants to the State that it is familiar with the requirements of the Privacy Rules and will comply with all applicable HIPAA requirements in the course of this Grant Contract.
 - b. The Grantee warrants that it will cooperate with the State, including cooperation and coordination with State privacy officials and other compliance officers required by the Privacy Rules, in the course of performance of this Grant Contract so that both parties will be in compliance with the Privacy Rules.
 - c. The State and the Grantee will sign documents, including but not limited to business associate agreements, as required by the Privacy Rules and that are reasonably necessary to keep the State and the Grantee in compliance with the Privacy Rules. This provision shall not apply if information received by the State under this Grant Contract is NOT "protected health information" as defined by the Privacy Rules, or if the Privacy Rules permit the State to receive such information without entering into a business associate agreement or signing another such document.
- D.12. Public Accountability. If the Grantee is subject to Tenn. Code Ann. § 8-4-401 *et seq.*, or if this Grant Contract involves the provision of services to citizens by the Grantee on behalf of the State, the Grantee agrees to establish a system through which recipients of services may present grievances about the operation of the service program. The Grantee shall also display in a prominent place, located near the passageway through which the public enters in order to receive Grant supported services, a sign at least eleven inches (11") in height and seventeen inches (17") in width stating:

NOTICE: THIS AGENCY IS A RECIPIENT OF TAXPAYER FUNDING. IF YOU OBSERVE AN AGENCY DIRECTOR OR EMPLOYEE ENGAGING IN ANY ACTIVITY WHICH YOU CONSIDER TO BE ILLEGAL, IMPROPER, OR WASTEFUL, PLEASE CALL THE STATE COMPTROLLER'S TOLL-FREE HOTLINE: 1-800-232-5454.

The sign shall be on the form prescribed by the Comptroller of the Treasury. The Grantor State Agency shall obtain copies of the sign from the Comptroller of the Treasury, and upon request from the Grantee, provide Grantee with any necessary signs.

- D.13. Public Notice. All notices, informational pamphlets, press releases, research reports, signs, and similar public notices prepared and released by the Grantee in relation to this Grant Contract shall include the statement, "This project is funded under a grant contract with the State of Tennessee, Department of Transportation." All notices by the Grantee in relation to this Grant Contract shall be approved by the State.
- D.14. Licensure. The Grantee, its employees, and any approved subcontractor shall be licensed pursuant to all applicable federal, state, and local laws, ordinances, rules, and regulations and shall upon request provide proof of all licenses.
- D.15. Records. The Grantee and any approved subcontractor shall maintain documentation for all charges under this Grant Contract. The books, records, and documents of the Grantee and any approved subcontractor, insofar as they relate to work performed or money received under this Grant Contract, shall be maintained in accordance with applicable Tennessee law. In no case shall the records be maintained for a period of less than five (5) full years from the date of the final payment. The Grantee's records shall be subject to audit at any reasonable time and upon reasonable notice by the Grantor State Agency, the Comptroller of the Treasury, or their duly appointed representatives.
- The records shall be maintained in accordance with Governmental Accounting Standards Board (GASB) Accounting Standards or the Financial Accounting Standards Board (FASB) Accounting Standards Codification, as applicable, and any related AICPA Industry Audit and Accounting guides.
- In addition, documentation of grant applications, budgets, reports, awards, and expenditures will be maintained in accordance with U.S. Office of Management and Budget's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.
- Grant expenditures shall be made in accordance with local government purchasing policies and procedures and purchasing procedures for local governments authorized under state law.
- The Grantee shall also comply with any recordkeeping and reporting requirements prescribed by the Tennessee Comptroller of the Treasury.
- The Grantee shall establish a system of internal controls that utilize the COSO Internal Control - Integrated Framework model as the basic foundation for the internal control system. The Grantee shall incorporate any additional Comptroller of the Treasury directives into its internal control system.
- Any other required records or reports which are not contemplated in the above standards shall follow the format designated by the head of the Grantor State Agency, the Central Procurement Office, or the Commissioner of Finance and Administration of the State of Tennessee.
- D.16. Monitoring. The Grantee's activities conducted and records maintained pursuant to this Grant Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.
- D.17. Progress Reports. The Grantee shall submit brief, periodic, progress reports to the State as requested.
- D.18. Annual and Final Reports. The Grantee shall submit, within three (3) months of the conclusion of each year of the Term, an annual report. For grant contracts with a term of less than one (1) year, the Grantee shall submit a final report within three (3) months of the conclusion of the Term. For grant contracts with multiyear terms, the final report will take the place of the annual report for the final year of the Term. The Grantee shall submit annual and final reports to the Grantor State Agency and the Department of Finance and Administration ("F&A"). Send electronic copies of annual and final reports to F&A at fa.audit@tn.gov. At minimum, annual and final reports shall include: (a) the Grantee's name; (b) the Grant Contract's Edison identification number, Term, and total amount; (c) a narrative section that describes the program's goals, outcomes, successes

and setbacks, whether the Grantee used benchmarks or indicators to determine progress, and whether any proposed activities were not completed; and (d) other relevant details requested by the Grantor State Agency. Annual and final report documents to be completed by the Grantee shall appear on the Grantor State Agency's website or as an attachment to the Grant Contract.

- D.19. **Audit Report.** The Grantee shall be audited in accordance with applicable Tennessee law.

If the Grantee is subject to an audit under this provision, then the Grantee shall complete **Attachment Three**.

When a federal single audit is required, the audit shall be performed in accordance with U.S. Office of Management and Budget's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

A copy of the audit report shall be provided to the Comptroller by the licensed, independent public accountant. Audit reports shall be made available to the public.

- D.20. **Procurement.** If other terms of this Grant Contract allow reimbursement for the cost of goods, materials, supplies, equipment, or contracted services, such procurement shall be made on a competitive basis, including the use of competitive bidding procedures, where practical. The Grantee shall maintain documentation for the basis of each procurement for which reimbursement is paid pursuant to this Grant Contract. In each instance where it is determined that use of a competitive procurement method is not practical, supporting documentation shall include a written justification for the decision and for use of a non-competitive procurement. If the Grantee is a subrecipient, the Grantee shall comply with 2 C.F.R. §§ 200.317—300.326 when procuring property and services under a federal award.

The Grantee shall obtain prior approval from the State before purchasing any equipment under this Grant Contract.

For purposes of this Grant Contract, the term "equipment" shall include any article of nonexpendable, tangible, personal property having a useful life of more than one year and an acquisition cost which equals or exceeds five thousand dollars (\$5,000.00).

- D.21. **Strict Performance.** Failure by any party to this Grant Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this Grant Contract is not a waiver or relinquishment of any term, covenant, condition, or provision. No term or condition of this Grant Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the parties.
- D.22. **Independent Contractor.** The parties shall not act as employees, partners, joint venturers, or associates of one another in the performance of this Grant Contract. The parties acknowledge that they are independent contracting entities and that nothing in this Grant Contract shall be construed to create a principal/agent relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.
- D.23. **Limitation of State's Liability.** The State shall have no liability except as specifically provided in this Grant Contract. In no event will the State be liable to the Grantee or any other party for any lost revenues, lost profits, loss of business, loss of grant funding, decrease in the value of any securities or cash position, time, money, goodwill, or any indirect, special, incidental, punitive, exemplary or consequential damages of any nature, whether based on warranty, contract, statute, regulation, tort (including but not limited to negligence), or any other legal theory that may arise under this Grant Contract or otherwise. The State's total liability under this Grant Contract (including any exhibits, schedules, amendments or other attachments to the Contract) or

otherwise shall under no circumstances exceed the Maximum Liability originally established in Section C.1 of this Grant Contract. This limitation of liability is cumulative and not per incident.

- D.24. Force Majeure. "Force Majeure Event" means fire, flood, earthquake, elements of nature or acts of God, wars, riots, civil disorders, rebellions or revolutions, acts of terrorism or any other similar cause beyond the reasonable control of the party except to the extent that the non-performing party is at fault in failing to prevent or causing the default or delay, and provided that the default or delay cannot reasonably be circumvented by the non-performing party through the use of alternate sources, workaround plans or other means. A strike, lockout or labor dispute shall not excuse either party from its obligations under this Grant Contract. Except as set forth in this Section, any failure or delay by a party in the performance of its obligations under this Grant Contract arising from a Force Majeure Event is not a default under this Grant Contract or grounds for termination. The non-performing party will be excused from performing those obligations directly affected by the Force Majeure Event, and only for as long as the Force Majeure Event continues, provided that the party continues to use diligent, good faith efforts to resume performance without delay. The occurrence of a Force Majeure Event affecting Grantee's representatives, suppliers, subcontractors, customers or business apart from this Grant Contract is not a Force Majeure Event under this Grant Contract. Grantee will promptly notify the State of any delay caused by a Force Majeure Event (to be confirmed in a written notice to the State within one (1) day of the inception of the delay) that a Force Majeure Event has occurred, and will describe in reasonable detail the nature of the Force Majeure Event. If any Force Majeure Event results in a delay in Grantee's performance longer than forty-eight (48) hours, the State may, upon notice to Grantee: (a) cease payment of the fees until Grantee resumes performance of the affected obligations; or (b) immediately terminate this Grant Contract or any purchase order, in whole or in part, without further payment except for fees then due and payable. Grantee will not increase its charges under this Grant Contract or charge the State any fees other than those provided for in this Grant Contract as the result of a Force Majeure Event.
- D.25. Tennessee Department of Revenue Registration. The Grantee shall comply with all applicable registration requirements contained in Tenn. Code Ann. §§ 67-6-601 – 608. Compliance with applicable registration requirements is a material requirement of this Grant Contract.
- D.26. Charges to Service Recipients Prohibited. The Grantee shall not collect any amount in the form of fees or reimbursements from the recipients of any service provided pursuant to this Grant Contract.
- D.27. No Acquisition of Equipment or Motor Vehicles. This Grant Contract does not involve the acquisition and disposition of equipment or motor vehicles acquired with funds provided under this Grant Contract.
- D.28. State and Federal Compliance. The Grantee shall comply with all applicable state and federal laws and regulations in the performance of this Grant Contract. The U.S. Office of Management and Budget's Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is available here: http://www.ecfr.gov/cgi-bin/text-idx?SID=c6b2f053952359ba94470ad3a7c1a975&tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl
- D.29. Governing Law. This Grant Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Grantee agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Grant Contract. The Grantee acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising there from, shall be subject to and limited to those rights and remedies, if any, available under Tenn. Code Ann. §§ 9-8-101 through 9-8-407.
- D.30. Completeness. This Grant Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions

agreed to by the parties. This Grant Contract supersedes any and all prior understandings, representations, negotiations, or agreements between the parties, whether written or oral.

- D.31. Severability. If any terms and conditions of this Grant Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions shall not be affected and shall remain in full force and effect. To this end, the terms and conditions of this Grant Contract are declared severable.
- D.32. Headings. Section headings are for reference purposes only and shall not be construed as part of this Grant Contract.
- D.33. Iran Divestment Act. The requirements of Tenn. Code Ann. § 12-12-101, *et seq.*, addressing contracting with persons as defined at Tenn. Code Ann. §12-12-103(5) that engage in investment activities in Iran, shall be a material provision of this Grant Contract. The Grantee certifies, under penalty of perjury, that to the best of its knowledge and belief that it is not on the list created pursuant to Tenn. Code Ann. § 12-12-106.
- D.34. Debarment and Suspension. The Grantee certifies, to the best of its knowledge and belief, that it, its current and future principals, its current and future subcontractors and their principals:
- a. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department or agency;
 - b. have not within a three (3) year period preceding this Grant Contract been convicted of, or had a civil judgment rendered against them from commission of fraud, or a criminal offence in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;
 - c. are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses detailed in section b. of this certification; and
 - d. have not within a three (3) year period preceding this Grant Contract had one or more public transactions (federal, state, or local) terminated for cause or default.

The Grantee shall provide immediate written notice to the State if at any time it learns that there was an earlier failure to disclose information or that due to changed circumstances, its principals or the principals of its subcontractors are excluded or disqualified, or presently fall under any of the prohibitions of sections a-d.

E. SPECIAL TERMS AND CONDITIONS:

- E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Grant Contract, the special terms and conditions shall be subordinate to the Grant Contract's other terms and conditions.

- E.2. Confidentiality of Records. Strict standards of confidentiality of records and information shall be maintained in accordance with applicable state and federal law. All material and information, regardless of form, medium or method of communication, provided to the Grantee by the State or acquired by the Grantee on behalf of the State that is regarded as confidential under state or federal law shall be regarded as "Confidential Information." Nothing in this Section shall permit Grantee to disclose any Confidential Information, regardless of whether it has been disclosed or made available to the Grantee due to intentional or negligent actions or inactions of agents of the State or third parties. Confidential Information shall not be disclosed except as required or permitted under state or federal law. Grantee shall take all necessary steps to safeguard the confidentiality of such material or information in conformance with applicable state and federal law.

The obligations set forth in this Section shall survive the termination of this Grant Contract.

- E.3. Grantee Match. Upon execution of this grant contract, the Grantee will be required to deposit its share of the estimated total project cost to the State.

Additional deposits will be required if actual costs exceed the estimated costs. Any excess in the amount deposited above actual costs will be refunded.

If the cost of this project increases by more than fifteen percent (15%) of the estimated grant contract amount during the progress of the work, the parties agree to enter into a supplemental agreement setting out the respective financial obligations of the State, Grantee, and the Federal Airport Improvement Program.

IN WITNESS WHEREOF,

CITY OF MORRISTOWN:

TAD # 32-0765-19

GRANTEE SIGNATURE

DATE

GARY CHESNEY, MAYOR

PRINTED NAME AND TITLE OF GRANTEE SIGNATORY (above)

GRANTEE LEGAL COUNSEL'S SIGNATURE

DATE

DEPARTMENT OF TRANSPORTATION:

CLAY BRIGHT, COMMISSIONER

DATE

JOHN H. REINBOLD, GENERAL COUNSEL
APPROVED AS TO FORM AND LEGALITY

DATE

City of Morristown

Incorporated 1855



3/15/2019

Michelle Frazier, Director
TDOT Aeronautics Division
607 Hangar Lane, Bldg. 4219
Nashville, TN 37217

Re: Funding Assistance for Security Card Reader System

Dear Ms. Frazier,

City of Morristown, Tennessee hereby requests financial assistance from the Tennessee Department of Transportation in the amount of **\$50,000.00** for improvements at the Morristown Regional Airport in Morristown, Tennessee. The requested improvements include:

- Install security access system for automated gates via card system providing a higher level of access control for airport facilities.

We have available the necessary funds for the local share of the proposed improvements.

Thank you for your consideration of this request. If you have questions, please contact Joey Barnard at 423-585-4614.

Please find our application within Black Cat Grants system.

If you have questions or need additional information, please contact us at 423-585-4614.

Sincerely,

Joey Barnard, CGFM, CFE, MBA
Assistant City Administrator

Cc: Chuck Hoskins

REQUEST FOR STATE FUNDING
FOR AIRPORT IMPROVEMENT

ATTACHMENT ONE
PAGE TWO

Airport: Moore-Murrell Field
Project Title: Security gate access card system
Project Description: Security gate access card system

UPIN: BCG0000802
Submitted By: Joey Barnard
Date Submitted: 3/15/2019 3:25:58PM
Project Manager: Chuck Hoskins

Applicant: City of Morristown
Phone: 423-586-2483

Project in CIP?: Not Proposed Date Entered in CIP:

Explanation of Need: Retrofit existing key pads with a card reader system to provide adequate access control security and monitoring.

Estimated Cost:

Fiscal Year:	2,019	
Federal:	\$0	0.0%
State:	\$47,500	95.0%
Local:	\$2,500	5.0%
Other:	\$0	0.0%
Total:	\$50,000	100%

Matching Funds Available?: 2,500.00

Airport Sponsor Comments:

TAD Comments:

TDOT USE ONLY

Staff Recommended:

Approved: ✓

Rejected:

Moved:

PSR Signature: 

Date: 4/5/2019

TAC Signature: _____

Date: _____

ATTACHMENT TWO

PAGE ONE

GRANT BUDGET				
City of Morristown: Security Gate Access Card System				AERO-19-275-00
The Grant Budget line-item amounts below shall be applicable only to expenses incurred during the following				
Applicable Period:		BEGIN: 5/5/2019	END: 5/4/2021	
POLICY 03 Object Line-item Reference	EXPENSE OBJECT LINE-ITEM CATEGORY ¹	GRANT CONTRACT	GRANTEE MATCH	TOTAL PROJECT
1, 2	Salaries, Benefits & Taxes	0.00	0.00	0.00
4, 15	Professional Fee, Grant & Award ²	\$47,500.00	\$2,500.00	\$50,000.00
5, 6, 7, 8, 9, 10	Supplies, Telephone, Postage & Shipping, Occupancy, Equipment Rental & Maintenance, Printing & Publications	0.00	0.00	0.00
11, 12	Travel, Conferences & Meetings	0.00	0.00	0.00
13	Interest ²	0.00	0.00	0.00
14	Insurance	0.00	0.00	0.00
16	Specific Assistance To Individuals	0.00	0.00	0.00
17	Depreciation ²	0.00	0.00	0.00
18	Other Non-Personnel ²	0.00	0.00	0.00
20	Capital Purchase ²	0.00	0.00	0.00
22	Indirect Cost	0.00	0.00	0.00
24	In-Kind Expense	0.00	0.00	0.00
25	GRAND TOTAL	\$47,500.00	\$2,500.00	\$50,000.00

¹ Each expense object line-item shall be defined by the Department of Finance and Administration Policy 03, *Uniform Reporting Requirements and Cost Allocation Plans for Subrecipients of Federal and State Grant Monies, Appendix A*. (posted on the Internet at: <http://www.tn.gov/finance/topic/fa-policyinfo>).

² Applicable detail follows this page if line-item is funded.

³ A Grantee Match Requirement is detailed by this Grant Budget, and the maximum total amount reimbursable by the State pursuant to this Grant Contract, as detailed by the "Grant Contract" column above, shall be reduced by the amount of any Grantee failure to meet the Match Requirement.

ATTACHMENT TWO

PAGE TWO

GRANT BUDGET LINE-ITEM DETAIL:

PROFESSIONAL FEE, GRANT & AWARD	AMOUNT
Security Gate Access Card System	\$50,000.00
TOTAL	\$50,000.00

TAD Project # 32-555-0765-19

Project Breakdown:	\$47,500.00	95% State
TX00264937	<u>\$ 2,500.00</u>	<u>05% Local</u>
	\$50,000.00	100%
Grant Total:	\$50,000.00	100%

Parent Child Information

The Grantee should complete this form and submit it with the Grant Contract. The Grantee should submit only one, completed "Parent Child Information" document to the State during the Grantee's fiscal year.

"Parent" means an entity whose IRS filing contains the information of at least one other entity.

"Child" means an entity whose information is contained in another entity's IRS filing.

Grantee's Edison Vendor ID number: 4108

Is Grantee Legal Entity Name a parent? Yes ☒ No ☐

If yes, provide the name and Edison Vendor ID number, if applicable, of any child entities.

Is Grantee Legal Entity Name a child? Yes ☐ No ☒

If yes, complete the fields below.

Parent entity's name: City of Morristown

Parent entity's tax identification number: 62-600369

Note: If the parent entity's tax identification number is a social security number, this form must be submitted via US mail to:

Central Procurement Office, Grants Program Manager
3rd Floor, WRS Tennessee Tower
312 Rosa L Parks Avenue
Nashville, TN 37243

Parent entity's contact information

Name of primary contact person: Joey Barnard

Address: P.O. Box 1499 Morristown TN 37816 (100 W. 1st St)

Phone number: (423) 585-4614

Email address: jbarnard@mymorristown.com

Parent entity's Edison Vendor ID number, if applicable: 4108

**STATE OF TENNESSEE
OPTION TO PURCHASE
18-10-001**

This Option to Purchase entered into as of the date the last of the Seller or Buyer signs, as shown on the signature block set forth below (the "Effective Date"), by and between **The City of Morristown**, hereinafter called the "Seller," and the **State of Tennessee**, hereinafter called the "Buyer":

WITNESSETH: In consideration of the sum of \$1.00 as earnest money and the mutual promises herein stated, the Seller hereby grants to the Buyer an exclusive option (the "Option") to purchase certain property in **Hamblen** County, which property is commonly known as **300 & 410 Dice Street, Morristown, TN 37813**.

300 & 410 Dice St, Morristown, TN 37813 (Map 041D, Group D, Parcels 002.00 and 003.00) (the "Property").

This Option shall be exercised by notice from the Buyer to the Seller (the "Option Notice") within 180 days from the Effective Date. If this Option is so exercised, the closing of the purchase (the "Closing") shall take place not more than 30 days after the date the Seller receives the Option Notice. This Option is subject to the following terms of the sale that are to be satisfied prior to or by the Closing:

1. Buyer will furnish and pay for title insurance or attorney's certificate of title as desired.
2. Exclusive possession of the Property shall be given to Buyer at the Closing or as otherwise agreed to by the parties.
3. The Buyer will verify the legal description of the Property by survey or otherwise, to its satisfaction and at Buyer's expense. If the description of the Property as shown on said survey differs from the description of the Property as described on the deed vesting title in the Property to Seller, Seller shall convey the Property to Buyer utilizing the description on said survey.
4. All taxes and other expenses for the current year will be prorated and any back or rollback taxes will be paid by Seller.
5. At Closing, Seller will convey the Property by a good and valid Quit Claim deed, subject only to encumbrances that appear of record or as depicted on any plats of record, on or before the Closing, unless Buyer agrees to a later date.
6. The purchase price for the Property shall be **\$Gift**. Payment shall be made in cash or immediately available funds at the Closing.
7. All property shall be deeded to the "STATE OF TENNESSEE" unless otherwise required by statute.
8. Buyer shall have the right, at its sole expense, to conduct any inspections of the Property it deems necessary or desirable prior to the Closing. Buyer shall provide copies of any inspection reports it obtains to Seller upon request.
9. The Seller will provide the Buyer with copies of any and all leases, liens or other encumbrances of any type, recorded or unrecorded, in its possession affecting the Property.

IN WITNESS WHEREOF: The said parties have hereunto subscribed their names as of the Effective Date. The officials of the State of Tennessee having signed their name in their official capacity but not otherwise. Approved by the State Building Commission at its meeting of 10-09-18.

STATE OF TENNESSEE

THE CITY OF MORRISTOWN

Director of Land Transactions
Department of General Services

By: _____
Its: _____

Date: _____

Date: _____

LEASE AGREEMENT FORM

(TBR institution is Lessee)

Administrative use only:

Agency: _____

Allotment Code: _____

No. _____

This Instrument Prepared By:



Tennessee Board of Regents

Third Floor

1 Bridgestone Park

Nashville, Tennessee 37214

This Lease, entered into as of this _____ day of _____,
made by and between

the Tennessee Board of Regents, on behalf of

hereinafter called the State, and

the City of Morristown

hereinafter called the Lessee.

WITNESSETH:

1. **LOCATION:** The State hereby leases unto the Lessee those certain premises with the appurtenances situated in the

County of Hamblen, City of Morristown, located at Rosedale Ave. and Dice Street

2. **DESCRIPTION:** The premises above are more particularly described as follows:

Being Parcel 2 as shown on the survey attached hereto as Exhibit A

Being (part of) the same property further described in last recorded instrument conveyed to the State in Deed Book _____, Page _____, recorded in the Register's Office, Hamblen County, Tennessee

3. **TERM:**

a) The term of this lease

shall commence on June 1, 2019 and shall end on June 30, 2020

with such rights of termination as are hereinafter expressly set forth. If the date of occupancy is other than the commencement date, then the rental period shall begin with the date of occupancy, provided that the rental period shall begin no later than the latter of

(a) the commencement date or (b) 30 days after the space is made available to the Lessee in accordance with the conditions of this lease. This provision shall not relieve the State of the liability to the Lessee for damages in the event that the space is not made available to the Lessee in accordance with the conditions of this lease on the commencement date specified above.

b) the State hereby grants and gives unto Lessee an option to renew this lease agreement for an additional three (3) month period upon all the same terms and conditions contained herein. Lessee agrees to notify Lessors at least thirty (30) days prior to the expiration date of this lease of its intention to renew same, and its failure to so do shall nullify this provision of the lease agreement.

4. **RENTAL:** This Lease is in further consideration of the Lessee's previous conveyance of this land to the State. Therefore, no Rental shall be charged to Lessee during the Lease term.

5. **TERMINATION:**

a) **FOR CONVENIENCE:**

Lessee may terminate this lease at any time by giving written notice to the State at least 30 days prior to the date when such termination becomes effective. Notice shall commence on the day after the date of mailing.

6. **NOTICES:** All Notices herein provided to be given, or which may be given, by either party to the other, shall be deemed to have been fully given when made in writing and deposited in the United Lessees mail, certified and postage prepaid, and addressed as follows:

To the State at:

**Tennessee Board of Regents
Office of Facilities Development
Third Floor
1 Bridgestone Park
Nashville, Tennessee 37214**

To the Lessee at:

**City of Morristown
Office of City Administrator
P.O. Box 1499
Morristown, TN 37816**

7. **ASSIGNMENT AND SUBLETTING:** The Lessee shall not assign this lease without the written consent of the State but shall in any event have the right to sublet the leased premises.

8. **INSPECTION:** The State reserves the right to enter and inspect the leased premises, at reasonable times, and to render services and make any necessary repairs to the premises.

9. **ALTERATIONS:** The Lessee shall have the right during the existence of this lease to make alterations, attach fixtures and erect additions, structures or signs in or upon the leased premises. Such fixtures, additions, structures or signs so placed in or upon or attached to the leased premises under this lease or any prior lease of which this lease is an extension or renewal shall be and remain the property of the Lessee and may be removed therefrom by the Lessee prior to the termination or expiration of this lease or any renewal or extension thereof, or within a reasonable time thereafter.

10. **SURRENDER OF POSSESSION:** Upon termination or expiration of this lease, the Lessee will peaceably surrender to the State the leased premises in as good order and condition as when

received, reasonable use and wear thereof and damage by earthquake, fire, public calamity, the elements, acts of God, or circumstances over which the Lessee has no control or for which State is responsible pursuant to this lease, excepted. The Lessee shall have no duty to remove any improvements or fixtures placed by it on the premises or to restore any portion of the premises altered by it, save and except in the event the Lessee elects to remove any such improvement or fixture and such removal causes damages or injury to the leased premises and then only to the extent of any such damage or injury.

11. QUIET POSSESSION: State agrees that the Lessee, keeping and performing covenants contained herein on the part of the Lessee to be kept and performed, shall at all times during the existence of this lease peaceably and quietly have, hold and enjoy the leased premises, without suit, trouble or hindrance from the State, or any person claiming under State.

12. INJURIES TO THIRD PERSONS. Lessee covenants that it shall hold harmless and indemnify the State from and against all loss, liability, and expenses that may be incurred by reason of any injury to any person or property that might occur in, on or about the demised premises, except caused by the sole negligence of the State.

13. REPAIR AND MAINTENANCE:

- a) During the lease term, Lessee shall maintain the leased premises and appurtenances which it provides in good repair and tenantable condition, including, but not limited to, the maintenance and repair of the plumbing, heating, electrical, air conditioning and ventilating equipment and fixtures to the end that all such facilities are kept in good operating condition except in case of damage arising solely from a willful or negligent act of the State's agent or employee.
- b) Lessee's obligations shall also include, but are not limited to furnishing and replacing electrical light bulbs, fluorescent tubes, ballasts and starters, and air conditioning and ventilating equipment filters.

14. APPROPRIATIONS: All terms and conditions of this lease are made subject to the continued appropriations by the appropriate Legislative Body.

15. DESTRUCTION:

- a) If the leased premises are totally destroyed by fire or other casualty, this lease shall terminate. If such casualty shall render ten (10) percent or less of the space of the leased premises unusable for the purpose intended, Lessee shall, at its option and expense, have the option to continue the lease and effect restoration of the premises as quickly as is reasonably possible.
- b) In the event such casualty shall render more than ten (10) percent of such space unusable but not constitute total destruction, Lessee, at its option, may terminate this lease or, upon notice to State, may elect to undertake the repairs, at its expense.

16. SERVICES AND UTILITIES:

- a) The State shall furnish no services, utilities, or supplies to the Lessee during lease term.

17. **TIME OF THE ESSENCE:** Time is of the essence of this lease, and the terms and provisions of this lease shall extend to and be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns to the respective parties hereto.
18. **HOLDING OVER:** In the event the Lessee remains in possession of the premises after the expiration of the lease term, or any extension thereof, this lease shall be automatically extended on a month to month basis, subject to thirty (30) days termination by either party, and otherwise on the terms and conditions herein specified, so far as applicable.
19. **FINANCIAL INTEREST:** The State will provide or has provided to the Lessee a list of names and addresses of persons, associations, or corporations who hold any financial interest in the above leased property; such list shall be immediately revised in the event of a transfer of any such interest.
20. **CODES:** The Lessee shall maintain the leased premises in accordance with all fire, building and life safety codes and the Americans with Disabilities Act.
21. The State fully understands that this lease is not binding except and until all appropriate Lessee officials' signatures have been fully obtained, approval of this agreement has been given by the City Council, if applicable, and the fully executed document returned to the State.
22. Prior to the execution of this lease, the special provisions which are described below and/or attached hereto and incorporated by reference were agreed upon.

IN WITNESS WHEREOF, this lease has been executed by the parties hereto:

STATE

LESSEE

BY: _____
Institution Executive

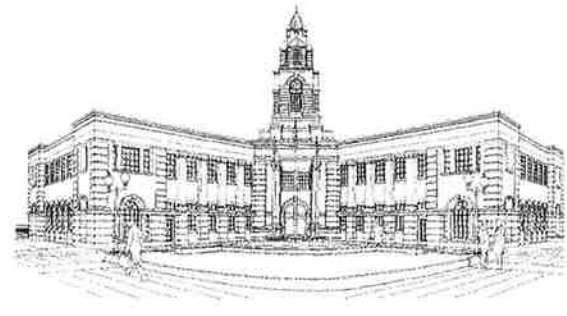
BY: _____

ITS: _____

BY: _____
System Executive

Morristown Police Department

ROGER OVERHOLT
Chief of Police



MEMORANDUM

TO: Mayor Chesney
City Council Members

FR: ^{RDO} Chief Roger D. Overholt

DATE: April 10, 2019

RE: Tennessee Highway Safety Office Grant

We would like to seek funding to continue our high visibility counter-alcohol saturation patrol program through the Tennessee Highway Safety Office. The current application is for 2020 fiscal year funding.

This is an overtime reimbursement project in the amount of \$15,000 with no matching funds required.

The Morristown Police Department has been awarded this grant for the past several years and this partnership has been successful for our city.

Thank you for your continuing support.

City of Morristown



Memorandum

Date: April 9, 2019
To: Mayor and City Council
From: Cindy Dobb, Deputy Clerk/Executive Assistant CD
Re: Appointment of Board/Commission Member(s)

The following Board/Commission Members terms will expire on May 1, 2019. This is a City Council appointment/reappointment and is to be considered at the April 16, 2019, council meeting.

Construction Board of Adjustments, Appeals, and Examiners

Terms Expiring: Robert T. Russell
Jim Clark
Joseph Wigington

These appointments are for a three (3) year term that will expire May 1, 2022.

The above listed members have been contacted by staff and are willing to serve another term.